



Executive Benefit Plans: Has the Pendulum Swung Too Far?

A Series Examining the Changes and Growing Challenges
in Executives' Retirement Plans – and How to Address Them

Total Plan Management

While high-quality, advanced technology is important to implement and administer plans, companies also find it helpful to take a total plan management approach to their qualified and non-qualified retirement plans. Regardless of how the pendulum swings on executive benefits in the coming years, total plan management seems likely to become the common, standard practice for administrative excellence.

Total plan management often includes the following.

Integration of qualified and non-qualified plans.

Because companies want to streamline their information and systems, they prefer solutions that will provide information about qualified, non-qualified, and equity plans at a common access point.

With a single location for important information, plan sponsors and plan participants can easily access it, reducing lost time, confusion, and potential errors.

Anticipating and addressing corporate transactions. Mergers and acquisitions temporarily can result in a company managing different plans with different provisions. It is important to anticipate this to ensure continuity and consistency in this key component of compensation that could vary significantly among members of an executive team. By planning for these issues and quickly addressing them head-on, companies will ensure a smooth transition while retaining important executives.

Comprehensive evaluation and management of plans. Many companies maintain several non-qualified retirement plans instituted at different times for different divisions with varying provisions. By evaluating, managing, and communicating this information completely, including monitoring investment performance, companies will ensure that the plans make sense for sponsors and participants.

Enrollment season. Once a year, typically in a company's fourth quarter, non-qualified plan participants have an opportunity to change their deferral allocations. Many companies want to make sure this time includes access to the plan provider in meetings, over the web, or by phone. This often will be the most significant action the company takes on its executive benefits during the year.

Participant Service.

With a call center staffed with helpful experts throughout the day, companies can underscore the value of executive benefits and make sure they are meeting executives' needs.

Questions about plan allocations and retirement objectives also can be answered. If a participant dies, spouses, loved ones, and beneficiaries can obtain helpful guidance and plan overviews.

Simplifying the Complex. Non-qualified plans cover complex tax and regulatory matters, and they

are important in financial and accounting reports. For executives, whether during the annual review process or other inquiries, the language can be arcane and daunting. As such, companies find it best to receive communications that are accurate, clear and concise, i.e., in plain English.

Single Point of Contact. For an efficient and smooth process, companies benefit from a single point of contact to answer their inquiries. This person should be backed up by a skilled, multi-discipline team.

To discuss these and other aspects of total plan management, please contact your Todd consultant or visit our website at www.toddorg.com.



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