



Additional Features of Version 21.0 Documents On A Disk

Controlled Executive Bonus



This set provides the six documents needed to establish the powerful new variation of restricted Executed Bonus Plan called the Controlled Executive Bonus Plan. Coupled with a separate employment agreement in which the Executive agrees to reimburse the Employer if the Executive fails to remain employed for a specified number of years, it is a highly effective executive fringe benefit. Many believe it is superior to loan regime split dollar. Plus it has an Employer deduction on the front end.

InsMark cannot emphasize enough the value of this plan in another context. Assume the plan is offered to a top non-owner executive who declines to participate. The Employer can understandably infer that this executive is likely considering leaving the firm and take steps to shore up the relationship or begin planning for a possible replacement.

[Click here](#) for more on this feature as well as an example of the report page from the InsMark Illustration System outlining an example of an Executive's repayment obligations.

Addition to Business Buy-Sell Plans

Corporation Cross Purchase Buy-Sell With Insurance LLC (6 new documents).

Management Team Buy-Out With Insurance LLC (6 new documents).

S Corporation Cross Purchase Buy-Sell with Insurance LLC (6 new documents).

These new buy-sell document sets expand the buy-sell variations for different business entities by using a limited liability company (LLC) to own the life insurance used in the buy-sell arrangement.



There are now 40 different Business Buy-Sell Plans in DOD.

We promise you this: virtually no attorney in your community has anywhere near all of them in his or her legal library.

You can become a valuable resource to the attorneys in your community not just for Buy-Sell plans, but for all the resources of Documents On A Disk.

Think Hitchhiker!

Additional Multi-Life Benefit Plans



Multi-Life Controlled Executive Bonus (10 new documents)

This document set, in a multi-life format, provides the documents needed to establish a restricted executed bonus plan for multiple Executives coupled with a separate employment agreement in which each covered Executive agrees to reimburse the Employer if the Executive fails to remain employed for a specified number of years.

Multi-Life Leveraged Executive Bonus with Loan Regime Collateral Assignment Split Dollar to Pay Tax on the Bonus – Unrestricted Access – Tax Exempt Organization (12 new documents)

This document set provides a specimen bonus arrangement from a tax-exempt employer in conjunction with a loan regime split dollar arrangement to pay the employee's tax due on the bonus. The employee's access to the policy's cash value is unrestricted.

Multi-Life Leveraged Executive Bonus with Loan Regime Collateral Assignment Split Dollar to Pay Tax on the Bonus – Unrestricted Access – For-Profit Corporation (12 new documents)

This document set provides a specimen bonus arrangement from a tax-exempt employer in conjunction with a loan regime split dollar arrangement to pay the employee's tax due on the bonus. The employee's access to the policy's cash values is unrestricted.

Multi-Life Executive Trifecta for Key Executives and Directors (11 new documents)

This multi-life document set provides a triple benefit for Employers and Key Executives and Directors of a for-profit business: Key Person Insurance, Survivor Benefits, and a Deferred Bonus of the Policy at retirement.

Multi-Life Executive Trifecta® for Key Executives and Directors of Non-Profit Organization (11 new documents)

This multi-life document set provides a triple benefit for Employers and Key Executives and Directors of a non-profit organization: Key Person Insurance, Survivor Benefits, and a Deferred Bonus of the Policy at retirement.

Multi-life Executive Trifecta for S Corporation Shareholders, LLC Members, and Partners (10 new documents)

This multi-life document set provides a triple benefit for pass-through business entities: Key Person Insurance, Survivor Benefits, and a Deferred Distribution of the Policy at disability, sale of the business, or retirement.

Multi-Life Alternate Key Employee Insurance (Employee-Owned) (11 new documents)

The Alternate Key Employee Insurance technique is used instead of an employer-owned key employee policy. It typically involves business succession from parent-to-adult child(ren), deductible cost for the business by way of bonus funding, income for the surviving spouse, and tax free retirement cash flow by way of policy loans from the parent-owned policy. That's a mouthful, but it really works that way.

It is established by having a shareholder/executive own a policy on his/her life. The shareholder/executive pays premiums typically with monies bonused by the corporation (or perhaps using split dollar). The shareholder's spouse is named as beneficiary of the life insurance death proceeds.

At the shareholder/executive's death, the spouse collects the death proceeds and, using a demand loan at a fair market rate of interest, loans the money to the Corporation. The Corporation may assign corporate assets to secure the loan if the parties desire. The Corporation provides an income stream to the spouse by paying deductible interest to the spouse.

Liquidity for the Corporation, income to the spouse, and tax free cash flow from policy loans at retirement are all accomplished.

The alternative of corporate-owned life insurance, a common recommendation from many advisers, presents the following four problems:

1. Key executive life insurance premiums are not deductible as is a bonus;
2. The surviving spouse typically has income opportunities of only limited non-deductible dividends;
3. Any salary continuation paid to the shareholder-executive at retirement from an employer-owned policy is taxed as ordinary income and also likely subject to the new Net Investment Income Tax (NIIT) brought to us by Obamacare.
4. The corporate alternative minimum tax of 15% could be imposed on the policy death proceeds.

The Alternate Key Employee Insurance is a planning technique you may want to embrace when a family member is the likely future owner of a business.

Note: There are now 21 different Multi-Life Benefit Plans in the System.

[Additional Revocable Trusts](#)



Joint Revocable Trust with Qualified Terminable Interest Property (QTIP) (5 new documents)

This document set provides a specimen joint revocable trust for use by a married couple. It is accompanied by a Checklist, Summary Letter, Highlights of the Plan, and Technical Preface that discuss related conceptual and technical issues.

Addition to Other Trusts



Reverse GRAT (4 new documents)

This document set discusses how the grantor of a grantor retained annuity trust (GRAT) can, by using a nonqualified annuity interest, receive annuity payments from the GRAT and sell the remainder interest at full value, thus having both the income from the trust and the full value of the sale proceeds.

Additional Retirement Planning Documents



Roth Recharacterization Election (4 new documents)

This document set shows how to recharacterize a Roth IRA conversion back to a Traditional IRA during life or after death.

Additional Special Files



Grantor Trusts (revised). This document discusses advantages of using grantor trusts for estate planning. It also discusses the most common ways of creating a grantor trust.

Additional Client Letters



Basic Estate Planning Documents (3 new documents)

This letter gives a brief overview of basic estate planning documents, such as a will, revocable trust, durable power of attorney, living will, and advance directive. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss certain conceptual and technical aspects of helping a client to develop an estate plan.

Transferring Business Life Insurance (3 new documents)

This letter gives a brief overview of the tax and legal implications of transferring life insurance to and from a business. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss related conceptual and technical issues.

Hard-to-Value Gifts (3 new documents)

This letter gives a brief overview of how property can be gifted when there is not time to obtain a proper appraisal. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss related conceptual and technical issues.

IRA vs. Roth IRA (3 new documents)

This letter gives a brief overview of the relative advantages and disadvantages of a Traditional IRA and a Roth IRA. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss related conceptual and technical issues.

Revised Publications and Forms



Revisions were made to 20 documents in Publications and Forms for IRS Resources located in Estate Planning, Business Planning, and Life Insurance and Annuities document sets.

Important Note

This information is for educational purposes only. In all cases, the approval of a client's legal and tax advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.

IRS Circular 230 Disclosure

Any tax advice contained in this document (including any attachments or enclosures) was not intended, or written to be used, and cannot be used by you or any other person or entity for the purpose of avoiding penalties under the Internal Revenue Code.

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