



## 7 Employer Considerations for a Rewarding Workplace Retirement Plan

With inflation at record levels and the intense competition for quality talent, your workplace retirement plan can provide a dual solution. To get the most out of sponsoring your retirement plan, it's important to review it regularly to learn if more efficient plan design options are available.

**Enhance your retirement savings while rewarding top employees.**

For business owners wanting to **save for their own retirement**, have you considered:

- #1**  
**SAFE HARBOR 401(k)** | Max out your personal 401(k) deferral. With a Safe Harbor 401(k) plan, employers and highly compensated employees can save up to the maximum amount each year. You will need to make an employer contribution, generally, it costs about 4% of total payroll and allows employers to avoid most annual compliance tests.
- #2**  
**PROFIT SHARING** | Get creative with plan design options to maximize employer dollars. There are three primary types of profit-sharing plans: traditional (same percentage for everyone), new comparability (favors certain groups of employees while providing increased flexibility), and age-weighted (the most helpful for retaining senior talent).
- #3**  
**CASH BALANCE PLAN** | For owners looking for large tax deductions and to save \$150,000 or more per year, a combination 401(k) and Cash Balance plan may be a strong retirement savings strategy.

For companies that want to **recruit, reward and retain** top talent, have you considered:

#4

**IMMEDIATE ENTRY** | Allow your newly hired employees to immediately join the plan. Start them out with good savings habits from the beginning of their employment.

#5

**AUTO-ENROLLMENT** | Take advantage of the SECURE Act's \$500 tax credit for the first three years that the plan implements auto-enrollment. Be bold and auto-enroll employees at 10% retirement savings to set them up for retirement savings success. They can always opt-out or change their allocation.

#6

**ENHANCED MATCH AND/OR STRETCH THE MATCH** | Reward your employees that save by matching their allocations, using creative formulas that nudge them to save more.

— **Standard match | \$1 for \$1 up to 5%**

Employee reacts by saving **5%** towards retirement

Company contributes **5%** of employee salary to their 401(k) account

— **Enhanced match | \$0.50 up to 10%**

Employee responds by saving **10%** towards retirement

Company contributes **5%** of the employee salary to their 401(k) account

*Same company cost, but now the employee is saving 2x more.*

#7

**NON-QUALIFIED DEFERRED COMPENSATION PLAN** | This is an outside-the-box retirement plan to attract, reward and retain executive talent. It allows for very large deferrals of compensation and income taxes until a defined future date; however, additional restrictions apply.

**Offering a workplace retirement plan is an opportunity for you as an employer to save for your own retirement while employing the best talent available. Use our tips to curate a workplace savings plan that balances your needs with those of your business.**

**For more information on retirement plan options and strategies, we're here to help. Contact us to setup a conversation to discuss your goals and aspirations of your business.**



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