



SERP

SERP — Executive Retirement and Retention

Attract and Retain the Finest Executive Staff

Financial security matters to your executive staff. An attractive retirement package keeps your best executives in place. A Supplemental Executive Retirement Plan (SERP) offers compliance-friendly options that satisfy both the Executive and the Board.

SERP Key Facts

- SERPs enhance retirement income, **targeting a percentage of final salary.**
- **401k + Social Security = weak retirement benefit forecast** for a 'highly compensated individual.'
- With a 'Golden Handcuff' plan, an executive will think twice when recruiters call.
- **A solid retirement plan is now standard** in compensation packages for many CEOs and many other senior executives.

Frequently Asked Questions

What is the first step if we want to learn more?

The first step is to get a handle on the executive's retirement outlook. We will design a Benefit Analysis that shows projected final salary and projected Credit Union-provided benefits at retirement. When compared with the retirement goal and peer averages, the discussion comes into focus.

What will a plan like this cost the Credit Union?

When done right, funding a plan like this is a cost-neutral event with little or no impact to the bottom line.

How are these plans funded?

The plans are funded with regulatory compliance in mind, typically using one or a combination of the following investments:

- Mutual Funds/ETFs
- Life Insurance
- Annuities

Does the retirement age and years of service of the executive matter?

Yes. When performing the Benefit Analysis and determining the retirement goal, age is a key variable. Years of service is usually considered.

Our CEO is very close to retirement. Is it too late to put in a plan?

It depends on the time horizon until retirement and the benefit desired. If a SERP is not doable, a Post-Retirement Health Care Plan is a nice option.

Our CEO has been with the Credit Union for many years, has family here, and will stay no matter what. If retention is not an issue, why should we provide a supplemental plan?

If your CEO has done good work for the Credit Union, the focus shifts from retention to reward. Most boards want to make sure that their quality CEO retires on more than 25% of income.

How is the vesting schedule set up?

Any way the Credit Union prefers. It is very common to have some sort of vesting between plan inception and retirement.

Why The Sheeter Group?

The Sheeter Group brings Credit Unions the **best compliance and best service in the business. Period.**

When Credit Unions leave the other guys to come to us, they are happy they did. Our clients are 100% reference-able. Several providers can give you a decent plan or product, but no one gives you **tighter compliance**, or more **high-level service** than The Sheeter Group.

Giving Back

Our favorite charity is a small nonprofit, grassroots program that helps farmers, mostly women, in Maasai tribal lands near Arusha City, Tanzania. The program helps farmers to start poultry, goat, or financial cooperatives. Conditions are difficult, but the spirit of hope prevails.

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