

## 457(f) PLAN

## A plan to attract top executives to your credit union—and keep them there.



### A 457(f) Supplemental Retirement Plan can help you compete for executive level talent.

With two out of five credit union CEOs set to reach retirement age in the next ten years,\* recruiting and retaining top executives has become an uphill battle for many credit unions. Without the ability to offer stock grants and options, it's difficult to compete against other financial institutions.

A 457(f) plan from CUNA Mutual Group can help you compete in the recruiting battle for top executive talent. This simple, non-qualified, deferred compensation plan allows you to set aside additional pre-tax income of select executives beyond the traditional 401(k) or 457(b) plan. In a 457(f) plan, any amount can be contributed on behalf of an eligible executive as long as there is a substantial risk of forfeiture. The benefit can be invested in a variety of investment choices, with no federal or state income taxes due until a later date.

A "substantial risk of forfeiture" is when an executive forfeits benefits if they voluntarily separate from employment prior to an agreed-upon term or date. A 457(f) plan provides long-term security for both high-level executives and your credit union. For the executive, it provides the means to retire at a comfortable income level. For your credit union, it ensures long-term stability, as the benefit will only be paid when the executive has completed the agreed-upon terms of service.

\*CUNA's 2007-2008 Complete Credit Union Staff Survey Report.

### Estimated percentage of final pay required to maintain current lifestyle in retirement.

PRE-RETIREMENT INCOME	SOCIAL SECURITY %	OTHER SOURCES %	TOTAL %
\$90,000	33	45	78
\$150,000	20	65	85
\$200,000	15	73	88
\$250,000	12	76	88

Source: AON Consulting/Georgia State University 2004 Retirement Income Replacement Ratio Study.

### What will a 457(f) plan from CUNA Mutual deliver?

#### No cap to your contribution.

A 457(f) plan doesn't impose a cap on the amount your credit union can contribute, providing you with a compensation program that allows you to compete with other financial institutions. All investments are subject to safety and soundness guidelines.

#### Long-term security.

A 457(f) plan is a powerful benefit designed to lead to longer tenures and greater commitment from credit union executives. More than "handcuffs," this plan is a delayed reward for completed service.

#### A plan for select management only.

As a non-qualified deferred compensation plan, you can offer it to an executive without being required to make it available to the rest of your employees. You determine who receives the plan.

#### Improved succession planning.

Long-term retention of top executives means you won't be scrambling to recruit new leadership, maintaining a sense of continuity within your credit union.

#### Flexible plan designs.

Your credit union can structure the plan as either a defined benefit or a defined contribution. You have the flexibility to offer either option.

## Why is CUNA Mutual the top choice for a 457(f) plan?

### Easy administration, designed for credit unions.

Our Executive Benefits Specialists will work closely with you through every stage of the process, anticipating your needs and developing a program tailored to your credit union. We make the process as easy for you as possible, as we constantly draw upon the experience we've gained from implementing executive plans for over 1,300 credit unions.

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### Peace-of-mind with expert compliance.

In a field of ever-changing regulations, CUNA Mutual maintains vigilant watch over your program. If you add enhancements to your benefits package, our team will help ensure your program is constantly compliant with the latest legislation.

### Aligned with the credit union philosophy.

CUNA Mutual has an unparalleled understanding of credit unions, including the importance of protecting the interests of your members. Our 457(f) plan safeguards your credit union in the event of an unforeseen retirement or unexpected turnover. Instead of over-compensating an executive, the program returns earnings to members, in accordance with your tax-exempt status.

### Experienced specialists at your side.

The Executive Benefits Specialists that you'll be working with know that the best plans are customized to meet the needs of your credit union. Credentialed under rigid industry guidelines, our Executive Benefits Specialists are trained through an extensive process and are adept at tailoring a plan specifically for you and your executives.

### The support behind the specialists.

Your Executive Benefits Specialist is backed by the vast resources of our comprehensive benefits staff. Internal Executive Benefits Specialists provide ongoing support. Intelligence experts conduct plan design, reviews, and monitor regulations. And our Service Center staffed with Registered Representatives\* is available for questions Monday through Friday, 8 a.m. to 5 p.m., CST.

\* Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free 800.369.2862.

**Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value, and are not obligations of or guaranteed by the financial institution.** CBSI is under contract with the financial institution, through the financial services program, to make securities available to members.

**A 457(f) plan can help you recruit and retain executives, despite tight competition and the high rate of turnover in the talent marketplace. It's a critical tool for competing with other financial institutions and ensuring the long-term commitment of your leadership team. Contact your Executive Benefits Specialist or the Service Center at 800.356.2644, ext. 1035 to schedule an assessment of your executive benefits plan—all at no charge to your credit union.**

CUNA Mutual Group is a leading provider of financial services to credit unions, their members, and valued customers worldwide. With more than 70 years of market commitment, CUNA Mutual's vision is unwavering: to be a trusted business partner who delivers service excellence with customer-focused, best-in-class products and market-driven innovation.

Visit [execben.cunamutual.com](http://execben.cunamutual.com) or call 800.356.2644, ext. 1035 for more information.



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