

What is a 403(b) Multiple Employer Plan (MEP)?

A MEP is a single retirement plan with multiple adopting employers. A group of employers merge their retirement plans into a single plan. This creates a larger pool of assets, unlocking options for participants that lower management costs and expand investment options reserved typically for participants in larger retirement plans. A MEP also creates efficiencies and economies of scale that provide more efficient pricing with 403(b) service providers, reduce retirement plan administrative tasks, and outsource many fiduciary responsibilities.







Why a MEP?

Since the 2009 ERISA changes, 403(b) plan sponsors have been burdened with up to 50 tasks such as completing expanded Form 5500s, providing annual disclosure notices to employees, selecting investment options for the plan menu, meeting compliance regulations, and much more. More recently, higher education institutions have come under scrutiny by being sued because their retirement plans have not met the fiduciary provisions under ERISA. It has been an ongoing challenge for administrators to keep up with increasing regulations and provisions. The MEP dramatically reduces fiduciary risk, as a MEP is a fiduciary outsourced solution at the plan level, administrative level and the participant level. It also relieves adopting employers of the increased administration that came with the 2009 regulations. Colleges and universities are budget constrained; the MEP allows institutions to address its 403(b) challenges in a cost-efficient manner.




Process for moving to a MEP

- Pentegra Retirement Services, the 3(16) fiduciary plan administrator, will work with each individual institution to get the plans “MEP ready” making sure they are ERISA compliant from an administrative level.
- Each individual institution may keep the majority of their current plan design including service requirements for entry, vesting, employer contributions, etc.
- The MEP Board will be established & will define the overall plan design. Each adopting employer will receive an adoption agreement and select its own specific plan design features.
- TIAA will issue new contracts for the MEP and will enroll plan participants into the MEP.
- Millennium Advisory Services, the participant advisory firm, will provide all group education and individual meetings to help employees understand and take full advantage of the new plan and its enhanced benefits. Millennium will continue to work with employees on an ongoing basis after the MEP implementation.

Benefits for Participants

-  Expanded investment options
-  Savings on management fees
-  Additional services on financial management
-  Better retirement planning and preparation

Advantages for Institutions

-  One form 5500 and one plan audit
-  Pooled assets, administration, and governance
-  Risk reduction and compliance with ERISA

In collaboration with:



Millennium
Advisory Services, Inc.



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