REWARD TOP TALENT.
DRIVE LASTING RESULTS.

Use an Executive Bonus Plan to reward select employees—**strategically** and **in compliance.**

An Executive Bonus Plan is a **non-qualified deferred compensation plan** designed to provide discretionary bonuses to key employees.
When properly structured, it can favor select employees without violating ERISA nondiscrimination rules.

REWARD YOUR HIGH PERFORMERS.
STAY COMPLIANT.
BUILD LOYALTY.
DRIVE GROWTH.

KEY BENEFITS FOR YOUR BUSINESS

REWARD AND RETAIN TOP TALENT
Recognize the impact of key employees and strengthen loyalty.

ALIGN COMPENSATION WITH RESULTS
Tie bonuses to performance, milestones, or company success.

FLEXIBLE FUNDING OPTIONS
Fund bonuses on your terms—when your business can afford it.

CONFIDENTIAL AND SECURE
Compensation details remain private and outside of public retirement plans.

NO ERISA MANDATORY PARTICIPATION
Because it is a non-qualified plan, you decide who participates.

HOW IT CAN FAVOR SELECT EMPLOYEES WITHOUT VIOLATING ERISA

Executive Bonus Plans are typically "top-hat" plans under ERISA, which are exempt from ERISA's nondiscrimination testing when they meet these requirements:

UNFUNDED PLAN
The plan is unfunded at the time benefits are earned (no trust or set-aside assets).

SELECT GROUP
Only a select group of management or highly compensated employees (HCEs) are eligible.

NO FORMAL PLAN DOCUMENT REQUIRED
While a formal written plan is not required, the terms of the arrangement must be communicated in writing.

NOT A SUBSTITUTE FOR QUALIFIED BENEFITS
The plan cannot be used to replace or circumvent benefits under a qualified plan.

Important: Every business is unique. We recommend that your tax and legal advisors review your plan design to ensure it meets applicable rules and aligns with your goals.

HOW AN EXECUTIVE BONUS PLAN WORKS

1. **YOU SET THE TERMS**
Define eligible employees, bonus criteria, and timing.

2. **YOU REWARD PERFORMANCE**
Bonuses are awarded based on individual or company performance.

3. **EMPLOYEES DEFER RECEIPT**
The bonus is deferred to a future date you choose.

4. **BONUS IS PAID**
Paid to employees at the agreed-upon time (often at retirement, termination, or a future date).

5. **EVERYONE WINS**
Employees are rewarded. You retain top talent and drive long-term success.

REWARD EXCELLENCE. RETAIN YOUR DIFFERENCE.

An Executive Bonus Plan gives you the flexibility to reward the people who move your business forward—on your terms and in compliance.

Let's build a plan that works for you and your key team.

JAMES ALEWINE, III
Financial Advisor
Modern Woodmen
FRATERNAL FINANCIAL

440 E Huntington Dr. Ste. 326
Arcadia, CA 91006

James.R.Alewine.III@mwarep.org

SERVING BUSINESS OWNERS AND THEIR TEAMS

Helping you protect, plan, and provide so you can lead with confidence.