

# THE BENEFITS OF MULTIPLE EMPLOYER PLANS (MEPs)

A RETIREMENT SOLUTION FOR ORGANIZATIONS OF ALL SIZES

ALLIANCE OF STATE RETAIL ASSOCIATIONS 401K PLAN & TRUST





# JOINING A MEP HAS ITS ADVANTAGES

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**A strong retirement benefit program can help businesses of all sizes gain a competitive edge to attract and retain talent —but it can also mean added costs and responsibility.**

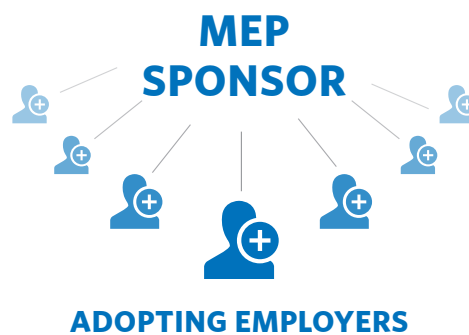
A multiple employer plan (MEP) may be an attractive option for organizations seeking to ease the administrative burden, fiduciary risk, and expense of offering a quality retirement plan.

## WHAT IS A MEP?

A MEP is a retirement plan sponsored by one entity for unrelated organizations that share a common business interest.

## HOW IT WORKS

- The MEP sponsor is the “lead” plan and can serve as the plan administrator and fiduciary
- “Adopting employers” elect to join the MEP
- At any time, adopting employers are easily integrated into the plan hosted by the sponsor and tracked on the Transamerica platform



Most importantly, the MEP sponsor is responsible for handling the administrative and fiduciary responsibilities related to your retirement plan, so you can focus on what matters most: running your business.

# WHAT ARE THE BENEFITS OF MEPS

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1

**Administrative relief**, as the MEP sponsor and a professional service team take over the majority of day-to-day tasks

2

**Reduced liability**, as fiduciary support and most responsibility is assumed by professional plan administrators

3

Ability for adopting employers to retain many of their **customized plan features**

4

Support with **investment selections and performance oversight**

5

Access to **participant communications and plan education support**

6

**Time savings for organizations** by offloading many plan-related tasks

7

**Potential cost savings** compared to operating a single employer plan

## EFFICIENCIES FOR ADOPTING EMPLOYERS

**Administrative relief** and **reduced fiduciary responsibility** are two primary benefits for adopting employers.

### COMPLIANCE TESTING

The plan's service providers handle all aspects of compliance testing, including preparing census data and providing documentation to the recordkeeper.

### INCREASED NEGOTIATING POWER

By aggregating assets under a single plan, MEP adopters may achieve economies of scale typically enjoyed by much larger plans. This has the power to lower investment and administrative fees and improve service levels for participants.

### FORM 5500

You no longer need to complete a Form 5500. A service provider on the plan files one form covering all adopting employers.

### AUDIT

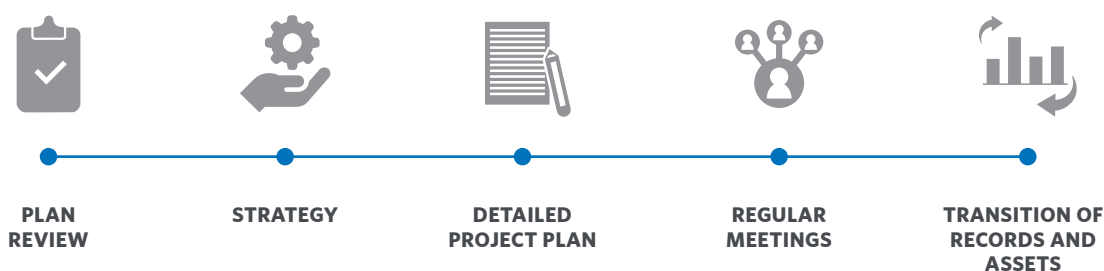
Your organization can offload the required audit, which will be handled at the plan sponsor level.

# SIMPLE ADOPTION AND TRANSITION

As part of our commitment to provide excellent service, Transamerica's adoption and transition process helps adopting employers get started on the right foot.

Led by our experienced, dedicated team, all transitions begin with a thorough plan review, followed by a customized transition strategy designed specifically for your organization. We keep you in the loop with regular transition meetings and document the process from start to finish with a detailed project plan.

We support adopting employers with all the key participant communications needed including an announcement email and newsletter summarizing the details participants need to know, required legal notices, and more.



## A TEAM IN YOUR CORNER WHEN NEEDED

Within some MEPs, professional service firms are hired to take on certain fiduciary and administrative roles on your behalf. These providers are legally obligated to carry out plan responsibilities with the highest degree of prudence, good faith, honesty, integrity, service, and undivided loyalty to the retirement plan participants. Support team members may include:

### PLAN ADMINISTRATOR 3(16)

The plan administrator performs all functions necessary to keep your plan compliant and is responsible for the plan's day-to-day operations such as authorizing benefit payments, processing participant distributions, and signing and filing the Form 5500 for traditional closed MEPs.

### THIRD PARTY ADMINISTRATOR (TPA)

As part of its critically important role, the TPA will help you with plan design to ensure your selected plan provisions meet the needs of your organization. It also provides ongoing compliance services such as completing mandatory testing and administration needs for your plan. And, of course, your TPA is always available to answer questions and to support you locally.

### INVESTMENT MANAGER 3(38)

The named 3(38) fiduciary is responsible for selecting and monitoring the funds in the investment lineup in accordance with the Investment Policy Statement for the plan.

## THE INDUSTRY LEADER YOU CAN TRUST

Why Transamerica is your premier recordkeeping partner for multiple employer plans and beyond.

# L

### Leading EXPERTS

Advocate for pooled solutions at national level for more than **20 years**

# E

### Experienced PARTNERS

Pooled plan arrangement experience with **363** plan sponsors and **11,861** adopting employers\*

# A

### Affordable SOLUTIONS

Flexible options of all plan types

# D

### Dedicated SUPPORT

Consultative services to help clients and partners find strategies to achieve goals and ongoing plan growth and support

# E

### Enhanced OUTCOMES

Proven record of improving participants' retirement readiness

# R

### Recordkeeping SPECIALISTS

Time-tested platform developed specifically for pooled plans to track plans at both the individual and aggregate level

\* As of December 31, 2022

As an industry leader and visionary, we have worked with MEPS for more than 20 years and are pioneers in the pooled-plan space. Our commitment then and now is to expand access to retirement plans for all Americans.

## MEPS REQUIRE EXPERIENCE AND UNIQUE RECORDKEEPING TECHNOLOGY

Our systems have been time-tested and enhanced over the past two decades. Along with plan-level reporting for the MEP sponsor, adopting employers can run reports for their individual plan.

### The Transamerica Platform

- Administration reports: extensive library for sponsors and adopters
- Plan reporting at the individual adopting-employer level
- Flexible provisions include vesting, eligibility, employer contributions, matching contributions, and more
- Plan administration support
- Eligibility tracking
- Online access: available for each adopting employer
- Participant education through our Financial Wellness Center, access to retirement professionals, webinars, and a suite of materials on the participant website

# DRIVING BRIGHTER OUTCOMES FOR PARTICIPANTS

The participant experience is designed to help your employees understand if their savings and investment strategy is in line with their retirement goals. It starts with enrollment and continues with personalized communications, digital tools, educational resources, and professional support that can help participants improve their retirement readiness.

Transamerica's comprehensive participant engagement program includes:



## YOUR RETIREMENT OUTLOOK®

An easy-to-understand forecast generated by the sophisticated calculation engine provided by Morningstar®. Using simple weather icons, it shows participants whether their current savings and investment strategy is likely to produce the income they're seeking in retirement — and allows them to take steps to improve their chances of achieving their goals.

Your Retirement Outlook is featured prominently on the participant website, mobile app, and quarterly statements.

## Brighten Your Outlook®



Rainy



Cloudy



Partly Sunny



Sunny

## FINANCIAL WELLNESS CENTER

Designed to enhance financial literacy, our educational experience offers self-paced lessons on relevant financial topics such as debt management and buying a home. It's available to all employees regardless of whether they're enrolled in the retirement plan.

Whether it's welcoming participants to the plan or making them aware of the educational tools and resources available, we provide onboarding support designed to set them up for long-term success.



## EASY-TO-NAVIGATE PARTICIPANT WEBSITE

Your employees can enroll, make salary deferral changes, rebalance their asset allocation, update personal information, review their retirement forecast, and manage their retirement plan account anytime, anywhere. With online reporting of their account activities, your employees can monitor their progress toward a funded retirement 24/7. Our convenient mobile app also gives participants access to their current account information through most mobile devices.

**The participant experience is integrated with our reporting capabilities, you always have the ability to track the retirement readiness of your employees.**



## TRANSAMERICA®

With more than 85 years of experience helping people prepare for retirement, Transamerica is one of the most recognized, trusted names in financial services. As a pioneer in multiple employer plan solutions, we provide plan sponsors the tools, resources, and professional support to help their employees pursue a healthier, more secure future.



Atlas Pension Administrators, Inc.

One of our specialties is in the creation, representation, and governance of Multiple Employer Plans. These plans can be quite complex; however, we at Atlas Fiduciary Services pride ourselves with providing simple solutions to complex matters. MEPs can be one of the most efficient vehicles fostering greater economies of scale driving down fees and expenses for plan sponsors and ultimately plan participants. MEPs also can create tremendous efficiencies regarding plan administration.



Atlas Fiduciary Services, Inc.


In addition to our retirement plan services, we also offer a comprehensive suite of individual wealth management services. Working with an independent advisor affords you the ability to receive recommendations specific to your goals and desires. These recommendations are not biased with proprietary requirements or mandates, this autonomy gives us maximum flexibility so you can feel confident we have your interests at heart.



Our market-leading position, unique recordkeeping capabilities, and holistic participant experience make Transamerica a pooled-plan solution provider of choice.

## Get in touch:

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While a multiple employer plan (MEP) arrangement offers adopting employers the ability to delegate fiduciary functions to the MEP provider, employers should be aware that they still retain fiduciary responsibility for selecting and monitoring the MEP provider. Adopting employers of a MEP must share a commonality—a connection among the adopting employers such as a trade, professional organization, or PEO—and the MEP is treated as a single plan. A violation of the qualification rules by an adopting employer would not affect the qualified status of the plan as a whole (known as the “one bad-apple” rule or the “unified plan” rule) provided the plan document addresses how to spin-off a non-compliant employer.

Before adopting any plan you should carefully consider all of the benefits, risks, and costs associated with a plan. Information regarding retirement plans is general and is not intended as legal or tax advice. Retirement plans are complex, and the federal and state laws or regulations on which they are based vary for each type of plan and are subject to change. In addition, some products, investment vehicles, and services may not be available or appropriate in all workplace retirement plans. Plan sponsors and plan administrators may wish to seek the advice of legal counsel or a tax professional to address their specific situations.

**Important: The projections or other information generated by the engine (which produces *Your Retirement Outlook*<sup>®</sup>) regarding the likelihood of various investment outcomes are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Results derived from the tool may vary with each use and over time.**

All cost savings mentioned are estimates and may vary depending on TPA, advisor, or attorney fees.

Transamerica is sponsoring financial education programs developed by EVERFI, a third party unaffiliated with Transamerica that is responsible for the content of the financial education program.

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