



## Overcoming Budget Obstacles with Simple Solutions: Retirement Incentives

**Navigate difficult decisions with confidence. Count on National Insurance Services to provide you with the solutions you need to help you and your employees win.**

### Offer These Plans to Provide Employees with a Win-Win

Voluntary separation programs that offer early retirement incentives can be a viable alternative to layoffs. Employees leave on their own accord while feeling valued by their employers.

#### Special Pay Plan 403(b)

- Funds can be used for any purpose
- Permanently save employee and employer up to 7.65% in FICA taxes
- Payouts can occur for up to 5 years past the date of separation — earnings are tax-deferred

#### Retiree Health Reimbursement Arrangement (HRA)

- Funds can be used for qualified medical expenses in retirement, including insurance premiums
- Permanently save the employee and employer on all taxes — contributions, distributions, and interest accrual are tax-free
- Can help reduce and/or eliminate OPEB liability

#### Supplemental Early Retirement Plan (SERP)

- Enhances retiree benefits, improves job security, and provides effective budget and staff planning solutions with valuable, voluntary retirement incentives
- Generates cost savings through the differential in salary costs for a retiring teacher and a new hire
- Benefit payout options include annuities, special pay plans (lump sum), and VEBA health reimbursement arrangements
- Reduces pension obligations
- Helps avoid layoffs

**Contact Your NIS  
Representative to Put  
These Simple Solutions to  
Work Today**



**Mary Sugg**

Account Representative  
800.627.3660, Ext. 1330  
msugg@NISBenefits.com