

## MULTIPLE EMPLOYER PLAN

# Join forces for better value.

How to offer a robust retirement plan while better managing your budget resources and administration.

### **Sponsoring your own retirement plan comes with challenges.**

Preparing for and living comfortably in retirement continues to be a concern for the American workforce. Employers wrestle with how to maintain a retirement benefit given the demands on their budget, resources and administration. Employees often find it difficult to save while balancing other financial obligations.

### **Volatile markets, fear of inflation and balancing the needs of an evolving workforce can be daunting.**

Institutions face high retirement plan costs, low administrative bandwidth and broad fiduciary exposure, in addition to weighing the costs and responsibilities of managing a retirement plan. For smaller institutions, finding trusted service providers to help keep up with administration, coordinate recordkeeping and tailor employee engagement is critical.

With lawsuits against high-profile institutions in the headlines, these concerns are well founded. Fear of litigation, fines and excessive fees can mean even more administration headaches, along with higher costs that eventually weigh on both the plan sponsor and plan participants.



Nearly  
**50%** of  
workers

lack access to an employer sponsored retirement plan.<sup>1</sup>

**40%** of  
all U.S. households

are expected to run out of money in retirement. Average household shortfalls are projected at \$100,000—and the shortfall is 20X worse for the lowest income earners.<sup>2</sup>

**75%**  
of institutions

says COVID-19 negatively affected their ability to save for retirement.<sup>3</sup>

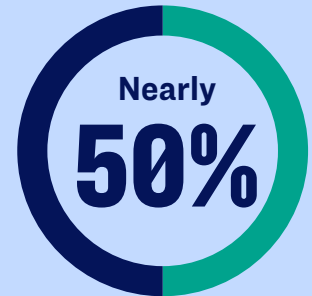
## MEPs are growing in popularity for a reason.

A Multiple Employer Plan (MEP) can help reduce liability and ramp up your purchasing power. Additionally, the collective power of the participating institutions can make a big impact on challenges they'd face sponsoring a plan on their own.

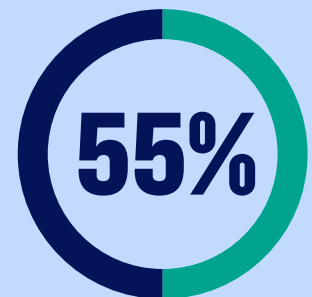
With a MEP, member institutions gain the ability to negotiate lower costs than they might incur through a stand-alone plan, as well as access to other potentially higher-quality service providers.



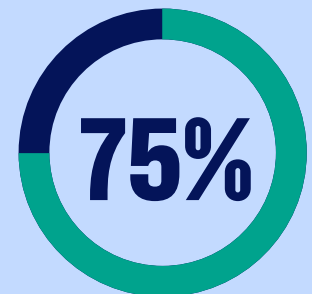
**You're not alone in considering a MEP—it appeals to employers for various reasons:**



say it's the reduction in the administrative burden<sup>4</sup>



say it's to free up resources for other employee benefits<sup>5</sup>



say it's potentially lower plan cost<sup>4</sup>

# More members, more benefits, more power.

Teaming up with other employers opens the door to a breadth of services that help your organization, including service providers that can ensure your retirement plan works like a well-oiled machine. The MEP structure also eliminates many ongoing challenges.



## **Administer benefits more easily**

Gain a team of professionals who can assist with plan design, investment selection and monitoring. This includes being able to choose plan features like vesting, eligibility requirements, matching contributions, profit sharing, automatic enrollment and general plan design.



## **Reduce fiduciary exposure**

Stay protected by delegating certain legal responsibilities, including investment policy statement development, lineup assistance, selection and monitoring, ongoing reporting, and payroll integration.



## **Meet employees' needs**

Provide robust retirement plan options that give participants more choices for responsible saving, in addition to comprehensive, multigenerational communication, education and advice programs.



## **Share plan costs**

Streamline offerings, improve efficiencies and potentially lower prices, including reductions in fixed administrative costs, investment pricing and staff wages involved. Plus, any fees paid to an auditor, advisor or consultant for monitoring plan investments can be shared by member institutions.

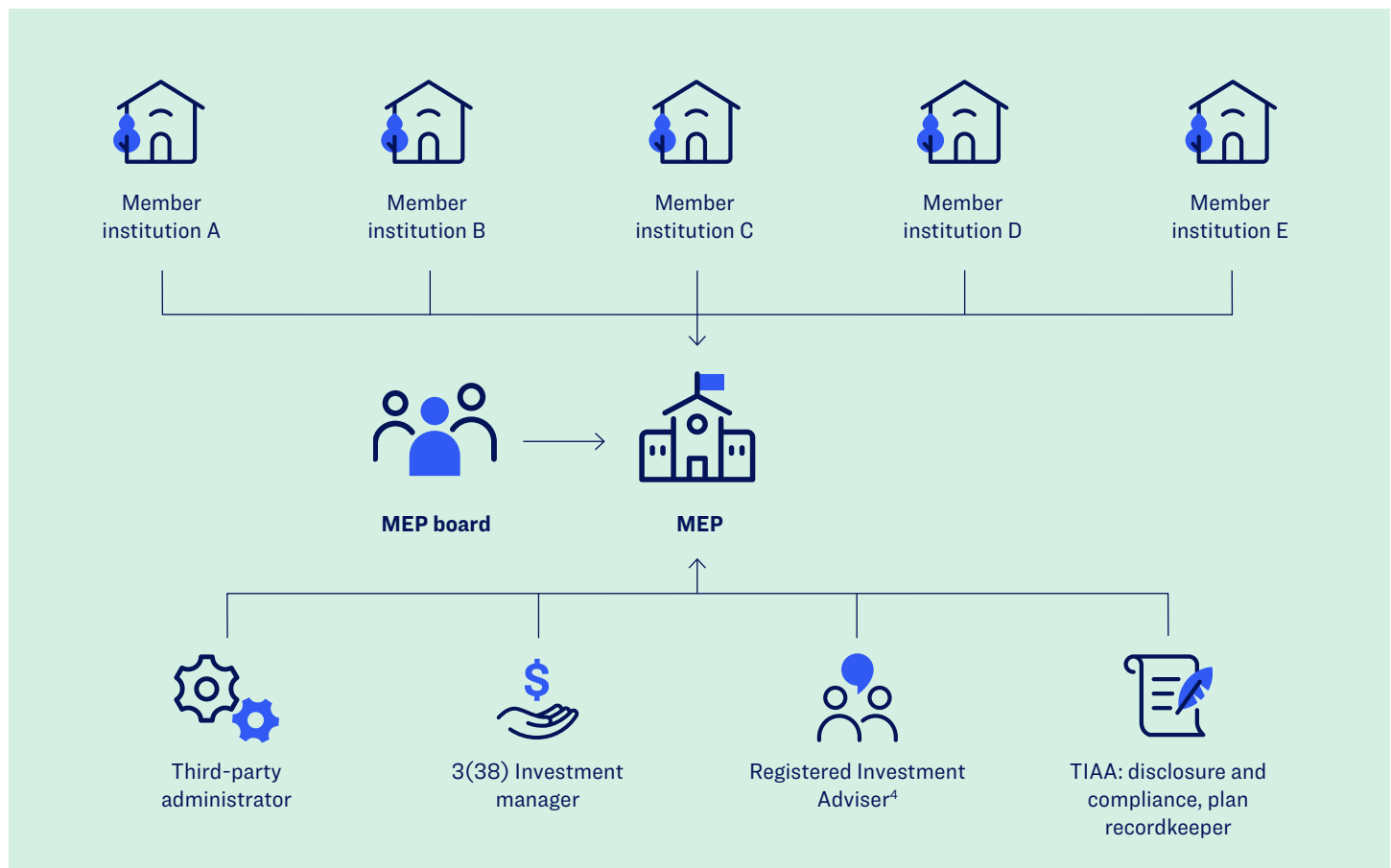


## **Access to tools and resources**

- Form 5500 filing
- Nondiscrimination testing
- Tracking contribution limits
- Tracking catch-up contributions
- Required communications
- Oversight of hardship requests
- Oversight of distribution processing
- Monitoring of pending legislative actions

## More members, more benefits, more power.

MEP plan providers not only bear some of the responsibility of running member institution retirement plans, they help deliver the resources, tools and services plan sponsors need.



### Third-party administrator

Acts as the ERISA 3(16) plan administrator, handles day-to-day fiduciary operations, and satisfies plan reporting, disclosure and compliance

### 3(38) Investment manager

Acts as investment fiduciary and investment manager responsible for the selection and monitoring of the funds in the investment menu

### Registered Investment Adviser

Provides participant advice and education

### Recordkeeper

Receives and applies plan contributions, maintains participant accounts and processes transactions

## Promote better outcomes.

As fewer employers offer pensions—and more employees struggle to save for the future—TIAA is fighting harder than ever to ensure a secure future for every worker.

As a service provider to a MEP, TIAA can assist participating organizations by providing the tools and resources necessary to continue the dialogue with employees about their retirement goals and how a retirement paycheck can strengthen a diversified retirement income plan.



## Everybody wins with a MEP.

### People deserve the security of a retirement paycheck

- 70% believe guaranteed income should be an option in their Defined Contribution plan.<sup>7</sup>
- 75% are more likely to stay at their current employer if a lifetime income product is offered.<sup>8</sup>

### Employers want solutions that meet the retirement needs of today's employees

- 72% would be highly interested in a target date product that allocates a portion of assets to guaranteed lifetime income.<sup>8</sup>
- 38% say access to guaranteed lifetime income is the area most lacking in their retirement plans.<sup>8</sup>

# 40%

of people fear not being able to meet their family's basic needs in retirement.<sup>6</sup>

# 75%

of employees' top financial goal continues to be saving for retirement.<sup>6</sup>



## Making the transition with a proven industry leader.

With TIAA, you get an expert with more than 100 years of experience in the 403(b) marketplace and a recordkeeper for \$6.4 billion in MEP assets.<sup>9</sup> Partner with an industry leader—we are one of the first to offer 403(b) MEPs.

We help you develop a unique plan based on your needs, lay out all phases of the transition and develop a communication strategy to announce the new plan features to employees.

## Our proven onboarding process is designed to be easy:

# 1

- Focus on the specific products and services of your MEP.
- Complete all vendor service agreements.
- Review the investment lineup and investment policy statement.
- Finalize the MEP charter and board resolution, and establish committee members.

# 2

- Keep the momentum going by completing a variety of tasks so the project stays on track.
- Approve the fee-collection strategy for the MEP.
- Confirm the first wave of adopting employers.
- Stay engaged and confirm your organization's readiness.

# 3

- Use PlanFocus® to manage your services and access information, such as 5500 data, reporting, contributions and more.
- Maximize employee benefits and engagement with educational tools.
- Monitor outcomes such as participant trends, transactions and metrics.



### We're here to help.

Visit our [MEP website](#) for more information on how to streamline your plan administration, manage fiduciary risks and control your overhead costs. And your contact information so we can discuss your options and organizational needs.



1. AARP Public Policy Institute, July 2022.
2. Jack VanDerhei, "Retirement Savings Shortfalls: Evidence From EBRI's 2019 Retirement Security Projection Model<sup>®</sup>," EBRI Issue Brief, Mar. 7, 2019. [ebri.org/content/retirement-savings-shortfalls-evidence-from-ebri-s-2019-retirement-security-projection-model](https://ebri.org/content/retirement-savings-shortfalls-evidence-from-ebri-s-2019-retirement-security-projection-model).
3. "DC Plan Sponsors and MEPs," LIMRA Secure Retirement Institute. [limra.com/siteassets/newsroom/fact-tank/factsheets/meps\\_flyer.pdf](https://limra.com/siteassets/newsroom/fact-tank/factsheets/meps_flyer.pdf).
4. "Better Together? Multiple Employer Plans—Understanding Plan Sponsor Perceptions and Intentions," LIMRA Secure Retirement Institute, 2019.
5. Deb Dupont, "What's Old Is New Again," LIMRA Secure Retirement Institute Review, Issue 2, 2019. [limra.com/siteassets/research/publications/sri-review/2019/number-2/dupont\\_cover\\_meps\\_2019\\_2.pdf](https://limra.com/siteassets/research/publications/sri-review/2019/number-2/dupont_cover_meps_2019_2.pdf).
6. Catherine Collinson, Patti Rowey and Heidi Cho, "What Is 'Retirement'? Three Generations Prepare for Older Age," Transamerica Center for Retirement Studies, April 2019. [transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2019\\_sr\\_what\\_is\\_retirement\\_by\\_generation.pdf](https://transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2019_sr_what_is_retirement_by_generation.pdf).
7. LIMRA, "Prediction: The In-Plan Annuity Market Will Grow Exponentially Over the Next Two Years," Feb. 14, 2023. [limra.com/en/newsroom/industrytrends/2023/prediction-the-in-plan-annuity-market-will-grow-exponentially-over-the-next-two-years](https://limra.com/en/newsroom/industrytrends/2023/prediction-the-in-plan-annuity-market-will-grow-exponentially-over-the-next-two-years).
8. TIAA, "TIAA 2022 Retirement Insights Survey," April 2022. [tiaa.org/public/pdf/r/Retirement\\_Insights\\_ExecutiveSummary.pdf](https://tiaa.org/public/pdf/r/Retirement_Insights_ExecutiveSummary.pdf).
9. TIAA, as of January 2024.

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