



New era in executive benefits for progress companies

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For many of the "50 something" generation, including those working in progressive companies, the experience of dealing with the issues surrounding aging parents is complex and more than common. The experiences are varied, often layered in their complexity and often involve helping out financially because resources are limited and parent's retirement income failed to keep pace with increases in retirement living expenses. Often when one parent becomes ill or dies, the adult child steps in to manage finances as well as helping with decisions surrounding lifestyle and living accommodations. The most eye opening experience our clients face is the need of their parents for assistance with long term care and the associated costs.

These experiences while often tragic and difficult for a family prove to have a sobering effect on the ability of the adult child to face their own mortality as well as their readiness, through their personal planning, to deal with the potential for these same issues in their future or those of loved ones.

I refer to "A New Era of Executive Benefits" because traditional or more accurately conventional benefits are falling increasingly short of meeting the long term expectations and needs of the men and woman leading today's progressive and growth companies. Consider the following:

- * 401K: Limit saving to between \$15,500 and \$20,000 year. For a highly compensated executive they literally cannot accumulate adequate funds in a 401K plan. Our studies have shown that with a 401K alone between 25% and 30% is the average income replacement that a \$250,000 income earner can expect to create.

- * Group Life Insurance: Almost always ends at retirement and is very limited to modest protection. Many executives may be covered with \$200,000 of life insurance that will end within 30 days of their retirement. This kind of benefit while standard in most companies throughout the country fails to protect the executive and the executive's family to the degree they need it and when they need it.

- * Income Replacement or Long Term Disability Insurance: In most companies the highly compensated executive may be just one person, possibly an owner or the company may have a dozen or more executives. It is often the case that group long term disability replaces smaller portions of income for the few individuals that contribute the most to the success, income and profit of most companies.

- * Long Term Health Care Resources: The current class of executives leading today's companies have different expectations for themselves as they age. These expectations include: staying in their own home as they need assistance or care; ability to continue their lifestyle even after they begin to require assistance with the activities of daily living; and preserving the estates they built for the creation of a family legacy or charitable giving. Advances in health care mean that people are living longer and enjoying their independent lifestyle longer.

The owners of successful companies have no desire to provide inadequate benefit solutions for themselves as well as their long term dedicated employees. From a recruitment and retention stand

point, careful attention to the right benefit solution can be very effective as a reward, incentive or retention opportunity.

We specialize in identifying, designing and creating discriminatory selective executive and business owner benefits that are cost effective and our experience has demonstrated the value that is possible for companies to create.

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