

# Cover 100% of your employee benefits at no additional cost to you.

## Impossible? Possible!



### What is Total Benefit Prefunding?

Total Benefit Prefunding permits credit unions to invest excess liquidity into alternative investment options and utilize the growth and interest to cover benefit cost for all employees. Through our unique program our credit unions are able to offset expenses such as medical and non-medical insurance premiums (health, life, disability, vision, dental), retirement benefits (401(k), pension, 457(f), etc.) and training/education for employees, etc.

State-chartered credit unions can also benefit from our program as state-chartered credit unions are afforded the same opportunity through parity or approval from state regulators.

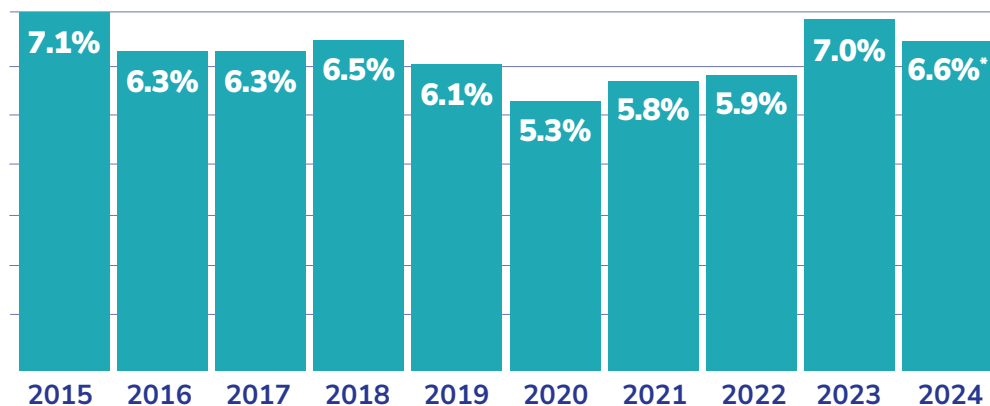
### The Challenge:

How can credit unions offset rising employee benefit costs and still find a way to recruit, retain and reward the right employees?

### The Facts:

- Total benefit costs are projected to continue rising at 6%-8% per year.<sup>1</sup>
- Wages and Salaries represent 62% of total employee compensation and benefit expense while benefit costs accounted for remaining 38%.<sup>2</sup>
- Health insurance costs have increased 47% while at the same time deductibles have also increased 68.4% over the last decade.<sup>3</sup>

### Estimated Cost Increase to Renew Health Plans With no Changes



Mercer National Survey of Employer-Sponsored Health Plans



## Why Credit Union Benefit?

**Industry Expertise:** Our team works exclusively with credit unions across the country and dedicates 100% of their energy and focus to providing additional resources and education to our clients.

**Objective Guidance (or Independent Advice):** We use a vast network of strategic partners to provide the most competitive solutions and expertise to our credit unions.

**Industry Innovators:** Credit Union Benefit has pioneered 701.19 funding solutions that benefit every employee, which in turn allows credit union leadership to invest additional resources to benefit their members.

**Family Feel:** Credit Union Benefit is family-owned and we strive to know our client's day-to-day challenges and obstacles. We invest time and resources into our credit unions' communities and charities, because we want our clients to feel like family.

## Solution

### Total Benefit Prefunding Utilizing NCUA Regulation 701.19

- 701.19(c) stipulates a federal credit union investing to fund an employee benefit plan obligation is not subject to the investment limitations of the Act and part 703 or, as applicable, part 704, of this chapter and may purchase an investment that would otherwise be impermissible if the investment is directly related to the federal credit union's obligation or potential obligation under the employee benefit plan and the federal credit union holds the investment only for as long as it has an actual or potential obligation under the employee benefit plan.
- State-chartered credit unions have not been left out. In most cases, state-chartered credit unions are afforded the same opportunity through parity or approval from state regulators.

### What Makes Credit Union Benefit's Total Benefit Prefunding Different?

- Unlike other 701.19 programs, Total Benefit Prefunding is not subject to the 25% of net worth limit
- Total Benefit Prefunding can be used for all your employee benefit expenses, as well as your executive benefits
- Access to investments with no principal risk and have historically averaged 6%-8% annual return

## Case Study

### Credit Union Profile

- Asset size: \$137 million
- Total employee benefit and compensation: \$1.1 million
- After three years in the Total Benefit Prefunding program: Net income increase of 94% and cumulative investment returns of 29.33%



Schedule a 15-Minute Call with CUBenefit to Review Your Custom Proposal [here](#)

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