

**"SECTION 162 BONUS PLAN"
INSURANCE INFORMATION**

and

SUGGESTED ACCOUNTING ENTRIES

Prepared 02/21/2024
for

Sample Client

Executive Bonus Plan

For the Period: 01/01/2024 through 12/31/2024

Prepared
by

The Pangburn Group

P.O. Box 900

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EMPLOYER: Sample Client
PLAN: Executive Bonus Plan
REPORT: Suggested General Ledger Accounting Entries
PERIOD: 01/01/2024 through 12/31/2024

| | | |
|----------------------|-----------|-----------|
| COMPENSATION EXPENSE | 10,963.46 | |
| CASH | | 10,963.46 |

NOTE: To record the payment of bonuses and/or premiums to or for insureds as part of a "Section 162 Bonus" arrangement.

| |
|--|
| ACTION REQUIRED: (1) POST ENTRIES TO THE GENERAL LEDGER. (2) SEE INDIVIDUAL BONUS SCHEDULE FOR ENTRIES FOR EACH INSURED. |
|--|

EMPLOYER: Sample Client
 PLAN: Executive Bonus Plan
 REPORT: Individual Bonus Schedule
 PERIOD: 01/01/2024 through 12/31/2024

| | (CR) | (DR) |
|-----------------------------------|------------------|---------------------------------|
| <u>Insured/ Policy Number</u> | <u>Cash</u> | <u>Compensation Expense</u> |
| Executive, 1 | | |
| 18114654 | 1,741.00 | 1,741.00 |
| Bonus Paid to Employee | 574.53 | 574.53 |
| Executive, 2 | | |
| 18114658 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | 1,109.73 | 1,109.73 |
| Executive, 3 | | |
| 18114651 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | 1,036.00 | 1,036.00 |
| Subtotal: | 10,963.46 | 10,963.46 |
| Total: | 10,963.46 | 10,963.46 |

EMPLOYER: Sample Client

REPORT: Plan Design Assumptions

PERIOD: 01/01/2024 through 12/31/2024

Address:

Business Type: Regular 'C' Corporation

Plan Name: Executive Bonus Plan

Effective Date: January 01, 2008

Fiscal Year End: December 31

Employer Tax Rate: 21.00%

Prepared By: The Pangburn Group
P.O. Box 900
301 Major Parkway
New Roads, LA 70760-0900

EMPLOYER: Sample Client
PLAN: Executive Bonus Plan
REPORT: Policy Premium Payments
PERIOD: 01/01/2024 through 12/31/2024

| <u>Insured Name</u> | <u>Policy Number</u> | <u>Current Period Premium Paid</u> | <u>Aggregate Premium Paid</u> |
|---------------------|----------------------|--|-----------------------------------|
| Executive, 1 | 18114654 | 1,741.00 | 29,597.00 |
| Executive, 2 | 18114658 | 3,362.81 | 57,167.77 |
| Executive, 3 | 18114651 | 3,139.39 | 53,226.24 |
| Total: | | 8,243.20 | 139,991.01 |

NOTE: Aggregate Premium Paid represents the aggregate premium paid by the policyholder received by the Insurance Carrier and/or a prior Insurance Carrier if the policy was 1035 exchanged. Aggregate Premium Paid amounts do not include amounts paid to a prior Insurance Carrier if the current policy was the result of a multi-policy exchange. Aggregate Premium Paid amounts are based on The Pangburn Group records. It is the policyholders responsibility to maintain accurate records of policy premium.

EMPLOYER: Sample Client
 PLAN: Executive Bonus Plan
 REPORT: Net Effect on Earnings

| <u>Period</u> | | <u>Employer</u> | | <u>Taxes</u> | <u>Net</u> |
|--------------------------|------------|---------------------|-----------------------------|-----------------------------------|---------------------------|
| <u>From</u> | <u>To</u> | <u>Paid Premium</u> | <u>Compensation Expense</u> | <u>Saved On Premiums Or Bonus</u> | <u>Effect On Earnings</u> |
| 01/01/2008 | 12/31/2013 | 69,042 | 69,042 | 27,617 | 41,425 |
| 01/01/2014 | 12/31/2014 | 11,540 | 11,540 | 4,616 | 6,924 |
| 01/01/2015 | 12/31/2015 | 11,540 | 11,540 | 4,616 | 6,924 |
| 01/01/2016 | 12/31/2016 | 11,540 | 11,540 | 4,616 | 6,924 |
| 01/01/2017 | 12/31/2017 | 11,540 | 11,540 | 4,616 | 6,924 |
| 01/01/2018 | 12/31/2018 | 9,974 | 9,974 | 2,095 | 7,880 |
| 01/01/2019 | 12/31/2019 | 9,974 | 9,974 | 2,095 | 7,880 |
| 01/01/2020 | 12/31/2020 | 10,963 | 10,963 | 2,302 | 8,661 |
| 01/01/2021 | 12/31/2021 | 10,963 | 10,963 | 2,302 | 8,661 |
| 01/01/2022 | 12/31/2022 | 10,963 | 10,963 | 2,302 | 8,661 |
| 01/01/2023 | 12/31/2023 | 10,963 | 10,963 | 2,302 | 8,661 |
| 01/01/2024 | 12/31/2024 | 10,963 | 10,963 | 2,302 | 8,661 |
| Total @ 12/31/24: | | 189,970 | 189,970 | 61,782 | 128,187 |

EMPLOYER: Sample Client
 PLAN: Executive Bonus Plan
 REPORT: Historical Accounting Entries

| <u>Period</u> | | (CR) | (DR) |
|--|------------|------------------|-----------------------------|
| <u>From</u> | <u>To</u> | <u>Cash</u> | <u>Compensation Expense</u> |
| Insured: Executive, 1 | | | |
| Policy Number: 18114654 | | | |
| 01/01/2008 | 12/31/2013 | 10,446.00 | 10,446.00 |
| <i>162 bonus arrangement effective 01/01/2008.</i> | | | |
| Bonus Paid to Employee | | | |
| 01/01/2014 | 12/31/2014 | 4,178.40 | 4,178.40 |
| Bonus Paid to Employee | | | |
| 01/01/2015 | 12/31/2015 | 1,741.00 | 1,741.00 |
| Bonus Paid to Employee | | | |
| 01/01/2016 | 12/31/2016 | 696.40 | 696.40 |
| Bonus Paid to Employee | | | |
| 01/01/2017 | 12/31/2017 | 1,741.00 | 1,741.00 |
| Bonus Paid to Employee | | | |
| 01/01/2018 | 12/31/2018 | 696.40 | 696.40 |
| Bonus Paid to Employee | | | |
| 01/01/2019 | 12/31/2019 | 1,741.00 | 1,741.00 |
| Bonus Paid to Employee | | | |
| 01/01/2020 | 12/31/2020 | 365.61 | 365.61 |
| Bonus Paid to Employee | | | |
| 01/01/2021 | 12/31/2021 | 1,741.00 | 1,741.00 |
| Bonus Paid to Employee | | | |
| 01/01/2022 | 12/31/2022 | 574.53 | 574.53 |
| Bonus Paid to Employee | | | |
| 01/01/2023 | 12/31/2023 | 1,741.00 | 1,741.00 |
| Bonus Paid to Employee | | | |
| Total for insured: | | 37,849.34 | 37,849.34 |
| Insured: Executive, 2 | | | |
| Policy Number: 18114658 | | | |
| 01/01/2008 | 12/31/2013 | 20,176.86 | 20,176.86 |
| <i>162 bonus arrangement effective 01/01/2008.</i> | | | |
| Bonus Paid to Employee | | | |
| 01/01/2014 | 12/31/2014 | 8,070.74 | 8,070.74 |
| Bonus Paid to Employee | | | |
| 01/01/2015 | 12/31/2015 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | | | |
| 01/01/2016 | 12/31/2016 | 1,345.12 | 1,345.12 |
| Bonus Paid to Employee | | | |
| 01/01/2017 | 12/31/2017 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | | | |
| 01/01/2018 | 12/31/2018 | 1,345.12 | 1,345.12 |
| Bonus Paid to Employee | | | |
| 01/01/2019 | 12/31/2019 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | | | |
| 01/01/2020 | 12/31/2020 | 706.19 | 706.19 |
| Bonus Paid to Employee | | | |
| 01/01/2020 | 12/31/2020 | 3,362.81 | 3,362.81 |

EMPLOYER: Sample Client
 PLAN: Executive Bonus Plan
 REPORT: Historical Accounting Entries

| Period | | (CR) | (DR) |
|--|------------|-------------------|----------------------|
| From | To | Cash | Compensation Expense |
| Bonus Paid to Employee | | 1,109.73 | 1,109.73 |
| 01/01/2021 | 12/31/2021 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | | 1,109.73 | 1,109.73 |
| 01/01/2022 | 12/31/2022 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | | 1,109.73 | 1,109.73 |
| 01/01/2023 | 12/31/2023 | 3,362.81 | 3,362.81 |
| Bonus Paid to Employee | | 1,109.73 | 1,109.73 |
| Total for insured: | | 73,107.49 | 73,107.49 |
| Insured: Executive, 3 | | | |
| Policy Number: 18114651 | | | |
| 01/01/2008 | 12/31/2013 | 18,692.95 | 18,692.95 |
| <i>162 bonus arrangement effective 01/01/2008.</i> | | | |
| Bonus Paid to Employee | | 7,477.18 | 7,477.18 |
| 01/01/2014 | 12/31/2014 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,255.76 | 1,255.76 |
| 01/01/2015 | 12/31/2015 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,255.76 | 1,255.76 |
| 01/01/2016 | 12/31/2016 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,255.76 | 1,255.76 |
| 01/01/2017 | 12/31/2017 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,255.76 | 1,255.76 |
| 01/01/2018 | 12/31/2018 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 659.27 | 659.27 |
| 01/01/2019 | 12/31/2019 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 659.27 | 659.27 |
| 01/01/2020 | 12/31/2020 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,036.00 | 1,036.00 |
| 01/01/2021 | 12/31/2021 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,036.00 | 1,036.00 |
| 01/01/2022 | 12/31/2022 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,036.00 | 1,036.00 |
| 01/01/2023 | 12/31/2023 | 3,139.39 | 3,139.39 |
| Bonus Paid to Employee | | 1,036.00 | 1,036.00 |
| Total for insured: | | 68,049.59 | 68,049.59 |
| Subtotal: | | 179,006.42 | 179,006.42 |
| Total @ 12/31/2023: | | 179,006.42 | 179,006.42 |