



FOR IMMEDIATE RELEASE

**Fulcrum Partners Reports on 401(k) Compliance Testing Issues Created  
by COVID-19 Workforce Changes**

PONTE VEDRA BEACH, FL -- (August 13, 2020) Fulcrum Partners, a leading executive benefits advisory, announces the publication of ["Will New 401\(k\) Compliance Testing Issues Arise Because of COVID-19 Workforce Changes?"](#) The white paper, written by Fulcrum Partners Managing Director and Partner, [Steve Broadbent](#), examines how the COVID-19 pandemic is creating challenges for plan sponsors required to perform specific nondiscrimination tests on the 401(k) plans they offer employees.

Steve Broadbent said, "Plan sponsors are required to perform specific tests to help ensure that a 401(k) plan does not favor business owners or other highly compensated employees. However, COVID-19 has dramatically increased the number of furloughs, terminations and reductions in pay at many organizations, thereby altering the required mathematical ratios that must be maintained with regard to highly compensated employees and non-highly compensated employees."

The report, available on *Deferred Compensation News*, explains how the failure of a qualified plans Actual Deferral Percentage or Average Deferral Percentage tests could result in unwanted taxable 401(k) refunds to the firm's highly compensated employees. The report additionally explains how the use of a nonqualified deferred compensation plan can provide a solution for this undesirable tax event.

"The establishment of an NQDC plan for your highly qualified employees provides an almost unlimited pre-tax deferral opportunity for your highly compensated employees," said Broadbent. "Even companies that do not sponsor a nonqualified deferred compensation plan, still have plenty of time to design and implement a plan for the 2021 calendar year."

Click to download "[Will New 401\(k\) Compliance Testing Issues Arise Because of COVID-19 Workforce Changes?](#)" You can also [subscribe to \*Deferred Compensation News\*](#) and

receive all Fulcrum Partners executive benefits reports and updates along with curated content from select subject matter authorities.

With more than \$7 billion in assets under care, Fulcrum Partners is one of the nation's leading executive benefits consultancies.

### **About Fulcrum Partners LLC:**

Fulcrum Partners ([fulcrumpartnersllc.com](http://fulcrumpartnersllc.com)) is a wholly independent, member-owned firm dedicated to helping organizations enhance their Total Rewards Strategy.

Founded in 2007, today the company has offices in Atlanta, Georgia; Chicago, Illinois; Charleston, South Carolina; Columbus and Cleveland 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/](http://fulcrumpartnersllc.com/fulcrum-partners-team/).

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. Any tax advice contained herein is of a general nature. You should seek specific advice from your tax professional before pursuing any idea contemplated herein.

Securities offered through Lion Street Financial, LLC (LSF) and Valmark Securities, Inc. (VSI), each a member of [FINRA](#) and [SIPC](#). Investment advisory services offered through CapAcuity, LLC; Lion Street Advisors, LLC (LSF) and Valmark Advisers, Inc. (VAI), each an SEC registered investment advisor. Please refer to your investment advisory agreement and the Form ADV disclosures provided to you for more information. VAI/VSI, LSF and BDO Alliance USA are non-affiliated entities and separate entities from Fulcrum Partners and CapAcuity, LLC.

**CONTACT:**

Bruce Brownell  
904.296.2563  
press@fulcrumpartnersllc.com



Fulcrum Partners Managing Director and Partner, Steve Broadbent