

## CASE STUDY

# Setting the Stage for a Contemporary Deferred Compensation Program

A successful review of a client's executive compensation structure strengthens the advisor's relationship with its client—and expand business with a new non-qualified deferred compensation plan.

### Situation

The client had concerns about the effectiveness of their executive compensation structure, including its current deferred compensation arrangement. In collaboration with Newport Group's Regional Director, the advisor connected the client with our Compensation Consulting team.

### Solution

Our Compensation Consulting team proposed an executive compensation and benefits study to help the client become more competitive in attracting, motivating and retaining top talent.

They analyzed the client's current offering and discovered that the company's executive compensation package consisted of base pay and a SERP. They also reviewed the current compensation landscape and SERP against other forms of deferred compensation plans.

The team then recommended implementing a performance-based compensation package with short- and long-term incentive opportunities, which could provide additional pre-tax deferral possibilities.

### Outcome

The advisor was able to further business with this client. The company is working with the advisor to design and implement a new, contemporary non-qualified deferred compensation program. The client is also more competitively positioned to attract key executives, thanks to the implementation of Newport Group's recommendations—all of which has strengthened the advisor-client relationship.

### Fast Facts

- Client: Food Marketing Co-Op
- Plan Type: 401(k)/DC SERP
- 401(k)
  - Participants: 1,567
  - Plan Assets: \$53.2Mp

### How We Helped Our Partner

- Opened the door for a NQDC opportunity
- Generated good will and further strengthened advisor's relationship with client
- Showcased advisor as a collaborative partner

### How We Helped The Client

- Defined client's executive rewards philosophy
- Implemented short- and long-term incentive plans
- Laid groundwork for a contemporary NQDC plan



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