

# Retirement reinvented

An alternative solution:  
Pooled employer plans (PEPs)

The SECURE Act allows employers across all industries and sizes to band together in pooled employer plans (PEPs), which gives them the opportunity to offer a new kind of defined contribution (DC) plan. By pooling resources, employers can potentially reduce plan costs, decrease their administrative and fiduciary burdens, and expand retirement plan access by offering retirement benefits to their employees. We believe PEPs merge the best features of traditional 401(k) plans with a new, innovative design that has the potential to improve the retirement journey for millions of Americans.

## What are pooled employer plans?

### Traditional 401(k) retirement plans

- Employers sponsor the plan.
- Employers can choose to manage the plan themselves or outsource investments, plan administration or fiduciary oversight to an Outsourced Chief Investment Officer (OCIO).



### Same core benefits

- Both types of plans help employees save for retirement.
- Employees contribute a percentage of their salary.
- Employers can offer a match.
- Participants have access to a variety of investment options.

### Pooled employer plans (PEPs)

- Employers join a pooled employer plan (PEP) and no longer sponsor their own plan. A pooled plan provider (PPP) generally assumes administration, management and fiduciary responsibility for the plan.
- Employers retain the responsibility to select and monitor the PEP and PPP.

At a time when many plan sponsors are struggling with the impact of COVID-19 and heightened litigation and regulation, PEPs can offer significant advantages to participants and employers.

## PEPs benefit employers and participants

### How PEPs help employers



Reduce administrative workload; provide an extension of staff



Mitigate fiduciary risk

### How PEPs benefit both



Potentially reduce fees

### How PEPs help participants



Empower your people to achieve better outcomes



Offer professional oversight and high-quality, market-leading investment options

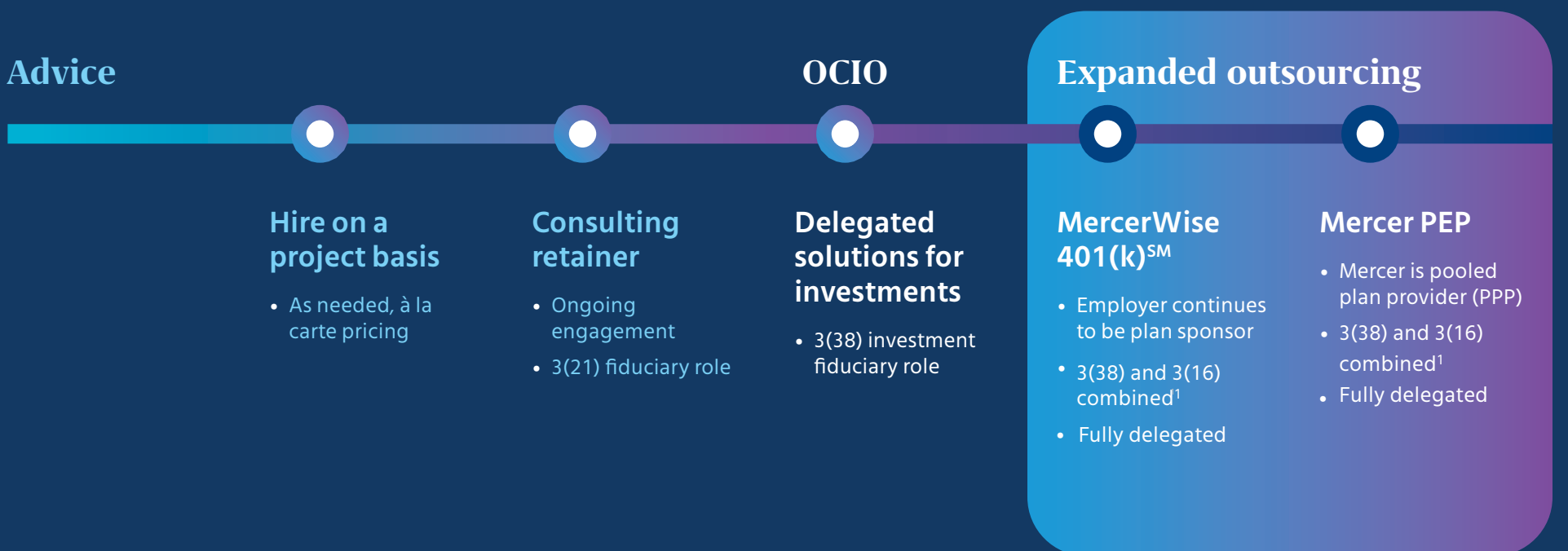
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### Mercer PEP: Built from deep pooled plan and OCIO experience

For nearly 25 years, Mercer has offered investment solutions for defined contribution plans across the spectrum — from research and advice, consulting on issues such as vendor management and governance, as well as partial to full outsourcing. We have extensive experience in managing these plans. Our Mercer Wise 401(k)<sup>SM</sup> — which also offers a fully delegated solution and fiduciary oversight — has attracted over 30 clients and more than \$1 billion in assets.

### Get the right support, whatever your needs



<sup>1</sup>This refers not only to a 3(16)'s specific statutory responsibilities but to the broader fiduciary administrative tasks plans typically allocate to the plan administrator

**Chart your course to a better retirement destination**

Contact your Mercer consultant to review our **five-point checklist** to determine the next step on your journey to a better retirement plan.

<https://www.mercer.us/what-we-do/wealth-and-investments/important-notices.html>