

# Deferred Compensation | 409A Compliant System



**Bonnie Petersen**  
VP & Director  
Client Services  
404.504.3839  
bonnie.petersen@balsler.com

## Is your “old dog” administrator hampered by the 409A “new tricks” required for proper nonqualified deferred compensation recordkeeping and reporting?

Balsler has a built-in advantage to addressing 409A issues; Balsler Companies adopted “discrete” year account management a decade prior to the passage of the American Jobs Creation Act, so the pre-409A and post-409A rules do not present any problems for the administration of our clients’ plans. Unlike 401(k) administrators and other the retirement administration generalist with “single bucket” systems, we offer capabilities that separate the participants account year by year. Plan sponsors can apply specific rules to certain tax year deferrals, restrict payout options and modify account valuation procedures, according to year-by-year plan documents.

New federal regulations prompted many large employers to reexamine the quality of services currently being provided to nonqualified deferred compensation plans and to the HCEs participating in them. Specialized, flexible nonqualified plan systems are proving essential to comply with federal obligations and, at once, revealing much-needed improvements to deferral account recordkeeping.

In response to AJCA and 409A nonqualified plan guidelines, the nation’s plan sponsors are discovering 401(k) recordkeeping is not sufficiently capable of handling separate, year-by-year account management, any application of specific rules to certain tax year deferrals, and payout and account valuation flexibility that is allowed in plan documents, but incompatible with typical “single bucket” RK technology.

### “Getting By” No Longer Sufficient

Before the passage of the American Jobs Creation Act, 401(k) administrators, the retirement savings generalist offered nonqualified plan sponsors enough participant services to get by. 401(k) systems are geared for the average employee participating within the limits of ERISA-governed plan features. The basic 401(k) architecture builds a system focused solely on prescribed annual tax saving with distribution schedules beginning post-retirement. As nonqualified benefit plan specialist, Balsler Companies offers its clients state-of-the-art online account management, customized to your plan document(s) and company-branded to make each experience accurate, seamless and easy.



# Deferred Compensation 409A Compliant

Given larger employers offer multiple plans, include grandfathered rules, special awards, tiered vesting schedules, special investment options, key officer distribution requirements, and more—we use the open architecture of our 409A compliant recordkeeping system and our experienced teams to provide the best solutions.

The screenshot displays the ExecutivePlan.com web interface in Microsoft Internet Explorer. The page is titled "Your Custom Plan Name & Co-branded Header" and features a navigation menu with options like Home, Account Detail, and Change Allocations. A prominent red-bordered box contains a custom notice: "\*\*\* An important custom notice can be added for your plan, such as information regarding the American Jobs Creation Act of 2004, and how it affects your plan. \*\*\*".

**Account Summary:**  
**ANTHONY M. DAVIS**  
**Total Account Balance:**  
 USD 1,744,904.99  
**Current as of:**  
 25-Apr-2007

**My Enrollment:**  
 Switch To: My Enrollment

**Home - Account Snapshot**

**My Preferred Currency:**  
 Plan Currency (dropdown menu)  
[View Exchange Rates](#)

**Investment Allocations (Pie Chart):**

- Fidelity Retirement Money Market Fund (34.20%)
- Merrill Lynch Core Bond (22.05%)
- Vanguard Long Term Investment Grade Fund (7.99%)
- Smith Barney Premium Total Return A (14.06%)
- Goldman Sachs Growth & Income Strategy Fund (5.49%)
- T. Rowe Price Small-Cap Stock (4.50%)
- Fidelity Magellan (2.42%)
- Janus Worldwide Fund (3.78%)
- DWS Equity 500 Index-Invr (3.80%)
- Adobe Systems Inc. (1.70%)

**Account Balances:**

Fidelity Retirement Money Market Fund	USD 596,793.58
Merrill Lynch Core Bond	USD 384,777.64
Vanguard Long Term Investment Grade Fund	USD 139,475.45
Smith Barney Premium Total Return A	USD 245,279.58
Goldman Sachs Growth & Income Strategy Fund	USD 95,743.79
T. Rowe Price Small-Cap Stock	USD 78,595.43
Fidelity Magellan	USD 42,178.88