



Planning for my business's continued growth and success

Financial strategies for business owners



EQUITABLE

Life Insurance: • Is Not a Deposit of Any Bank • Is Not FDIC Insured • Is Not Insured by Any Federal Government Agency
• Is Not Guaranteed by Any Bank or Savings Association • Variable Life Insurance May Go Down in Value

Strength and Stability

At Equitable, we put our experience to work to earn your trust. Our financial stability. Our innovative solutions. Our abiding commitment to know you and guide you. Wherever you are on your journey and whatever financial well-being means to you, we meet you where you are with advice and strategies tailored to you, continuing a tradition of service we've honored since 1859. Along the way, we've gained respect as one of America's leading financial services companies. And we've earned the trust of our clients and their families for generations.

Over **160** years and counting¹

More than **\$221** billion assets under management²

Over **2.7** million clients²

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¹ Since 1859, the history reference applies exclusively to Equitable Financial Life Insurance Company.

² As of March 2023. Inclusive of Equitable Financial Life Insurance Company and Equitable Financial Life Insurance Company of America.



**“Before anything else,
preparation is the key
to success.”**

— Alexander Graham Bell

Whether you’re in the start-up phase or own an established, prosperous enterprise, your business is most likely an important part of your life. That’s why you may need to think about what you can do to meet your needs today with the built-in flexibility to adapt to tomorrow.

An important part of any smart financial strategy, insurance not only protects your loved ones and your life’s work from uncertainties, but also helps in:

- Attracting and retaining employees to power your business throughout your lifetime and beyond.
- Enhancing your own planning and retirement with flexibility to access your money through loans and withdrawals.
- Letting your money work harder for you by minimizing taxes now and in the future.
- Protecting against the loss of a key employee.
- Securing a succession plan that provides for the future of your company.

Permanent life insurance is just that — permanent. It protects you, your family, and your business now and throughout your life — and is more affordable than you may think. Let us show you how.

**Live More.
Keep More.
Build More.**

A strong financial strategy

Permanent life insurance helps you:

Live More.

By protecting your business and your family now and throughout your life, while providing assurances your business will continue on your terms.

Keep More.

By helping you and your employees pay less in income taxes through tax-deferred growth and serving as a robust asset on your business's balance sheet.

Build More.

By offering more ways to invest in your business, provide benefits for your key employees and plan for your personal retirement.

Attract, retain and reward your best people

You may need extra incentives to attract and retain the best employees. That's because the best people are always in demand and are often approached by headhunters or competitors. Putting a strategy in place that includes targeted executive benefits can help your key people stay loyal to you and your company.

Reward key employees with executive benefits

You can selectively target owners, partners and key employees for additional rewards and incentives by using nonqualified executive benefit plans, including:

- Executive bonus plans
- Bonus and Tax Loan Plans®
- Cost-sharing through split-dollar life insurance plans
- Supplemental executive retirement plans
- Deferred compensation plans

Your financial professional can help you decide which type of plan might best fit your needs and those of your key employees, depending on what you're looking for: tax deductibility, choice of who receives the benefit and/or control over the plan.

The advantages of using life insurance for executive benefits

Permanent life insurance offers more ways to invest in your business and provide benefits for your key employees. In fact, it is one of the most effective ways to provide nonqualified executive benefits. That's because life insurance:

- Gives you the flexibility to meet the retirement goals of key executives, given contribution limits for traditional qualified plans.
- Provides benefits and incentives that go beyond traditional raises or bonuses for highly valued employees.
- Allows benefits or plan contributions to be designed for each key employee.

Plan for your personal retirement

At some point, you may want to retire and let someone else run the day-to-day operations of your business. You and your family will need income to pay your retirement expenses — and it may be more than you're allowed to save in qualified plans.

Design a personal retirement income strategy

Qualified retirement plans, such as IRAs and 401(k)s, are an excellent way to save for retirement. However, you may want to save more than contribution limits allow. And if you are highly compensated, you may also need additional life insurance protection for your family. Equitable can help you plan for the retirement you want by making sure you're saving enough and have enough protection so your family can replace your income if something happens to you.

Consider life insurance as a smart addition to your retirement plan

Additional retirement savings strategies, funded by life insurance, can help you accumulate the assets you need to retire comfortably, while protecting your family in case something should happen to you. Permanent life insurance offers several benefits:

- Tax-deferred accumulation, allowing you to reduce your tax exposure.
- Income tax-free distributions from the policy's cash value via loans or withdrawals, allowing you and your family to keep more of your money.
- A guaranteed tax-free payout to your loved ones upon your passing (known as a death benefit).
- A cost-effective way to insure two people, usually a married couple, to supplement your retirement income or maximize the legacy you both leave.

Note: Under current federal tax rules, you generally may take federal income tax-free withdrawals up to your basis (total premiums paid) in the policy or loans from a life insurance policy that is not a Modified Endowment Contract (MEC). Certain exceptions may apply for partial withdrawals during the policy's first 15 years. If the policy is a MEC, all distributions (withdrawals or loans) are taxed as ordinary income to the extent of gain in the policy, and may also be subject to an additional 10% premature distribution penalty prior to age 59½, unless certain exceptions are applicable. Loans and partial withdrawals will decrease the death benefit and cash value of your life insurance policy and may be subject to policy limitations and income tax. In addition, loans and partial withdrawals may cause certain policy benefits or riders to become unavailable and may increase the chance your policy may lapse. If the policy lapses, is surrendered or becomes a MEC, the loan balance at such time would generally be viewed as distributed and taxable under the general rules for distribution of policy cash values.

Protect against the loss of a key employee

In a closely held business, every employee counts, but some may be critical. Even with a small staff, there are probably one or two key people — the owner, founders or someone with a special expertise or client account, who are crucial to your business's success. You'll want to make sure you and your business are protected in case a key employee passes away unexpectedly.

One way to do this is to purchase life insurance on your key people. That way, you can feel confident you and your business will be protected, even if something happens to one of them.

Purchase key person protection

Key person insurance is simply life insurance on the most important person or people in your business — those who play a critical role in keeping your business running as it should. Your business purchases a life insurance policy on the key person, and if that person dies unexpectedly, the business receives the life insurance benefit. You can use that money for expenses until you can find a replacement or, if necessary, pay off debts, distribute money to investors, pay severance to employees and close down the business in an orderly manner.

The benefits of life insurance on a key person

Permanent life insurance provides one of the best ways to protect your business against the loss of a key employee. That's because life insurance:

- Provides the business with a cash benefit at the death of a covered key person.
- Gives the business access to policy cash surrender values that can serve as a robust asset on your balance sheet, making it easier to get loans to further expand the business.



Make sure your business will continue on your terms

You are the driving force behind your business. But, at some point, you may want someone else to take over. To ensure a smooth transition, it's wise to have a plan in place. This can help you continue the business on your terms if something unexpected happens or your situation changes.

For closely held or family businesses, a properly designed and funded buy-sell agreement can save time, hassle and money — and can allow you to choose a successor and turn your business interest into assets for your estate.



Determine the value of your business. Before you can protect or pass along the value of your business, you need to know how much it's worth. Equitable can work with you and your financial professional, and any professional business valuation firm you might engage, to determine a general value for your business for planning purposes. Depending on your goals, we can help you and your financial professional set up a long-term business continuation or succession strategy.



Set up a buy-sell agreement. A buy-sell agreement is a legally binding contract that establishes under what conditions, to whom and at what price an owner, partner or shareholder can or must sell his or her interest in the business. In a buy-sell agreement, you'll:

- Determine a funding source for the purchase of the ownership interest and payment terms.
- Define any restrictions, such as who can own the business or how to transfer or sell ownership shares.

A buy-sell agreement can help ensure everyone knows the rules and funds are available when they're needed.



The benefits of using life insurance to fund a buy-sell agreement. Permanent life insurance can protect your business and your family throughout your life, while providing assurance your business will continue on your terms. In fact, permanent life insurance is often the most efficient way to fund a buy-sell arrangement. That's because life insurance:

- Can deliver cash proceeds from the death benefit quickly, eliminating the need to set aside large reserves in liquid assets.
- Offers benefits that are often income and estate tax-free, giving your beneficiaries more assets to work with than taxable alternatives.

Helping you make smart choices for you and your business

Whatever your goals, our team of experts meets you where you are with strategies and products designed to give you peace of mind.

Work with a group who understands your needs

When you need innovative strategies based on current tax, legal, legislative and life insurance product developments, you can turn to our Advanced Markets consultants and attorneys.

- An average of more than 20 years of experience.
- Knowledge of all areas of the insurance industry.
- Provide compelling sales concepts and marketing materials supporting real-life strategies.

We can work with your CPA, attorney, qualified tax specialist or third-party administrator to make sure the design and administration of your strategies goes smoothly.

Access a full suite of products and generous underwriting

- Our life insurance products can meet a wide range of needs and are designed to build or show cash value on your business's books and records.
- We offer a range of riders so you can further tailor your life insurance policy to meet your specific needs, including protection for potential long-term care.
- We offer generous underwriting programs, including a guaranteed issue underwriting program designed to ease the administration on cases involving many lives.

Obtain the information you need

We can provide all the financial professionals or advisors you authorize with access to the financial reports and details they need.

- Plan and policy information is available on our secure website.
- Tax reports are also available for strategies involving compensation or imputed income.

We're committed to your business as if it were our own.

That's why we want to help you protect it and ensure its continued success.

By including life insurance in your overall business strategy, you can help ensure success and ongoing financial security. Work with your financial professional today to set your planning strategy in motion.

For more information, contact your financial professional or visit equitable.com today.

Life insurance products are issued by Equitable Financial Life Insurance Company (NY, NY) or Equitable Financial Life Insurance Company of America and co-distributed by affiliates Equitable Network, LLC (Equitable Network Insurance Agency of California in CA; Equitable Network Insurance Agency of Utah in UT; Equitable Network of Puerto Rico, Inc. in PR) and Equitable Distributors, LLC. For New York state-based (i.e., domiciled) Equitable Advisors Financial Professionals, life insurance products are issued by Equitable Financial Life Insurance Company (NY, NY). All companies are affiliated and directly or indirectly owned by Equitable Holdings, Inc., and do not provide tax or legal advice. You should consult with your tax and legal advisors regarding your particular circumstances.

A life insurance policy is backed solely by the claims-paying ability of the issuing life insurance company. It is not backed by the broker/dealer or insurance agency through which the life insurance policy is purchased or by any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing life insurance company.

Please be advised that this brochure is based on our general understanding of federal income tax rules for U.S. individuals and is not intended as legal or tax advice. Accordingly, any tax information provided in this brochure is not intended or written to be used, and cannot be used, by any taxpayer for the

purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or marketing of the transaction(s) or matter(s) addressed, and you should seek advice based on your particular circumstances from an independent tax advisor.

Borrowing funds to pay insurance premiums may only be completed with a properly licensed lending institution. Neither Equitable Financial, Equitable America nor its agents are licensed by any state to act as a lender. The life insurance purchase and the loan are separate and distinct transactions conducted by separate entities. A person may qualify for the loan but not the insurance and vice versa.

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