



FOR IMMEDIATE RELEASE

Fulcrum Partners Releases Report on Impact of SECURE Act on NQDC Plans and Important Strategic Tax-Saving Solutions

PONTE VEDRA BEACH, FL -- (February 14, 2020) Since the SECURE Act (Setting Every Community Up for Retirement Enhancement) was signed into law by President Donald Trump on December 20, 2019, much of the resulting conversation has focused on how the new law affects various aspects of 401(k) plans. Fulcrum Partners, a leading U.S. executive benefits advisory, has released a report focused on other important implications of the SECURE Act, specifically how it may impact nonqualified deferred compensation (NQDC) plans and retirement distribution elections. The report is

available on the company website at fulcrumpartnersllc.com/wp-content/uploads/2020/02/SECURE-Act-2019-Impact-on-NQDC-Fulcrum-Partners.pdf.

While the terms of Internal Revenue Tax Code Section 409A require that NQDC plan participants elect timing and form of their retirement payout, 409A does not require that the payout be taken as a lump sum payment, even though many plans default to this timing. As [Bruce Brownell](#), a Fulcrum Partners Managing Director & Partner, said, “The younger you are when you choose the terms of your plan, the more likely you are to select lump sum distribution. The older you become, the more likely you are to regret that decision.”

Fulcrum Partners can recommend various customized strategies for NQDC plan re-deferral as an alternative to lump sum distribution. These strategic approaches to re-deferral provide plan participants greater flexibility and potential tax savings.

“Experience tells us,” said Brownell, “as plan participants approach retirement, they realize that lump sum distribution vaults significant income into the highest marginal tax bracket and doesn’t provide a tax efficient income stream. But given that effective options exist to measurably improve your retirement, why wouldn’t you explore them?”

The Fulcrum Partners Executive Benefits Advisory Report, “Impact of the SECURE Act 2019 on NQDC Plans and Retirement Distribution Elections,” is available for download or viewing as a PDF. ([Deferred Compensation Blog](#))

About Fulcrum Partners LLC:

Fulcrum Partners (fulcrumpartnersllc.com) is a wholly independent, member-owned firm dedicated to helping organizations enhance their Total Rewards Strategy. With more than \$7 billion in assets under management, Fulcrum Partners is one of the nation's leading executive benefits consultancies.

Founded in 2007, today the company has offices in Atlanta, Georgia; Chicago, Illinois; Charleston, South Carolina; Columbus, Ohio; Delray Beach, Orlando and Ponte Vedra Beach, Florida; Honolulu, Hawaii; Los Angeles and Newport Beach, California; Portland, Oregon; Salt Lake City, Utah and Washington D.C. Fulcrum Partners is an independent member of the BDO Alliance USA. Learn more about the Fulcrum Partners Team at fulcrumpartnersllc.com/fulcrum-partners-team/.

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