

## A 457(b) plan makes it simple for executives to retire on their terms.

*People driven. Outcome focused.*<sup>®</sup>



Even as highly paid employees, credit union executives face complications with saving enough to fund their retirements.

### 401(k) Contribution Limits

The IRS limit of \$18,500 for 401(k) plans may prevent highly compensated employees from saving enough to have a retirement income near the recommended 70% of final salary to avoid a drop in standard of living.<sup>1</sup>

### Nondiscrimination Test Failures

Non-safe harbor 401(k) plans require annual testing to prove no discrimination in favor of highly compensated employees. The IRS cites nondiscrimination test failures among the top plan compliance failures found in voluntary correction filings.<sup>2</sup>

### Plan Design Restrictions

Some 401(k) plans require new hires to finish 1 year of service before they are eligible to join a plan. Being ineligible to save in a new employer's plan for 1 year may result in \$134,456 less retirement savings.<sup>3</sup>

A 457(b) plan from CUNA Mutual Retirement Solutions can provide credit union executives with a simple way to significantly increase retirement savings on a before-tax basis.

### Key Features of a CUNA Mutual Retirement Solutions 457(b) Plan

- It is a nonqualified defined contribution plan that can be offered with an existing 401(k) plan.
- Participants can contribute up to the annual limit of \$18,500 in additional tax-deferred retirement savings.
- Eligibility is determined by the credit union.
- Turnkey and customizable investment portfolio options are available.
- Contributions can be made by the credit union, executive or both.
- Payouts are not required until retirement or separation from service.
- Payouts are taxed the year in which they are received and only on that amount.
- Payout options include installments, lump sum and deferral to a later date.

# Here's how CUNA Mutual Retirement Solutions can help your executives *and* your credit union.

## A 457(b) plan is simple for you, simple for your executives.

A 457(b) plan is simple to set up with only a minimal initial contribution to get started. Plus, participants can access their 457(b) plan on the **BenefitsForYou app**. The app includes **RetireOnTarget®**—the simple-to-use, retirement planning system that gives participants a snapshot of their retirement savings every time they sign on. It includes:

- At-a-glance graphics of participant data and industry recommendations.
- Access to other 401(k) and defined benefit retirement plans with CUNA Mutual Group for a complete picture of retirement savings.



## Additional support from the Investor Guidance Center.

The **Investor Guidance Center** is a team of licensed financial representatives any CUNA Mutual Retirement Solutions plan participant can call at any stage of the retirement planning process for additional guidance and services, including:



- rolling over other retirement assets,
- retirement income planning, and
- investment analysis.

The Investor Guidance Center staff is an experienced team—and all are registered with FINRA, and have Variable Annuity, Health and Life Insurance licenses.

## Work with a dedicated and experienced team.

No brokers or middlemen. You work directly with our specialists who have an average of **17 years of experience exclusively focused on retirement plans**. This leads to efficiencies that not only reduce your costs, but errors that could put your credit union or executives at risk.



To learn more about our 457(b) plan, visit [cunamutual.com/457b](http://cunamutual.com/457b) or call your CUNA Mutual Group sales representative at **800.356.2644**.

### Other Executive Benefits available from CUNA Mutual Retirement Solutions:

- Split-Dollar Life Insurance
- Executive Bonus Plan
- 457(f) Plan
- Executive Disability Plan
- Executive Long-Term Care Plan
- Key Person Insurance

Be sure to ask about how the cost of these plans, and any other employee benefits, can be offset by higher-yielding investments through the **Total Benefits Pre-Funding Program**.



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<sup>1</sup>"How much income will you actually need in retirement?", CNNMoney, November 29, 2017. <sup>2</sup>"Top Ten Failures Found in Voluntary Correction Program", Internal Revenue Service, November 27, 2017.

<sup>3</sup>"Workers Who Are Excluded From 401(k) Plans", US News, January 17, 2017.

CUNA Mutual Retirement Solutions is a division of CUNA Mutual Group, the marketing name for CUNA Mutual Holding Company, a mutual insurance holding company, its subsidiaries and affiliates. Annuity insurance products are issued by CMFG Life Insurance Company, located in Madison, Wisconsin. Each insurer is solely responsible for the financial obligations under the policies and contracts it issues. Proprietary insurance is underwritten by CMFG Life Insurance Company. Proprietary and brokered insurance is sold by CUNA Mutual Insurance Agency, Inc., a wholly owned subsidiary. This insurance is not a deposit and is not federally insured or guaranteed by your credit union. For more information, contact your Executive Benefits Specialist at 800.356.2644. Representatives are registered through, and securities are sold through, CUNA Brokerage Services, Inc. (CBSI), member, FINRA/SIPC, 2000 Heritage Way, Waverly, Iowa 50677, toll-free 866.512.6109. Insurance and annuity products are sold through CMFG Life Insurance Company. Non-deposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the credit union.