



## FAQ's

### 1. **Why has NAO decided to offer NAO 501 (c)(3) members a retirement plan program as a member benefit?**

NAO knows it's the passionate and motivated nonprofit staffs who help transform lives every day making nonprofits a vital lifeline for many Oregonians. Often, resources are limited within nonprofits, and this reality may lead to less than optimal retirement planning for employees.

Robust employee benefits, including a savings plan option, is often ranked as one of the top three indicators of employee satisfaction, as well as for recruitment purposes. In addition, people in general are living longer and healthier lives, and there's no disputing the value of compound interest.

NAO wants to help our members fill this gap and has partnered with Impact Benefits & Retirement to offer nonprofits a way to support their staffs in planning for a financially secure retirement – through a turnkey, easy-to-understand and affordable retirement plan program offered by Impact Benefits & Retirement.

NAO encourages nonprofits to check out this new retirement plan, specifically customized for NAO charitable benefit organization members, offered through Impact Benefits & Retirement. For more information, check out [www.ImpactRetireNPO.com](http://www.ImpactRetireNPO.com) and/or contact [info@impactbenefits.com](mailto:info@impactbenefits.com) for a conversation about a retirement plan for your nonprofit.

### 2. **Why is Impact Benefits & Retirement the partner of choice for NAO? Why not other retirement businesses?**

There are a handful of dedicated retirement plan advisors within the larger financial services industry, and even fewer who are dedicated to serving ALL sizes of organizations, not just large organizations. In general, the smaller end of the market is overlooked and under-served. Impact has dedicated much of its resources as an organization to making investing and saving for retirement attainable to ALL organizations. This is solidified in their

company's mission and their promise to the community in which they do business. Most importantly, Impact acts a fiduciary to the plan. What does this mean? By law, fiduciaries must act in the best interest of the plan and its participants. Impact has spent the last two years building a solution specifically for this niche need. The NAO solution is built on retirement plan best practices including, 338 investment management, 316 administration, open architecture, flat dollar recordkeeping, and local employee education by salaried, licensed advisors. The solution was built to be turnkey, in order to best leverage resources, both time and cost. As way of background, Impact has been consulting on retirement plans in Oregon for almost 40 years, is a B Corp certified company, and is 100% women-owned and minority owned.

**3. Does NAO offer its employees a retirement plan through Impact Benefits & Retirement?**

Yes, NAO offers its employees a retirement plan through Impact Benefits & Retirement. NAO has experienced great customer service and highly recommends Impact Benefits & Retirement, a women-owned B Corp dedicated to people, personal impact, and community. Impact Benefits & Retirement has been working with nonprofits on their benefits and retirement plans for several years. Impact Benefits & Retirement understands the unique challenges and opportunities nonprofits deal with every day, including having access to affordable, easy-to-understand and robust retirement plans for their employees. For some nonprofits, offering employees a retirement plan may be a new benefit they'd like to offer. Impact Benefits & Retirement understands this and their staff members are hands on and will patiently guide you through the process, answer all your questions and work with you to determine what plan would work best for your employees.

**4. Does Impact Benefits & Retirement work with any size nonprofit?**

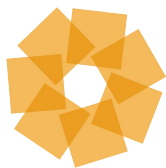
Yes, Impact has been successfully working with nonprofits of all sizes and subsectors for several years and truly understands nonprofits' needs. For more information, check out [www.ImpactRetireNPO.com](http://www.ImpactRetireNPO.com) and/or contact [info@impactbenefits.com](mailto:info@impactbenefits.com) for a conversation about a retirement plan for your nonprofit.

**5. My nonprofit currently offers our employees a retirement plan. Would we be able to work with Impact Benefits & Retirement on this new member benefit offered?**

Yes, Impact will work with a nonprofit looking to offer a new retirement plan for its employees, as well as with a nonprofit seeking an alternative to its current retirement plan company. For more information, check out [www.ImpactRetireNPO.com](http://www.ImpactRetireNPO.com) and/or contact [info@impactbenefits.com](mailto:info@impactbenefits.com) for a conversation about a retirement plan for your nonprofit.



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THE NONPROFIT  
ASSOCIATION OF  
OREGON  
*Connect. Improve. Advance.*

A PARTNERSHIP

**iMPACT**  
BENEFITS & RETIREMENT

## FAQs for Impact Benefits & Retirement

### 1. Why should nonprofits consider offering a retirement plan?

#### Retirement & Financial Wellness Landscape

A shift from having a retirement plan as way to attract and retain employees to a focus on helping as many employees as possible reach a financially secure retirement has happened.\*

82% of plan sponsors feel at least somewhat responsible for the overall financial wellness of their employees (41% very responsible and 41% somewhat responsible). This is up from 59% in 2013. \*\*

76% of their employees feel that their employer has at least some responsibility to help them save for retirement (29% a great deal and 46% some responsibility). \*\*

73% of retirement plan participants feel they should be saving 10% or more to be on track toward a secure retirement. Of those, 70% are missing their savings target. \*\*

How do Non-Profits stack up in key retirement measurements and design?

	All Industries	Non-Profits	403b Plans
Average account balance	\$97,903	\$74,625	\$56,730
Participation	79.3%	81.9%	71.1%
Employer Match	73.7%	72.9%	64.9%
Employer Match at least 50% to 6%	75.9%	84.6%	73%

\* 2018 Plansponsor Defined Contribution Plan Industry Report

The average account balance among non-profit employees is \$74,625, among 403b plans its \$56,730, compared to an all-industry average of \$97,903.

Among 403b plans specifically, average participation is 71%, compared to 79% industry average 403b: 64.9%

\* JPMorgan 2017 Defined Contribution Plan Sponsor Survey Findings

\*\* JPMorgan 2018 Defined Contribution Plan Participant Survey Findings

**2. Should a nonprofit offer a 403(b) or a 401(k) retirement plan to its employees? What’s the difference? What are the advantages and disadvantages of each.**

	<b>401(k)</b>	<b>403(b)</b>
Availability	For Profit and Nonprofit Organizations can utilize	Only Nonprofit organizations can utilize
Plan Design Flexibility	More	Less
Non-Discrimination Testing	Yes	No
ERISA	Yes	Yes
Matching	Yes, but not mandatory	Yes, but not mandatory
IRS Limits (2019)	\$19,000 + \$6,000 for 50+	\$19,000 + \$6,000 for 50+

The differences get complicated fast. The above is a high-level difference between a 401(k) and a 403(b) plan. To determine what is best for your organization, it is best to consult with Impact Benefits & Retirement to talk about your retirement plan objectives and goals.

**3. What are the basic elements nonprofit employers should consider when contemplating offering a retirement plan to nonprofit staff?**

We believe all organizations should offer a retirement plan to their employees, What kind of retirement plan you should offer depends on your goals and resources. If you would like to discuss your situation further, please go to [www.ImpactRetireNPO.com](http://www.ImpactRetireNPO.com).

**4. What does it cost for nonprofit employers to offer a retirement plan?**

There are many different cost options for an organization, which are based on how many participants there are/will be in the retirement plan as well as plan design. Impact Benefits & Retirement will be happy to walk you through a quote. To start please visit: [www.ImpactRetireNPO.com](http://www.ImpactRetireNPO.com).

**5. How should I compare Impact Benefits & Retirement to other retirement benefits businesses? What does Impact Benefits & Retirement offer that others don’t?**

Here are a few things to consider when looking for or at your current retirement plan:

- Cost – investment, advisory, recordkeeping & administration
- Investments: cost, proprietary, type
- Fiduciary support: investment and administration
- Services offered by vendors

**6. Does my nonprofit have to offer a match to my employees if we offer a retirement plan?**

No, you can offer a salary deferral plan only if you wish. Impact Benefits & Retirement can help you determine the cost/benefit of offering a match or not.

**7. How would my nonprofit decide what type of a retirement plan portfolio we should offer employees?**

Impact acts a 3(38) investment manager, which means they have full fiduciary responsibility for choosing, monitoring and if necessary, replacing the investments that are available to your employees in accordance with the investment policy statement.

**8. Do all employees of my nonprofit have to enroll in our retirement plan?**

No, employees have the option to opt in or out of the plan.

**9. Do all employees have to enroll at the same time? If not, when can employees opt to enroll into the retirement plan?**

Eligibility and plan entry are defined by the employer's plan document. There is a lot of flexibility allowed to employers to design their plan to fit their needs. As part of the initial onboarding process, organizations will receive a plan design consulting meeting to review all aspects of their plan document.

**10. My nonprofit is interested in learning more about offering a retirement plan or reviewing our existing plan. Who should we contact at Impact Benefits & Retirement?**

Please follow this link for more information [www.ImpactRetireNPO.com](http://www.ImpactRetireNPO.com).