

MetLife ExecutiveCareSM



MetLife[®]

an executive
benefits program



MetLife ExecutiveCareSM

The Concern

Businesses today face a myriad of challenges on a daily basis — competition, business planning, staffing, productivity, cost containment, etc. Some of the biggest obstacles these businesses face are recruiting, developing and maintaining a nucleus of key executives who confront day-to-day business challenges and position the company for future success. Business owners can ill afford to spend years attracting and cultivating key employees only to lose them to an industry rival.



The Solution

One of the best ways to recruit and retain key employees is through a competitive compensation and benefits package. That's why it is critical for businesses to stay abreast of the latest developments in executive benefit programs. As a result of the trend towards increasing longevity in America, Long-Term Care Insurance has increasingly been viewed as an essential corporate benefit. Augmenting your existing executive benefit program with MetLife's ExecutiveCareSM Long-Term Care Insurance, an executive benefit program for employees and their spouses, may be essential to helping ensure that your key employees are with you for years to come. What's more, there can be considerable tax advantages¹ to your employees and to your company.



¹ Employers should consult with their own Tax/ERISA counsel to determine whether ERISA applies to their program and the insurance plan requirements under ERISA and the Internal Revenue Code. Employers should consult with their own Tax/ERISA counsel prior to purchase. The Internal Revenue Code imposes limitation on deduction of premiums paid under accelerated payment plans. Other limitations on deductibility of premiums paid may apply. Employers should consult their tax advisors about the tax implications of the program.

How our insurance plan benefits you



Benefits for the Employer

- Helps RECRUIT top talent by offering a sought-after executive benefit program.
- In general, the employer can decide which classes of employees it will benefit.
- The program can include owner-employees, spouses and dependents.
- ExecutiveCareSM may offer similar FAVORABLE TAX ADVANTAGES to both employers and employees as major medical insurance.¹
- May allow for a 100% DEDUCTION if the qualified Long-Term Care Insurance premiums are paid by the business for employees, their spouses and dependents.¹

• Not A Deposit Or Other Obligation Of Bank
• Not FDIC-Insured • Not Insured By Any Federal Government Agency • Not Issued, Guaranteed Or Underwritten By Bank Or FDIC • Not A Condition To The Provision Or Term Of Any Banking Service Or Activity • Policy Is An Obligation Of The Issuing Insurance Company

Benefits for the Employee

- Rewards and recognizes key executives for their hard work and dedication.
- Provides one of the most DESIRED BENEFITS for employees and their families.
- Premiums paid by the business generally do not count as income for the employee.¹
- Benefits received for long-term care services are GENERALLY excluded from taxable income.²
- Helps ease the financial and emotional strain of caring for a loved one.
- Offers employees a way to help prevent family and friends from the burden of their care should the need arise.

² The federal tax law limits the amount of per diem type benefits that may be excluded from taxable income under a qualified long-term care insurance policy.

How The MetLife ExecutiveCareSM Program Works

Why Extend The Program To Spouses?

Employers pay an increasingly steep price in lost productivity for employees who take time off from their jobs to care for elderly family members. Caregiving costs businesses billions of dollars annually due to:

- Costs of absenteeism
- Cost due to workday disruptions
- Costs associated with supervising employed caregivers
- Replacement costs for employees who quit

1. The employer selects the class of key employee(s) (e.g., all Vice Presidents) who will participate in the program and agrees to pay the premiums on their individual Long-Term Care Insurance policies. Even though the employer is paying the premiums, the employee is the owner of the policy.
2. The employer pays the premiums directly to the insurance company.
3. The corporation may be able to deduct premiums paid as a business expense.
4. Self-employed owners may deduct all or a portion of the premiums paid on their own behalf.¹





Long-Term Care Insurance (LTCI) Tax Benefit Summary*

| | C-Corporation | S-Corporation | Partnerships | Sole Proprietor |
|---|---|---|---|---|
| Business Tax Benefit | 100% of premium is deductible for employees, spouses, and dependents | 100% of total premiums paid for employees, spouses & dependents are deductible | 100% of premium is deductible for employees, spouses, and dependents | 100% of total premiums paid for employees, spouses & dependents are deductible |
| Personal Tax Benefit For Owner(s)³ | None | Owners of more than 2% can deduct 100% of “eligible” premiums paid for themselves, their spouses & dependents on their personal tax returns | Partners can deduct 100% of “eligible” premiums paid for themselves, spouses & dependents on their personal tax returns | The Owner can deduct 100% of “eligible” premiums paid for himself/herself, spouse & dependents on personal tax return |
| Income Tax on Employee Premiums Paid by Employer | Generally no income tax to employees | Generally no income tax to employees | Generally no income tax to employees | Generally no income tax to employees |
| Income Tax To Owners for Premiums | Generally no income tax to owners | Premiums paid on behalf of 2% or more owners, their spouses and dependents are treated as taxable income to the owners | Premiums paid on behalf of Partners, their spouses and dependents are treated as taxable income to the Partners | Generally no income tax to owner |
| Taxation Of Benefits Received | Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum | Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum | Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum | Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum |

* Employers should consult with their own tax and legal advisors. The IRS Tax Codes that reference this summary are as follows: 104(a)(3), 162(l), 213(d), 7702B(a), 7702B(a)(3), 7702B(d)(2), Rev. Proc. 2006-53

³ No deduction allowed on coverage for the owner, spouse or dependents if the owner is eligible to participate in any other employer subsidized (wholly or partially paid by an employer) plan including that of a spouse's employer.

Circular 230 Notice: The information contained in this brochure is not intended to (and cannot) be used by anyone to avoid IRS penalties. This brochure supports the promotion and marketing of this long term care insurance. You should seek advice based on your particular circumstances from an independent tax advisor.

Subject to state availability, Metropolitan Life Insurance Company ("MetLife") individual Long-Term Care ("LTC") Insurance coverage is offered by the following MetLife policies: LTC2-VAL, LTC2-IDEAL, LTC2-PREM, LTC2-FAC, and LTC2007. In some states, these identifiers may be followed by the state's 2-letter abbreviation; "ML" for Multi-Life; and/or "P" for Partnership policies.

MetLife's LTC Insurance policies are guaranteed renewable and, like most LTC insurance policies cannot be cancelled due to an increase in your age or a change in your health. Premium rates can be raised as the result of a rate increase made on a class-basis. Like most LTC Insurance policies, MetLife's policies contain certain exclusions, limitations, elimination periods, reductions of benefits and terms for keeping them in-force. Ask about complete costs and details.

MetLife[®]

Metropolitan Life Insurance Company
New York, NY 10166

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