



Innovative

# MYTH SERIES

**#7 THE ONLY BENEFIT  
TO A RETIREMENT  
PLAN IS RETIREMENT  
SAVINGS.**





## THE PROBLEM:

An existing client came to us for guidance after finding themselves competing for talent with local unions that offered a pension plan. With recruiting and retention challenges at the forefront, we suggested that the employer investigate the feasibility of adding a pension plan to their existing 401(k) and profit-sharing plan offerings. After providing us the demographics of their work force and data to share with our actuarial consultants, Innovative began working on plan design options.

## THE SOLUTION:

Once we received the proposed allocations, we considered alternate plan designs to maximize the tax benefits for the company owner. We were able to create a solution that met the legal requirements for a pension plan while staying within the client's budget. The client was able to promote this new benefit to their current employees, as well as make the program an integral part of their recruiting efforts. They can now advertise that they have a pension plan and that their combined company contributions across all plans equals 10% of pay. As an added bonus, the solution also directed a significant portion of the pension contributions to the owner.

However, we didn't stop there. To round out their recruiting and retention goals, we wanted to ensure their employees understood and appreciated the new program. In doing so, we assisted the client in developing a communication plan to educate new and existing employees of the program.

When it comes to attracting and retaining employees, retirement benefits rank third in desirable employee perks and rewards. Enhancing your retirement package can bring greater benefits for you, your company, and your employees. Contact Innovative for a free, no obligation review of your retirement package today.

## FAST FACTS

- Privately owned for-profit company
- 60 employees
- Integrate retirement plan program with strategic goals for recruiting and retention

## HOW WE HELPED THE CLIENT



Increased retention and recruiting goals



Educated employer on communicating benefits and mechanics of the new program



Generated significant tax benefits for the owner



Annually review the funding formulas and plan design to ensure the maximum benefit to the company.



**PARTNERING WITH YOU TO PROVIDE SOLUTIONS**

Employee Benefits | Retirement Plans | Wellness | HR Consulting

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