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Navigating the Executive Benefits Landscape
with The Todd Organization



Survey Finds Companies Want to Boost Non-Qualified Deferred Compensation Participation

A recent survey by The Newport Group determined that employers strongly support non-qualified deferred compensation plans and are looking for ways to expand their use and participation levels.

Key findings include the following:

- 78 percent of companies offer a non-qualified deferred compensation plan. Of those that do not, 55 percent say they are considering offering a plan in the next two years.
- Participation rates for eligible executives have averaged 46 percent since 2006. When a company offers a match, plan participation averages 58 percent compared with 40 percent at companies that do not offer a match.
- One third of companies expect to increase the number of eligible employees for non-qualified deferred compensation plans in the coming years.
- In addition to a company match, other major drivers of plan participation include high quality investment choices, ease of account access, and robust communication and education.

The survey, “Executive Benefits: A Survey of Current Trends,” contains more than 145 questions about non-qualified and executive benefit plans. Respondents include chief financial officers and human resource executives at companies with annual revenues of \$1 billion or more.

Companies stated that non-qualified retirement plans play an important role in retaining and attracting executives, while also helping executives to plan for the future. The most critical goals for plan sponsors are to:

- Have a compensation program competitive with peers (35 percent)
- Retain executives (28 percent)
- Allow executives to accumulate assets (27 percent)
- Attract executives (23 percent)

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Going forward, the survey also found plan sponsors will be increasing their focus on plan communication and education in order to increase plan participation. Plan sponsors see room for improvement in their own and their participants' understanding of non-qualified executive benefit plans and plan features.

For additional information about the survey, please contact your Todd consultant. The Todd Organization has a strategic relationship with The Newport Group which helps us to analyze and administer certain clients' executive benefits plans.

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