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How FedEx pilots came to represent 14% of Legacy Wealth Management's clientele

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More than a decade ago, a Legacy Wealth Management client, and former FedEx Pilot, gave the company an idea.

He wished, he said, he had been given financial planning advice before retirement.

The comment kick-started a program. Legacy dove into contracts of FedEx pilots. They invited them to presentations that explained contract benefits, as well as other areas, like estate planning.

And, they built a new base of customers. These days, Legacy works with 145 FedEx pilots – about 14% of their clientele.

“There are a lot of really important decisions they have to make,” said Jim Isaacs, Legacy’s president and CEO. “There are a lot of details heading into retirement that we can help them with.”

The company still invites pilots to presentations. These typically last two hours, and, until the pandemic, included a meal. Now, they’re held virtually.

After the sessions, those interested in learning more about Legacy can request meetings. But, Isaacs asserted, the company doesn’t do unsolicited follow-ups.

“As you would imagine, pilots are very close knit,” he said. “Reputation is incredibly important to us.”

Those who join cover a broad swath of ages. Legacy gets pilots on the verge of retirement – the FAA requires that pilots retire at 65 – while others have just started with FedEx. The amount of questions they ask, and strategies Legacy takes, often depends on the stage of their career.



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The company assists with areas like investments, estate planning, and benefits, which come with a lot of variables.

FedEx, he said, has “amazingly favorable” contracts for its pilots. But, the pension plan comes with multiple options; and deciding a route to take can be complicated.

The pension is calculated based on several factors. One, is the number of years in service with a 25-year cap. The second is based on salary, as the plan takes the five highest years of wages, with a \$260,000 cap. The pilots can make more per year, and work more than 25 years, but the numbers that help determine the pension won’t go above these.

If one has at least 25 years of service with FedEx and has made more than \$260,000 annually for five years, they will, at retirement, receive \$130,000 a year – for life.

This, however, is one of 11 pension options, according to Isaacs. There is also, for example, the joint survivor plan, where a spouse can get 50%, 75%, or 100% of their funds. At this point, as the spouse’s amount

increases, the pilot’s amount decreases.

“The pension calculation now has to be calculated based on two lives and mortality,” Isaacs said.

Of course, not every pilot will reach 25 years before retirement. For someone who has flown with FedEx for, say, 15 years, but has made at least \$260,000 for five years, the pension amount is more likely to be \$75,000 or \$80,000 annually.

In addition to the pension, pilots also have a 401K, and a secondary pension bucket, which pilots and Legacy refer to as the B-Plan. For every \$100,000 they make, FedEx puts \$9,000 into it.

According to Isaacs, FedEx has more than 5,000 pilots. Of these, he estimates around 1,000 live in Memphis. Legacy adds between 15 to 25 pilots a year. But, the company doesn’t have a set goal it wants to hit.

“The goal is just to keep doing what we’re doing,” Isaacs said. “I think our reputation among the pilots is spreading, and that’s good.”