



How a multiple employer plan can help institutions provide better benefits

The nature of staying on top of a retirement plan can be overwhelming.

For many smaller institutions, finding trusted retirement plan providers to keep up with administration, coordinate recordkeeping and tailor employee engagement is critical.

But small HR teams, along with an evolving workforce comprising a broader spectrum of ages, roles and incomes, are making this more difficult.

Rising risk

Small colleges or universities with a lack of HR capacity are also facing concerns around fiduciary responsibility, a potentially costly trend.

With lawsuits against high-profile institutions in the headlines, these concerns are well founded. Litigation, fines and excessive fees stemming from 403(b) financial mismanagement can mean even more administration headaches, along with higher costs that eventually weigh on both the plan sponsor and plan participants.

The MEP has broad appeal. For plan sponsors, most of the liability is shifted to third parties. And employees have access to robust financial planning services.





Joining forces under a multiple employer plan (MEP)

Searching for innovative ways to solve these challenges, many schools and institutions have started to explore a multiple employer plan (MEP), an arrangement that allows individual schools to band together to provide a robust retirement offering while sharing the cost and administration of the plan.

By joining a MEP, schools can streamline administration by offloading most plan administrator tasks to a 3(16) plan administrator.

By coming together to participate in a MEP, each institution has access to a team of specialists, including a recordkeeper, advisor and administrator. This promises to pay immediate dividends because the MEP structure will eliminate many of the administrative challenges, which frees up staff to focus on more critical tasks.

Reducing liability and ramping up purchasing power

The benefits stretch beyond administration. Institutions can also reduce the risk of litigation, fees and fines by delegating fiduciary responsibilities to their 3(16) administrator and 3(38) investment managers. This reveals another benefit of the MEP: the ability to outsource the array of tasks necessary to keep a plan ERISA compliant.

Colleges and universities can expect fiduciary support and risk management because the MEP features policy statement development, investment assistance and investment monitoring, all handled by an experienced ERISA 3(16) plan administrator and ERISA 3(38) investment manager.

Member schools can take advantage of TIAA's proven onboarding process to help them update their plan document and recordkeeping agreements; customize a project plan that outlines each phase of the transition; and develop a communication strategy so all plan features can be quickly and clearly communicated to employees.

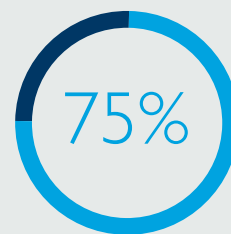
Partnership benefits



report a reduced administrative burden¹



Hired professional fiduciaries significantly reduce employer liability



of plan sponsors see lower plan costs¹

1. EBRI Issue Brief, 5/16/2019.



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