

New Compensation Plan FAQs

Key Questions

1. Q: Why is Young Living making changes to the compensation plan?

A: We have adjusted the compensation plan to put success better within the reach of our distributors. With this new plan, you can earn more through growing your organization, avoid reaching a plateau in growth, and receive compensation from 47–48% of the company's commissionable sales—well above the industry average of 38–42%.

2. Q: I have been building my business on the model of the Distributor Team Performance Bonus, but that bonus is going away. How is Young Living going to take care of me?

A: For a period of six months after the implementation of the new compensation plan, distributors will earn either the Distributor Team Performance Bonus at a reduced amount of 50% or the new Rising Star Team Bonus—whichever pays more. If you earn the Distributor Team Performance Bonus, the payout will be decreased an additional 10% every month until June 2013, when it reaches 0% or until you no longer qualify. When you qualify for the Rising Star Team Bonus for the first time, the 24-month time limit will begin.

3. Q: Can I earn the Distributor Team Performance and the Generation Leadership bonuses at the same time?

A: Yes, as long as you meet all qualifications for both.

4. Q: How does the "grandfathering" plan work?

A: Because we want to help you comfortably adjust to the new compensation plan, there will be a six-month transition period starting January 1, 2013. There will be two elements to the transition:

First, during this period distributors who are eligible for both the Distributor Team Performance Bonus and the new Rising Star Team Bonus will be paid the greater of the two. Second, distributors will qualify using whichever compensation plan, previous or new, allows them to qualify for the highest rank. All distributors will be paid according to the new plan beginning January 1, 2013.

Distributor Rank Questions/Unilevel

1. Q: Do I get commissions if I am ranked as a distributor with a 50 PV order in a month and I sign up a new distributor?

A: As a new distributor's enroller with 50 PV, you are eligible to receive the Fast Start and Start Living Enrollment Kit bonuses, but no other bonuses or commissions. Sponsors with orders of 50 PV are only eligible to receive the difference between wholesale and retail cost (differential) from the purchases of personally sponsored customers.

2. Q: Do we have dynamic compression in this plan? If not, what type of compression do we have?

A: The new compensation plan follows the same standard compression model as the original plan.

3. Q: If I sign up new customers, will I still earn the difference between wholesale and retail pricing on the purchases they make (differential)?

A: Yes, as long as you qualify with a monthly order of 50 PV or more.

4. Q: I am working on the Silver in 6 program, will that going away?

A: No. There will be no changes to the Silver in 6 program.

5. Q: Are we still doing the Slique Start Living Kit Bonus?

A: Yes, as long as you have a qualifying order of 50 PV.

6. Q: To earn unilevel commissions, do I have to have an Essential Rewards autoship order?

A: No, but in order to qualify for commissions, you must make an order of at least 100 PV per calendar month.

Start Living Kit Bonus

1. Q: What do I have to do to earn the Start Living Kit Bonus when my new enrollee purchases a premium Start Living Kit?

A: You must complete a minimum 50 PV order within the same calendar month that the new enrollee signed up.

Fast Start Bonus

1. Q: Is this bonus paid monthly? How many months?

A: It is paid every month during which the enroller completes an order of at least 50 PV and his or her new enrollee places an order during each of the first three calendar months as a distributor.

2. Q: How does a member qualify for this bonus?

A: A distributor with a minimum 50 PV monthly order who personally enrolls a new distributor can receive 25% calculated on the enrollee's first three months' volume. A 10% calculation of the same PV can be earned by the second-level enroller for the first three calendar months if he or she qualifies.

3. Q: Are any other commissions affected by me getting this bonus? If so, who in my upline is affected?

A: When the Fast Start Bonus is earned, all PV used to calculate unilevel, personal generation, generation, and pool bonus payouts is reduced by 70%.

4. Q: What is the maximum payout for the enroller?

A: \$200 is the maximum that can be earned per new distributor each month by the enroller; \$80 is the maximum for the second-level enroller.

5. Q: What do my new enrollees have to do for me to get this bonus?

A: They simply have to order product with PV for the first three calendar months of their distributorship.

6. Q: Can I receive this bonus for a reactivating member?

A: No, this bonus will only be paid on newly enrolled distributors.

Rising Star Bonus

1. Q: How is this bonus based on commissionable sales? What are commissionable sales?

A: The term "commissionable sales" refers to sales of all products with a PV value sold globally. This bonus takes a percentage of those sales and divides it among qualifying distributors.

2. A: Do commissionable sales change from month to month?

Q: Yes, they are based on the total purchases of products with PV made globally during a calendar month, which may fluctuate from month to month.

3. Q: If there are more people qualifying for this bonus pool, won't my share be worth less money?

A: Not necessarily. The number of people participating in the pool will be greater, but so will the global commissionable sales, making for a larger pool.

4. Q: Is this bonus paid out to the sponsor or the enroller?

A: It is paid to the sponsor.

5. Q: How much, approximately, does each share amount to?

A: The amount could fluctuate significantly depending on global commissionable sales and the number of participants.

6. Q: How long can I earn this bonus?

A: You may earn it over the course of 24 continuous months. In other words, the eligibility period continues whether you qualify each month or not.

7. Q: When does the 24-month period start?

A: The period starts the first time you qualify, including if you qualify for the first time during the six-month compensation plan transition period.

8. Q: Can I still earn the Rising Star Team Bonus if I rank as a Silver and then rank back down the next month?

A: If you rank down to Star, Senior Star, or Executive, and are still within the 24-month time frame, you may earn the Rising Star Team Bonus as long as all other qualifications are met.

9. Q: Can I earn the Rising Star and the Generation Leadership bonuses at the same time?

A: No. You must be paid as a Star through Executive to earn the Rising Star Team Bonus and be paid as Silver or higher to earn the Generation Leadership Bonus.

10. Q: Does this mean that I have a share in the company?

A: No. The shares that are a part of this compensation plan are shares of a pool based on commissionable sales and are paid out according to our

qualifications. We are a privately held company and stock shares are not available.

11. Q: Does the 300 OGV qualification have to be only from Essential Rewards autoship orders?

A: No. Only you and your personally sponsored distributors need to have Essential Rewards autoship orders to earn the Rising Star Team Bonus.

12. Q: Can the specific members who are qualifying me for the 300 OGV one month, change the next month?

A: Yes. The bonus does not require that orders from the same people every month make up your OGV. As long as the qualifications are met, the bonus will be paid.

13. Q: Is there a limit to the amount I can earn on this bonus?

A: There is a limit of 6 shares that can be earned, but there is not a limit on the value of the shares.

Generation Leadership Bonus

1. Q: How much is each share approximately?

A: The value could fluctuate significantly depending on global commissionable sales and the number of participants.

2. Q: How do I qualify for this bonus?

A: To qualify for this bonus, simply be paid as Silver or higher. During the compensation plan transition, you will be ranked according to whichever plan allows you to rank the highest.

3. Q: If I rank as a Platinum and I have a Diamond in my downline, how many shares do I receive for that Diamond?

A: The number of shares you receive is capped at your paid-as rank. So if you are a Platinum with a Diamond in your downline, you will earn 3 shares for that Diamond.

Travel Incentive Bonus

1. Q: Will I receive this bonus on my check?

A: No. Though this bonus is considered commissionable earnings, it will accumulate as points in Virtual Office.

2. Q: How will I be able to view how many Travel Incentive points I have?

A: Your points will be available for viewing in Virtual Office.

3. Q: How can I use each half of this bonus?

A: The first 0.5% of this bonus is earned based on rank and can be used toward registration for the convention, harvest events, and the leadership retreat. The other 0.5% can only be used toward the Global Leadership Trip, but can be supplemented with points from the first half of the bonus if not enough has been accumulated to cover the entire cost of the trip. If unused, the second half of the bonus will not be reported as income and will be redistributed to other qualifying distributors in the pool.

4. Q: What do I need to do to qualify for this bonus?

A: For the first half, simply be paid as an Executive or higher. Points are not lost if you drop in rank.

To earn the second half of the bonus, you must meet certain requirements such as individual rank advancement, maintenance, and growth within an organization through rank advancement. Each event will have its own set of requirements.

5. Q: When do the points I receive expire?

A: They expire in 12 rolling months or when all travel opportunities have passed. Please plan ahead to ensure that your points do not go unused.

6. Q: If I don't qualify for the cruise, what happens to my 0.5%?

A: You will forfeit that portion of the bonus, but it will not be reported as taxable income.

Diamond Express Profit Sharing Pool

1. Q: What are the stipulations for this profit sharing plan?

A: To earn this bonus, you must be paid as a Diamond or higher rank and have met all qualifications in the year prior. During 2013, all Diamond leaders will be paid this bonus during every month they qualify as a Diamond or higher rank.

2. Q: What do I need to do to qualify?

A: You need to be paid as a Diamond or higher rank and earn at least 10,000 leadership points within one year. Hosting an international Young Living meeting is worth 2,000 points and a domestic meeting is worth 1,000. Additionally, you must attend the convention, the Global Leadership Trip, and one harvest event yearly to qualify. See the Terms and Definitions for the full meeting requirements.

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