

EXECUTIVE SUMMARY

The DRIVE

The *D*irected *R*etirement *I*ntestment *V*alue *E*dge

Value Proposition

DRIVE combines the advantages of defined benefit pension plans, defined contribution 401(k) plans, and executive nonqualified deferred compensation plans to deliver the greatest retirement program value to employers, owners/officers, and employees.

Harbridge Consulting Group (Harbridge) has extensive experience with pension plans of all types and sizes. The *DRIVE* plan is the next generation of pension plan, an innovation usually reserved for companies with thousands of employees, but Harbridge has positioned itself to bring *DRIVE* to the mid-size and, in some instances, small plan market. Instead of terminating their pension plans as obsolete, underappreciated cash drains, Harbridge is encouraging companies to recycle their plans, or adopt new plans, and realize their full potential value while still managing the costs. Through the *DRIVE* process Harbridge helps companies re-engineer their entire retirement program to meet the needs of all their employees, especially business owners and officers.

Idea Description

DRIVE is a cash balance pension plan with individual self-directed investments. It is a defined benefit plan that acts like a super 401(k) profit sharing plan, combining the stability and higher benefit limits of a pension plan, the simplicity, flexibility and cost predictability of a self-directed account balance plan, and, with an optional SERPlusSM enhancement, the executive benefits of a nonqualified plan to create the greatest value for employers, owners/officers, and employees.

Harbridge's retirement benefits consultants have designed a cash balance pension plan that allows participants to direct the investment of their accounts the same way, and among the same funds, as in their 401(k) plans. Business owners and officers can further *DRIVE* the value of their retirement program by adding the optional SERPlusSM feature to potentially realize the maximum benefits allowed by law. The *DRIVE* advantages are:

- Owners and officers can receive higher levels of contributions and benefits
- Employers can predict costs
- Employees will understand and appreciate the benefits
- Investment choices to suit individual time horizons and risk tolerances
- Distribution flexibility (annuity or lump sum)
- PBGC insurance (generally)
- Perfect compliment to and easily integrated with existing 401(k) plan

DRIVE Services

- Plan design and implementation services, including plan document, SPD, forms, coordination with 401(k) plan design and application to IRS for determination letter
- Annual actuarial valuation services
- Daily valuation recordkeeping services integrated with 401(k) plan
- Tri-annual combined DB/DC plan general non-discrimination testing under IRS Regulations (annual testing if necessary)
- Trustee and custodial services
- Annual government filings
- Optional SERPlusSM feasibility analysis
- Ongoing professional consulting support

Client Profile

Companies with 100 or more employees and existing cash balance or traditional pension plans (preferably well funded) and closely held companies, professional service firms and physician groups with 25 or more employees and a desire to provide better retirement benefit alternatives for the owners and officers are candidates for *DRIVE*.

Contact

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