

## Did You Know That...

### Qualified Retirement Plans Tend to Discriminate AGAINST the Highly Compensated?

The restrictions placed on qualified retirement plans strictly limit the size of the benefits that can be accrued for highly-compensated employees.

When compared to the benefits provided to lower-paid employees, these limitations can produce a "reverse discrimination" effect that results in qualified retirement plans replacing an inadequate percentage of an owner's or key executive's pre-retirement income.

## Reverse Discrimination in Action...

- The benefits from or contributions to each type of qualified retirement plan are limited or "capped."
- Eligible compensation that can be considered in applying these benefit or contribution limitations is capped at \$275,000 in 2018 (as adjusted for inflation).

There is, however, a solution to the inadequacy of qualified retirement plan benefits for owners and key employees... **a selective executive benefit plan!**