

## Sample – Executive Benefit Spreadsheet

Hypothetical Benefit	Employee Compensation	Employer Contribution	Death	Disability	Termination	Retirement	Taxation
<b>Short-Term Incentive Payment (STIP)</b>	N/A	Percent of salary, based on work level and performance (½ personal and ½ corporate performance)	Final payment the following year based on earnings up to the date of death	Final payment the following year based on earnings up to the date of disability	Final payment the following year based on earnings up to the date of termination if worked through 12/31, or else forfeited	Final payment the following year based on earnings up to the date of retirement	Paid on an annualized cycle and taxed as ordinary income
<b>Long-Term Incentive Plan (LTIP)</b>	N/A	Bonus tied to share values. Each year share value (based on work), the plan is on a 3-year cycle. After 3 years, the value of the shares is paid out.	Participate fully in outstanding LTIPs; payable to estate on death	Participate fully in outstanding LTIPs; payable to estate on disability	Involuntary termination with a signed release allows participation in outstanding LTIP, otherwise, the bonus terminates	Participate fully in outstanding LTIPs; payment at the end of cycle, can be normal, unreduced, or reduced retirement	Paid in cash and taxed as ordinary income
<b>Restricted Stock Plan</b>	Shares equal to 2x salary on the grant date (example: 1/1/15) placed in a restricted stock account (3rd party) until exercise date. (12/31/15)	N/A	Immediately exercisable by heirs	Immediately exercisable	Shares are forfeited.	If normal retirement age (or Rule of 85) at retirement, shares vest on schedule.	Market value on exercise date taxed as ordinary income
<b>Share Bonus Plan</b>	5-25% of gross STIP on a pre-tax basis, purchases phantom shares, and phantom dividends reinvested	Phantom matching shares awarded in equal number to purchased phantom shares. During election period, phantom shares can be deferred to termination or on a 5-year vesting schedule with 20% per year becoming vested.	Payouts from 1 to 10 installments beginning the first January at least 1 year after termination, but no later than the January 5 years post termination. Payout is elected at the time of death by beneficiary.	Payouts from 1 to 10 installments beginning the first January at least 1 year after termination, but no later than the January 5 years post termination, elected at time of disability. Immediate vesting for permanent disability; scheduled for short-term disability.	With a signed release, payouts upon vesting, or else immediate payout of vested value.	Payouts from 1 to 10 installments beginning the first January at least 1 year after termination, but no later than the January 5 years post termination, elected at time of retirement. Immediate vesting.	Distributions taxed as ordinary income in year received.
<b>Employee Stock Purchase Plan (ESPP)</b>	Up to \$10,000 per year after-tax; shares purchased at 85% of value	N/A	Shares can be withdrawn.	Shares can be withdrawn.	Shares can be withdrawn.	Shares can be withdrawn.	Gain at disposition, part ordinary income and part capital gain

<b>Benefit</b>	<b>Employee Compensation</b>	<b>Employer Contribution</b>	<b>Death</b>	<b>Disability</b>	<b>Termination</b>	<b>Retirement</b>	<b>Taxation</b>
<b>Nonqualified Stock Options (NQSO)</b>	N/A	Annual grant made according to work level, vesting over 3 years. Shares must be exercised within 10 years of grant date.	Options immediately vest and can be exercised within 5 years (if < 10 years since grant)	Options vest on schedule and can be exercised within 5 years (if < 10 years since grant)	Must exercise within 90 days	Options vest on schedule and can be exercised within 5 years (if < 10 years since grant)	The difference between the market price and exercise price is ordinary income. The difference between the selling price and exercise price is capital gain.
<b>Deferred Compensation</b>	Allocated for salary, STIP, or LTIP, \$23k minimum (in \$3k increments or 100% STIP/LTIP payouts); monthly interest credited at composite yield of long-term corp. in Moody's.	N/A	Payment to designated beneficiary according to irrevocable election made at deferral; can defer for in-service withdrawal or to pay out at termination. Beneficiary designation is made on each deferral.	Does not affect previously made irrevocable elections	Start in January, the year following retirement based on the election made at deferral	Start in January, the year following retirement based on the election made at deferral	Funds deferred decreases taxable income in year deferred, increases ordinary income in year paid out. FICA taxes paid in year deferred.
<b>Savings (qualified)</b>	Up to 15% maximum (pre-tax or after-tax) of first \$200k; \$18k max pre-tax (\$6k additional if over age 50).	Dollar for dollar on first 4%, 50 cents on the dollar for next 2%; immediately vested	Balance paid to named beneficiary immediately (who is the spouse, unless this was waived); if spouse, he or she can elect to keep funds in the plan until participant would have been age 70½.	Contributions, match discontinued; balance stays in plan until termination.	Lump sum after a full year has elapsed since termination	Age 55, 1 year following retirement lump sum or 2-10 annual installments (elect in year of retirement); declining balance method	Taxed as ordinary income as paid out
<b>Pension (qualified)</b>	N/A	Year credited service X (1% of pay up to covered comp + 2% over); pay ave. high of 5 of last 10 (salary + STIP) with deferred comp subtracted	If married, 50% joint & survivor annuity or 50% of lump-sum value, otherwise, no value	Service credits continue to accrue until retirement.	Age 65 is normal retirement; if earlier benefit is received, it will be actuarially reduced.	Unreduced benefit if age 62 with 5 years of service or Rule of 85. 2.5% annual reduction age 55 to 62.	Taxed as ordinary income as paid out (annuity or lump sum)
<b>Pension Excess (nonqualified)</b>	N/A	Same as pension, but ignores \$200k limit, then pension benefit subtracted	If married, 50% joint & survivor annuity or 50% of lump-sum value, otherwise, no value	Service credits continue to accrue until retirement.	Lump sum paid immediately	Lump sum paid immediately	Taxed as ordinary income as paid out

