

AES Leveraged Plan Implementation

3 Simple Steps To Implement The AES Leveraged Plan:

Step 1:

Your company enters into a financing arrangement where the loan is paid on a simple interest-only basis for 10, 15 or 20 years and may be renewable for longer periods.

Step 2:

Your company enters into an agreement with the participant. This agreement is designed so that the participant recognizes limited or no income upon receipt of the proceeds. Generally, taxes are paid when the Program ends and distributions begin, which the participant can anticipate and control.

Step 3:

The proceeds are placed in select insurance policies and/or annuity contracts with the participant as the owner. The insurance policies and/or annuity contracts are held as collateral for the loan created in Step 1.

- ✦ No personal guaranty is required for the loan.
- ✦ Commercial lending structure minimizes early term- out risk possibilities that can occur with Federal and state chartered banks under Evergreen rules.
- ✦ Plan Administration through the Leveraged Plan offers help to advisors of both the company and to the participants in booking the Program on corporate and personal tax returns for the life of the plan.
- ✦ Programs start as small as \$100,000.
- ✦ 10, 15, 20 year interest-only notes provide for consistent, persistent funding options.

- ✦ The Leveraged Plan is **NOT** a tax strategy. It is a tax-efficient way to move money from the company to the participant.
- ✦ Based on the company structure, it is possible for money to be moved without taxation pursuant to different sections of the Internal Revenue Code (IRC).
- ✦ The plan is selective and need **NOT** include all employees.

- ✦ Specially selected universal life and annuity contracts are utilized. Index accumulation products* are also available.
- ✦ The contract provides principal protection. All loan proceeds are placed with highly rated insurance carriers and, assuming loan program completion, there is no risk of principal loss.

**Gains are based on a guaranteed minimum floor or based on the performance of a stock market index.*

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