



Is your deferred compensation plan achieving the goals it was designed for?

- ◆ **Will your current deferred compensation plan provide the intended payouts?**
- ◆ **Are your underlying plan assumptions re-tested annually?**
- ◆ **Has your plan kept pace with your organizational changes?**

FICC

Our People,

Our Commitment,

Our Difference -

We're Planning Your

Financial Future Now!

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Achieve Your Goals Through Proper Plan Administration

Implementing a non-qualified deferred compensation plan for your leadership team is a proven way to retain leaders, attract new talent, reward top-performers, and increase non-interest income. Putting such a plan in place should be the beginning, rather than the end, of a process of continual review. Is your plan reviewed annually by your third party administrator? Are the original assumptions checked and revised accordingly with organizational changes? Are the investments performing adequately to meet your obligations? Are your BOLI investments still within acceptable capital concentration limits?



At FICC, we know that administering the plans of our clients is a process. We monitor the plans annually to ensure that they perform to the intended standards. We remain in close contact with our clients to incorporate necessary plan changes, communicate regulatory changes, review the investments, and to make certain that as the bank grows, your non-qualified deferred compensation plans adapt to meet the bank's new goals.

Each of FICC's clients receives an annual administration package that provides discussion on accounting issues, cash surrender values of Bank Owned Life Insurance (BOLI) policies, financial analyses of the BOLI providers, accrual schedules for the bank's plan(s) and activity statements for plan participants. In the process of compiling each package, FICC tests the underlying plan(s) assumptions to ensure that each plan is achieving its stated goals.

The annual testing of plan assumptions involves the review of the investment tools' performance and their forecasts to make sure they are performing at a rate that will provide the planned benefits, and will do so without the bank incurring unforeseen expenses. We also evaluate the interest rates set forth in plan agreements to make certain they are in accordance with the current markets. Further, in the event that participants' planned benefits were initially based on annual increases in salaries or board fees, FICC verifies all salary and board fee escalations with the banks and determines if the planned benefit is attainable or if an even greater benefit is possible.

We believe that the annual testing of plan assumptions is necessary to:

- (1) ensure that the plans are on target for the participants to receive their defined benefit;
- (2) avoid costly mistakes to the bank; and
- (3) give our clients confidence when they face regulatory reviews.

We do not make any changes that will affect the plan documents/legal agreements without first consulting our clients.

FICC's professional staff includes CPA's and attorneys that have the knowledge and resources to answer all of our clients' questions and to provide our clients with the information necessary for their plans to achieve maximum performance. We provide year-round updates on any changes in the law or accounting practices that will affect the plans and/or the participants of the plans we administer.

FICC would like to offer your financial institution a confidential analysis of its director and/or executive compensation plans, at no charge. If you are interested in having FICC review your plan and/or evaluate the plan administration you are currently being provided, contact Katie Marchini at (800) 873-0089.