Retirement Plans for Governmental and Nonprofit Employers

Our founding principle and belief that everyone deserves an opportunity to achieve financial well-being was the spark that ignited the innovation for offering retirement plans. Security Benefit recognized the need to create a retirement plan for its own employees before 401(k) plans were in existence. Upon the implementation of this retirement plan, the word of this innovation spread to other businesses and a world renowned medical institution reached out to Security Benefit to create a similar retirement plan for their employees.

Our core belief that everyone deserves an opportunity to achieve financial well-being is the driving factor for innovation both today and for generations to come.

For more information on what plan might be right for your institution, contact us at 800.747.5164, option 3.

What types of plans are available to government and nonprofit Institutions?

457 Plans are commonly available to government institutions

457 Programs (also called deferred compensation programs) are retirement programs available to employees of state and local governments and political sub-divisions. A 457 Program allows participants to save for retirement by deferring a portion of their income now and paying taxes on it at withdrawal. There are no early distribution penalties that apply to 457 withdrawals.

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401(a) Plans

Some government institutions and nonprofits also offer 401(a) Defined Contribution Plans. These plans allow employers the opportunity to make contributions on the employees' behalf but still provides for flexibility in making contributions. These plans are inexpensive, easy to understand, and can help you attract, keep, and reward employees.

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403(b) ERISA Plans

Depending on the status of the nonprofit institution, 403(b) ERISA plans are common plans that are used. 403(b) ERISA Plans are typically favored when the employer:

- Wants to give employees the opportunity to enhance their own retirement benefits
- The employer wants employees to make all or part of their contributions
- Wants to limit Employer contribution obligations ("matching" contributions can be either a predetermined formula or discretionary)
- Wants flexibility in making non-elective contributions
- Wants to attract and keep employees
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