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 45–47 percent of the company’s commissionable sales. This is well above the industry average of 38–42 percent.

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: The Distributor Team Performance Bonus will not disappear right away. For a period of six months after the implementation of the new compensation plan, qualifying distributors can earn both the Distributor Team Performance Bonus at a reduced amount of 50 percent (and decreasing 10 percent every month for six months) and the new Rising Star Team Bonus. 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 transition 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 three elements to the transition:
   
   First, the previous compensation plan will transition to the new plan from January 1, 2013, to June 30, 2013.
   
   Second, during this period, distributors who are eligible for the discontinued Distributor Team Performance Bonus will be paid their bonus at a decreased rate of 50 percent, decreasing an additional 10 percent every month until June 2013, when it reaches 0 percent or until the distributor no longer qualifies.
   
   Third, distributors will be paid according to the new compensation plan beginning January 1, 2013, but will qualify for compensation according to whichever plan, previous or new, allows them to qualify at the highest rank. All ranks will be determined according to the new plan beginning June 30, 2013.

5. Q: What is the definition of a “leg”?
   A: A leg is formed by a distributor who has 100 PV and includes the OGV of his or her downline. To qualify for higher ranks, separate legs of the specified volume are required. Please refer to the Compensation Plan Terms and Definitions for additional details.

6. Q: How are legs measured for rank qualification under the new plan?
   A: The distributor at the top of the leg must have 100 PV and together with the OGV can qualify for the desired rank. Distributors who fail to achieve 100 PV in a month do not qualify for rank, commissions, or sponsor-based bonuses, and their legs “roll up” to the next qualifying distributor above them in their organization.

   For example, Susan has two separate legs, one with 3,000 OGV and another with 1,000 OGV, which is enough leg volume to qualify as an Executive. If Susan personally orders less than 100 PV, the 3,000 OGV leg and the 1,000 OGV leg will roll up as two independent legs to the first person above Susan with 100 PV. Due to the roll up, the legs may possibly help the upline qualify for the calendar month.
To determine which legs will be used for qualification, a distributor’s legs will be compared against each other to determine which should be considered “qualifying” legs. After all legs are excluded that might help a distributor reach his or her highest paid-as rank, any remaining volume will be counted into the PGV total, as long as the leg is not a paid-as-Silver leg or higher.

7. Q: How has the PGV definition changed with the new plan?
   A: Effective April 1, 2013, Personal Group Volume (PGV) is defined as the monthly volume in an organization, excluding any Silver or higher rank volume and any volume included in the distributor’s qualifying leg(s).

Rank and Compensation

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 Kit bonuses, but no other bonuses or commissions or to qualify for rank.

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; is that going away?
   A: No. There will be no changes to the Silver in 6 program.

5. Q: To earn unilevel commissions, do I have to have an Essential Rewards order?
   A: No, but in order to qualify for commissions, you must place an order of at least 100 PV per calendar month.

Start Living Bonus

1. Q: What do I have to do to earn the Start Living Bonus when my new enrollee purchases a premium Starter Kit?
   A: You must complete a minimum 50 PV order within the same calendar month that the new enrollee signed up and purchased a premium kit.
Fast Start Bonus

1. Q: Is the Fast Start Bonus paid monthly? If so, for how many months?
   A: This bonus 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 distributor qualify for this bonus?
   A: A distributor with a minimum 50 PV monthly order who personally enrolls a new distributor can receive 25 percent calculated on the enrollee's PV for the first three months. A 10 percent 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 my receiving the Fast Start Bonus? If so, who in my upline is affected?
   A: When the Fast Start Bonus is earned, PV used to calculate unilevel, personal generation, generation, and pool bonus payouts is reduced by 70 percent.

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 in order for me to receive the Fast Start Bonus?
   A: New enrollees simply have to order product with PV for the first three calendar months of their distributorship.

6. Q: Can I receive the Fast Start Bonus for a reactivating member?
   A: No. The Fast Start Bonus is paid only for newly enrolled distributors.

Rising Star Team Bonus

1. Q: How is the Rising Star Team Bonus based on commissionable sales? What are commissionable sales?
   A: The term “commissionable sales” refers to sales of all products with a PV value that are sold globally. This bonus takes a percentage of those sales and divides it among qualifying distributors.

2. Q: Do commissionable sales change from month to month?
   A: Yes. Commissionable sales 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 more people qualify for this bonus pool, will 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 the Rising Star Team Bonus paid out to the sponsor or the enroller?
   A: It is paid to the sponsor.

5. Q: How much, approximately, is each share worth?
   A: The amount could fluctuate significantly, depending on global commissionable sales and the number of participants. The value of a share for any given month will be posted on the 20th of the following month on Virtual Office.
6. Q: How long may I earn the Rising Star Team 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 24-month period starts the first time you qualify for one or more shares.

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: If I am a Star, Senior Star, or Executive, can I earn the Rising Star Team 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. Distributors paid as Silver or higher can become eligible 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 from Essential Rewards orders only?  
    A: No. Only you and your personally sponsored distributors need to have Essential Rewards orders to earn the Rising Star Team Bonus.

12. Q: Can the specific distributors 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 six shares that can be earned, but there is no limit on the value of the shares.

**Generation Leadership Bonus**

1. Q: How do I qualify for the Generation Leadership Bonus?  
   A: To qualify for this bonus, simply be paid as Silver or higher.

2. Q: Approximately how much is each share?  
   A: The value of each share could fluctuate significantly, depending on global commissionable sales and the number of participants.

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. If you are a Platinum with a Diamond in your downline, you will earn three shares for that Diamond.
Travel Rewards Bonus

1. Q: What is the Travel Rewards Bonus?
   A: The Travel Rewards Bonus is a discontinued program that allowed members to use points to offset certain registration and travel costs of some Young Living events. This bonus has been eliminated, and the funds have been moved to increase the Personal Generation commissions from 2% to 2.5%.

2. Q: Can I still earn points?
   A: No points can be earned after July 31, 2013.

3. Q: What if I have points and want to use them?
   A: You must register for a qualifying event before July 31, 2014 and request a rebate before September 30, 2014. Points may be redeemed until September 30, 2014 for qualifying events.

4. Q: How do I redeem my points?
   A: If you have points, and have registered for a qualifying event before July 31, 2014, you will be directed within 30 days to a website where you can redeem your points. You must request this redemption before September 30, 2014.

5. Q: What happens after I redeem my points?
   A: After you redeem your points, you will receive a rebate toward the cost of event registrations on your commission check within 60–90 days.

6. Q: How can I view how many Travel Rewards points I have?
   A: Your points will be available for viewing in the “Downline Viewer” section of your Virtual Office or on your monthly check stub.

7. Q: Will my points ever expire?
   A: Yes. Points ceased accumulating on July 31, 2013, and can no longer be used after September 30, 2014.

8. Q: If I do not use my points, will I receive the cash amount on my check once they expire?
   A: No, they can only be redeemed for a rebate on the cost of qualifying events for which you have registered on or before July 31, 2014.

9. Q: If I have registered for an event and intend to request a rebate, should I contact Customer Care about the status of my registration?
   A: We ask that you wait up to 30 days after registering for a qualifying event to request a rebate. Young Living will contact you about your registration and request status.
Diamond Express Profit Sharing Pool

1. Q: What are the stipulations for the Diamond Express Profit Sharing Pool Bonus?
   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 existing Diamond leaders will be paid this bonus during every month in which they qualify as a Diamond or higher rank. Thereafter, all new Diamonds will be paid the bonus during every month they qualify as Diamond or higher rank for 12 months from the time they first qualified. New Diamonds are encouraged to use this time period to meet all bonus qualifications, or they will forfeit earning the bonus during the following 12 months.

2. Q: What do I need to do to qualify?
   A: To qualify to earn Diamond Express Profit Sharing Pool shares, you must qualify as a Diamond leader and lead domestic and international training events. You have the choice of leading five domestic and one international, three domestic and three international, or four domestic and two international meetings. These meetings must meet certain standards and requirements outlined in the Compensation Plan Terms and Definitions. In addition, Diamond leaders must attend the annual convention, the global leadership trip, and one harvest event yearly to qualify.