

Restricted Executive Bonus Arrangement (REBA)

CONCEPT APPLIED:

A Restricted Executive Bonus Arrangement (REBA) is an attractive benefit that combines a tax-deductible bonus with a restrictive endorsement on a personal life insurance policy. It is straightforward, simple to implement, and easy to administer.

HOW IT WORKS:

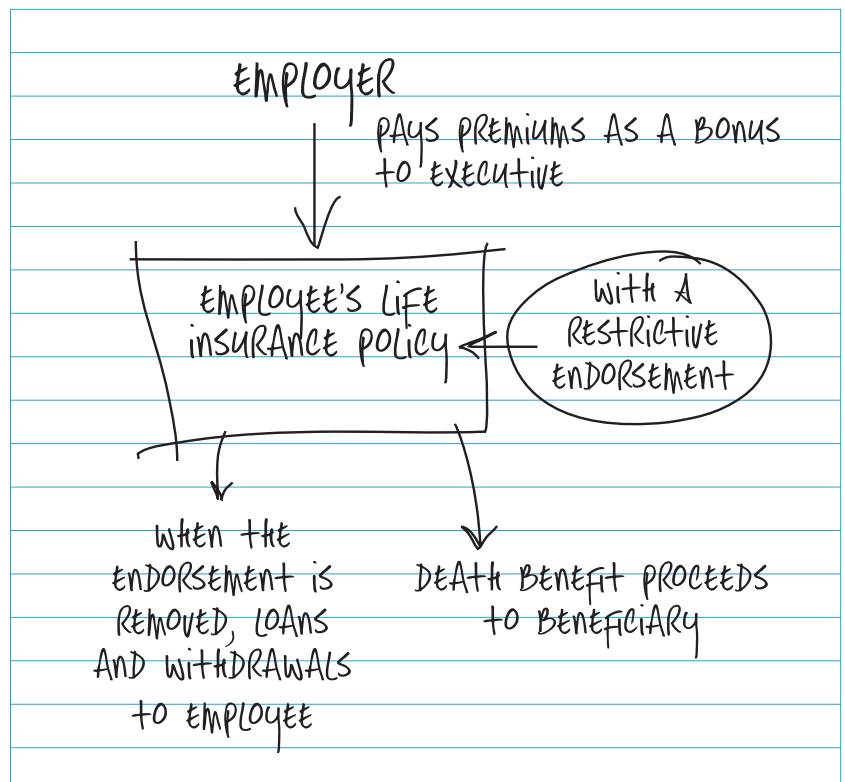
- Business owners choose the executive they wish to reward.
- The executive applies for and owns a personal life insurance policy with a restrictive endorsement that limits access to cash values until the executive fully vests in the policy and the restriction period ends.
- The employer agrees to pay premiums as a bonus during the executive's continued employment.
- The employer uses fully deductible bonus payments to pay premiums.

WHY IS IT USEFUL?

A REBA helps business owners recruit and retain key employees using a tax-deductible bonus arrangement. The executive benefits from needed personal life insurance, tax-deferred growth of policy values, and at the end of the specified employment period, cash values can be accessed using tax-free loans and withdrawals.

50 WORDS OR LESS

An employer uses a REBA to provide personal life insurance protection. The employer agrees to pay premiums and the executive agrees to continue employment for a specified period, during which access to the policy is restricted.



hightoweradvisors.com

**200 W Madison, 25th Floor
Chicago, IL 60606
(312) 962-3800**

**300 Madison Ave, 29th Floor
New York, NY 10017
(917) 286-2717**

**405 Lexington Ave, 42nd Floor
New York, NY 10174
(917) 286-2706**

Copyright© 2025, PGI Partners, Inc. ("PGI"), 921 East 86th Street, Suite 100, Indianapolis, Indiana 46240. All rights reserved. PGI provides this information as accurate and authoritative with regard to the subject matter covered as of the date of creation. However, the accuracy of the information cannot be guaranteed since laws and interpretations change. This information herein is not legal, accounting, financial or tax advice. If legal accounting, financial or tax advice, or other expert assistance is required, the services of a competent professional should be sought. PGI is not liable for any loss or damage caused, or alleged to have been caused, by the use of or reliance upon this service.

This information is presented as general information to clients and prospective clients of Hightower and its advisor practices, per their request or at the suggestion of a Financial Adviser. This document was created for informational purposes only and the opinions expressed are solely those of the team and do not necessarily represent those of Hightower Advisors, LLC, or any of its affiliates. This document and its contents are directed to the specific recipient to whom it was addressed and may not be forwarded, copied or relied upon by any other party without Hightower's written consent. Hightower's Advisor Practices are comprised of investment professionals registered with Hightower Advisors, LLC an SEC registered investment Advisor.

All information and data referenced herein are from sources believed to be reliable. Any opinions, news, research, analyses, prices, or other information contained in this general informational article is provided as general commentary and does not constitute investment advice. Hightower shall not in any way be liable for claims, and make no expressed or implied representations or warranties as to the accuracy or completeness of the information or data, or for statements or errors contained in or omissions from the obtained data and information referenced herein. The data and information are provided as of the date referenced and such data and information are subject to change without notice.

Hightower Advisors, LLC, a registered investment advisor with the SEC. Hightower Advisors is affiliated with Hightower Securities, LLC, which is a member FINRA and SIPC. Securities are offered through Hightower Securities, LLC; advisory services are offered through Hightower Advisors, LLC. No offer of any securities is made by this general information article.

Services provided by Hightower Trust Company. Trust and agency services are provided by Hightower Trust Company, National Association ("Hightower Trust Company, NA"). Retirement Plan Services are offered by Trust Company of Illinois, chartered by the Illinois Department of Financial and Professional Regulation. Hightower Trust Company, NA is a wholly owned subsidiary of Hightower Holding, LLC, and an affiliate of Hightower Securities, LLC, Member FINRA/SIPC, and Hightower Advisors, LLC ("Adviser"), an SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. Hightower Trust Company, NA delegates investment management authority to the Adviser. The Adviser receives an investment management fee that is part of the overall trustee fee that is charged by Hightower Trust Company, NA. All securities transactions are processed through registered brokers that are monitored by Hightower Trust Company, NA. Although not a material consideration, the Adviser may consider certain support services or products it receives from custodians (e.g. at a reduced or no additional cost) which assist Adviser in monitoring and/or servicing client accounts, in recommending a custodial platform to clients. Hightower Trust Company, NA, relies on Adviser for several administrative services and Adviser is reimbursed for actual costs and for services. This material is not intended or written to provide and should not be relied upon or used as a substitute for tax or legal advice. The information contained herein does not consider an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change. Clients are urged to consult their tax or legal adviser for related questions.