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Big Thinking. Personal Focus.

**BIG PROBLEM:
401(K) PLAN CONSISTENTLY FAILING
NONDISCRIMINATION TESTING**

**BIG THINKING:
ADOPT 415 EXCESS PLAN AND SHORE UP RETIREMENT
SAVINGS**



Retirement Solutions Case Study

Shad Fagerland is an attorney with more than 17 years of experience as an employee benefits specialist. He helps employers design and administer their employee benefit plans, including qualified retirement plans, health and welfare plans, and nonqualified deferred compensation arrangements.

One of Shad's clients, a closely held family business, was consistently failing nondiscrimination testing which resulted in several members of the family receiving unwanted distributions of taxable income at the end of each year. After conversations with management, Shad's team developed a proposal to outline several potential solutions.

After ruling out different options that were not feasible for the company, Shad and his team recommended adopting a "415 excess plan" — a type of nonqualified deferred compensation plan that captures contributions that highly compensated employees are not permitted to receive under a qualified retirement plan due to nondiscrimination testing failures or other IRS limits.

"The 415 excess plan addressed the owners' primary concern with the 401(k) plan, but it also did not require any changes to the matching contributions or vesting schedule applicable to the company's rank-and-file employees, which the owners particularly appreciated," said Fagerland.

About Schneider Downs

Schneider Downs provides Big Thinking and Personal Focus in delivering a variety of services for large and small businesses, both publicly and privately held, as well as nonprofit organizations, government entities and more. Through our commitment to thought leadership and knowledge management, we deliver the solutions our clients need with a personal commitment to service.

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