

Comparison of Buy-Sell Strategies

	Entity purchase	Cross-purchase	Wait & see	Partnership
Owner of life insurance	Business is the owner and beneficiary of the policies	Business owners are the owners and beneficiaries of policies on each other	Business owners are the owners and beneficiaries of the policies on each other	Partnership is owner and beneficiary of the policies
Cost of life insurance	Spread among the owners proportionate to ownership	Cost of insurance is higher for younger owners who own policies on older owners	Cost of insurance is higher for younger owners who own policies on older owners	Cost of insurance may be allocated as desired
Cash value of life insurance	Policy cash values are a business asset subject to the claims of the business' creditors	Policy cash values are an asset of individual business owners and subject to the claims of their individual creditors	Policy cash values are an asset of individual business owners and subject to the claims of their individual creditors	Policy cash values are owned by the partnership and subject to the claims of creditors of the individual owners only to the extent of their interest in the partnership
Number of policies	One policy per owner	Number of policies needed escalates rapidly when more than 2 owners are involved. Formula is $N \times (N - 1)$ where N = number of owners.	Number of policies needed escalates rapidly when more than 2 owners are involved. Formula is $N \times (N - 1)$ where N = number of owners.	One policy per owner
Change in ownership interests	Results in a uniform increase in the ownership interests of the remaining owners	Permits owners to achieve the ownership percentages desired	Permits owners to achieve the ownership percentages desired	Permits owners to achieve the ownership percentages desired
Tax basis changes	Surviving owners' basis is not changed	Surviving owners receive a larger tax basis in their ownership interest	Surviving owners receive a larger tax basis in their ownership interest	Surviving owners receive a larger tax basis in their ownership interest



For more information: Call **866.464.7355**.

Log in to Voya® for Professionals at voyaprofessionals.com

Life insurance products are issued by ReliaStar Life Insurance Company of New York (Woodbury, NY) and Security Life of Denver Insurance Company (Denver, CO). Within the state of New York, only ReliaStar Life Insurance Company of New York is admitted and its products issued. Both are members of the Voya® family of companies.

The Voya Life Companies and their agents and representatives do not give tax or legal advice. This information is general in nature and not comprehensive, the applicable laws change frequently and the strategies suggested may not be suitable for everyone. Clients should seek advice from their tax and legal advisors regarding their individual situation.

These materials are not intended to and cannot be used to avoid tax penalties, and were prepared to support the promotion or marketing of the matter addressed in this document. The taxpayer should seek advice from an independent tax advisor.

Any death benefit received by an employer policy owner may be subject to income tax unless the parties have complied with IRC 101(j).

For agent use only. Not for public distribution. ©2018 Voya Services Company. All rights reserved. CN0627-43144-0720

133224 07/16/2018

PLAN | INVEST | PROTECT

Voya.com

