

Client Situation

A Pennsylvania based financial services company set out to benchmark executive compensation plan against industry trends and peer groups. The company's main objectives included the following: provide peer group analysis of current compensation; retirement and benefit plans against similarly situated employers; review existing executive incentive and retention plans; and provide Compensation Committee with recommendations for any changes and/or improvements.

The Compensation Committee interviewed consulting firms to assist in the benchmarking process. Molewski Financial Partners – Corporate Consulting Group was selected to prepare an Executive Compensation, Retirement and Benefits Analysis.

Molewski Financial Partners Approach

Within thirty (30) days of being engaged, our firm completed the Executive Compensation, Retirement and Benefits Analysis. The assessment yielded the following results: 1) current cash compensation aligned with industry peers, 2) achievement of annual incentive-based compensation plan was unrealistic based on existing performance goals, 3) current programs lacked proper executive retention provisions, and 4) existing nonqualified plan inadvertently encouraged early retirement.

Results

Our firm was hired to assist the Committee in developing an Executive Compensation Rewards Strategy. The following results were obtained: aligned total cash and non-cash compensation with industry peers, revised annual incentive-based compensation plan to be consistent with achievement of annual budgeting goals, amended existing SERP to disincentive early retirement, developed an executive performance-based Deferred Company Incentive Plan to increase executive reward opportunities and retention, and established a nonqualified 401(k) mirror plan to allow executives the ability to defer additional voluntary savings on a pre-tax basis.

Securities Offered Through M Holding Securities, Inc. A Registered Broker/Dealer, Member FINRA/SIPC. Investment Advisory Services Offered Through Molewski Financial Partners. Molewski Financial Partners is independently owned and operated.

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Client Profile

- Industry: *Financial Services*
- Revenue: *\$70–\$80 million*
- Employees: *250–300*

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Molewski Financial Partners is a financial consulting and advisory firm. With approximately \$1.1 billion in assets under management, the firm provides retirement plan fiduciary services to corporations who maintain qualified retirement plans (i.e. 401(k), Profit Sharing, and Defined Benefit) and non-qualified executive retirement plans.

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