



## Attract, Retain and Reward Top Performers

*Premier Executive Benefits Plan Services*

### HOW CAN YOUR COMPANY...

- Provide incentives for selected executives that encourage tenure with your company?
- Remain competitive in the marketplace for talented managers?
- Provide retirement benefits commensurate with executive pay?
- Create management benefit packages that will motivate long-term performance?
- Help assure returns to shareholders that only top performers can deliver?
- Upgrade management benefits without jeopardizing the tax-preferred status of your qualified pension plan?

### THE NEED

Qualified pension plans and social security provide little incentive for talented executives to improve returns for your shareholders — or even to remain with your company. In fact, qualified plan benefits can be an incentive for executives to leave, because of early vesting and full portability.

Qualified plans may not provide top executives with retirement benefits that are in line with their pre-retirement pay levels or with their contribution to shareholder value. They provide too little benefit for too many people.

The 2004 Georgia State University Retiree Income Replacement Report indicated that in order to maintain their pre-retirement lifestyle, many senior executives would need retirement income at about 85% of pre-retirement levels. At current levels, an executive earning \$300,000 per year, for example, would receive a Social Security benefit of about 8% of that income. When considering that an employer's qualified plans are subject to statutory limitations, the gap between a replacement ratio of 85% and what an executive would receive from Social Security plus qualified plans would be significant.

Because of this gap, and as a result of the competition for talented managers, many companies create supplemental plans for their top executives.

### A WELL DESIGNED SUPPLEMENTAL BENEFIT PLAN CAN...

- Provide additional post-retirement income for selected executives.
- Establish performance benchmarks that must be attained before supplemental retirement benefits are awarded.
- Require continued employment for executives to reap benefits ("golden handcuffs") and protect them from change-of-control risk ("golden parachutes").

- Comply with limited ERISA restrictions on participation, funding and vesting.
- Provide performance-based incentives for executives.
- Replace benefits lost when an executive leaves a previous employer to work for your company.

### THE PAYOFF

- For the Company — Remain competitive in the market for executives who have the talent to make a difference for shareholders.
- For the Executive — Achieve greater retirement security as a reward for superior performance.

### ABOUT NYLEX BENEFITS

NYL Executive Benefits LLC (NYLEX Benefits) provides supplemental executive benefit programs to a wide range of commercial clients. We focus on developing cost effective executive benefit solutions that are designed to attract, reward and retain key employees.

Our services are designed to assist clients at all stages in the adoption and operation of executive benefit programs, and include:

- Initial assessment
- Plan design
- Funding
- Plan implementation
- Ongoing administration

NYLEX Benefits' professional staff includes the following professional disciplines, all dedicated to supporting our clients' programs, processes, systems and services:

- Accountants
- Actuaries
- Attorneys
- Benefit specialists
- Insurance specialists

We take great care to assure that client programs are practical and cost effective and that they are designed to achieve our clients' strategic and operational goals.

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