

The Reverse Discrimination of Qualified Retirement Plans

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 \$245,000 in 2009 (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!