

Customized Executive Benefit Solution

Background:

OXFAM AMERICA is a global nonprofit organization that works throughout 90 countries in an effort “to create lasting solutions to poverty, hunger, and social justice.”

In March 2012, Oxfam implemented the Executive Benefit Restoration Allowance plan to make the executive retirement benefits competitive. The plan design provided tax advantaged retirement vehicles within a budget but did not adequately speak to the wide age demographic of the organization.

Six months later, after receiving feedback from plan participants that these new retirement vehicles were difficult to understand and did not meet their needs, Oxfam America contracted Sapere & Wallack, Inc. (S&W) to redesign the plan.

Challenges of Participant Demographics:

- Wide range of participant ages split between under 50 and over 60
- Large disparity in retirement timelines
- Younger participants were more concerned with college savings
- Older participants favored retirement savings vehicles
- Many just did not know where they stood financially

Major Objectives:

- Design a plan that would help key employees be able to afford to retire
- Implement a plan to meet the varying needs of executives in bifurcated age groups - catering to those near retirement and younger families with an eye toward paying for college
- Design a supplemental retirement package that included tax advantaged retirement choices, while adding more options to meet diverse priorities and time horizons
- Make the plan easy to understand

Highlights:

- Customized solutions based on needs and budgets
- Provided choice and options for employees - empower executives
- Explained the plan in plain English
- Offered financial planning for participants

The Solution:

After interviewing plan participants about their needs and expectations, it was clear that the existing product offerings were reasonable vehicles for certain people. However, additional alternatives were needed to best suit participants who were closer to retirement, as well as others who were twenty-plus years away from such considerations.

Plan Adjustments:

- Addition of a mutual fund portfolio option to give those nearing retirement an easy way to save yet still be able to access retirement funds in the next few years
- Offering a 529 Plan for tax-advantaged savings for future college expenses
- Introduction of supplemental insurance options to safeguards against the chance of unforeseen ailment or injury- giving plan participants the opportunity to buy Long Term Care, supplemental Long Term Disability, and Life Insurance products
- Dedication of some of the budget toward individual financial planning for participants to help them determine which options were most appropriate to help them achieve their financial goals
- Inclusion of a donor advised fund to allow to allow gifts to charity
- S&W to provide education to participants on the redesign of the plan by explaining products and ensuring full understanding of all plan options

For each of these options, Sapers & Wallack completed a comprehensive evaluation of product types, pricing, and performance before providing final recommendations and summaries to best communicate choices and recommendations based on risk tolerance.

True Partnership:

After implementing, enrolling, and educating where necessary, Sapers & Wallack helped everyone get up and running. In response to the request for ongoing financial advice, S&W built in an option to utilize some of the budget to periodically revisit financial planning with plan participants. A dedicated case administrator helps with re-enrolment and the continued updating and revising of plan choices as life milestones are met.

**SAPERS &
WALLACK**

275 Washington Street, Suite 110
Newton, MA 02458
T: 1-617-225-2600
F: 1-617-494-5485

info@sapers-wallack.com
www.sapers-wallack.com
© Sapers & Wallack, Inc

Securities offered through Lion Street Financial, LLC (LSF), member FINRA/SIPC. Investment advisory services offered through Lion Street Advisors, LLC (LSA). LSF and LSA are not affiliated with Sapers & Wallack. The hypothetical case study results are for illustrative purposes only and should not be deemed a representation of past or future results. The hypothetical case study results are for illustrative purposes only and should not be deemed a representation of past or future results. This example does not represent any specific product, nor does it reflect sales charges or other expenses that may be required for some investments. No representation is made as to the accurateness of the analysis. The information presented is not intended to provide specific investment advice or recommendations for any individual. It is suggested that you consult your financial professional, attorney, or tax advisor with regard to your individual situation. All investments involve varying levels and types of risks. These risks can be associated with the specific investment, or with the marketplace as a whole. Loss of principal is possible.