



# Compensation Explanation

This document is intended as an explanation of the Team National Compensation Plan. It is provided to give a new Independent Marketing Director an overview of how they will be paid in the Compensation Plan. Compensation paid to IMDs is the direct result of retail sales. There is no financial benefit in sponsoring only IMDs.

Commissions and bonuses carry specific performance requirements that must be met before the IMD is eligible to receive any commission or bonus. Each commission and bonus is designed to encourage training and leadership, which promotes retail sales activity. The activity in each case is what we believe will ensure a level of growth in the IMD's organization that will result in continued compensation for that IMD. All commissions are paid weekly, except for the Marketplace rebates and the Save and Earn More Program, which are paid monthly.

## Deadlines and Responsibility

Each week's business begins on Monday at 4:00:01 p.m. EST/EDT and ends on the following Monday at 4:00:00 p.m. EST/EDT. All contracts count per the TN receiving electronic timestamp date. We are not responsible for the delivery rate or any issues with the connectivity of the internet. Sales will count for the week's business per the date in which TN receives the electronic timestamp on the membership contract. There is no extension to the deadline for any reason. All contracts must be processed online with the **purchaser present and only the purchaser may sign the contract**.

Excluding Mondays, any contracts correctly completed and received at our corporate office by 3:00:00 p.m. EST/EDT on any business day, will be posted to Genealogy by 7:00:00 p.m. EST/EDT that day. On Mondays, we stop processing at 4:00:00 p.m. EST/EDT. Contracts entered after 3:00:00 p.m. EST/EDT or 4:00:00 p.m. EST/EDT Mondays, will be processed on the next business day.

Any issues with the contracts will be posted that evening on the host's Genealogy under the Application Not Processed tab. If we were unable to process the contract because of an issue, it will remain under Applications Not Processed for two weeks. Once the application is corrected, it will post the day the correction was received. **It is the responsibility of the host to verify the completion, posting, and tracking of the contract.**

**Membership Change:** This applies for Credit Card and ACH sales only, not financed sales. When a customer purchases the standard \$795 membership by mistake, and would like to change it to the lifetime \$2195 membership and have the points count toward the previous week's business; the customer must send an email to [dataprocessing@teamnationalusa.com](mailto:dataprocessing@teamnationalusa.com) no later than 7:00:00 p.m. EST/EDT Monday. The email must come from the email address on the original contract and should read as follows:

"I \_\_\_\_\_, purchased a \$795 2-Year Standard Membership and request an upgrade to the \$2195 Premium (lifetime) Membership. Please charge my card on file for the difference of \$1400."

**Payoffs and Upgrades:** The deadline for a payoff or upgrade to be backdated is Monday 4:00:00 p.m. EST/EDT. A payoff or upgrade completed after 4:00:00 p.m. EST/EDT will count for the current week's business.

**Upgrade Fee Waived:** Any \$795 purchase upgraded to a \$2195 timestamped after 4:00:00 p.m. EST/EDT Monday, but received by 3:00:00 p.m. EST/EDT Thursday, will have the upgrade fee waived. This is only if the customer pays the \$1400 upgrade in full. The upgrade points will count for the current week's business.

**Duplicate Addresses:** A letter of explanation from the applicant as to why multiple coverages are needed, is required and must be emailed to [dataprocessing@teamnationalusa.com](mailto:dataprocessing@teamnationalusa.com) by the designated deadline, as assigned by Data Processing, in order to avoid cancellation of the membership and points removed upline.

**Commission Checks:** The checks will be mailed on Fridays for commissions earned the previous week. Direct deposits will be sent before Wednesday the following week. Commission amounts less than \$25.00 will remain pending in your account until the minimum requirement of \$25.00 is reached. TN reserves the right to mail checks or send direct deposits at any time.

## Types of Commissions/Bonuses

- Direct Sale Commissions:**\* This commission is earned when an IMD hosts a membership sale.

\$ 2195 Full Pay Premium Membership	\$ 50
\$ 795 Full Pay Standard Membership	\$ 25

\*No Direct Sale Commissions for financed membership sales.

- Regular Progression Bonuses:** Each time an active IMD center reaches 5 points on the left and 5 points on the right, \$500 is paid. The points will be held until the center reaches 10 points on the left and 10 on the right. Then an additional \$1000 is paid. Once the center reaches the 10/10, the points will reset back to 0 on the left and 0 on the right. The points are not held or carried over. Please refer to the **Qualifications/Bonus Rollups/Regular Progression Bonuses** section(s) below.
- Regular Progression Bonuses Paid on Earned Presidential Centers:** Each time a presidential center reaches 5 points on the left and 5 points on the right, \$500 is paid. Points will be held until the center reaches 10 points on the left and 10 on the right. Then an additional \$1000 is paid. Once the center reaches the 10/10, the points will reset back to 0 on the left and 0 on the right. The points are not held or carried over. Please refer to the **Presidential Director Bonus** and/or the **Qualifications/Bonus Rollups/Hosting and Presidential Director Bonuses** section(s) below.
- Hosting Bonus:** The host of an IMD will earn \$1000 each time that IMD reaches a 10/10 on their center. If the IMD that you hosted progressed to a 10 and 10, but you the host are not Hosting Bonus Qualified, the \$1000 Hosting Bonus will rollup through the hosting lineage to the next qualified host. Please refer to the **Qualifications/Hosting Bonus Qualification** section(s) below.
- Presidential Director Bonus:** This bonus compensates an IMD who has a growing organization, earning an override for their efforts. **\*No PD Bonus for financed membership sales.** Please refer to the document located on our website, under **Resources > IMD Resources > Special Documentation > Circle of Stars & Presidential Director** for a detailed explanation of the bonuses paid.
- Impact Commission:** This bonus compensates an IMD who referred or covered an individual that signed up for Impact Health Sharing. Please refer to the document located on our website, under **Resources > IMD Resources > Special Documentation > Impact Health Sharing Commission** for a detailed explanation of the commission paid.
- Marketplace:** The Marketplace is a grouping of retail stores where you can shop online and receive rebates for the online purchases, as applicable. Each retailer sets up its own rebate structure ranging from 0-35%. The online purchase you make through our TN website is electronically tracked. The retail store generates a rebate for the purchase, which is paid to the purchaser within 120 days from the date of purchase. Rebate amounts less than \$15 remain pending in your Marketplace account to be paid after a total of \$15 is reached. To participate in the Marketplace, you must own a membership or be covered as a family member or employee of a Premium/Business membership. This is an online-only service. Please note: Order confirmation(s) and/or receipt(s) must be kept for all rebate inquiries.

## Qualifications to Earn Commissions

### Bonus Qualification

*Renewals of Standard memberships, upgrades, and sales made into a transferred center DO NOT count for Bonus or Hosting Bonus Qualifications.*

**To earn a commission**, an IMD must be Bonus Qualified. To gain this qualification, the active IMD must host two new membership sales. One sale must be placed on the left of your 000 and the second sale on the right of your 000. Bonus Qualification lasts for one year from the date of the first sale hosted. There is no time frame in which this must occur. Once the requirement is met, the center will become Bonus Qualified. If one of the sales is cancelled you will lose the Bonus Qualification, but your center will be considered as having been Bonus Qualified in the past. Please refer to the Bonus Rollups and Rollup Policy section below.

**To retain or regain qualification**, you can host 1 sale to be Bonus Qualified for 6 months. If you host a second sale, it will make you Bonus Qualified for 12 months.

**To determine the date of your Bonus Qualification**, the system will only look at the last two sales made within the previous 12 months. From the oldest sale, the system will give the IMD 12 months of qualification. From the newest sale, the system will give the IMD 6 months' qualifications. It will then determine which date will provide the active IMD with the longest time of Bonus Qualification. See the example below.

Joe hosted three membership sales this year. His sales are below!

*Marie joined on 7/31/18  
Ashley joined on 06/01/18  
Carol joined on 05/18/18*

**Joe is Bonus Qualified until 06/01/19**

The system will look at the join date of the two most recent sales, only **Marie and Ashley**. From Ashley, the oldest of the two recent sales, the system will give the IMD 12 months of Bonus Qualification, which is 06/01/19. From the most recent sale, Marie, it is six months from her join date, which is 01/31/19. The system determined 06/01/19 is the longest time of Bonus Qualification for the last two sales.

**If an expired membership owner would like to re-purchase a new membership in the same location, will it count toward BQ?** No. Our current policy does not allow for a re-purchase to count toward BQ. However, an IMD can sell the expired membership owner a new membership and place the sale in a new location. A sale in a new location will count toward BQ. If that consumer also wants to be an IMD, they have two options: they can either renew their IMD status in their present location or become an IMD in the new location.

### Hosting Bonus Qualification

*Renewals of Standard memberships, upgrades, and sales made into a transferred center DO NOT count for Bonus or Hosting Bonus Qualifications.*

In order to become **Hosting Bonus Qualified**, an IMD must help two (2) IMDs **that they personally hosted** get Bonus Qualified for the first time, and they will be Hosting Bonus Qualified for 12 months.

To remain **Hosting Bonus Qualified**, the IMD must have at least one person from among all the people they personally hosted, become Bonus Qualified for the first time during the next 12 months. If a person becomes Bonus Qualified and then loses that status, regaining their Bonus Qualified status will not count as one of the requirements for his host to maintain or become Hosting Bonus Qualified.

If an IMD falls out of **Hosting Bonus Qualification** after the year, to regain qualification, they must help one (1) personally hosted IMD become Bonus Qualified for the first time. Once this occurs, the IMD will be Hosting Bonus Qualified for 12 months.

To determine the date of your **Hosting Bonus Qualification**, the system will do a 12-month retroactive search to find any personal hosting in your organization, which became Bonus Qualified for the first time during that period. If one is found, you will be Hosting Bonus Qualified for a year from the most recent IMD that became Bonus Qualified.

### Presidential Director Bonus Qualification

To receive the Presidential Director Bonus,\* you must first reach the **presidential level, be an active IMD and be Bonus and Hosting Bonus Qualified**. Once these requirements are met, you will be qualified to receive the PD Bonus. **\*No PD Bonus for financed membership sales.**

### Bonus Rollups

There are certain instances where there is sufficient activity and volume in an IMD's organization to cause a center to progress to 5 and 5 or 10 and 10, yet the IMD is not qualified to receive that bonus. Team National's policy on such occurrences is based on certain logic, which should be understood concerning the possible rollup of a given bonus payment.

**Regular Progression Bonuses:** If an IMD center progresses to 5/5 or to 10/10 and the IMD who owns that center has **never** been Bonus Qualified, that active IMD will be given 35 days to become Bonus Qualified and claim that specific check. They will receive a letter from Team National informing them they achieved a progression. If the IMD does not become Bonus Qualified within the 35 days, they forever forfeit all claims to that check, and it will roll up to the next person in the hosting lineage that is Bonus Qualified. If the IMD remains unqualified, they will be notified each time their center progresses to 5 and 5 or to 10 and 10, and they will be sent another letter.

**Rollup Policy:** If a Progression Bonus, as described above, is forfeited by an IMD who never became Bonus Qualified, the check will roll up to the next person that is Bonus Qualified in the IMD's hosting lineage. The logic that applies here is that someone in the hosting line must have done some work in that organization. The assumption is that the person most likely to have done the work was the host of that IMD, who would gain most in building under that IMD center. This same assumption is followed up the hosting lineage until a Bonus Qualified person is found.

**If an IMD becomes Bonus Qualified and then loses that status due to inactivity and that IMD's center generates another Progression Bonus 5/5 or 10/10, the IMD automatically forfeits any right to the \$500 or \$1000 Progression Bonus. They will not be notified in any way by Team National since there is no way for the IMD to reclaim that bonus. The check will not roll up.**

The logic applied here is that since the IMD was once Bonus Qualified, he is responsible for the volume in their center that generated the Progression Bonus. Since the IMD chose not to maintain their Bonus Qualification status, that IMD is considered to have abandoned their business and is disqualified from receiving said earnings. If the IMD is responsible for the work, which created the volume, then no one else is entitled to, or should arbitrarily earn that Progression Bonus; it is forfeited.

**Hosting Bonuses and Presidential Director Bonuses:** An IMD is entitled to a Hosting Bonus or a Presidential Director Bonus if he is both Bonus Qualified and Hosting Bonus Qualified. If the IMD is not qualified to receive either bonus, the bonuses will automatically roll up to the first qualified IMD in the hosting lineage.

### Additional Pay Centers

**\$2500 Business Center Qualification:** An IMD automatically receives the \$2500 Business Center, left (101) and right (102) of their 000 centers in one of two ways:

1. By purchasing 25 in Product Volume (PV) and having two other customers purchase 25 PV in two hosting lines.
2. By having three other customers purchase 25 PV in three different hosting lines.

To expedite the placement of your 101 (left) and 102 (right), please fill out the **\$2500 101 and 102 Placement Request Form**. To obtain this form, log in to [Team National](#) > Resources > IMD Resources > Special Actions or Forms > \$2500 101 and 102 Placement Request Form.

In order to earn the \$1000 Hosting Bonus, an IMD must be Bonus Qualified and Hosting Bonus Qualified at the time of the 10 and 10 progressions, and have either ordered 25 PV themselves for the previous two months, or have a customer in a hosting line purchase 25 PV for the previous two months.

**Note:** 2nd and 3rd Tier Hosting Bonus Rules apply, and hosting bonuses from these centers will follow these rules. Please refer to the **Hosting Bonus Qualification – Tier Rules** section below.

**Presidential Business Center:** An IMD earns its Presidential Business Center each time they reach a new presidential level. The center can be placed in their organization using the Presidential Center Request form. An IMD must be Bonus Qualified to receive a 10 and 10 progression bonus. An IMD must be Hosting Bonus Qualified to receive the \$1000 Hosting Bonus, and an IMD must not be affected by the 2nd or 3rd Tier Hosting Bonus Rule.

**Note:** 2nd and 3rd Tier Hosting Bonus Rules apply, and hosting bonuses from these centers will follow these rules. Please refer to the **Hosting Bonus Qualification – Tier Rules** section below.

### **Hosting Bonus Qualification – Tier Rules**

An IMD is entitled to a Hosting Bonus if they are both Bonus and Hosting Bonus Qualified. If the IMD is not qualified because they are in the 2nd or 3rd Tier Rule, the bonus will automatically roll up to the first qualified IMD in the hosting line.

**1st Tier Hosting Bonus Rule:** When a hosting bonus qualification expires, the IMD has 6 months to re-qualify by helping a personally hosted IMD who has never been Bonus Qualified to become Bonus Qualified. If this is not accomplished by the end of the 6th month, the IMD will move to the 2nd Tier.

**2nd Tier Hosting Bonus Rule:** When the 1st Tier expires, the IMD has 6 months to re-qualify on hostings made prior to the 6 months by doing the following in this order:

- First, become Bonus Qualified.
- Second, become Hosting Bonus Qualified.
- Third, earn three 10 and 10 Progression Bonuses on the 000 Pay Center. If this is not accomplished within six months of the 2<sup>nd</sup> Tier Rule, the IMD will move to the 3rd Tier.

**If all the steps above are not accomplished within six months of the 2<sup>nd</sup> Tier Rule, the IMD will move to the 3<sup>rd</sup> Tier Rule.**

***Note:** If the 2nd Tier Rule is applied due to a finance membership plan failing to pay, a waiver form may be requested from the corporate office.*

**3rd Tier Hosting Bonus Rule:** When the 2nd Tier expires, the IMD has 6 months to re-qualify on hostings made prior to the 12 months (this time period is due to 1st Tier 6 months, plus 2nd Tier 6 months) by doing the following in this order:

- First, become Bonus Qualified.
- Second, become Hosting Bonus Qualified.
- Third, earn three 10 and 10 Progression Bonuses on the 000 Pay Center.
- Fourth, move up one presidential level (Bronze Presidential being the minimum level).

The **3rd Tier Hosting Bonus Rule** also applies to an IMD that has hosted people for longer than 12 months and has **never** been Hosting Bonus Qualified.

*Note: If the 3rd Tier Rule is applied due to a finance membership plan failing to pay, a waiver form may be requested from the corporate office.*

The following checklist is designed to aid you if you are in one of the tiers. As a reminder, **each requirement must be fulfilled in order.**

### 1st Tier

\_\_\_ Help a personally-hosted IMD who has never been Bonus Qualified become Bonus Qualified.

### 2nd Tier

\_\_\_ Bonus Qualified

\_\_\_ Hosting Bonus Qualified

\_\_\_ Earn three 10 and 10 Progression Bonuses on the 000 Pay Center

### 3rd Tier

\_\_\_ Bonus Qualified

\_\_\_ Hosting Bonus Qualified

\_\_\_ Earn three 10 and 10 Progression Bonuses on the 000 Pay Center

\_\_\_ Move up one presidential level (Bronze Presidential being the minimum level)