

BIG PROBLEM:  
**A NOT-FOR-PROFIT CLIENT OUT OF 401(K)  
COMPLIANCE**

BIG THINKING:  
**ALLOWING MORE CONTRIBUTIONS BY HIGHLY PAID  
EMPLOYEES**



## Retirement Solutions Case Study

Shareholder Jason Lumpkin serves as a Practice Unit Leader for Schneider Downs Retirement Solutions. He has more than 17 years of qualified retirement plan experience, primarily serving middle market, closely held businesses. His background includes plan design, documentation reporting, participant education, and ongoing administration for defined contribution plans, including employee stock ownership plans.

While working with one of our non profit clients, Jason's team discovered that the organization was failing non-discrimination testing due to poor 401(k) participation among its employees. To address the issue, we recommended the implementation of a second retirement plan, a 403(b) plan, that would cover only the highly paid employees, allowing them to contribute the maximum amounts without concern for the limits imposed by the 401(k) plan's non-discrimination testing.

"These top employees were no longer constrained by the limits of the 401(k) plan testing results," Jason said. "Plus, the organization no longer had to be concerned about the non-discrimination test. We also avoided implementing a "safe harbor" design in the 401(k) plan, which can result in costly employer contributions and vesting provisions that favor short-term employees."

Contact: [jlumpkin@schneiderdowns.com](mailto:jlumpkin@schneiderdowns.com)

To learn more about the Schneider Downs retirement solutions team and services visit [www.sdretirementsolutions.com](http://www.sdretirementsolutions.com).

### About Schneider Downs

Schneider Downs provides Big Thinking and Personal Focus in delivering a variety of services for large and small businesses, both publicly and privately held, as well as nonprofit organizations, government entities and more. Through our commitment to thought leadership and knowledge management, we deliver the solutions our clients need with a personal commitment to service.