

Hoosier Hills Estate Planning Council

PEP Power Session:

Understanding Pooled Employer Plans

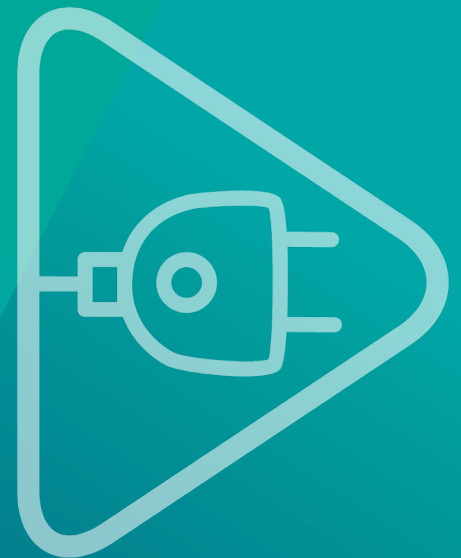
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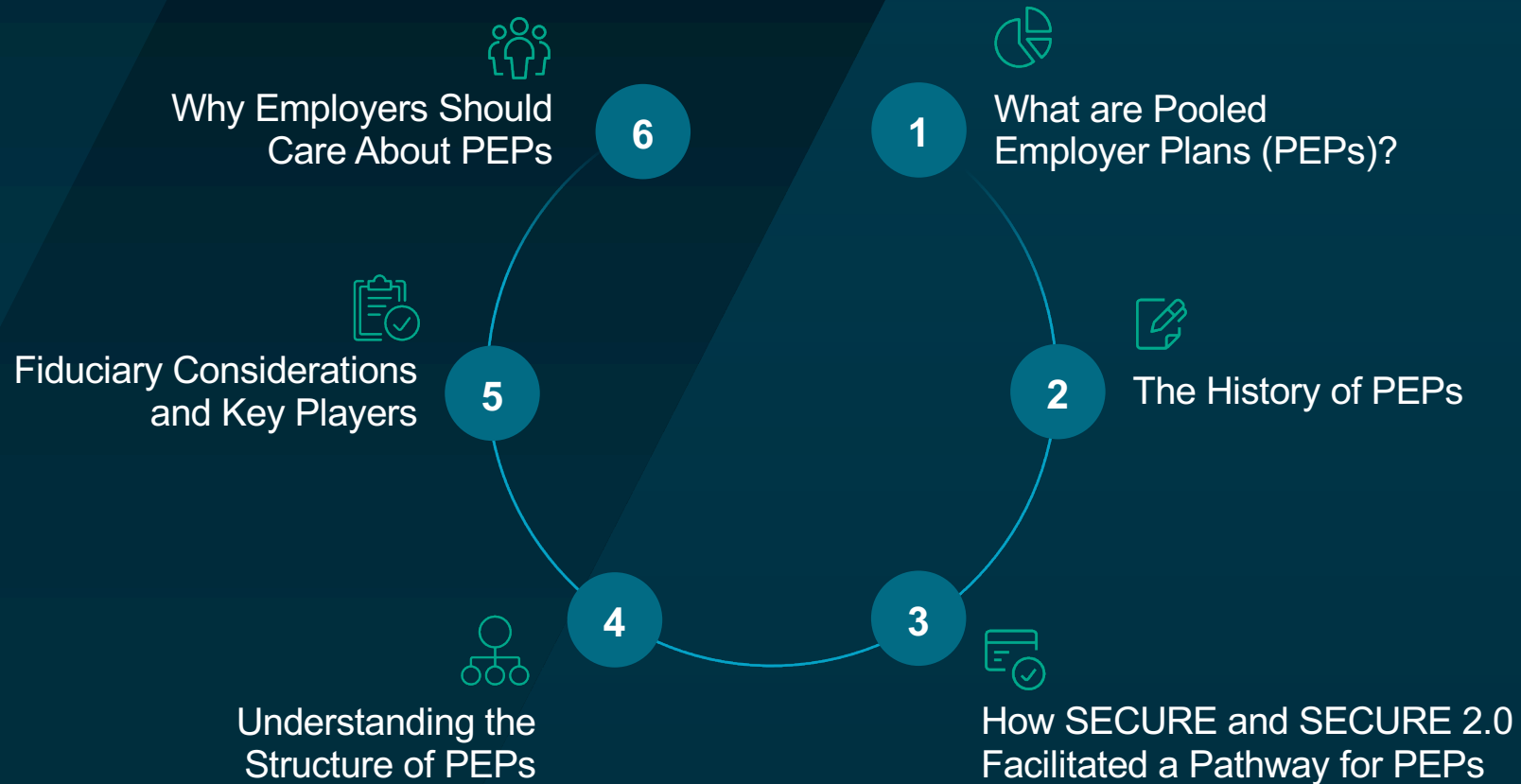
Michael Ready, Summit Financial Group
Partner, Retirement Plan Specialist



Kate Whitmore, Ascensus
Vice President, Business Development – Pooled Plans



Agenda



What Are Pooled Employer Plans (PEPs)?

PEPs allow multiple, unrelated employers to participate in a single, pooled retirement plan.



The History of PEPs

SECURE Act of 2019



SECURE 2.0 Act of 2022



How SECURE and SECURE 2.0 Facilitated PEPs



SECURE Act

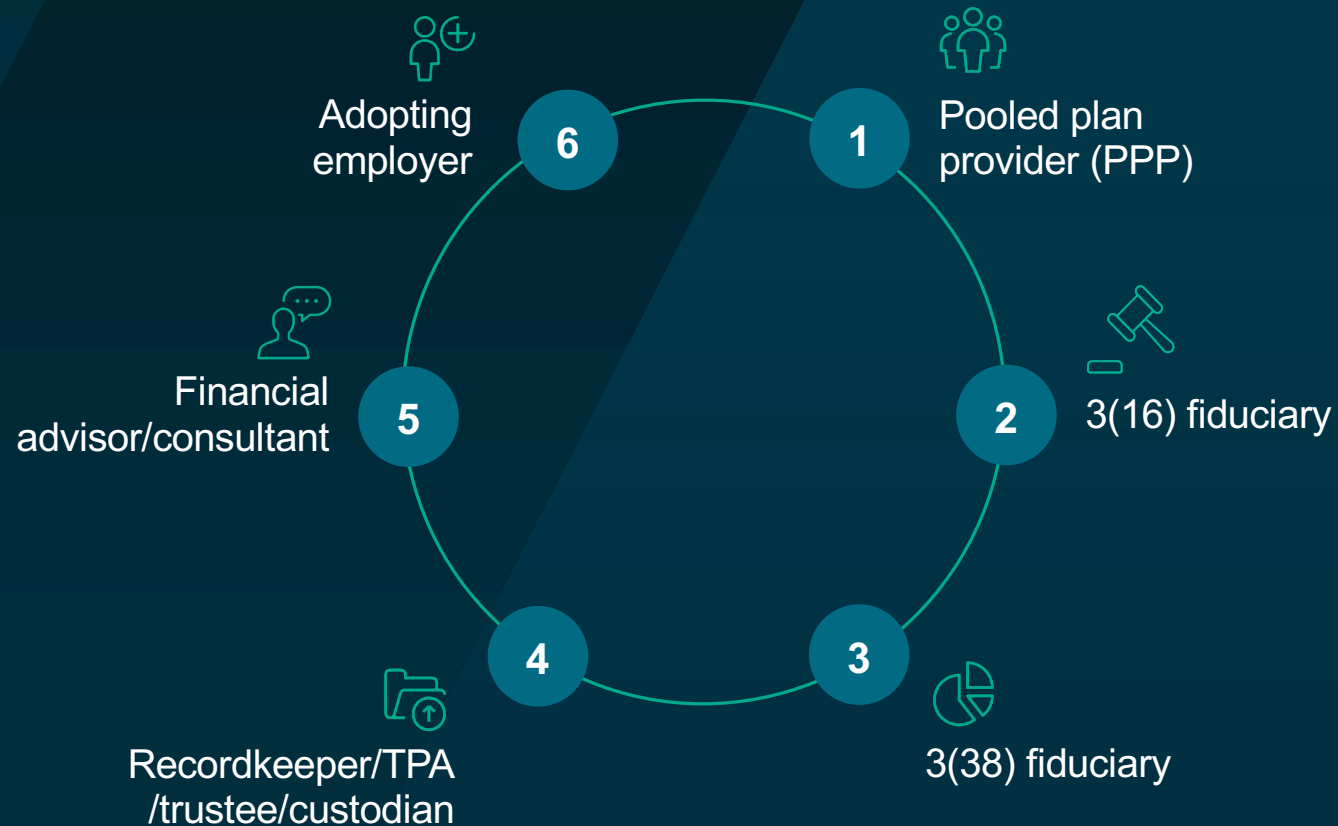
Introduction of PEPs



SECURE 2.0 Act

Increased regulatory transparency for PEPs

The Structure of PEPs



Fiduciary Considerations in PEPs



3(16) fiduciary



3(38) fiduciary



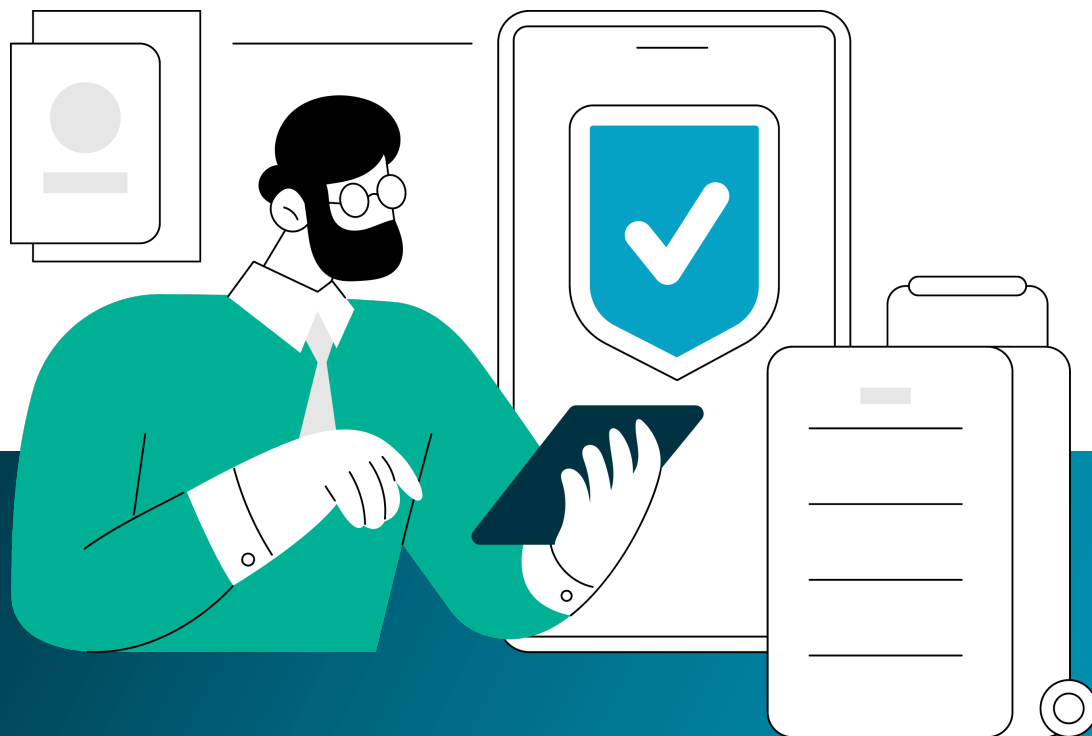
Why Employers Should Care About PEPs



PEP vs. Single Employer Responsibilities

Responsibility	Pooled Plan Provider (PPP)	3(38) Investment Manager	Financial Professional	Adopting Employer	Single-Employer Plan Sponsor
Selects & monitors the PPP/pooled plan provider				✓	N/A
Serves as 402(a) named fiduciary	✓				✓
Serves as 3(16) operational fiduciary	✓				✓
Has discretionary authority over plan investments		✓			✓
Consults on plan design	✓		✓		✓
Selects plan design provisions				✓	✓
Reviews, signs, and files 5500	✓				✓
Reviews and signs off on compliance testing	✓				✓
Monitors plan eligibility	✓				✓
Handles beneficiary tracking	✓				✓
Prepares/approves required notices/reports	✓				✓
Reviews/approves/signs off on all distributions	✓				✓
Reviews and approves all QDROs	✓				✓
Compiles and completes year end census data				✓	✓
Submits timely and accurate payroll and plan contributions				✓	✓
Selects and works with plan auditors	✓				✓
Manages participant communications and education	✓		✓		✓
Conducts investment meetings			✓		✓

Reduced Fiduciary Responsibility



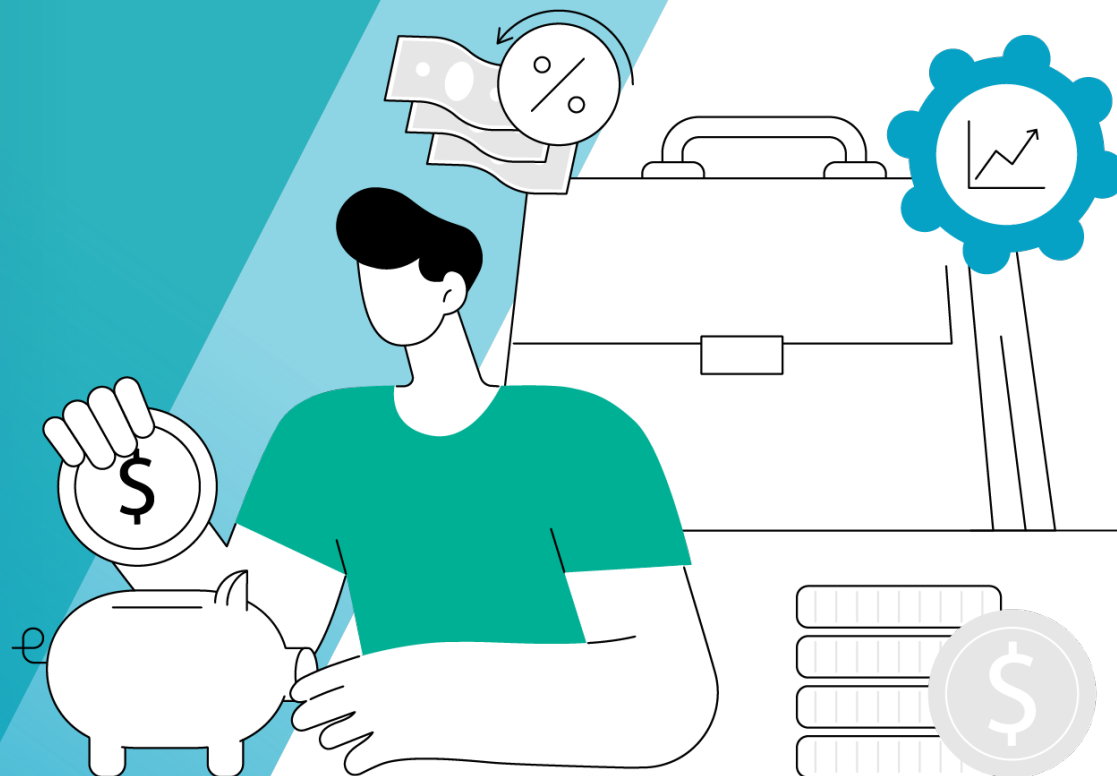
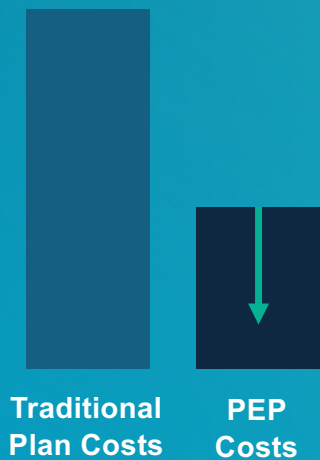
Significant reduction in administrative work and fiduciary burden

Allows small businesses to offer competitive retirement plans without extensive management

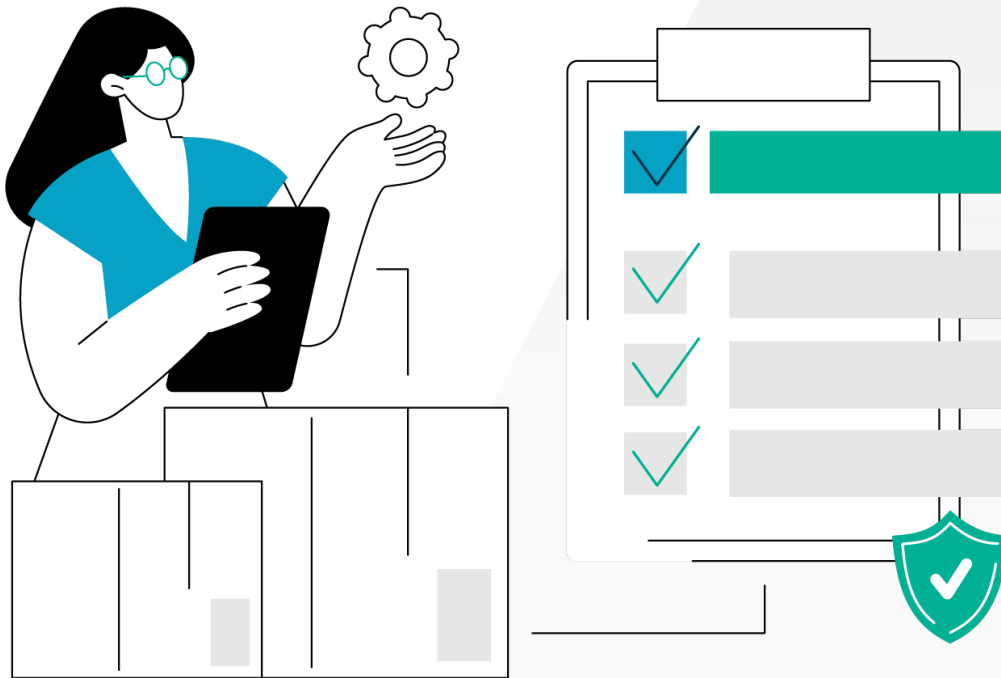
A Cost-Effective Solution for Small Businesses

Economies of scale reduce administrative costs

Savings of 30%-40% in administrative fees for employers



Expert Compliance and Risk Management



84%

PEPs handle compliance and risk management

Ensures adherence to regulatory requirements

Ideal PEP Candidates

- Employers over burden with administrative duties
- Companies looking for risk mitigation
- Large Plan Filers
- Start-up plans (leverage available tax credits)
- State Facilitated Retirement Plans
- Private Equity Firms
- Current Multiple Employer Plans
- Payroll company w/o current qualified plan product
- CPA or Tax Accounting Firms
- Benefit Brokers or Consultants



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Thank you