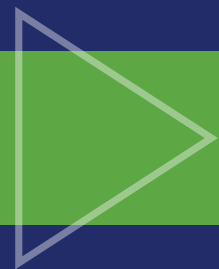




Finding the Right Retirement Plan Solution for Your Clients



2025 Regional Partner Conference





Agenda:

- Introductions
- **What Does the “Right” Retirement Plan Look Like?**
- Non-Qualified Deferred Compensation
- **State of the TPA Marketplace**
- The Value of a Third-Party Administrator – Common Objections
- **The P.R.I.C.E. Model**
- Q&A

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What Does the “Right” Retirement Plan Look Like?

401(k)/403(b) Plan:

Pros:

- Higher Contribution Limits
- Flexible Plan Design
- Valued by Employees

Cons:

- Non-Discrimination Testing
- Administration/Cost
- May not Achieve Retirement Objectives for Owners/Executive

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What Does the “Right” Retirement Plan Look Like?

Employee Stock Ownership Plan (ESOP):

Pros:

- Employee Engagement and Retention
- Liquidity for Business Owners
- Ability for Employees to Build Wealth through Company Ownership

Cons:

- Cash Flow Requirements
- Complex Compliance
- Potential for greater account volatility





What Does the “Right” Retirement Plan Look Like?

Cash Balance Plan:

Pros:

- High Contribution Limits
- Employer Funded
- Ability to Customize Plan Design

Cons:

- Cash Flow Requirements
- Complex Administration and Compliance/Cost
- Employer Investment Risk





What Does the “Right” Retirement Plan Look Like?

Other Plans:

- SIMPLE IRA Plan
- SEP IRA Plan
- Profit Sharing Plans



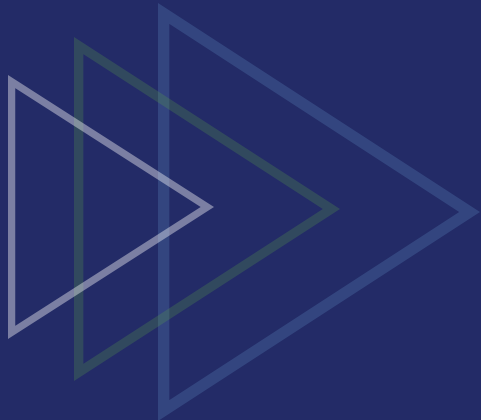


Considerations in Choosing the “Right” Retirement Plan

- Define Your Objectives
- Understand Plan Options
- Budgeting Employer Contributions
- Cost and Administration
- Employee Recruitment and Retention
- Choosing the “Right” Consultants

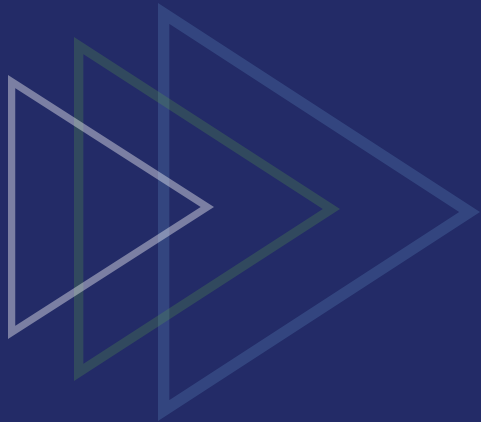


Overview of Nonqualified Deferred Compensation (NQDC) Plans



- NQDC Plans allow executives to defer income to a future date
- Executive pays no current tax and is unsecured creditor for amount deferred
- Account balance grows tax-deferred; company carries balance as liability
- “Notional” account balances typically administered by an outside firm
- Company determines crediting rate for “notional” account balances
 - Fixed rate
 - Market-based fixed income index
 - Menu of investment options
- Company realizes positive cash flow, but loses current tax deduction
- IRS provides no direct vehicle for tax effective funding as with Qualified Plans
- Plans must be designed and administered to comply with IRC 409A
- NQDC assets set aside are subject to general creditor claims under insolvency or generate immediate tax liability for executive when distributed

Why Companies Implement NQDC Plans



- ✓ Attract and retain key talent
- ✓ Be competitive with market offerings
- ✓ Restore deferral opportunities and/or company contributions limited under the qualified retirement plan
- ✓ Provide additional retirement savings vehicles for highly compensated employees
- ✓ Provide additional opportunities for highly compensated employees to manage their current and future taxable income

Qualified vs. NQDC Plans



	Qualified Plan	NQ Plan
Pre-tax deferrals/contributions	✓	✓
Earnings grow tax-deferred	✓	✓
Benefits taxed when received	✓	✓
Eligibility	All Employees	“Top Hat Group”
Subject to IRC limits on contributions, benefits, pay	✓	
Employer realizes tax deduction at time of deferral	✓	
Employer realizes tax deduction when benefits paid		✓
Can be rolled over to an IRA	✓	
Participants are unsecured creditors		✓



TINSTAAFL

Really! For example, your time.

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We're doing something a little different. All that other stuff you just heard?

I don't care.

You know how most workshops feel like a hostage situation? Endless slides, boring bullet points, no room for real talk?

Yeah – this won't be that.

This is more like a fireside chat...

Raw Real Full of “off-script” insights Live Taking questions

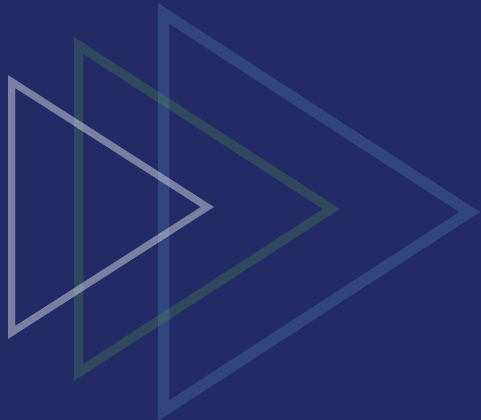
I'll be here all day ~ Feel free to call me!

(I'm available for children's parties as well.)

Quick
Heads
Up!



Why Advisor Due Diligence Matters for 401(k) and 403(b) Plan Sponsors



- ▷ What are they - the recordkeepers - selling?
- ▷ **Proprietary Crap! It's worth what they tell me it's worth. I don't know.**
- ▷ Fixed Accounts that you cannot figure out how the sausage is made.
- ▷ **That's a fiduciary breach in my opinion.**
- ▷ Recordkeeping is a commodity. It has a fixed cost.
- ▷ **The assets are a commodity.**
- ▷ ***YOU*** shouldn't be a commodity.
- ▷ ***WE*** are not a commodity.
- ▷ **Ask your recordkeeper to price the plan out using all Vanguard Funds and then you will know the real recordkeeping cost.**

A Dual Quest for Participant Assets

(I saw this in another seminar):

▷ Price only matters in the *absence* of Value

- P - Plan Design
- R - Recordkeeper
- I - Investments
- C - Compliance
- E - Expertise

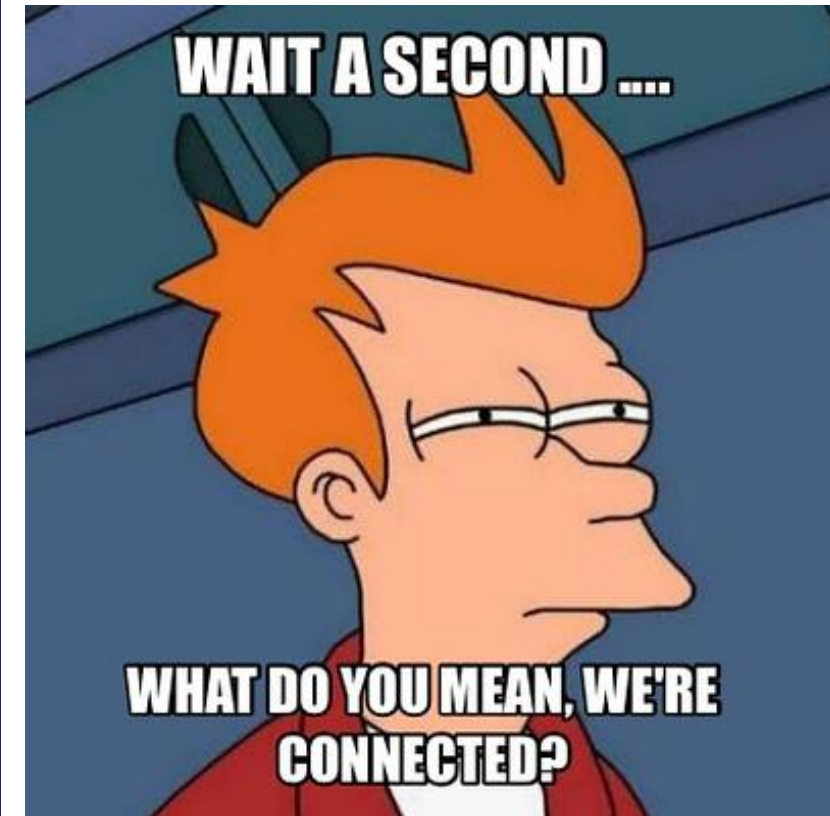




But I want to go bundled...

I do not want to work with a Third-Party Administrator

- Advisors and Plan Sponsors demand Open Architecture when it comes to Investments. Why do they accept Proprietary when it comes to Design and Compliance?
- If you are working with a Bundled Recordkeeper, you are already working with a Third-Party for compliance and administration.
- You and your clients should demand “Open Architecture” Design or “Best in Class” compliance!
- Solo practitioner has 104 permutations of qualified plan choices. The bundled providers will give you the 5-7 that fit their assembly line. It will be fine in about 70% of cases.





- The rules give us many options. What does your client want? What do you want?
- A note on Simples and SEPs
- Proprietary funds? What is the real cost?
- Many bundled providers don't follow their own documents. What's worse? Many have the client check the options they want online. No, you cannot have a 3 year wait in your 401(k). No one seems to have a signed document – ergo – NO PLAN.
- Avoid the audit...That's a bunch of basis points. Force people out, wait...they are getting paid by the participant as well as assets. ***Penalties? We guarantee our work.***
- Control groups and affiliated service groups.



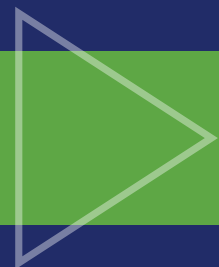


- It's a crowded landscape. How do you identify who's really good? **CEFEX!** One – we have trained humans answering the phones. That comes with a cost. How available are they? What are their bona fides? How many plans are they handling?
- Our plans have larger AUMs than most due to design.
- We have a vested interest in supporting you. If you get fired, we probably get fired.
- ***Our most profitable billable is fixing broken plans. Why not just do it right in the first place?***
- Our value? **CEFEX!** We are your ally. You may save them five basis points, but I may save them \$500,000 in tax savings and employee cost.
- ***We are the moat around your client.***





Q & A



Thank you!






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Let's talk.

