

T-Mail

Navigating the Executive Benefits Landscape
with The Todd Organization



Best Practices for Executive Benefits Communications

By effectively communicating the importance and provisions of executive benefits programs, companies can better retain and attract high quality executives. This helps to lower recruiting costs, reduces turnover disruptions and increases teamwork and morale. Simply put, it helps companies to perform better.

With the enrollment period for many companies' non-qualified deferred compensation plans approaching, now is an ideal time to review and assess executive benefits communications.

Companies which have a sizable and growing number of executives in deferred compensation programs often have the following practices:

- **Brief, Purposeful Annual Information Sessions.** At the annual meeting or webinar, it is essential to inform executives, while respecting their time. As such, shorter, simpler meetings tend to be better. Few busy executives can spare more than 20 minutes for such a meeting. The session, though, should also be part of a longer-term process.

Before the meeting, companies should regularly and systematically discuss the benefits of the plans, centering on the retirement messaging that most resonates with executives. This includes the benefits of tax deferral, how the plans should be assessed as part of broader financial planning, and the importance of assessing plans in light of stock options, bonuses, and other forms of compensation.

- **Readily Available Resources.** The information that the executive has for review at the meeting should be concise and straightforward, with little if any jargon or legalese. Executives should have additional information that they can review before and after the session.

Key areas to cover include distribution alternatives and the possibility of selecting multiple distribution dates and the potential benefits of tax deferral. Plans should also be reviewed in the context of stock compensation. Many executives may want to defer higher amounts of compensation if they are expecting to exercise stock options or to otherwise receive a large amount of stock compensation.

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Best Practices for Executive Benefits Communications...cont'd

- **Year-Round Commitment to Service and Communication.** Throughout the year, executives should be able to call on the plan provider for assistance in understanding their executive benefits programs and how the funds are allocated. This should include online access and telephone support.

The Todd Organization addresses these and related matters through fully integrated systems supported by a multi-disciplinary team, with a single point of contact. For more information about these programs, please contact your Todd consultant.

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