

With our MEP expertise, we've got higher education covered.



A 403(b) Multiple Employer Plan (“MEP”) is a special type of retirement plan in which colleges and universities that have a common interest join together to pool their purchasing power within a single plan. A MEP is created by a group of colleges, universities or an association who want to share the costs and burdens of providing a retirement plan for their employees.



Today, higher education associations are seeking a more cost effective way for their member private colleges and universities to offer a retirement plan.



MEPs are designed to make it easier to offer a 403(b) retirement plan by simplifying plan administration, delivering professional fiduciary oversight and creating economies of scale.



More recently, some higher education institutions have come under scrutiny because their retirement plans are not fully compliant with ERISA, putting them at risk for litigation. It is a challenge for administrators to keep up with increasing regulations and provisions.



College and University 403(b) plan sponsors have been increasingly burdened with retirement plan responsibilities—from completing expanded Form 5500s, to providing annual disclosure notices selecting plan investment options and meeting compliance regulations.

Why Join a MEP?



Outsourced fiduciary relief and elevated governance and oversight

MEPs offer the ability to outsource fiduciary responsibility and provide an elevated level of governance and attention to detail—governance and oversight that may be difficult to obtain in a single employer plan context without costly assistance. Professional oversight and fiduciary responsibility mean less risk for you when it comes to the management of your retirement plan.



Minimized risk

Under a MEP, the employer outsources the key fiduciary roles in a retirement plan—the Named Fiduciary and 3(16) Administrator roles. By participating in a MEP, you can transfer nearly all fiduciary responsibility for the management of your retirement program. That's because your name comes off the legal documents—eliminating the primary fiduciary responsibilities that come with sponsoring a retirement program, and greatly minimizing your risk as a sponsor.



Simplified plan administration

MEPs simplify and streamline plan administration by outsourcing these responsibilities to a professional. Under a MEP, plan administrative responsibilities are outsourced—shifting the burden for plan administrative responsibilities to the MEP providers.



Streamlined plan operations

A MEP uses a single plan document which streamlines plan operations, as disclosures, notices and education materials are nearly identical for adopting employers. Under the MEP, only one Form 5500 and audit is needed for the entire plan.



Professional investment management

Investment management is outsourced to a professional fiduciary who selects and monitors plan investments in accordance with a written investment policy statement. The plan's investment manager serves as the plan's ERISA Section 3(38) Investment Manager and assume responsibility for the management of plan assets.



Economies of scale and cost savings

By collectively participating in a MEP, employers are able to leverage their combined purchasing power to access institutional quality features in a more cost-effective manner than single employer plans can access on their own. The pooling of plan assets that comes with a MEP affords access to low cost, institutional-quality investment fund share classes, with lower investment management fees. That translates into significant cost savings for colleges and their employees.

Deliver a superior solution for your clients. Contact the Pentegra Solutions Center at solutions@pentegra.com, or 855-549-6689.