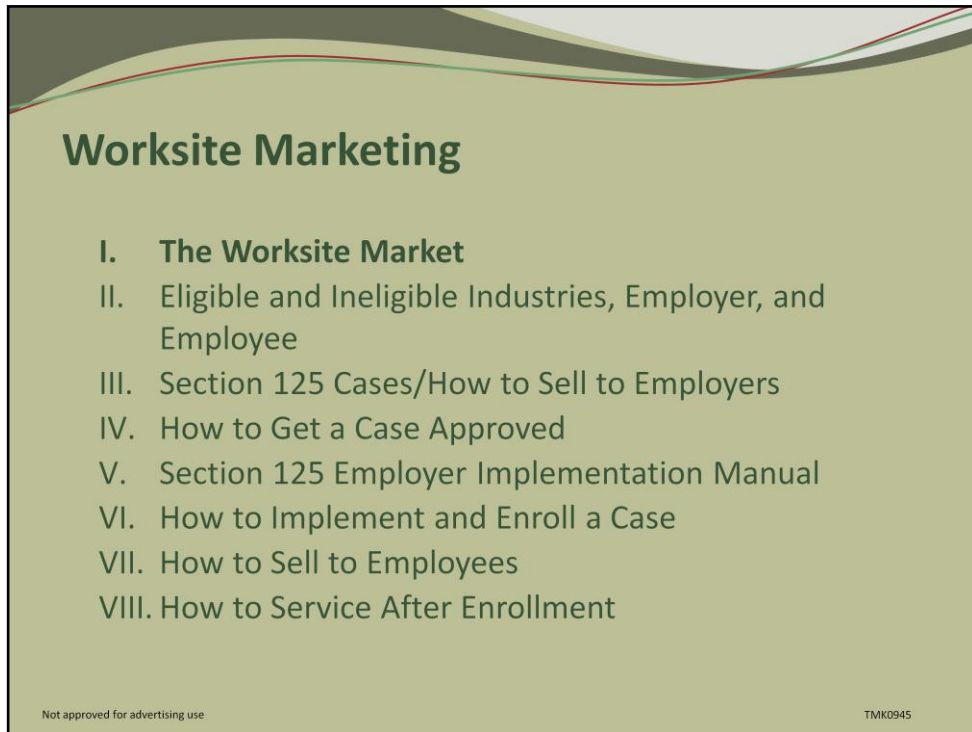




Welcome to Training! Today you're going to learn about Worksite Marketing.

A PowerPoint slide with a light green background and a decorative wavy border at the top. The title "Worksite Marketing" is in a bold, dark green font. Below it is a numbered list of eight items. At the bottom left, there is a small disclaimer, and at the bottom right, there is a small alphanumeric code.

Worksite Marketing

- I. **The Worksite Market**
- II. Eligible and Ineligible Industries, Employer, and Employee
- III. Section 125 Cases/How to Sell to Employers
- IV. How to Get a Case Approved
- V. Section 125 Employer Implementation Manual
- VI. How to Implement and Enroll a Case
- VII. How to Sell to Employees
- VIII. How to Service After Enrollment

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This Agent Training PowerPoint provides information about Worksite Marketing. Remember, this material is for training and has not been filed or approved as advertising. It should not be used as a sales tool.

The Worksite Market

- Marketing and sale of voluntary benefits to individual employees in a workplace setting



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Worksite marketing is the marketing and sale of voluntary benefits to individual employees within a workplace setting. Voluntary benefit premiums are paid via payroll deduction at no cost to the employer.

Rapidly Growing Voluntary Market

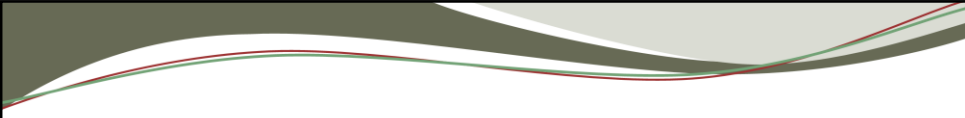
- Employers are looking for ways to cut costs but still provide insurance coverage to employees



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The market for voluntary benefits is rapidly growing as employers are looking for ways to scale back on employee benefit costs while still providing employees access to insurance coverage.



The Worksite Market

Why do employees prefer buying insurance at the workplace?

- Unbiased information in a low-pressure environment
- Trust factor
- Convenience of payroll deduction

Source: LIMRA 2011

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Employees like purchasing insurance in the workplace for many reasons. They feel as though they are getting unbiased information in familiar surroundings. Their employer has allowed the company to enter the business, so there is a pre-established trust factor. And the convenience of payroll deduction means one less bill for employees to pay in their after-work hours.

Core Benefits vs. Voluntary Benefits



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In order to understand Worksite marketing, the Agent must first understand the difference between core benefits and voluntary benefits.

Core Benefits

- Group products to which the employer makes a contribution
- Not portable



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The image shows three business professionals in an office setting. A man with curly hair is sitting on a desk, wearing a light pink shirt and grey trousers. A man in a patterned shirt is standing behind him with his hand on his shoulder. A woman in a white blazer and tan skirt is standing next to the desk, wearing brown boots. The office has shelves with binders and papers in the background.

Core benefits are products to which the employer makes a contribution. Core benefits are not portable, meaning the benefits are tied to the position of employment.

Voluntary Benefits

- Individual products the employer makes NO contribution
- Portable



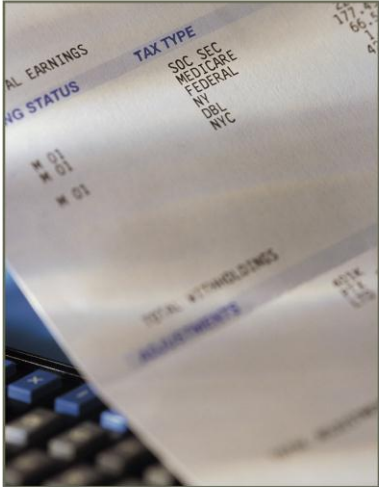
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Voluntary benefits, on the other hand, are individual products to which the employer makes no contribution. As such, voluntary benefits are portable in most cases, meaning the benefits stay intact whether the insured changes jobs or moves.

Types of Worksite Cases

- **Section 125:** premiums paid by payroll deduction on a pretax basis. Every Worksite case should be Section 125
- **Amended Section 125:** adds products to an employer's existing Section 125 that don't duplicate like coverages
- **Standard Payroll Deduction:** premiums paid by payroll deduction but paid for with after-tax dollars



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There are two types of Worksite cases that we will discuss in detail throughout this training.

In a Section 125 case, premiums are paid by payroll deduction with pretax dollars. We strive to make every worksite case a Section 125 because the tax savings for employers and employees aid the persistency of the business.

With Amended Section 125 cases, the employer has an existing Section 125 case and we are only adding additional products.

Payroll deduction cases allow premiums to be paid by payroll deduction, but the premiums are paid with after-tax dollars. This reduces the perceived value to the employers and employees because they are not receiving tax savings.

The Liberty Worksite Advantage Program

Affordable solution!



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The Liberty National voluntary benefits program provides an affordable solution by offering basic life and health policies with outstanding features, such as:

Our Outstanding Features

- Convenience of Payroll Deduction
- Freedom of Choice
- Portability
- Dependent/spouse coverage is available



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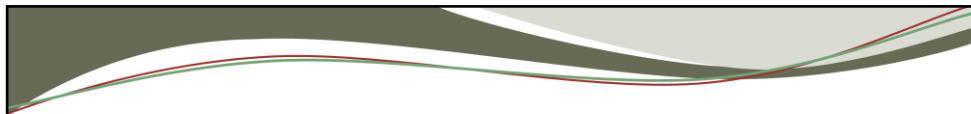
Convenience of Payroll Deduction: Premiums are paid via payroll deduction so employees never have to worry about sending a check.

Freedom of Choice:

Individuals can visit any doctor or hospital they want. There are no restrictions or networks to consider.

Portability: Coverage is not tied to an employer. If an employee changes jobs, coverage can be maintained in most cases. Dental coverage is the only product in our Worksite portfolio that cannot be continued if the insured changes employers.

Dependent/spouse coverage is available.



ERISA

Employee Retirement Income Security Act


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Since the basic supplemental health plans we offer are individual hospital indemnity plans, they fall under the governance of the Employee Retirement Income Security Act, or ERISA.

ERISA Requirements for Voluntary Benefits

- No employer or employee organization contributions
- Participation is voluntary
- Employer's role is to permit insurer to publicize, collect premiums, and remit payments
- Employer or employee organization receives no consideration in the form of cash



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ERISA requirements create a 'safe haven' for voluntary benefits:

No contributions are made by an employer or employee organization.

Participation is completely voluntary for employees or members.

The sole functions of the employer or employee organization with respect to voluntary benefits are, without endorsing the program, to permit the insurer to publicize the program to employees or members, collect premiums through payroll deductions or dues check-offs, and remit premium payments to the insurer.

The employer or employee organization receives no consideration in the form of cash or otherwise in connection with the program.



Our Worksite Products

- **LNL Group Term Life Insurance**
- **LNL Whole Life Insurance** for employee, spouse, and dependents (CareerLife Plus only)
- **LNL Supplemental Health** - Cancer, Hospital Intensive Care, Critical Illness, Accident Protector Max, \$3,000 Accidental Death (ADP), Accident Policy (ACB), and Hospital Income policies
- **Group Dental Coverage**
- **Group Vision Coverage**

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Our portfolio of Voluntary Benefits includes these products. You can train on these products in separate Agent Training PowerPoints.



Check the Website

Some plans are not available in all states. Refer to the product availability chart on the Agent Services website under 'Online Forms' for worksite state approvals on any product

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Please check the availability of Worksite products in your state.

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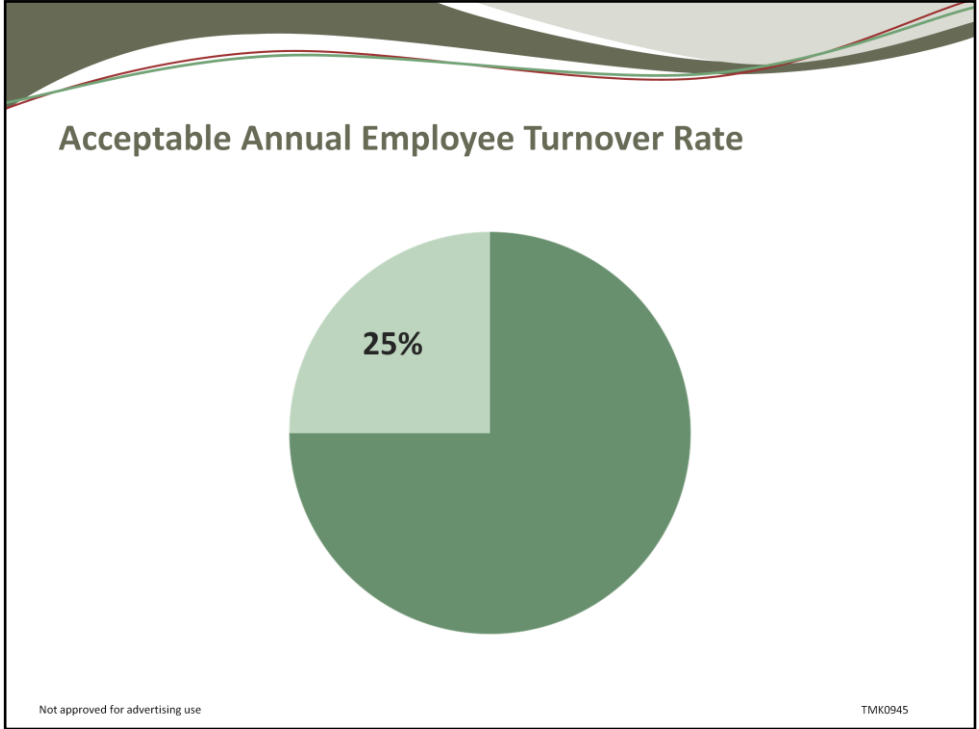
Qualified Participants

Industry	Employer	Employee
		

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Each industry, employer, and employee must meet certain criteria in order to qualify for our voluntary benefits program.



To be eligible for Worksite benefits, an employer must have an annual turnover rate of 25 percent or less.



Industries

- Amusement Parks
- Daycares
- Bars, Dance Halls, Taverns, Lounges and Nightclubs
- Bowling Alleys
- Bus Charter Services
- Convenience Stores
- Explosives and Heavy Acid (Manufacturing and Handling)
- Fast Food Restaurants and Chains (drive-through/order at counter)
- Leased Employees
- Leasing Companies
- Liquor Stores
- Parking Lots
- Pawn Shops
- Pool Rooms and Shoe Shine Parlors
- Taxicab Companies
- Tattoo Parlors
- Used Car Dealerships
- Junk Dealers

This list available in the Worksite Advantage Agent Guide (R-3631)

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Because of this criteria, certain types of industries are NOT eligible and will not be considered. These ineligible industries experience adverse employee turnover.

Check to see which industries are ineligible in the Worksite Advantage Agent Guide, form R-3631.

Approval-Required Industries

Written approval is required

Call the Home Office Worksite
Department at:
888-488-0134



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There is another group of industries, called Approval-Required Industries, that can be written, but require approval. Without express written approval from the Home Office Worksite Department, the case will be automatically rejected.



Requirements for Approval-Required Industries

- Minimum length of employment one year, without interruption
- Established as a Section 125 case

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To be considered, any industry on the Approval-Required Industries list must:

- Have the minimum length of employment raised from six months to at least one year, without interruption
- Be established as a Section 125 case



These Industries Require Approval

- Auto Dealerships (new)
- Auto Wreckers/Paint and Body Shops and Garages
- Barbershops and Beauty Parlors
- Commercial Fisherman, Crop Pickers, and Farm Labor (Seasonal Employees)
- Daycare Centers
- Flight Personnel
- Gambling Houses
- Hotels/Motels
- Janitorial Services
- Laundries and Dry Cleaners
- Logging, Saw Mill and Lumberyard Operations
- Movie Theaters
- Nursing Homes, Assisted Living Homes, and Home Health Care
- Oil/Gas Well Drilling
- Professional and Fraternal Societies
- Quarries
- Restaurants
- Roadway and Power Line Clearing Operations
- Sanitation Services (Garbage Collectors)
- Service Stations
- Ship Personnel (River and Harbor)
- Small Grocery Stores with Gas Pumps
- Tanning Salons
- Trade Associations
- Tree Surgeons
- Trucking Companies (not including moving companies)
- Underground Mines

This list available in the Worksite Advantage Agent Guide (R-3631)

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Businesses other than these may also experience adverse employee turnover. On such cases, it is advisable for the Agent to adopt a one-year waiting period.

Please note: If the Home Office Worksite Department approves one of these industries for you, a list of employees and hire dates are needed. This must be either a computer printout from the company or a typed list on their company letterhead.

Minimum Case Size

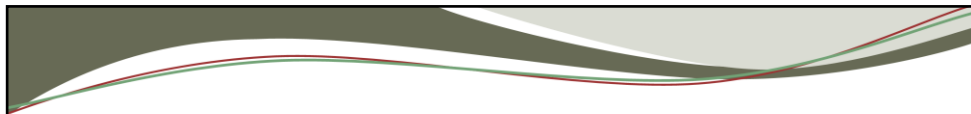
Payroll Deduction, Section 125 & Amended Section 125

3 eligible employees — 3 policies billed to 3 different employees



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The minimum size case for all Worksite cases is three eligible employees and three policies billed to three different employees.

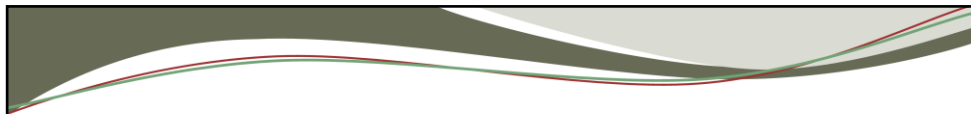


Fewer than 3 Eligible Employees
Sold on an individual basis

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Employees at businesses with fewer than three eligible employees can only be sold on an individual basis.



Policies Being Billed

The 3 policies billed may be in any combination of Liberty National products, excluding Dental and Vision

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The three policies billed may be in any combination of products, excluding Dental and Vision.

Eligible Employees

Qualified Employees
Employed for 6 months at the time of application or end of enrollment period.

Approval-Required Industries
Employed for 1 year to be eligible

Full-time employees
30 hours or more
No contract/leased employees



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A qualified employee must have been actively at work for the employer, without interruption, for at least six months at the time of application or enrollment. This helps persistency and minimizes work for the bookkeeper in removing high-turnover employees from deductions.

If the industry must be submitted for prior approval, qualified employees must be employed for one year to be eligible for coverage.

Only full-time employees are eligible. A full-time employee is defined as an employee actively at work for 30 hours or more each week.

Contract or leased employees are not eligible.

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Section 125

- Premium-Only Plans (POP) and Flexible Spending Accounts were created in 1978
- Section 125 redirects money before it is taxed
- Pretaxed funds become available to pay for insurance coverage
- Employees agree to reduce salaries to pay for benefits
- No cost to employer



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Section 125 Premium-Only Plans and Flexible Spending Accounts were created by the Revenue Act of 1978 and are governed by Internal Revenue Code Section 125. The concept behind Section 125 plans is to redirect money before it is taxed.

By redirecting money to a pretax scenario, funds become available to pay for qualified insurance coverage.

To take advantage of a Section 125 plan, employees agree to reduce their salaries by the amount needed to pay for qualified benefits. If an employer does not currently have a Section 125 plan but does have a group major medical, the Agent may move the current group plan into a Worksite Advantage Section 125. There is no cost to the employer to set up a Section 125 plan.

Section 125 Plans Are Worth the Effort

- Not a one-call sale
- Increased persistency
- Employees cannot make a change during plan year (unless a family status change)




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Agents should understand Section 125 plans are not a one-call sale. These plans require more from the Agent when compared to a home sale or simple payroll deduction cases. However, the rewards are well worth the effort. For instance, the Agent will enjoy increased persistency with Section 125 plans as the employees cannot make a change during the Plan Year except in the case of family status change.

Section 125 Plans Are Worth the Effort

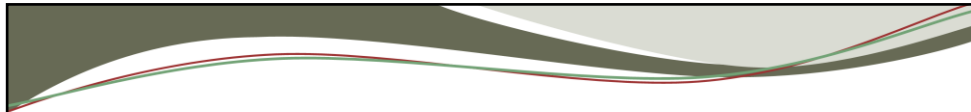
- 60% - 70% participation
- IRS requires Agents see 100% of employees
- Participation increases when employer supports idea



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Conventional voluntary benefit programs typically maintain 30-40 percent participation among employees. However, if the same company utilizes a Section 125 program, employee participation increases to 60-70 percent. This is due, in part, to the IRS requirement that Agents presenting Section 125 plans see 100 percent of eligible employees. Participation also increases because the employer supports the idea of voluntary benefits and the concept is easy for the employee to understand and embrace.



Who Is Eligible for a Section 125 Plan?

- Employees who contribute to the cost of their employer-sponsored benefit plans
- If employer pays 100% of the cost, the product is ineligible
- Agent can still sell ancillary health and life products
- Employees buy at a discount and it lowers taxes for employer
- Employer is not allowed to make contribution to cost

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Eligible employers for Section 125 plans are those in which employees contribute to the cost of their employer-sponsored benefit plans.

If the employer pays 100 percent of the cost of the benefit plans, the product is ineligible for Section 125, but the Agent can still establish a Section 125 for the sale of other ancillary health products and life insurance.

This will allow employees to buy at a discount and will lower taxes for the employer. If an employer is eligible for Section 125, the employer is not allowed to make a contribution to the cost of any product.

By making contributions to individual health products, the employer would violate the ERISA 'safe haven' discussed earlier.



Companies Eligible for Section 125 Plans

- S Corporations
- Partnerships
- Sole Proprietorships
- Limited Liability Companies (LLC)
- C Corporations
- Professional Corporations
- Not-for-Profit Organizations

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The following types of companies are eligible for Section 125 plans:

S Corporations:

Employees of S corporations are eligible. Shareholders owning more than two percent of the company, however, are ineligible and cannot participate.

Partnerships:

Employees of partnerships are eligible. Partners are ineligible and cannot participate.

Sole Proprietorships:

Employees of sole proprietorships are eligible. The sole proprietor is ineligible and cannot participate.

Limited Liability Companies: Employees of an LLC are eligible. The members, in most cases, are ineligible and cannot participate.

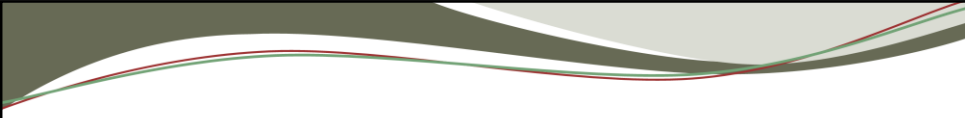
C Corporations:

Employees of regular corporations are eligible for Section 125. Owners are eligible to participate if they are employees, earn wages, and contribute to the cost of the employer-sponsored benefit plan.

Professional Corporations: Employees of professional corporations are eligible for Section 125. Owners are eligible to participate if they are employees, earn wages, and contribute to the cost of the employer-sponsored benefit plan.

Not-for-Profit Organizations:

Employees of not-for-profit organizations are eligible for Section 125. Directors are eligible to participate if they are employees and earn wages



How to Sell Section 125 to Employers

Reasons employers choose to establish Section 125 plans:

- Payroll tax savings increase bottom-line profit
- Attract/retain good employees
- Improve employee satisfaction and morale
- Install voluntary benefits at no cost
- Easy to install and administer plans
- Helps employees build their own individual or family insurance package
- Controls current and future benefit costs


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Employers choose to establish Section 125 plans for a number of reasons:

- To increase bottom-line profit through payroll tax savings
- To attract and retain good employees
- To improve employee satisfaction and morale
- To install voluntary benefits at no cost to the employer
- Plans are easy to install and administer
- It helps employees build their own individual or family insurance package
- And it helps control current and future benefit costs

Section 125 Reduces Taxable Payroll



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For the employers, Section 125 plans allow employers to reduce their taxable payroll by the total amount of employee contributions, which means lower taxable payroll and therefore lower payroll taxes, saving them money.

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How to Get a Worksite Case Approved

Nothing moves forward until:

- Forms e-mailed to Home Office Worksite Department
- The case is approved
- The Agency Owner receives the franchise number


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After an Agent gets a “yes” from the employer, nothing moves forward until the following forms are e-mailed to the Home Office Worksite Department, the case is approved, and the Agency Owner receives an e-mail with the franchise number.

Required Forms Packets

Signature-ready packets that help the Agent speed the approval process and not miss any paperwork

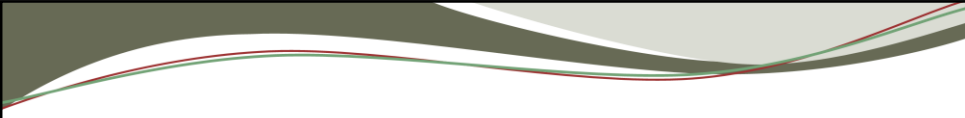


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The Required Forms Packets provide the Agent a turnkey solution. The Agent uses a packet that is signature-ready and has all the forms necessary for the approval process. The Agent should e-mail the entire signed Required Forms Packet to the Home Office Worksite Department.

Let's look at the Required Forms Packets:



Section 125 Cases Required Forms Packet (LNL0702A)

Agency Owners must sign off on all Section 125 cases

- Payroll Deduction Billing Information Sheet (R-3240)
- Online Billing System Enrollment for Worksite Advantage Customers (R-3750)
- Section 125 Plan Adoption Agreement (Tab 5 in Employer Implementation Manual)
- Payroll Deduction Agreement (R-337)
- Points to Remember (Tab 8 in Employer Implementation Manual)
- Application for Group Term Life (GE-APP)
 - Not required in CA, DE, IN, KS, MT, NJ
- Full Employee Roster, typed employee list with hire dates must be signed by the employer / bookkeeper and printed on company letterhead

E-mail: worksite@libnat.com

Call: 888-488-0134 to confirm receipt

Agents must have franchise number before enrollment

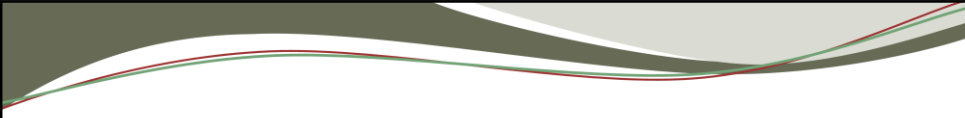
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To get a Section 125 case approved, Agents must e-mail the Required Forms Packet to the Home Office Worksite Department. The Packet includes the forms included on the screen.

Agency Owners must sign off on any and all Section 125 cases in their Agencies or they will be rejected. Upon written approval from the Home Office Worksite Department, the Agent may complete the necessary Section 125 paperwork.

Upon final approval, the Agency Owner is notified by e-mail of the franchise number. An Agent must have a franchise number before beginning an enrollment.

Completion and submission of these forms is only the start of the process. By doing it right, however, the other steps fall into place more quickly and easily.



**Standard Payroll Deduction Required Forms Packet
(LNL0702B)**

- Payroll Deduction Billing Information Sheet (R-3240)
- Online Billing System Enrollment for Worksite Advantage Customers (R-3750)
- Payroll Deduction Agreement (R-337)
- Application for Group Term Life (GE-APP)
 - Not required in CA, DE, IN, KS, MT, NJ
- Full Employee Roster, typed employee list with hire dates must be signed by the employer / bookkeeper and printed on company letterhead


E-mail: worksite@libnat.com
Call: 888-488-0134 to confirm receipt
Agents must have franchise number before enrollment

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To get a Payroll Deduction case approved, Agents must e-mail the Required Forms Packet to the Worksite Department. The Packet includes the forms included on the screen.

Upon final approval, the Agency Owner is notified by e-mail of the franchise number. An Agent must have a franchise number before beginning an enrollment.

Completion and submission of these is only the start of the process. By doing it right, however, the other steps fall into place more quickly and easily.



Section 125 Cases With United American Health Products Required Forms Packet (LNL0702D)
Only in states WITHOUT Liberty Health Products

- Payroll Deduction Billing Information Sheet (R-3240)*
- Online Billing System Enrollment for Worksite Advantage Customers (R-3750)
- Section 125 Plan Adoption Agreement (Tab 5 in Employer Implementation Manual)*
- Payroll Deduction Agreement (R-337)
- Points to Remember (Tab 8 in Employer Implementation Manual)*
- Application for Group Term Life (GE-APP)
 - Not required in CA, DE, IN, KS, MT, NJ
- Full Employee Roster, typed employee list with hire dates must be signed by the employer / bookkeeper and printed on company letterhead
- *Write in UA Health Products to be sold

E-mail: worksite@libnat.com
Call: 888-488-0134 to confirm receipt

Agents must have franchise number before enrollment
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To get a Section 125 case approved where United American Health products are being sold, Agents must e-mail the Required Forms Packet to the Home Office Worksite Department. This packet can only be used in states without Liberty Health Products. If Liberty Health products are approved in your state, you will be using Packet A, B, or C.

The Section 125 with United American Health Products Packet includes the forms included on the screen. Please note that the United American products that are being sold must be written on several of the forms prior to submission.


Agency Owners must sign off on any and all Section 125 cases in their Agencies or they will be rejected. Upon written approval from the Home Office Worksite Department, the Agent may complete the necessary Section 125 paperwork.

Upon final approval, the Agency Owner will be notified by e-mail of the franchise number. An Agent must have a franchise number before beginning an enrollment.

Completion and submission of these forms is only the start of the process. By doing it right, however, the other steps will fall into place more quickly and easily.

Payroll Deduction Billing Information Sheet (R-3240)

1. Weekly, biweekly, semimonthly?
2. Is there more than one payroll frequency?
3. When will I have the educational meeting?
4. When will I start the application process?
5. What will be the date of the first employee payroll deduction?
6. What will be the effective date of coverage?



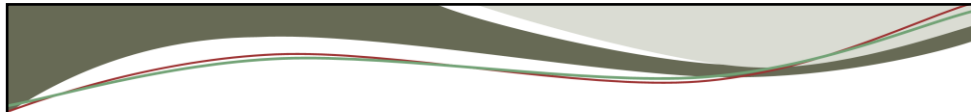
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Let's examine one key piece of paperwork - Payroll Deduction Billing Information Sheet.

Before the Agent begins filling out the Payroll Deduction Billing Information Sheet, think through the application process and answer the following questions:

- How are the individual employees paid?
- Does the employer have more than one payroll frequency? For example, are salaried employees paid semimonthly and hourly employees paid biweekly? If this is the situation, which frequency is the majority? This will determine the billing frequency.
- When will I have the group meeting?
- When will I start the application process?
- What will be the date of the first employee payroll deduction?
- And what will be the effective date of coverage?

When you have all this information, you can complete the rest of the Payroll Deduction Billing Information Sheet.



PREFERRED METHOD — Electronic Forms Packet

Key advantages

- Ensure accuracy
- Reduces errors
- Eliminates omissions
- Quicker turnaround to obtain franchise number
- Reduces follow up

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There is also an electronic version of the required forms packets.

We strongly recommend using the electronic versions of the worksite packets, as they validate the information entered by the Agent to ensure accuracy. Also, the electronic packets will not let the Agent advance to the next page until all the required information has been entered. By reducing errors and omissions, franchise numbers are issued faster, and Agents spend less time following up to correct mistakes.

How to access Electronic Forms Packets

Online Forms

Choose Forms ▾

Accident & Health

- \$3,000 Accidental Death (ADP)
- Accident Protector Max
- Accidental Death (ACB)
- Cancer Care
- Cancer Care Plus
- Cancer Endurance
- Cash Cancer
- Lump Sum Cancer
- Critical Illness Protector
- Dental
- Hospital Accident
- Hospital Income
- Hospital Intensive Care
- Intensive Care Protector
- Medicare Supplement
- Vision

Worksite Marketing


Worksite Marketing

Other Forms

Required Forms Packets

3

- [LNL 0702A Section 125](#)
- [LNL 0702I Section 125 Checklist](#)
- [LNL 0702B Standard Payroll Deduction](#)
- [LNL 0702J Standard Payroll Deduction Checklist](#)
- [LNL 0702C Amend Section 125](#)
- [LNL 0702K Amend Section 125 Checklist](#)
- [LNL 0702D New Section 125 with UA Health](#)
- [LNL 0702H Franchise Re-Enrollment](#)
- [LNL 1119 Self-Calculation Form](#)



[Download Worksite Required Forms Packet](#)

This is going to create an icon on your desktop. You only have to download once. Double-click the desktop icon to access the electronic Worksite Required Forms Packet.


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The electronic forms packets are available on Agent Services. Go to the 'Online Forms' drop down menu and click 'Worksite Marketing'. Click the download link at the bottom of the Worksite Marketing page and follow the install instructions. A desktop application will appear on your desktop. The electronic forms are updated every time you open the desktop application while connected to the Internet.

Why use electronic Packets?

- After initial key-in, information auto-populates on all remaining forms in the packet
- Forms populate enrollment form — dates calculated automatically

- Need free Adobe Reader to use Electronic Forms Packets
www.adobe.com




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After information is keyed initially, such as the employer's name, the information auto-populates on all the remaining forms in the electronic Packet, saving the Agent time.

The electronic forms populate the enrollment period, first deduction date, and policy effective date based on the date the Packet was completed. This eliminates the Number One delay in worksite case approval. Agents can, however, still adjust the dates in the event of a longer-than-typical enrollment period.

To use the Electronic Forms Packets you will need Adobe Reader, a free download.

Completing the Electronic Forms Packet



The screenshot shows a web browser window with the title "Approved Packets Word (Section 125 Packet) 0 3140". The main content area displays a form titled "WORKSITE ADVANTAGE PAYROLL DEDUCTION BILLING INFORMATION SHEET". The form is divided into sections, with "COMPANY INFORMATION" being the first. It contains several input fields for company details, including "Name", "Address", "City", "State", "Zip", "Phone Number", "Fax Number", "EIN", and "DUNS Number". A red exclamation point icon is visible next to the "City" field, indicating an error. A yellow tooltip box is positioned over the exclamation point, displaying the error message: "City cannot be blank. Please enter a city name, and save the address for this packet." Below the form, there are "Previous" and "Next" buttons.


- Employers must type their signature — Agents cannot type for employers!

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Complete the forms the same way you would the paper versions. The advantage to the electronic version is that the system will alert you if you have provided incorrect information and will not let you proceed to the next form until the mistake or omission has been corrected. When you click 'Next' at the bottom of the screen, the system will display an exclamation point beside the question that was answered incorrectly or omitted. Move your mouse over top of the exclamation point and a pop-up box will tell you what is wrong with the information. After you have corrected the issue, click 'Next' at the bottom of the screen to proceed.

Saving Electronic Forms Packet


- When finished, click 'Save' at bottom of screen
- Folder on your Desktop
- PDF saved in folder with name of business in file name



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When you have completed all pages in the packet, click 'Save' at the bottom of the screen.

As soon as you launched the electronic Worksite Approval Packet, a folder was automatically created on your desktop titled 'Worksite Approval Forms'. Inside the folder, a PDF of your Worksite Approval Packet saved automatically with the name of the business and the date the packet was completed in the file name.



Submitting Electronic Forms Packet

- E-mail PDF and electronic copy of employee roster to Agency Owner for review
- Agency Owner reviews, submits to Home Office and obtains the franchise number
- PDF does not have to be signed by Agency Owner
- Worksite Department only accepts packets from Agency Owner e-mail address

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E-mail the PDF of the Worksite Approval Packet and an electronic copy of the employee roster in the same e-mail message to the Agency Owner for review. After the Agency Owner reviews the PDF and the employee roster, the Agency Owner e-mails the PDF and the employee roster in the same e-mail message to the Worksite Department to obtain a franchise number.

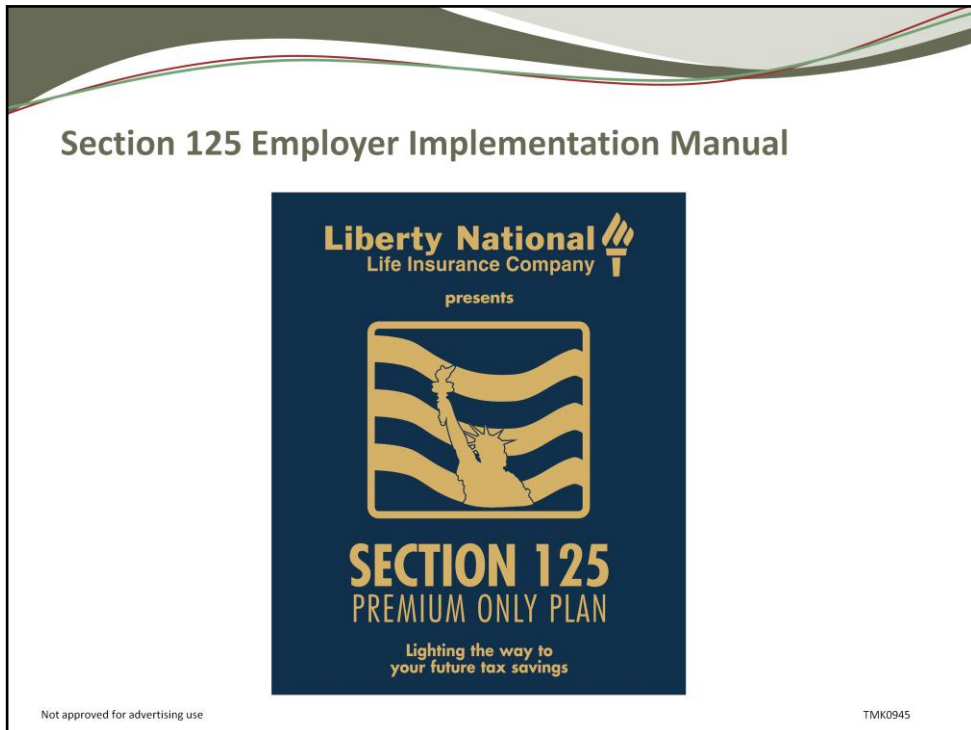
Because the packet is saved in PDF format, the Agency Owner is not able to sign the packet. However, the Worksite Department only accepts packets sent from the Agency Owner e-mail address.

Worksite Marketing

- I. The Worksite Market
- II. Eligible and Ineligible Industries, Employer, and Employee
- III. Section 125 Cases/How to Sell to Employers
- IV. How to Get a Case Approved
- V. Section 125 Employer Implementation Manual**
- VI. How to Implement and Enroll a Case
- VII. How to Sell to Employees
- VIII. How to Service After Enrollment

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The Section 125 Employer Implementation Manual is mailed to the Agency once the case has been approved by the Home Office Worksite Department and a franchise number is assigned.

Remember, the Agent should insert the original forms and deliver it to the employer for review. The Agency Owner or Agency Director should accompany the Agent to deliver the Manual. The Agency Owner's involvement shows the business owner how important their business is to our Company.

Each tab in the Section 125 Employer Implementation Manual has important information for the Agent to review with the employer. Carefully review each tab and its contents with the employer.

Section 1

**Tax Advantage Illustrations and
Examples of Employee Tax Savings**

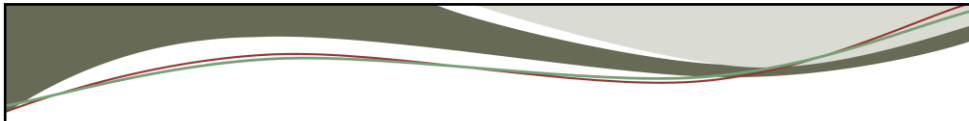
Estimated Employer Tax Savings			
<small>Average Monthly Redirected Premium per Employee</small>			
# of Employees	\$100	\$200	\$300
10	1,200	2,400	3,600
20	2,400	4,800	7,200
30	3,600	7,200	10,800
40	4,800	9,600	14,400
50	6,000	12,000	18,000
100	12,000	24,000	36,000
200	24,000	48,000	72,000
300	36,000	72,000	108,000
400	48,000	96,000	144,000
500	60,000	120,000	180,000

These tax savings are simply an example. Individual tax savings will vary from employer to employer.

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Section one contains tax advantage illustrations. Review with the employer the tax benefits to the company and to the employees. The Agent will have to estimate tax savings to show the potential. The Agent may use the Employer Tax Savings Worksheet under Section one to do so. It is recommended that the Agent complete a second worksheet after the sales process is complete.

Also under Section one, the Agent will find examples of employee tax savings. It is important that the Agent explain to the employer that the tax savings estimate is for illustration only and is not a substitute for tax advice from a certified public accountant.



Section 2

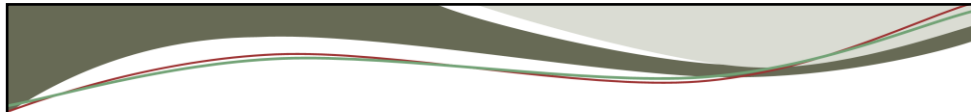
Answers to FAQ on Section 125 Plans

- These answers will help the employer and bookkeeper
- Agent can use these questions to “re-sell” the case
- Employer can use as a quick reference

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Section two contains “Answers to Frequently Asked Questions on Section 125 Cafeteria Plans.” These are the questions most frequently asked by the employer and bookkeeper. The Agent can use these questions and answers to ‘re-sell’ the case and answer the employer’s questions. Also, the employer can use this Section as a quick reference to get answers to questions that arise in the future.



Section 3

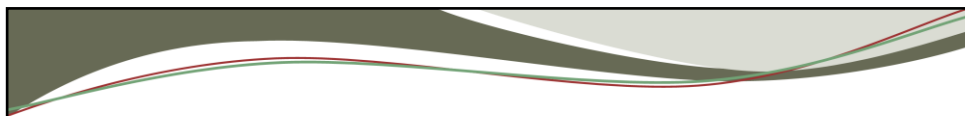
Employer Guide - One of the most important sections!

- Outlines things employers need to do to put plan in place
- Step-by-step summary
- Lists key points for setting up plan
- Majority are required by IRS

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Section three contains the “Employer’s Guide to the 1-2-3’s of Establishing a Section 125 Plan.” Section three is one of the most important sections to review because it outlines the things the employer needs to do to put the plan in place. The Employer’s Guide is a step-by-step summary on how to establish a Section 125 plan and lists key points for setting up the plan; the majority of these are required by the IRS.



Section 4

Sample Letters

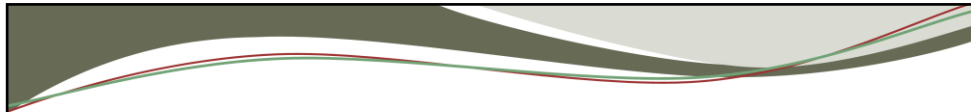
If the employer wants to create new letters

Submit Form F5985 through Ad Approval Process

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Under Section four are sample letters. These letters are part of the turnkey package; however, the employer may use his or her own letters. If the employer chooses to create new letters, please submit for review through the Ad Approval Process using Form F5985.



Section 5

Plan Adoption Agreement

- Name of employer
- Name of any affiliated employers who may participate
- Effective date of the plan
- Plan year
- Employee status for inclusion in plan (30 hours worked per week)
- Listing of qualified benefits
- Signature of employer

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Section five contains the Plan Adoption Agreement and the Plan Document.

The Plan Adoption Agreement establishes the Plan Date and product offerings. Included on the form are:

- Name of employer
- Name of any affiliated employers who may participate
- Effective date of the plan
- Plan year
- Employee status for inclusion in plan
- Listing of qualified benefits
- And the Signature of employer

Plan Year

- Date of the educational meeting with employees
- Date the application process will begin
- Date of the first payroll deduction
- Requested effective date of insurance coverage



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The Agent will be asked to establish the Plan Year on the Plan Adoption Agreement. The Plan Year should be the same as the effective date of coverage. When setting the Plan Year, there are several factors to consider.

Plan Year is 12 Months

January 1						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February 2						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

March 3						
S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April 4						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May 5						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June 6						
S	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 7						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August 8						
S	M	T	W	Th	F	Sa
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September 9						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October 10						
S	M	T	W	Th	F	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 11						
S	M	T	W	Th	F	Sa
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December 12						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

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In a new Section 125 case, the plan year is a 12-month period that begins with the effective date of coverage and is shown in the Plan Adoption Agreement.

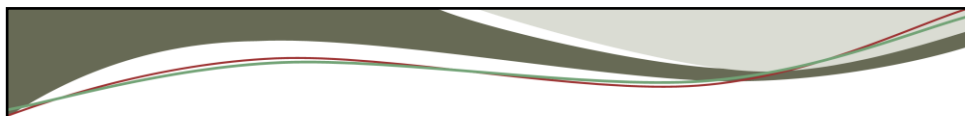
Short Plan Year

The image displays a 12-month calendar for 2014. A red rectangular box highlights the period from January 1st to April 30th, representing a 'Short Plan Year'. The calendar is organized by month, with each month's grid showing days of the week (S, M, T, W, Th, F, Sa) and dates. The months included are January, February, March, April, May, June, July, August, September, October, November, and December.

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However, many times an employer will want their Section 125 plan to run in conjunction with their current annual benefit cycle.

To accomplish this, the Agent may set up a 'Short Plan Year'. The short plan year simply bridges the gap between the current date and the employer's annual benefit cycle. A short plan year establishes a start and end date for the first year, with a regular plan year commencing from the end date. Agents will be able to set up short plan years on the Plan Adoption Agreement form. For the most part, employees are locked into the plan for the duration of the plan year. However, an employee can make a change during the plan year if there is a valid change in family status.



Family Status Change

- Marriage
- Divorce
- Legal Separation
- Birth or Adoption
- Spouse or Dependent Death
- Spouse Employment Change
- Cost of Coverage Change

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A change in family status includes: marriage, divorce, or legal separation, birth or adoption of a child, death of a spouse or a dependent, change in spouse's employment, or the cost of coverage changes during this time.

Section 6

Summary Plan Description

- Complete page 3
- Make copies for eligible employees
- IRS requirement



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Section six contains the Summary Plan Description. The Agent needs to complete page three of the Plan Description and make copies for all eligible employees. It is an IRS requirement that all eligible employees receive a copy of this form.

Section 7

Salary Reduction Form

Sign an election to participate or waive participation



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Section seven contains the Salary Reduction Form. The Agent must have all eligible employees either sign an election to participate in the Section 125 plan or waive participation. (This applies even if the applications are taken electronically.) After meeting with all eligible employees, the Agent should give the election forms to the employer.

Section 8

**Legal Requirements for
Section 125 Plans**

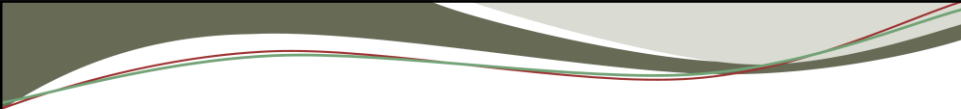
Review these with the
employer



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Section eight contains a list of 'Legal Requirements for Section 125 Cafeteria Plans' and the 'Points to Remember About Your Section 125 Plan'. The Agent should review the Legal Requirements with the employer to be sure that the employer understands what has been done and what needs to be done to remain in compliance.



Points to Remember

- Outline of rules and requirements
- Must be read, reviewed, and signed by company representative

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‘Points to Remember’ is an outline of the rules and requirements of the Section 125 plan. This form must be read, reviewed, and signed by the employer when installing a new Section 125 plan.

**'Points to Remember'
Helps Agents**

- Checklist
- Reminder
- Future maintenance



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The 'Points to Remember', serves as:

- A checklist for helping the employer understand the key points of the Section 125 Plan
- A reminder of what has been done to properly set up the plan
- And what must be done in the future to properly maintain the Section 125 Plan




Tax law contains several rules prohibiting discrimination in a Section 125 plan. These rules apply to highly compensated employees and key employees.

If these groups of employees pay more than 25 percent of the aggregate premiums, then those employees cannot exclude any of those premiums from their taxable income. It is the employer's responsibility to be in compliance with these laws.

Highly Compensated Employees

- An officer
- A shareholder owning more than 5% of the voting power or value
- An employee earning more than \$100,000
- A spouse or dependent of an employee described above



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A highly compensated employee is:

An officer

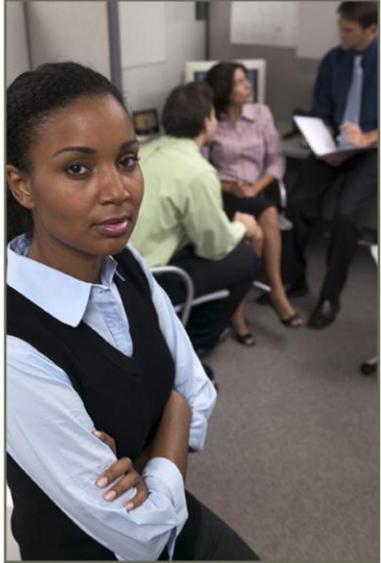
A shareholder owning more than 5 percent of the voting power or value

An employee earning more than \$100,000 in compensation

A spouse or dependent of an employee described above

Key Employees

- Officer of the employer with annual compensation of \$150,000
- More than 5% owner of the employer
- More than 1% owner of the employer with compensation in excess of \$150,000



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A key employee is:

An officer of the employer with annual compensation of \$150,000, more than 5 percent owner of the employer, or more than 1 percent owner of the employer with compensation in excess of \$150,000.

Worksite Marketing


- I. The Worksite Market
- II. Eligible and Ineligible Industries, Employer, and Employee
- III. Section 125 Cases/How to Sell to Employers
- IV. How to Get a Case Approved
- V. Section 125 Employer Implementation Manual
- VI. How to Implement and Enroll a Case**
- VII. How to Sell to Employees
- VIII. How to Service After Enrollment

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Contacting the Bookkeeper

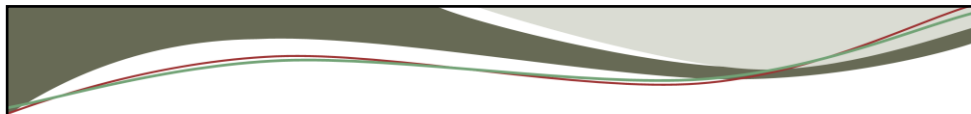
- Obtain bookkeeper contact information
- Company calls to verify information



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Next, the Agent must obtain the bookkeeper contact information and be certain the bookkeeper knows our Company will be calling and why. When this issue is covered up front, the Agent generally has a solid case and a setup that runs smoothly. If the Company has to keep calling the bookkeeper and/or never gets a call back, the case may prove problematic. Always let the bookkeeper know that our Company will call to introduce itself and to verify information for the payroll deduction to make the process work smoothly for the employer, as well as the Home Office.



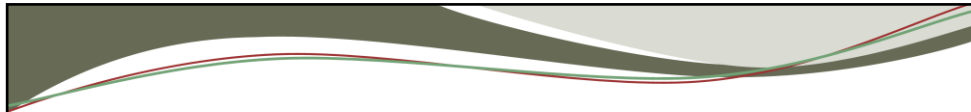
Enrollment Period

Commence within 15 days

No. Qualified Employees	Enrollment Period
3 - 49	30 calendar days
50+	60 calendar days

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The enrollment period must commence within 15 days of Home Office Worksite Department approval. The Home Office Worksite Department will specify the length of the enrollment period.



Understanding Billing and Effective Dates

- Consider payroll frequency
- Billing options – weekly, biweekly, semimonthly, monthly, and the 13th (every 4 weeks)
- Premium is quoted based on age and payroll frequency
- No partial premiums accepted
- Effective date must always be the first day of a month
- Good rule of thumb is to make the coverage effective 30 - 45 days after the date of the first deduction

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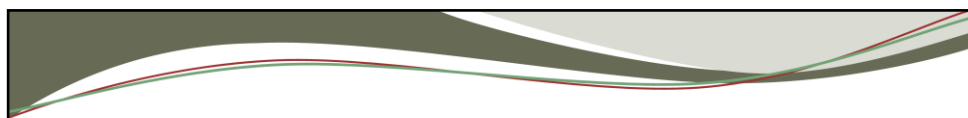
TMK0945

To set up billing and effective dates, there are a number of factors to consider in order for each cycle to process smoothly. The first factor to consider is payroll deduction frequency. Payroll deduction frequency is how often an employee has premiums deducted from his paycheck. Employees are usually paid weekly, biweekly, semimonthly, or monthly. However, for the purposes of determining payroll deduction frequency, it is only relevant how often the employee has premium deducted. For example, an employee may get paid bimonthly but all of the premium is deducted from his first check of the month. In this example, the payroll deduction frequency is monthly.

It is important to understand that any premium the Agent quotes is based on the applicant's age and payroll deduction frequency. This is the amount that will be deducted from each paycheck. Use this amount on applications, the New Business Transmittal, and the Payroll Deduction Authorization.

From the time of application, an entire billed premium must be collected before coverage begins. In other words, the Agent must select the effective date of coverage that is after the employer has had time to collect a full billed premium. No partial premiums will be accepted.

The effective date must always be the first day of a month. If the employee is paid biweekly or semimonthly, two entire pay periods must pass before the effective date of coverage. A good rule of thumb is to make the coverage effective 30-45 days after the date of the first deduction. If no effective date is requested, the effective date will be assigned by the Home Office.



Timeline Examples

Example #1

Enrollment Period	Agent: 4-1-08 to 4-30-08
Deductions	Bookkeeper: start 5-1-08
Effective Date	6-1-08

Example #2

Enrollment Period	Agent: 4-15-08 to 5-15-08
Deductions	Bookkeeper: start 6-1-08
Effective Date	7-1-08

Example #3

Enrollment Period	Agent: 4-1-08 to 5-31-08
Deductions	Bookkeeper: start 6-1-08
Effective Date	7-1-08

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Here are some timeline examples from when the Agent writes applications.

These timeline examples include the enrollment period, when the bookkeeper starts deductions, and the effective date.

Monthly Billing

10 days prior to effective date of coverage

January 1						
S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

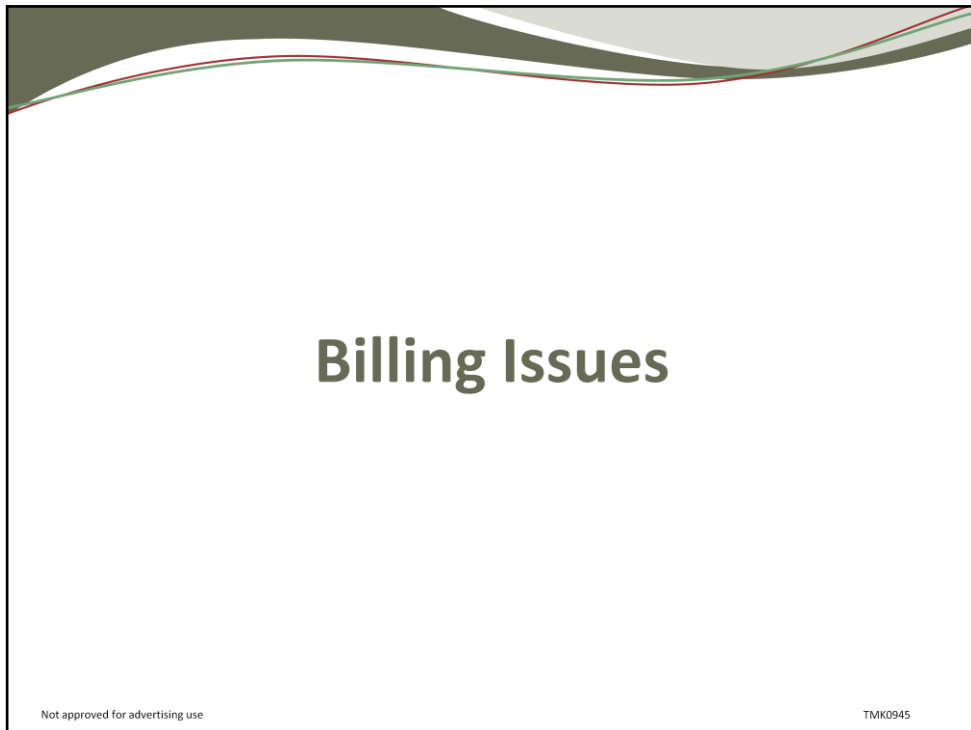
February 2						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

March 3						
S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

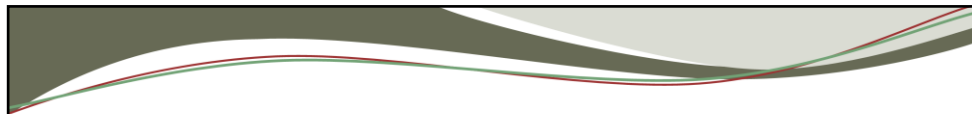
Not approved for advertising use TMK0945

The final factor to consider when setting up the account is billing. We only bill monthly. Inform the bookkeeper that we will bill ten days prior to the effective date of coverage.

Agents should work with the payroll contact to ensure he or she understands when the premium bill is due each month.



Take a look at two common billing scenarios. In both scenarios, we are billing the company \$11 each month for this employee's premium.



Billing Scenario 1: No Overages

- Employees are paid weekly
- Bookkeeper deducts premium weekly
- Bookkeeper is unwilling to hold overages
- Bookkeeper will not deduct on the fifth paycheck of a month

The Agent will use the Monthly rate card to quote premium

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TMK0945

Scenario one: No Overages

Employees get paid weekly, the Bookkeeper deducts premium weekly, the Bookkeeper is unwilling to hold overages, and the Bookkeeper will not deduct on the fifth paycheck of a month.

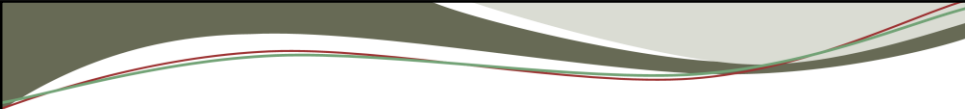
The Agent will use the Monthly rate card.

Billing Scenario 1: No Overages

Month	No. of Deductions	No. of Paychecks	Weekly Deductions	Total Deductions	Monthly Billing
March	4	4	\$2.75	\$11	\$11
April	4	4	\$2.75	\$11	\$11
May	4	5	\$2.75	\$11	\$11
Total				\$33	\$33

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When the bookkeeper is unwilling to hold overages, premiums are deducted four times each month regardless of the number of paychecks in a month. The four premiums deducted each month will equal the total deduction owed each month. This allows the bookkeeper to pay the monthly billing with no overage.



Billing Scenario 2: Overages

- Employees are paid weekly
- Bookkeeper deducts premium weekly
- Bookkeeper is willing to hold overages

The Agent uses the Weekly rate card to quote premium

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Scenario two: Overages

Employees are paid weekly, the Bookkeeper deducts premiums weekly, and the Bookkeeper is willing to hold overages.

Billing Scenario 2: Overages

	Amount Deducted	Monthly Billing	Payment Overage
March Deduction 1	\$2.54		
March Deduction 2	\$2.54		
March Deduction 3	\$2.54		
March Deduction 4	\$2.54		
April Deduction 1	\$2.54		
	\$12.70	\$11	\$1.70

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The bookkeeper must deduct five times to collect enough money to pay the monthly billing of \$11. This creates an overage, which the bookkeeper carries over to the next payment.

Billing Scenario 2: Overages

	Amount Deducted	Previous Overage	Monthly Billing	New Overage
April Deduction 2	\$2.54			
April Deduction 3	\$2.54			
April Deduction 4	\$2.54			
May Deduction 1	\$2.54			
	\$10.16	\$1.70	\$11	\$0.86

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For the next payment, the bookkeeper only needs to deduct four times and apply the overage from the previous payment. This gives the bookkeeper enough money to pay the monthly billing. There is another overage for this payment.

Billing Scenario 2: Overages

	Amount Deducted	Previous Overage	Monthly Billing	New Overage
May Deduction 2	\$2.54			
May Deduction 3	\$2.54			
May Deduction 4	\$2.54			
May Deduction 5	\$2.54			
	\$10.16	\$0.84	\$11	\$0.02

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For the next payment, the bookkeeper only needs to deduct four times and apply the overage from the previous payment. This gives the bookkeeper enough money to pay the monthly billing. Notice after three payments, there is almost no overage.

Coverage at the Time of Application

- Coverage begins when application is signed, provided proposed insured was insurable at time of application, subject to underwriting
- Policy provisions apply



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TMK0945

Worksite voluntary benefits program coverage begins at the time of application, provided the proposed insured was insurable at the time of application—subject to underwriting.

If a claim is incurred between the time of application and effective date, all policy provisions will apply in determining coverage, including preexisting conditions and any waiting periods.

Payroll Deduction Authorization and New Business Transmittal

- Fill in deduction amount
- Fill in the deduction for each pay period
- Fill in pay period deduction amount, not the billing frequency amount
- Send copy of authorization to Home Office
- Attach all paper applications to New Business Transmittal Form (R-3226)



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The Payroll Deduction Authorization is signed by the employee and a copy left with the bookkeeper.

On the Payroll Deduction Authorization, you will be asked to fill in the deduction amount. Fill in the deduction for each pay period, which should be the same as the premium amount quoted to the employee. Be careful to fill in the pay period deduction amount and NOT the billing frequency amount. A copy of the authorization must be sent to the Home Office.

The New Business Transmittal form along with a Payroll Deduction Billing Information Sheet should be used to submit paper applications to the Home Office.

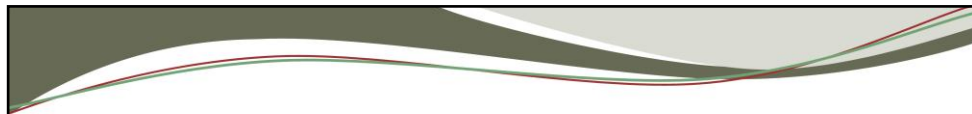
The Agent should attach all paper applications to the New Business Transmittal Form.

Worksite Marketing

- I. The Worksite Market
- II. Eligible and Ineligible Industries, Employer, and Employee
- III. Section 125 Cases/How to Sell to Employers
- IV. How to Get a Case Approved
- V. Section 125 Employer Implementation Manual
- VI. How to Implement and Enroll a Case
- VII. How to Sell to Employees**
- VIII. How to Service After Enrollment

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Reasons to purchase insurance in the workplace:

- Increase take-home pay
- Menu of products
- Portability of products
- Convenience of payroll deduction
- Dependent/spouse coverage available
- Employees select only the products they need – no requirements to purchase

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There are many great reasons for employees to purchase voluntary benefits through Section 125 in the workplace. They include:

- Employees can increase take-home pay
- There is a menu of products
- Products are portable
- Premiums are payroll deducted
- Dependent and spouse coverage are available
- Employees select only the products they need

Employees Pay on a Pretax Basis

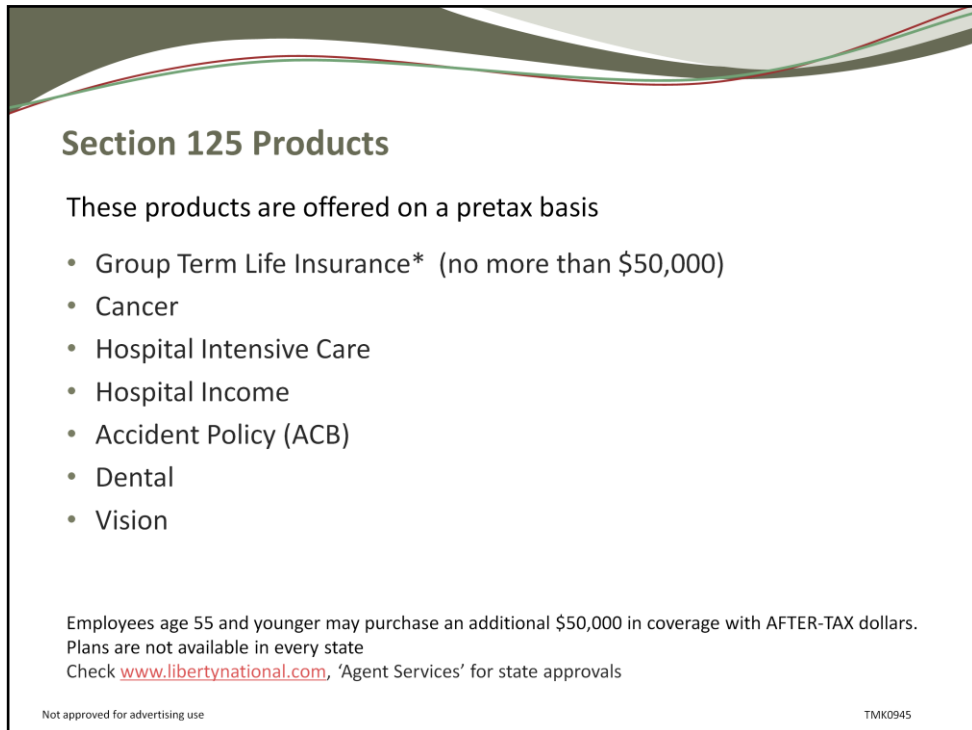
It saves them money



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Section 125 plans allow employees to pay their portion of insurance premiums on a pretax basis, saving them money.



Section 125 Products

These products are offered on a pretax basis

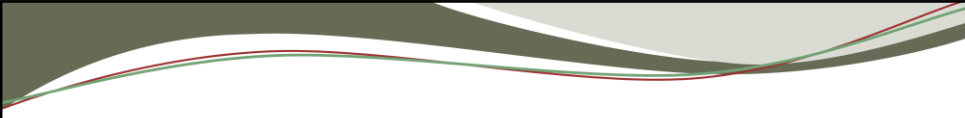
- Group Term Life Insurance* (no more than \$50,000)
- Cancer
- Hospital Intensive Care
- Hospital Income
- Accident Policy (ACB)
- Dental
- Vision

Employees age 55 and younger may purchase an additional \$50,000 in coverage with AFTER-TAX dollars.
Plans are not available in every state
Check www.libertynational.com, 'Agent Services' for state approvals

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Not all products can be offered on a Section 125 pretax basis. The products listed on the screen are offered on a Section 125 pretax basis. Some plans are not available in every state. Refer to the Product Availability Chart on the website for state approvals.

No more than \$50,000 of Group Term life insurance may be provided under the Section 125 plan to an employee.



Before You Meet With Employees

Prepare envelopes to be given to all employees in advance of enrollment:

- Announcement Letter (R-3245, Section 4 tab) on the Employer's company letterhead
- Worksite Advantage for Employees Brochure (R-3276) in states without LNL Health products

OR

- Benefits Offered from Your Employer Through Payroll Deduction Brochure (R-3380) in states with LNL Health products

Employee's pay stub/check inserted in the envelope
Deliver envelopes to a payroll person for distribution to employees.

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Prior to the enrollment process, prepare envelopes to be given to all employees.

The envelopes should include:

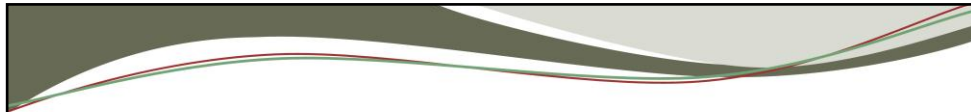
The Announcement Letter on the Employer's company letterhead

The white Worksite Advantage for Employees Brochure in states without LNL Health products OR

The blue brochure titled "Benefits Offered from Your Employer Through Payroll Deduction" in states that do have LNL health products.

Have the employee's pay stub/check inserted in the envelope.

Deliver envelopes to a payroll person for distribution to employees.



Preparing for Enrollment

- Order novelties with the LNL logo to give away
- Place Enrollment Posters in break room (R-3636/R-3639)
- Establish enrollment location with employer
- Decorate with LNL signage/materials
- Chairs, tables, outlets, extension cords, calculator
- Make sure company is expecting you
- Establish company employee to direct people to you
- Update eApp and proposal system
- Download franchise information into the eApp

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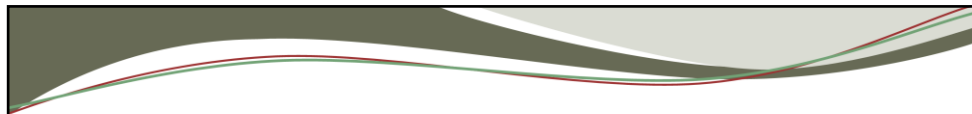
Also in preparation for the enrollment, you should order novelties, coffee mugs, pens, letter openers, etc., with the Liberty logo that you can give to employees.

At least a week in advance, place Enrollment Poster in the break room or other high-traffic areas, letting employees know when and where enrollment will take place.

Establish the location of the enrollment with the employer. Decorate the room with Liberty signage and materials and make sure you have enough chairs, table, and other important items to accommodate the number of employees you are enrolling. This is your office for the enrollment, make it your home.

Always triple check that the company is expecting you and try to secure an employee to direct traffic to you throughout the day.

At least 48 hours before the enrollment, make sure you have updated versions of the eApp and the proposal system. This gives you enough time to solve technical problems should they arise. You should also already have the franchise information downloaded into the eApp.



Preparing The Sales Kit

- Paper forms for each employee
- Payroll Deduction Authorization (R-3231), which must be signed even if using the e-app
- Salary Reduction Form (R-3237), which must be signed even if not applying for coverage
- Summary Plan Description (Not needed for Amended 125)
- Backup paper applications
- Combined App APD1 and Individual Payroll Deduction Apps
- Arbitration Forms (AL & MS only)
- Replacement Forms (if required)

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Have a sales kit prepared for each employee. These are the paper forms each employee will need to sign or receive.

Always have backup paper form in case of technical difficulties. These include paper applications, arbitration forms, and replacement forms.

Hold the Group Employee Meetings (Optional)

- Introduce yourself
- Be positive, knowledgeable
- Speak clearly
- Show \$3,000 Accidental Death Policy
- Explain your role, calm fears
- Explain products and voluntary participation
- Opportunity to fulfill insurance needs
- Reductions and enrollment periods
- Stress one-on-one meetings
- Stay in control, hold questions
- Fill out Group Meeting Fact Sheet (LNL1109)



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Here are some things to remember when you hold group employee meetings:

Introduce yourself. Be positive. Be yourself but know what you are talking about.
Speak clearly and loudly.

Introduce the \$3,000 Accidental Death Policy that you are offering to employees at no cost to them until the end of the first policy year.

Immediately put any fears to rest by explaining what a Section 125 is and how it can benefit them, such as, "it's a plan Uncle Sam cooked up to help you get more out of your hard-earned dollars ... lets you increase your take-home pay and enjoy more employee benefits (built around IRS Code Section 125, the 1978 tax code, which created Cafeteria Plans) ... lets your employer deduct your benefit premium payments before taking taxes out of your pay".

Explain that you are there to introduce new benefits that the employer is offering - explain that participation is voluntary.

Explain that this is the best opportunity they've ever had to fulfill their family's insurance needs.

Explain Social Security reduction, once-a-year enrollments, and election form.

Tell about importance of attending one-on-one meetings.


Don't let the employees gain control of the meeting -- this can cause confusion.

Avoid the distraction of long, involved questions. Tell employees who ask these questions that you'll gladly discuss the issue after the meeting.

Have the employees fill out the Group Meeting Fact Sheet. This will help you be better prepared for the individual enrollment by knowing more about the employee. It also provides contact information should they not attend an individual enrollment.

Hold Individual Sessions with Each Employee

- Be enthusiastic
- Get the employee to like you
- Deliver Summary Plan Description
- Go over products
- Complete Salary Reduction Form



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Now, here are some things to remember when you hold one-on-one meetings:


Introduce yourself and be positive. The goal of the first step is to get the employee to like you and feel comfortable.

Fill out an application for the \$3,000 Accidental Death Policy so the employee understands they have that policy in hand before learning about other products.

Deliver the Summary Plan Description and make sure they understand what a Section 125 Plan is.

Cover the products being offered and make sure the employee understands that his employer, through our Company, is offering the benefits being offered.

Complete Salary Reduction Form regardless of whether the employee purchased products or not.



Closing the Employee Sale

- Gather information on proper application
- Get Payroll Deduction Authorization signed (make sure premium is properly identified, i.e. pretax or after-tax), yellow copy goes to bookkeeper
- Inform employee when deductions will begin
- Leave the pink copy of Payroll Deduction Authorization with employee

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To close the sale:

Gather information on proper application.

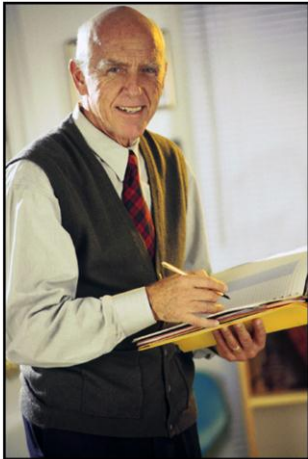
Get payroll deduction authorization signed (make sure premium is properly identified—pretax or aftertax)

Inform employee when deductions will begin and leave a copy of authorization with employee.

Number of Products

Initial enrollment
All products may be offered;
however, employees can purchase
no more than 3 products, excluding
Dental and Vision

After first year
Employee can buy additional
products – 6 is the total limit



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Please during initial enrollment, no more than three products, excluding Dental and Vision, can be sold to an employee on a Worksite case.

After the first year, an employee may buy additional products, but there is a limit of six products per employee.

Why we limit the number of products

- Persistency
- Increases chance to sell more next year
- Decreases complaints to employer about high payroll deductions



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We want to be sure the employee can afford whatever they buy. This results in better business persistency.

If Agents offer too many products or sell too much premium initially, it dramatically decreases the chances to offer additional products next year. When Employees complain to the Bookkeeper and/or their Employer about deductions that were initially too high for their paycheck – you run the risk of losing the entire case.



Required Meetings/Contact with Bookkeeper

1. Meet as soon as employer agrees to establish program
2. Meet as soon as enrollment is concluded
3. Call the week before deductions are to begin
4. Call the week deductions are to begin – verify first deductions are starting as scheduled
5. Meet when she receives the first billing
6. Call to verify she mailed first month's premium on time
7. Call each month when she receives the bill – meet with her if necessary

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- [Meet with the bookkeeper as soon as the employer agrees to establish the program.](#) Review the schedule for the enrollment. Determine when the bookkeeper needs the authorizations so that she can make the first deductions the first week of the deduction month.

- [Meet with the bookkeeper as soon as the enrollment is concluded.](#) You must make sure that you get the authorizations to the bookkeeper before the date she requested.

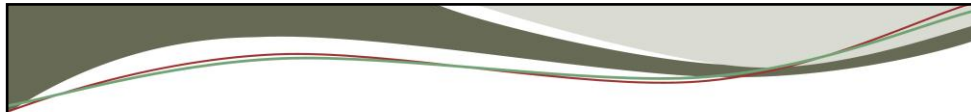
- [Call the bookkeeper the week before the deductions are to begin.](#) Verify that she has everything she needs to begin the deductions on time.

- [Call the bookkeeper the week the deductions are to begin.](#) Verify that the first deductions are starting as scheduled.

- [Meet with the bookkeeper when she receives the first billing.](#) Work side-by-side with her to be sure she understands how to delete terminated employees and remind her when the first premium is due.

- [Call the bookkeeper to verify that she mailed the first month's premium on time.](#)

- [Call the bookkeeper each month when she receives the bill.](#) Answer questions and meet with her if required.



Get Policies Issued

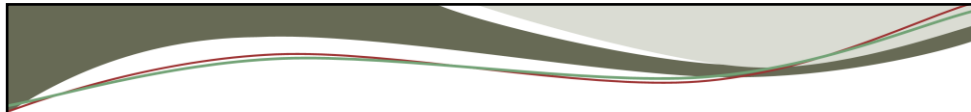
- Submit Applications, Authorizations, and other forms to the Home Office Worksite Department
- Track Applications through the issue process using Pending Reports on www.libertynational.com Agent Services
- Once policies are issued, deliver to employees and get Policy Delivery Acknowledgements signed

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Now that the hard part is done, now is not the time to relax. Make sure your policies get issued. Submit all the paperwork to the Home Office Worksite Department and track their progress through the issue process using 'Field Reports' on the website.

Once policies are issued, deliver them as soon as possible and get the Policy Delivery Acknowledgements signed. This is also a great time to ask for referrals now that everyone has seen our products and how smooth the process runs.



Reminders

- Plan must be offered to all eligible employees
- Salary Reduction Form for each employee returned to bookkeeper
- Section 125 participation ends on employee's last day or termination
- Coverage can continue through bank draft

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Remember, plan participation must be offered to every eligible employee and each employee electing plan participation must be offered every benefit available in the plan. A Salary Reduction form must be on file for each employee, whether they elect or decline participation in the plan.

An employee's participation in a Section 125 plan ends on the employee's last day of eligible service with the employer or upon the employer's termination of the plan. It is important to note that, even though the pretax treatment under Section 125 ends, the employees can continue coverage via bank draft. The employee owns the individual, nongroup insurance, which makes it fully portable.

Amending a Section 125 Plan

1. Copy of Existing Section 125 Plan Adoption Agreement
2. Amendment for Existing Section 125 Plan (R-3244)



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If an employer has an existing Section one-twenty-five plan, you can amend the plan to include our products as long as the Agent does not duplicate like coverages.

To amend an existing Section one-twenty-five plan, an Agent will need these forms.

Make sure the current Plan Adoption Agreement shows the qualified benefits and plan year.



Sales Tools and Marketing Materials

- Sales tools on www.libertynational.com
- Some materials must be ordered through Supply Department
- Consult Agency Owner

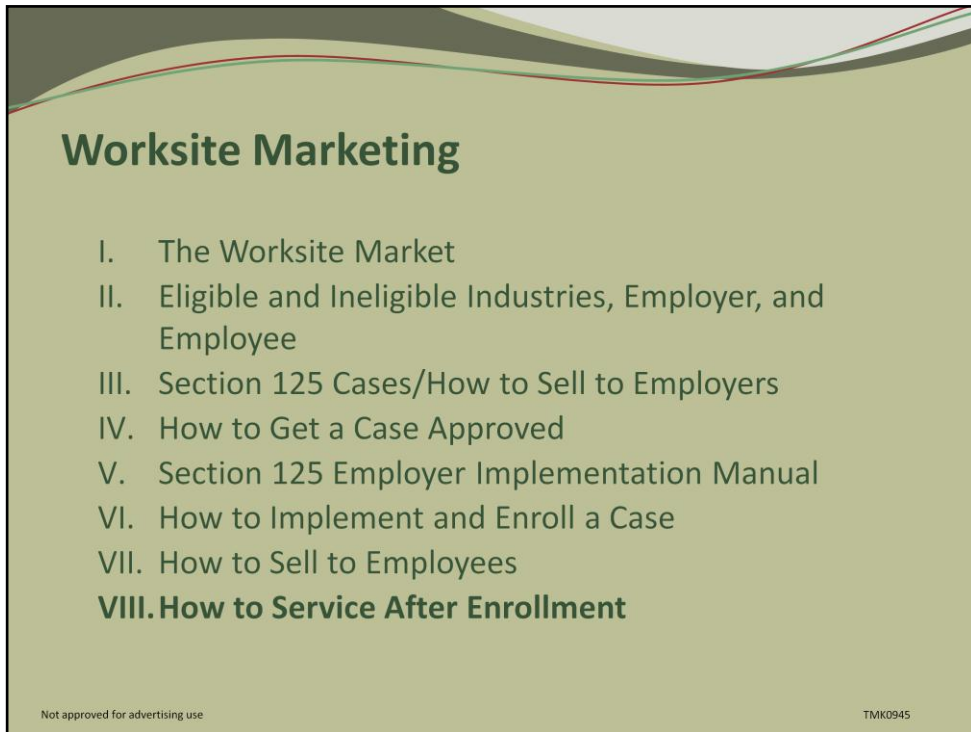
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Agents have access to many sales tools and marketing materials to assist them in their Worksite prospecting and sales. These can be downloaded and printed from the website or ordered through the Supply Department. Consult your Agency Owner for details.

These materials include employer brochures, employee brochures, preapproach letters, telephone prospecting scripts, business survey, print ads, radio scripts, and trade show booths.

After you complete this training, your next step should be the Worksite Advantage Steps to Success, LNL1081. This document discusses in-depth the prospecting and marketing specific to Worksite sales.



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- VII. How to Sell to Employees
- VIII. How to Service After Enrollment**

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No VO

3 Second Slide

Postsale Service

- Extremely important for ALL worksite cases
- Bookkeeper needs to know how to contact you or Home Office
- Home Office sends welcome letter to bookkeeper



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Postsale service is extremely important for all worksite cases. The Agent needs to make sure the bookkeeper knows how to contact the Agent or the Home Office.

The Home Office will send out a welcome letter to the bookkeeper with contact information.

Stay in touch throughout the year. Remember, you have another profitable annual enrollment around the corner.

New Employees

- Can only be added during approved enrollment periods
- New employees may enroll during midyear enrollment, if eligible



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New employees can only be added during approved enrollment periods. New employees, who were not eligible during the annual enrollment, may apply for coverage during the midyear enrollment. New employees are subject to the six-month employment requirement — some businesses have a one year employment requirement.

If the Agent is using an annual benefit cycle, make sure to contact the employer 60 days in advance to set up the application process.



Congratulations! You have completed the Worksite Marketing Agent Training PowerPoint.