

COMPLIANCE COMPANION: *Income Claims*

Income Claims Education

The **Federal Trade Commission (FTC)** defines earnings claims as any claim, express or implied, that conveys any of the following:

- A level or range of actual or potential earnings that may be earned by sales force members;
- A level or range of gross or net income or profits, including, but not limited to, representations that suggest that the ability to make lifestyle purchases—such as homes, vehicles, vacations, etc —are related to income earned from direct selling;
- Any statement, representation, or hypothetical scenario from which an actual or prospective sales force member could reasonably infer that he/she will earn a certain level or range of income;
- Any chart, table, or mathematical calculation demonstrating possible income, actual or potential sales, or gross or net profits based upon a combination of variables;
- Marketing materials or advertising describing or promising potential income amounts or demonstrating extraordinary or lavish lifestyles of sales force members enabled by their participation in direct selling; or
- That sales force members may earn or have earned company-sponsored incentives, vehicles, vacations, or other rewards.

Please confirm that you have the appropriate substantiation, disclaimers, and links to your income disclosure statement. The FTC heavily monitors income claims to ensure there are no implied or misleading claims associated with your post and opportunity.

High-Risk Words & Phrases

- | | | | |
|---------------------|-------------------------|-----------------------------|-------------------------------|
| ▶ get rich | ▶ extra income | ▶ guaranteed income | ▶ guaranteed unlimited income |
| ▶ wealthy | ▶ additional income | ▶ unlimited income | ▶ income that you deserve |
| ▶ residual income | ▶ significant income | ▶ millions | ▶ significant income |
| ▶ passive income | ▶ virtual income | ▶ easy money | ▶ thousands per month |
| ▶ recurring income | ▶ weekly bonus | ▶ easy income | ▶ full-time income |
| ▶ stay at home | ▶ leverage income | ▶ financial freedom | ▶ substitute income |
| ▶ salary | ▶ earn back | ▶ time freedom | ▶ extra income |
| ▶ fast cash | ▶ earn money | ▶ financially free | ▶ stream of income |
| ▶ sell itself | ▶ financial opportunity | ▶ passive income | ▶ debt free |
| ▶ afford anything | ▶ retire early | ▶ residual income | ▶ I'm hiring |
| ▶ afford everything | ▶ recurring income | ▶ career-level income | ▶ quit your job |
| ▶ retire early | ▶ stay at home | ▶ retire, millionaire | ▶ make million |
| ▶ pay bills | ▶ salary | ▶ get rich | ▶ millionaire |
| ▶ financial freedom | ▶ sell itself | ▶ quick replace income | ▶ earn up to |
| ▶ fast money | ▶ fast cash | ▶ substantial income | ▶ thousands of dollars |
| ▶ easy money | ▶ extra cash | ▶ lifestyle changing income | ▶ six-figure income |
| ▶ secondary income | ▶ major cash | ▶ guaranteed success | |

COMPLIANCE COMPANION: *Product Claims*

Product Claims Education

The scope and significance of product claims obviously depends on the company:

- As a baseline, any claim that has not been expressly approved by FDA suggesting that a product can treat, cure, mitigate, or prevent an illness or health condition is an unapproved disease claim and strictly prohibited.
- It is important to review the company policies of what claims can be made and that unapproved health or disease claims are expressly prohibited.
- Be clear and provide examples.
- Representative should cross-reference lists of approved claims for each product offered by the company based on the company's substantiation for that product. This includes permissible structure/function claims for supplements and weight loss claims, along with appropriate disclosures and how those should be used.

Please confirm that you have the appropriate substantiation, disclaimers, and links to your product claim statements. The FDA heavily monitors product claims to ensure there are no implied or misleading claims associated with your post and product.

High-Risk Words & Phrases

- | | |
|---|-----------------------|
| ▶ any explicitly named disease or diagnosed condition | ▶ prevent or prevents |
| ▶ cure | ▶ any illness |
| ▶ heal | ▶ reduce |
| ▶ fight virus or fight virus | ▶ boost |
| ▶ immunity against virus | ▶ stop |
| ▶ relieve | ▶ help |
| ▶ relief | ▶ alleviate |
| ▶ stop suffering | ▶ improves |
| ▶ restore to health | ▶ restores |
| ▶ time off work | ▶ treats |
| ▶ hopeless | ▶ kills |

COMPLIANCE COMPANION: *Lifestyle Claims*

Lifestyle Claims Education

The **Federal Trade Commission (FTC)** defines lifestyle claims as any claim, express or implied, that conveys any of the following:

- A level or range of actual or potential earnings that may be earned by sales force members;
- A level or range of gross or net income or profits, including, but not limited to, representations that suggest that the ability to make lifestyle purchases—such as homes, vehicles, vacations, etc —are related to income earned from direct selling;
- Any statement, representation, or hypothetical scenario from which an actual or prospective sales force member could reasonably infer that he/she will earn a certain level or range of income;
- Any chart, table, or mathematical calculation demonstrating possible income, actual or potential sales, or gross or net profits based upon a combination of variables;
- Marketing materials or advertising describing or promising potential income amounts or demonstrating extraordinary or lavish lifestyles of sales force members enabled by their participation in direct selling; or
- That sales force members may earn or have earned company-sponsored incentives, vehicles, vacations, or other rewards.

Please confirm that you have the appropriate substantiation, disclaimers, and links to your income disclosure statement. The FTC heavily monitors lifestyle claims to ensure there are no implied or misleading claims associated with your post and opportunity.

High-Risk Words & Phrases

- | | | | |
|-------------------------|-----------------------------|------------------------|---|
| ▶ wealthy | ▶ recurring income | ▶ significant income | ▶ mortgage |
| ▶ get rich | ▶ stay at home | ▶ free Car | ▶ create wealth |
| ▶ residual income | ▶ lifestyle | ▶ free vacation | ▶ seven figure |
| ▶ passive income | ▶ new car | ▶ free trip | ▶ Plan B |
| ▶ recurring income | ▶ new house | ▶ Rolls-Royce | ▶ work from home |
| ▶ stay at home | ▶ new apartment | ▶ Maserati | ▶ earn an extra |
| ▶ sell itself | ▶ guaranteed income | ▶ Porsche | ▶ unlimited |
| ▶ afford anything | ▶ unlimited income | ▶ Lexus | ▶ pay bills |
| ▶ afford everything | ▶ lifestyle of your dreams | ▶ yacht | ▶ pay debt |
| ▶ retire early | ▶ recession-proof | ▶ helicopter | ▶ retire |
| ▶ pay bills | ▶ millions | ▶ mansion | ▶ stream of income |
| ▶ financial freedom | ▶ easy money | ▶ luxury | ▶ debt free |
| ▶ fast money | ▶ easy income | ▶ top income earner | ▶ full-time income |
| ▶ secondary income | ▶ financial freedom | ▶ who wants to earn | ▶ substitute income |
| ▶ extra income | ▶ time freedom | ▶ be set for life | ▶ all expenses paid |
| ▶ additional income | ▶ financially free | ▶ million-dollar club | ▶ get paid what you're worth |
| ▶ significant income | ▶ passive income | ▶ thousands of dollars | |
| ▶ virtual income | ▶ residual income | ▶ six-figure income | ▶ make more money than you ever imagined |
| ▶ weekly bonus | ▶ career-level income | ▶ be your own boss | ▶ make more money than you thought possible |
| ▶ leverage income | ▶ retire, millionaire | ▶ fire your boss | |
| ▶ earn back | ▶ get rich | ▶ the sky is the limit | |
| ▶ earn money | ▶ quick replace income | ▶ no ceiling on income | |
| ▶ financial opportunity | ▶ substantial income | ▶ dream car | |
| ▶ retire early | ▶ lifestyle changing income | ▶ beach house | |