



# Beyond the 401(k)

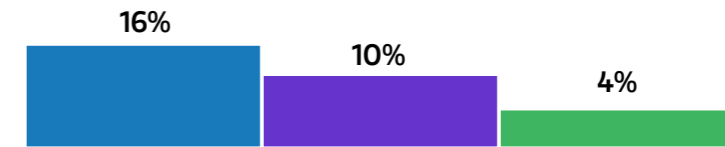
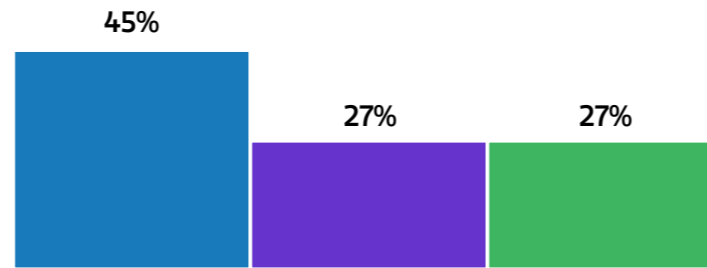
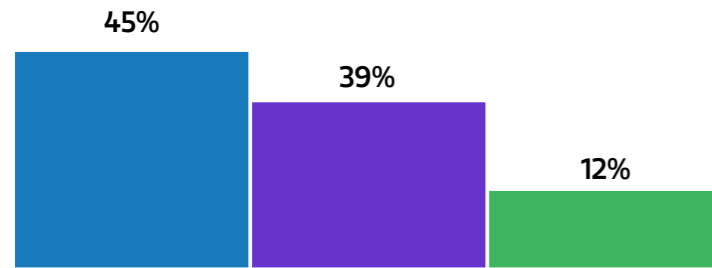
Strengthening Your Retirement and Executive Benefit Offerings With Complementary Plans

# Retirement and Executive Benefit Packages Often Go Beyond 401(k)s

Employers are diversifying their offerings to complement their 401(k) plans, strengthen their retirement and executive benefit packages, and better prepare employees for retirement—while also helping attract and retain top talent in a competitive labor market.

**Percent of companies offering non-401(k) retirement and deferred compensation plans, by plan assets**

■ \$1B+ ■ \$250M-<\$1B ■ \$50M-<\$250M



## NONQUALIFIED DEFERRED COMPENSATION (NQDC)

**Benefit to Employees:** Provides an additional tax-deferred savings opportunity for executives limited in 401(k) participation and company matching due to contribution limits and/or discrimination testing, and can help enhance their chances of maintaining their standard of living in retirement.

**Benefit to Plan Sponsors:** Helps companies attract, retain and reward key employees, with an executive benefit that offers employers flexibility in deciding which executives to include in the plan and the opportunity to align the goals of the executive with those of the employer and reward executives for achieving desired milestones.\*

**Considerations:** May be unfamiliar to many companies and senior employees, so education and advice are key.

\*Employers subject to the Employee Retirement Income Security Act of 1974 (ERISA) should carefully consider which employees are eligible to participate in the NQDC plan as it can impact whether the NQDC plan is exempt from certain ERISA requirements.

## DEFINED BENEFIT

**Benefit to Employees:** Supports retirement security by putting the funding and investment risks on the employer; provides a fixed, predictable income stream at retirement based on years of service and other factors.

**Benefit to Plan Sponsors:** Fosters employee loyalty and continuity; can be a competitive edge in many industries.

**Considerations:** Typically the costliest and most complex retirement plan for sponsors.

## CASH BALANCE

**Benefit to Employees:** Supplements retirement savings through a tax-deferred, defined-benefit structure.

**Benefit to Plan Sponsors:** Allows business owners and partners to dramatically increase the amount of tax-deferred contributions they can make each year, helping lower their tax bills.

**Considerations:** May be appropriate for small businesses that generate relatively high cash flows; may be costly to administer and manage.

## Read the full survey.

To further explore trends in the retirement landscape, access Morgan Stanley's 2024 independent survey of nearly 200 decision-makers at 401(k) plan sponsors.<sup>1</sup>

<sup>1</sup>The survey was conducted by independent research firm 8 Acre Perspective. Morgan Stanley was not identified as the research sponsor.



**VIEW AND DOWNLOAD THE E-BOOK:**  
[Morgan Stanley 2024 Retirement Plan Survey](#)

# Investment Consulting Solutions for Retirement and NQDC Plans

Morgan Stanley offers a wide range of customized solutions and advice across retirement and NQDC plan types.

## DEFINED CONTRIBUTION (DC)

We are uniquely equipped to guide a DC plan through the complex, interrelated decisions involved in building an effective retirement plan that addresses the needs of each organization and its workforce.

## DEFINED BENEFIT (DB)

We can develop a customized approach to help strengthen the health of a DB plan and support plan goals such as improving funded ratios, minimizing funded status risk or de-risking a portfolio.

## NONQUALIFIED DEFERRED COMPENSATION (NQDC)

Our consultants can help develop an NQDC plan that is aligned with an organization's overall compensation program.

## Deep Resources and Experience

We combine local expertise and global resources to help our clients make informed, confident investment decisions.



**\$793 Billion**

in total institutional assets under management<sup>2</sup>

<sup>2</sup> As of June 30, 2024.

<sup>3</sup> As of September 30, 2024.



**50+ Years**

of experience advising institutional clients



**~1,800 Consultants**

serving institutional clients<sup>3</sup>



## Let's Talk

We look forward to starting the conversation about how we can help.

[instlconsulting@morganstanley.com](mailto:instlconsulting@morganstanley.com)

[www.morganstanley.com/ics](http://www.morganstanley.com/ics)

When Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "Morgan Stanley") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), Morgan Stanley is a "fiduciary" as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or the Internal Revenue Code of 1986 (the "Code"), as applicable. When Morgan Stanley provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice" Morgan Stanley will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding Morgan Stanley's role with respect to a Retirement Account, please visit [www.morganstanley.com/disclosures/dol](http://www.morganstanley.com/disclosures/dol).

Tax laws are complex and subject to change. Morgan Stanley does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account.

Tax laws are complex and subject to change. Morgan Stanley and its affiliates, employees and agents do not provide tax or legal advice. Employers (and other service recipients) should consult their own tax and legal advisors before establishing a nonqualified deferred compensation plan, and regarding any potential legal, tax, and other consequences of any investments or other transactions made with respect to a nonqualified deferred compensation plan. Eligible employees (and other eligible service providers) should consult their own tax and legal advisors before deciding to participate in, or making any elections with respect to, a nonqualified deferred compensation plan.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking-related products and services. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

### METHODOLOGY

Phone survey among 190 plan sponsors. Respondent qualifying criteria:

- Part of team that makes investment decisions for 401(k) plan
- For-profit businesses with AUM \$50 million+
- \$50M-\$100M N=75; \$250M-\$1B: N=59; \$1B+: N=56

Data collection occurred during May 2024; Morgan Stanley was not identified as a research sponsor. Statistical testing was done at the 90% confidence level. 8 Acre Perspective, an independent research firm, conducted the research.

