

Generation MLM Plan

A Complete Guide



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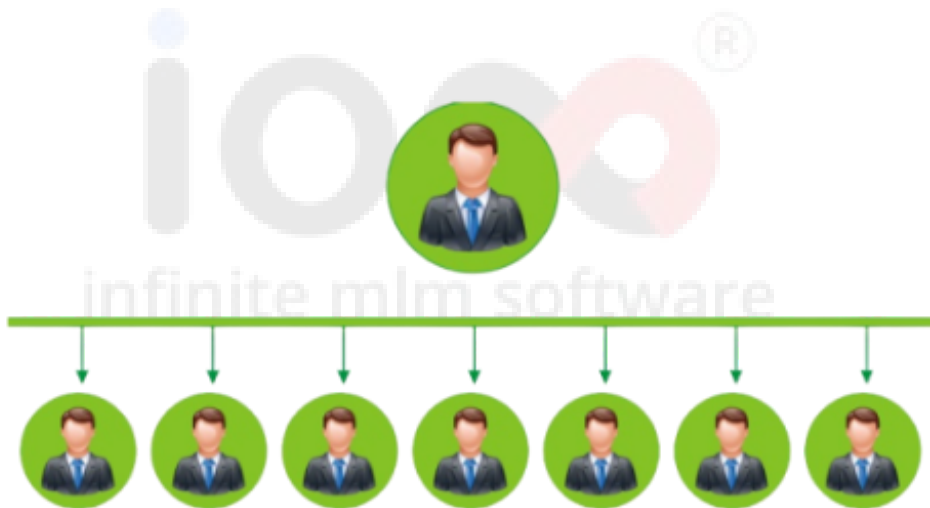
What is Generation MLM Plan?

The Generation MLM Plan is a network marketing compensation structure focused on profit-sharing across different levels (or "generations") of a distributor's team. Also known as the Gap Commission Plan or Repurchase Plan, it is one of the most successful and widely used MLM plans.

With payouts extending across many levels and generations, this plan promotes long-term growth and teamwork. It is supported by MLM software for accurate tracking, smooth commission distribution and efficient communication.

How Does the Generation MLM Plan Work?

Each distributor builds their own team by recruiting others, forming new "generations" under them. As these teams expand, commissions and bonuses are paid up the line — meaning leaders benefit from the performance of their entire downline network.



For example, a company might define:

- 16 levels, grouped into 4 generations
- Commission rates may look like this:

1. 1st Generation: **10%**
2. 2nd Generation: **6%**
3. 3rd Generation: **4%**
4. 4th Generation: **2%**

This structure encourages distributors to build wide and deep networks, focusing on leadership and team success.

Bonuses in the Generation MLM Plan

1. Generation Bonus

This structure encourages distributors to build wide and deep networks, focusing on leadership and team success.

Example:

If your 1st generation generates \$10,000 in sales, and the commission is 10%, you earn \$1,000.

Your 2nd generation generates \$5,000 in sales at 6%, giving you \$300.

2. Leadership Bonus

Awarded to distributors who reach leadership ranks and actively guide their downline.

Example:

A distributor who hits "Gold Leader" status and helps their team achieve \$50,000 in sales might earn a \$500 monthly leadership bonus.

3. Matching Bonus

A percentage of the income earned by your personally sponsored distributors.

Example:

If your recruit earns \$2,000 this month and your matching bonus rate is 10%, you receive \$200.

4. Rank Advancement Bonus

Given when a distributor achieves a new rank or milestone in the company.

Example:

Moving from "Silver" to "Gold" rank might come with a one-time \$1,000 bonus.

Pros of the Generation MLM Plan

- High earning potential from multiple generations
- Strong mentorship culture promoting team development.
- Network depth and stability due to structured growth.
- .Easy management with MLM software for tracking and commission calculation.

Cons of the Generation MLM Plan

- More complex than other plans, requiring training.
- Market saturation risks as networks grow.
- Recruitment pressure may overshadow product sales.
- Income inequality depending on position in the structure.

Commission Calculation

Commissions are calculated using a generation plan calculator, which factors in:

- Sales volume
- Downline activity
- Generation-based commission percentages

This ensures fair payouts, transparency and helps build trust among participants.

What is a Hybrid Generation Plan?

A Hybrid Generation Plan combines elements of the Generation Plan with other MLM structures (like Binary or Unilevel plans). This allows companies to customize benefits, balancing depth bonuses with width-based incentives making it ideal for rewarding both strong team builders and top sellers.