



Highland

CONSULTING ASSOCIATES, INC.
Investor Advocates®

*Client First.
Every Opportunity.
Every Interaction.*

Pooled Employer Plans (PEPs)

An Innovative Option for Your Organization

With the passage of the Setting Every Community Up for Retirement Enhancement (SECURE) Act, fiduciary and administrative barriers to pooled employer plans have been reduced. As of January 2021, your company can participate in a pooled employer employer 401(k) plan. Let us help you evaluate how this option can help your employees achieve retirement readiness.

Unique Features of a PEP

The SECURE Act opened the door to pooled employer 401(k) plans with the:

- Establishment of a Pooled Plan Provider (P3) to serve as plan sponsor. **Which means your company will not be a named fiduciary.**
- Mitigation of employer fiduciary liability by designating that responsibility to PEP administrators. **Which limits your company's compliance risk.**
- Elimination of individual plan audits and Form 5500 filings. **Which reduces costs and alleviates administrative burdens for your staff.**
- Dissolution of the "one bad apple" rule that could disqualify a plan based on the violation of a single plan member. **Which gives your company greater confidence in the long-term viability of the retirement plan.**
- Opportunity for unique retirement plan design specific to each employer. **Which allows your company to offer a plan tailored to your organization.**
- Expands access to a broader universe of investment options and the potential for cost savings. **Which helps your company provide a quality retirement plan that enhances their employees' financial welfare.**

A PEP Could Be a Win-Win-Win

The pooled employer plan is a potential win-win-win for your company, your staff, and your employees. It can be a win for the company able to offer a compelling and value-added employee benefit with mitigated fiduciary responsibility. It can be a win for your staff who can delegate time-consuming administrative duties. And, it can be a win for employees who may gain access to a lower-cost, higher quality retirement plan to help secure their future.

PEP Team Positions

Highland understands the importance of an effective PEP team. The optimal PEP structure will be comprised of a team of independent providers including:

- A Pooled Plan Provider (P3), with administrative and fiduciary duties
- An investment advisor
- Recordkeeper(s)
- ERISA counsel
- Participant Educator(s)



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Largest
Investment
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Worldwide¹



\$15+B in
Assets Under
Advisement²



Advising
135 Clients²



100% Employee
Owned to
Serve You with
an Owner's
Attention



Co-Fiduciaries
Since 1993



Fee-Only
Independence
and Unbiased
Advice Aligned
with Your Goals


PEPs: The Unbundled Advantage


From potential cost savings to greater fiduciary protection and access to broader investment options, PEPs may be the most significant change in group retirement plans in the last decade. But already there are providers using the platform to market their own investment products and services. These bundled structures may diminish the PEP's benefit to your company and employees. Alternatively, unbundled PEPs organize independent firms to provide services and solutions without the shadow of proprietary products.


Independence and Advocacy Make a Difference


Highland's integrity and impartiality means that our clients receive advice that serves their best interests.

Over the years, our independence and investor advocacy has resulted in other advantages for our clients, too, like:

 **Long-standing relationships.** We retain 98% of our valued client relationships year-to-year.² Not only that, we enjoy long-standing relationships with third party administrators and investment managers. We treat our partners the way we treat our clients - with respect and an owner's attention.

 **Custom Research Tools.** Highland invests heavily in firm-developed systems to conduct analyses that allow our clients to choose among vetted investment options at carefully managed costs.

 **Broad Investment Choices.** Our credentialed in-house investment team has access to investment managers who otherwise might not be available to your association members. This access allows us to construct one-of-a-kind, bespoke portfolios of curated investment choices for your member organizations.

 **Fiduciary Support.** Highland will guide, educate, inform, and ensure that your Pooled Plan Provider has everything needed to comply with the highest fiduciary investment standards. Our reports, checklists, and in-person meetings will give your P3 the tools and confidence that it is fulfilling a fiduciary's duty.

Count On Highland

Since 1993, Highland has partnered with our clients to deliver the best possible plans for securing their employees' retirement dreams. We can help you evaluate this innovative option in retirement planning so that you can be assured your company is providing a quality plan for your valued employees.

¹ - Pensions & Investments magazine dated 11/25/19

² - Average annual client retention rate beginning 1/1/2010 excluding any client relationship terminated due to dissolution, merger, or acquisition.

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Advocate

ad·vo·cate Noun /'advəkət/
One who pleads the cause of another.

Since 1993, Highland has been hired for what we know, and not what we sell.

We describe that founding principle as "investor advocacy."

As Investor Advocates, Highland ownership, operational and compensation structures align with our clients' best interests.

We are not money managers and have no formal or informal ties to investment products of any kind.

At Highland, our allegiance is to our clients.