



Scott Jones, CFP®, CLU, ChFC

scott@sjonesfin.com

Scott Jones Financial

5950 Fairview Road, Suite 215

Charlotte, NC 28210

www.sjonesfin.com

(704) 817-7324

Contact Us For A Complimentary Meeting

5 Ways To Attract And Retain Executives



The explosion of remote work opportunities has effectively created a global talent pool. The upside—your immediate geography is no longer a limiting factor in finding key employees. However, the catch is that top executives may have exponentially more prospects than they've ever had before.

Nonqualified deferred compensation (NQDC) retirement plans are a key way to differentiate employment offers and improve your ability to recruit, reward and retain key executive talent. NQDC plans provide executives with pre-tax deferred compensation that they receive at a later date, usually after they're retired. Their features and flexibility make it a common resource for creating more attractive compensation plans.

Consider the following five ways nonqualified deferred compensation plans can improve hiring competitiveness and retention.

1. NQDC plans complement employer-sponsored retirement plans

Nonqualified deferred compensation plans enable participants to save far more than the contribution limits set by traditional, employer-sponsored retirement plans. But for many, the appeal isn't just the ability to save more; it's also the ability to save via investment options that are different from the employer-sponsored retirement plan. NQDC plans help participants diversify their retirement holdings, giving them the opportunity to both mitigate risks and capitalize on additional opportunities.

For employers, NQDC plans are relatively low-cost to administer. The plans aren't subject to ERISA rules and have limited reporting and filing requirements. This can help address discrimination testing challenges associated with traditional plans while acting as an efficient way to add to your key executives total compensation package.

2. Nonqualified retirement plans help experienced executives reach their retirement goals

A traditional employer-sponsored retirement plan provides employees with a tax-advantaged way to save for their future. For executives, an NQDC plan can boost their efforts even further. NQDC plans don't have contribution limits. So high-earning executives can leverage the plans to save a significant amount beyond what's in their workplace retirement plan. And because the compensation is deferred, they don't have to claim the income at a point when their income is already likely very high. Instead, they can draw on the funds post-retirement, when the participants will likely be in a lower tax bracket.

3. Nonqualified deferred compensation plans improve retention

Finding the best talent is only part of the equation. You also want to ensure that your top executives stay around for as long as possible. Since these plans are not governed by ERISA plan sponsors often use employer contributions with longer vesting schedules to create a golden handcuff for their top executives.

4. NQDC plans have flexible funding strategies

All NQDC plans are technically unfunded obligations which plan sponsors can then choose to informally fund or not. This gives companies a lot of flexibility when deciding how or if they want to fund their NQDC plan. Employers do not have to pick just one type of funding and can mix and match different vehicles to tailor a plan that fits an organization's specific needs.

5. You can customize nonqualified retirement plans to make them more effective

The flexibility of NQDC plans means that you can use them to address the specific needs of a small subset of your employees. The plans can include stock options, various vesting schedules, and different investment options. Your organization can also tailor the size and scope of the nonqualified deferred compensation plan to the individual. For instance, a CEO may require a more considerable sum of deferred compensation than other executives. The distribution schedules can also vary by employee, enabling employees to plan for the income in a way that works best with their long-term retirement and tax strategy.

Nonqualified deferred compensation plans can help give your company an edge

The right NQDC plan can help improve your company's competitiveness in the job market, and provide financial advantages along the way. However, creating a plan that works for your company objectives and employee needs requires a partner experienced with NQDC plans.

At Scott Jones Financial, we have the resources to design and implement a plan that fits with your company or the opportunity to review and improve upon your existing model to make them better for employees and employers alike. Contact us to leverage NQDC plans to give your company an edge in attracting the talent that takes you to the next level.



Contact Scott Jones

Scott Jones Financial | [Visit Our Website!](#)



Source: <https://www.wealthmanagement.com/wealth-planning/5-ways-attract-and-retain-executives>

Newsletter generated by Wealth Management and Voya Financial are not associated with Scott Jones Financial. The information contained in this article is general in nature and is not legal, tax or financial advice. For information regarding your particular situation, contact an attorney or a tax or financial professional. The information in this newsletter is provided with the understanding that it does not render legal, accounting, tax or financial advice. In specific cases, clients should consult their legal, accounting, tax or financial professional. Any examples provided are hypothetical and for illustrative purposes only.

Securities Offered Through Valmark Securities, Inc. Member FINRA, SIPC
Investment Advisory Services Offered Through Valmark Advisers, Inc. a SEC Registered Investment Advisor
130 Springside Drive, Suite 300 Akron, Ohio 44333-2431 | 1-800-765-5201.
Scott Jones Financial is a separate entity from Valmark Securities, Inc. and Valmark Advisers, Inc.
Wealth Management and Voya Financial are not affiliated with Valmark Securities, Inc. or Valmark Advisers, Inc.

Scott Jones Financial | 5950 Fairview Rd., Ste. 215, Charlotte, NC 28210

[Unsubscribe krista@sjonesfin.com](#)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by scott@sjonesfin.com powered by



Try email marketing for free today!