

Top 5 Selling Tips to Close Cash Balance Plan Sales



FuturePlan recently interviewed our top 25 producers in the financial advisor network about best practices for closing cash balance sales. Here are their top tips revealed:

#1 FOCUS ON TAXES.

Anxiety about rising tax rates is a major motivator for business owners and high-income professionals. Tax liabilities are the biggest expense after payroll for many companies. Cash balance plans provide the greatest possible benefit—an above-the-line reduction of Adjusted Gross Income that can result in tax savings of \$100,000 or more. Be sure to ask prospects, “Are you looking for a large above-the-line tax deduction?”

#2 TAKE ADVANTAGE OF FUTUREPLAN'S CONSULTING FOR YOU AND YOUR PROSPECT.

Experience shows that a majority of cash balance plans are more likely to close after a FuturePlan sales team member participates in a conference call with the advisor and prospect. Having sold thousands of cash balance plans, we can easily:

- Anticipate and counter common objections
- Fine-tune plan design on the fly
- Answer very complex questions
- Strengthen your overall selling position.

#3 DEVELOP A CHAMPION AND LIMIT THE SIZE OF YOUR SALES AUDIENCE.

It can be difficult to sell the cash balance concept to companies with multiple partners or owners. One way to make this easier is to identify a “champion” within the company—the executive you think can best portray the benefits to their internal partners. Early meetings should be limited to a small group, including the managing partner or director, who can answer your key questions up front.

#4 GET THE CPA OR TAX ADVISOR ONBOARD EARLY ON.

Potential cash balance sales have been lost when a firm's certified public accountant (CPA) feels left out of the process, and CPAs unfamiliar with cash balance plans may be skeptical. The ideal solution is to invite their participation early on, demonstrating the advantages with supporting materials and articles. The potential tax savings alone will cause most CPAs to recommend the plan.


#5 REMIND THE PROSPECT THAT CASH BALANCE ASSETS ARE MEANT TO BE "SHELTERED."


The conservative nature of cash balance plan investments can be a great selling point, offering predictable retirement income and protection against market volatility. The assets are protected from creditors and the risk is lower than a traditional defined benefit plan. The "capital preservation" discussion opens a door for you to talk with clients about risk and long-term objectives, including their after-tax money and profit-sharing investments.

WHY FUTUREPLAN?

Since the early 1990s, FuturePlan's Cash Balance Center of Excellence's core team has been designing and administering these plans successfully. And in this space, experience matters. Serving more than 4,500 cash balance plans, FuturePlan brings deep expertise and plan design options to the table. We are among the country's leading administrators of cash balance plans.

Backed by the strength and security of Ascensus, we're a technologically advanced national organization with the heart and soul of a hands-on business partner. Visit futureplan.com to connect with our cash balance plan experts or to request a custom illustration.

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