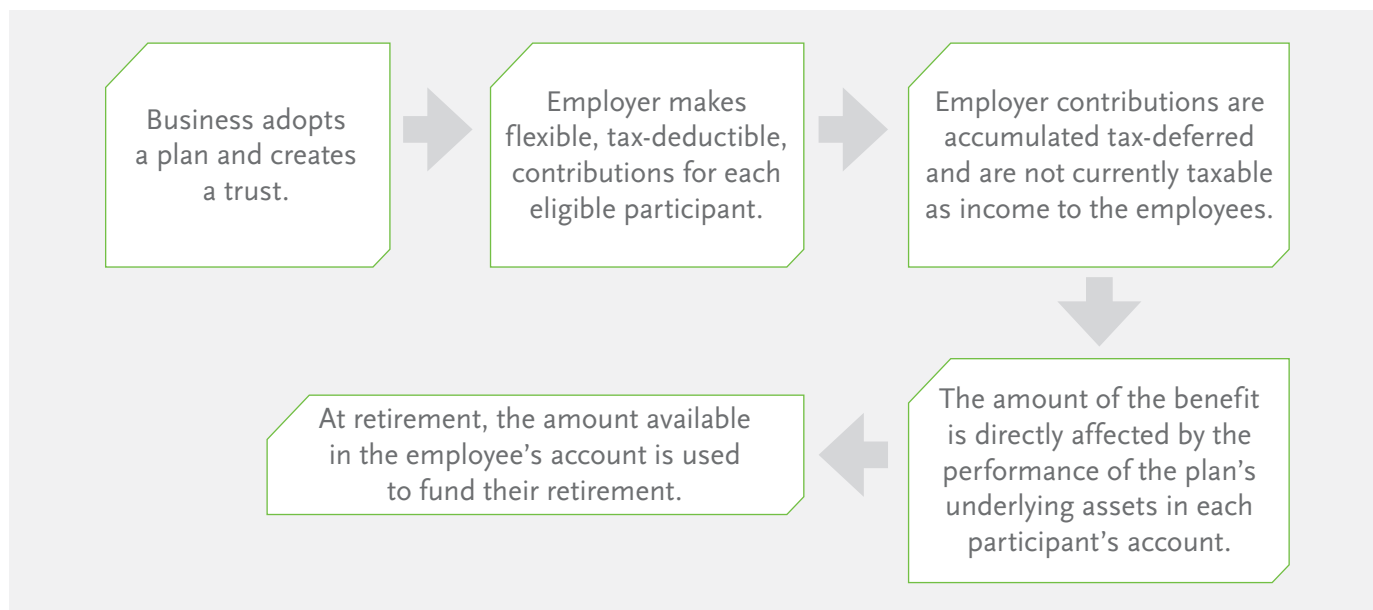


Profit Sharing Plans

Provides a strategy for businesses that want flexibility in choosing the amount they contribute each year.

The benefit of contribution flexibility and business tax deductions



The advantages of this strategy:

- A Profit Sharing plan allows you to change the plan contribution each year.
- Contributions are tax-deductible.
- You can establish “eligibility requirements” that employees must meet to receive a contribution.
- You can have full discretion in allocation of plan assets.
- The contributions you make on behalf of employees can be paid for with dollars that may otherwise have been paid in taxes.
- Plan assets are protected from creditors.
- Plan can be designed to favor select employees, including yourself.

If you're looking for a flexible way to attract and retain employees, but also benefit your future retirement in a tax-efficient way ...

A Profit Sharing plan may be the solution.

Which profit sharing plan is best for your business:

- Traditional Profit Sharing – Everyone receives the same percentage of pay as a contribution. This plan is appropriate if only owners of the business are eligible to participate.
- Integrated Profit Sharing – Those employees earning over the Social Security wage base (\$106,500) receive a higher percentage of the plan contribution than those earning under the SS wage base. This plan is appropriate if you are younger than most of your employees but you earn a higher salary.
- Age-Weighted Profit Sharing – The majority of the contribution goes to those older employees who are closer to retirement. This plan is appropriate if you are older than your employees or if you want to favor older, long-time employees.
- Cross-Tested Profit Sharing – Allows you to place employees in different 'groupings', allowing you to allocate a higher amount of the contribution to yourself and a lower amount to employees. This plan is appropriate if you are five to ten years older than the average age of your employees.

No matter which plan type is right for you, your contributions to a profit sharing plan are always an opportunity, not an obligation. You have the flexibility to choose how much to contribute each year.

A Profit Sharing plan may be funded with permanent life insurance. Why Include Life Insurance?

- Can complete retirement funding in the event of premature death. Beneficiary receives the death benefit along with the value in the Profit Sharing account.
- Premiums are paid with tax-deductible plan dollars
- Frees up personal dollars that would be used to purchase insurance outside the plan.
- Policy is portable. At termination or retirement, insurance coverage can be continued, eliminating need to convert to costly group insurance.

National Life Home Office: One National Life Drive, Montpelier, Vermont 05604 • (888) 297-3990 • www.nationallife.com.
LSW Home Office: 1300 West Mockingbird Lane, Dallas, Texas 75247 • (800) 579-2878 • www.lifeofsouthwest.com.

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