



Compensation Plan

SECTION #1



Foreword

As you have probably already heard, Life's Abundance offers one of the most fair and generous compensation plans in the network marketing industry. In fact, there are seven different ways you can earn money in our compensation plan:

Seven Ways to Earn Money	
1 Retail Profit 2 Quick Start Bonuses 3 Retail Bonuses	Section #1
4 Recruiting Bonuses 5 Foundation Bonuses	Section #2
6 Star Club Bonus Pools 7 Performance Bonuses	Section #3

But how are your commissions calculated? In the following overview, we explain in simple terms exactly how you are paid by separating the Life's Abundance Compensation Plan into three distinct sections: (1) Understanding the Basics, (2) Building an Organization, and (3) 5-Star and Beyond.

The advantage of this three-section overview is that you do not have to memorize all three sections to get your business off the ground. In fact, you will probably not need to worry about the information in the third section until you have established a network of Field Reps and customers.

Here's a brief description of each section:

Section #1 – Understanding the Basics

This section contains the basic compensation information, covering basic terms and concepts on which the compensation plan is built, and detailing the three ways that you are paid on customer purchases.

Section #2 – Building an Organization

Once you are ready to start signing up other Field Representatives under you, then you should review this section. Here, you will learn about two ways to earn money that are related to building an organization. This section also explains how to advance through the first four ranks (from 1-Star to 4-Star).

Section #3 – 5-Star and Beyond

This section introduces the two additional ways that you get paid as you proceed through the highest ranks (5-Star to 9-Star ranks).

Section #1 - Understanding The Basics

Understanding The Basics

The Life's Abundance compensation plan is a generous one, with seven different ways to earn money. In this section, we will look at the three ways that you can earn money selling products to customers:

1. Retail Profits
2. Quick Start Bonuses
3. Retail Bonuses

1. Retail Profits

Retail Profit is the difference between what you pay as a Field Rep for a product and what your retail customer pays for that product.

Customer Direct Sales

When your customers purchase retail-priced products directly from the company either over the phone or on your Replicator site, you will receive the Retail Profit in your monthly commission payment. This is the difference between the wholesale and retail price. For example, if a customer purchases a retail-priced product at \$50.00 and the wholesale price is \$40.00, your retail profit is \$10.00.

Personal Inventory Sales

When you purchase products at wholesale prices, you can resell these products at the suggested retail prices and earn up to a 30% Retail Profit. For example, if you purchase a wholesale-priced product at \$40.00 and sell it at the retail price of \$50.00, your retail profit is \$10.00.

Quantity-Discounts

Some products have quantity discounts and can be purchased at lower-than-wholesale unit prices. This is a cost-effective way to purchase, similar to buying a twelve-pack of soda instead of one can. For example, if a product has a retail price of \$50.00 and a wholesale price of \$40.00, there may be a quantity-discounted unit price of \$35.00 for the purchase 12 units or more. In this case, your retail profit would be \$15.00.

Under no circumstances should you buy more products than you can resell or use in one month.

Commissionable Products

Before we can talk about the Quick Start Bonus, there is one concept you must understand. As far as the compensation plan is concerned, there are two types of products: commissionable products and non-commissionable products.

A commissionable product is one that pays out a commission, while a non-commissionable product never pays out commissions of any type. The vast majority of the products that we sell are commissionable. As a general rule of thumb, if a product is typically sold to customers, it will be commissionable. Examples of non-commissionable products are product catalogs, DVD's and product samples.

Section #1 - Understanding The Basics

2. Quick Start Bonuses

There is an old saying, "It takes money to make money". We realize that there is often a cost associated with acquiring new customers and new Field Representatives. Typically, you may give a prospect items such as brochures, DVD's, trial-sized pet food bags and/or other product samples.

The Quick Start Bonus was created to help you build your business more quickly by helping you to recoup your promotional expenses faster, so you can reinvest and continue to build your organization. The concept is simple ... any time one of your customers or one of your personally sponsored Field Representatives buys a commissionable product for the first time, you will receive a Quick Start Bonus.

The Quick Start Bonus is usually significantly more than other bonuses paid on that product and is paid out once a month. We can pay out more money on the Quick Start Bonuses because, unlike other bonuses, Quick Start Bonuses do not go upline ... so you receive all commissions from that sale.

A Quick Start Bonus is paid on one unit of any product. For example, if a customer makes a first-time purchase of three of any commissionable product, you are paid a Quick Start Bonus on one unit only and you receive regular commissions on the remaining two units.

Since you do not have to qualify to receive a Quick Start Bonus, all you have to do is sell commissionable items to first-time product purchasers.

3. Retail Bonuses

The Retail Bonus rewards you for building a customer base. You are paid a Retail Bonus on your personal purchases and the purchases of your personally-sponsored customers.

Personal Sales

Personal Sales (PS) is the total wholesale value of all commissionable products purchased by you and your customers in a given month. You must have at least \$50.00 in PS in a given month to receive Retail Bonuses.

Personal Commissionable Sales

Personal Commissionable Sales (PCS) is the total commissionable sales value of all products purchased by you and your customers in a given month.

Section #1 - Understanding The Basics

Commissionable Sales

Commissionable Sales (CS) is an important concept to understand. For most of the other bonuses in the compensation plan, you are paid a percentage of commissionable sales. Each commissionable product has a CS amount. The CS amount varies by product, but it is almost always less than the wholesale price of the product. This is due to many factors, including different manufacturing costs and the need to make sure the Life's Abundance products are competitively priced in the marketplace.

For example, we may sell two products priced at \$10.00. Let's say Product A has a CS of \$8.00 and Product B has a CS of \$7.00. Product A may have a higher CS because it costs less to manufacture than product B. For the rest of this document, when we talk about a bonus paying a certain percentage, it is a percentage of the CS.

The CS amount on each product is listed on the price list included in your Life's Abundance Starter Kit. An updated list is also available in the "Business Center" section of your Replicator site.

How Do I Earn Retail Bonuses?

Each month, you can receive a Retail Bonus. Your monthly Personal Sales (PS) is used to determine whether you are eligible for a 5%, 10%, 15% or 20% Retail Bonus, which is calculated based upon your total Personal Commissionable Sales (PCS) amount for any given month.

As you can see from the chart below, when your PS increases, the percentages used to calculate your bonus increases, too.

Monthly Retail Bonuses

Personal Sales or PS

\$50.00 – \$249.99 PS
\$250.00 - \$499.99 PS
\$500.00 - \$749.99 PS
\$750.00 & Up PS

Personal Commissionable Sales or PCS

Entitles you to 5% of your PCS
Entitles you to 10% of your PCS
Entitles you to 15% of your PCS
Entitles you to 20% of your PCS



Section #1 - Understanding The Basics

When Do I Get Paid?

Commission Pay Periods

Commission pay periods start on the first day of the month and end on the last day of the month at midnight Eastern Time.

Quick Start Bonus Commissions

Quick Start Bonuses are paid monthly, on the 7th of the month for commissions earned the previous month. For example, if a customer of yours makes a first-time purchase of Agility in January, we would process the Quick Start Bonus on the 7th of February.

Regular Monthly Commissions

All bonuses other than Quick Start Bonuses are paid monthly, on the 20th of the month for commissions earned the previous month. For example, your monthly commission payment for commissions earned in January will be processed on the 20th of February.

Payment Minimum

Life's Abundance has a \$10.00 commission payment minimum. If you earn less than \$10.00 in commissions, your commissions are held until you accumulate enough commissions to surpass the \$10.00 minimum.