The Pentegra PEP Playbook

Leverage our Expertise for Your Opportunity

PENTEGRA

Unlocking the Power of Pooled Employer Plans

The retirement plan landscape is evolving. Today, advisors who embrace Pooled Employer Plans (PEPs) can gain a decisive edge—helping clients simplify plan management while expanding their own business opportunities. PEPs are more than just a new retirement vehicle; they're a gateway to stronger client relationships, differentiated service, and scalable growth.

In today's highly competitive retirement plan marketplace, advisors are increasingly challenged to deliver greater value, deeper expertise, and scalable solutions to employers of all sizes. Enter the **Pooled Employer Plan (PEP)** — a modern retirement plan structure that is reshaping the way advisors grow their practices, streamline operations, and differentiate themselves in a crowded field.

The PEP Playbook is designed to equip you with the insights and strategies you need to leverage this powerful vehicle. As more employers look for cost-effective, turnkey solutions that reduce administrative burden and fiduciary risk, PEPs offer a compelling answer — and a clear opening for forward-thinking advisors to step in as strategic partners.

Why PEPs, and Why Now?

Competitive Differentiation	Scalable Growth	Efficiency and Fiduciary Relief	Revenue Potential
Position yourself as a leader in innovative retirement solutions. PEPs allow you to offer a value-rich alternative to traditional single-employer 401(k) plans — especially attractive to small and mid-sized businesses looking for better options.	One of the biggest advantages of PEPs is the ability to manage multiple adopting employers under a single plan structure. This creates operational efficiency, simplifies oversight, and enables you to serve more clients without adding proportional resources.	With a Pooled Plan Provider (PPP) assuming much of the fiduciary responsibility and administrative duties, you can focus more on client relationships and plan outcomes — while delivering a solution that minimizes headaches for plan sponsors.	PEPs open new doors for asset gathering, recurring revenue, and long-term client retention. Whether you're targeting new plan sponsors or consolidating existing plans, a PEP strategy can be a meaningful contributor to your bottom line.

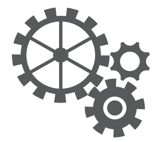
This playbook will walk you through what PEPs are, why they matter, how to successfully integrate them into your practice and explore how PEPs can elevate your practice to the next level.

Understanding PEPs

PEPs offer the opportunity to bring groups of retirement plans together under a single program. PEPs expand access to retirement plans for all workers by allowing employers from unrelated industries to join a pooled plan arrangement. A PEP Plan is similar to an Open Multiple Employer Plan (MEP) since it does not require commonality or nexus. Unlike a MEP, the start-up time and establishment process for a PEP is much easier. A PEP is considered a single plan for reporting and audit purposes and also considers shared service among participating employers for eligibility and vesting purposes.

HOW IT WORKS

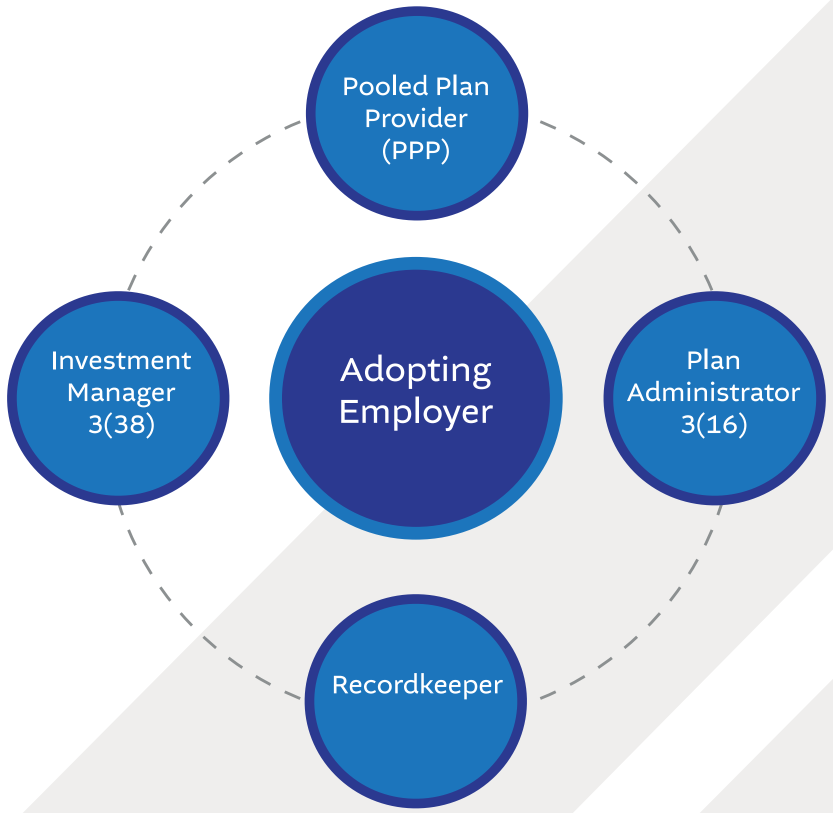
- The PEP sponsor is known as the Pooled Plan Provider (PPP) and generally serves as the plan administrator and fiduciary
- Adopting employers elect to join the PEP
- At any time, adopting employers can be easily onboarded.



A PEP is considered a single plan for reporting and audit purposes and also considers shared service among participating employers for eligibility and vesting purposes.

A Team in Your Corner

Professional service firms are hired by the PPP to handle certain administrative and fiduciary roles on your behalf and are legally obligated to carry out plan responsibilities with the highest degree of prudence on behalf of the plan and its participants.



Pooled Plan Provider (PPP) The PPP is responsible for performing most administrative and fiduciary functions for the Plan, and may delegate certain responsibilities to other providers.	**Recordkeeper** Maintains all records for the plan and also provides support to plan participants from enrollment through retirement, including online account access for sponsors and plan participants.
3(16) Plan Administrator The 3(16) Plan Administrator performs functions to keep the PEP compliant and supports plan administrative functions, including signing and filing the Form 5500, reviewing plan compliance testing and ensuring the Plan is administered in accordance with the plan document.	**3(38) Investment Manager** The 3(38) investment manager is responsible for selecting and monitoring the funds in the investment lineup in accordance with the Investment Policy Statement for the Plan.

Pentegra can serve as a PPP and as a 3(16) Plan Administrator for a PEP.

PEP Roles

A Pooled Plan Provider (PPP) is required to run a PEP. Under a PEP, the role of the named fiduciary, and the party responsible for all plan administrative duties, are generally transferred from the employer to the PPP.

Under a PEP, the Pooled Plan Provider (PPP) is responsible for handling plan administrative and fiduciary responsibilities. The PPP can also choose to delegate some of these responsibilities to other firms. This helps participating employers by eliminating work and reducing retirement plan risk and most fiduciary responsibilities, allowing them to focus on running their business.

- Pooled Plan Provider (PPP)
- TPA & 3(16) Administrator
- 3(38) Investment Advisor
- Plan Recordkeeper
- Plan Trustee

With a PEP, administrative and fiduciary responsibilities are handled by an expert team of retirement plan professionals.

PEPs help eliminate work a nd minimize risk and responsibility.

What Advantages Do PEPs Offer?

Administrative Relief
The PPP and 3(16) plan administrator oversees the day-to-day administration of the plan, and assume responsibility for plan administration.

Time Savings
Offloading day-to-day retirement plan responsibilities saves time and reduces workloads.

Reduced Fiduciary Liability
Fiduciary oversight and most fiduciary responsibilities are delegated to professionals, minimizing risk. The PPP and 3(16) Administrator assume most fiduciary responsibility for the plan.

Professional Investment Management
PEPs offer professional investment management, investment selection and performance oversight performed by an ERISA 3(38) Investment Manager.

Plan Audit and 5500 Relief
Since a PEP is considered a single plan for audit and reporting purposes, it eliminates the need for individual Plan Audits, Form 5500 and other government filings, which are handled at the PEP level.

Flexible Plan Design
Be part of something bigger and better, but still retain customized plan features.

The PPP can also choose to delegate responsibilities to other firms.

When is a PEP the Right Fit?

PEPs can be an ideal solution for some employers. As you consider your role, the most critical question is whether the PEP will create enough scale for it to be an attractive opportunity.

- PEPs are a good solution for associations or groups of businesses
- PEPs may also be a good solution for employers setting up their first plan
- PEPs can help aggregate business within your retirement practice

PEP Evaluation Criteria

Who will fill the various roles?

- What roles do you want to play?
- What roles do you want to outsource?

What is your definition of success and how will you measure it?

- AUM
- Number of Plans
- Headcount
- What is the minimum scale necessary to be successful?

What is your marketing/product positioning strategy?

- What is your target market for the program?
  - Existing clients
  - Existing non-client takeover business
  - Startup plans
- How will this product stack up competitively in the marketplace and why will it be better than other alternatives?
- How will you market the program?
- What tools will be used?

What is the sales and distribution strategy?

- What is your sales plan and what are your goals for the program?
- How many plans do you expect to add annually?
- What do you expect the demographic average of those new plans to be?
- How do you plan to attain scale?

What is the pricing structure?

The Client Benefit—Why Employers Care About PEPs

- Simplification of Plan Management
  The retirement plan landscape is evolving. Advisors who embrace Pooled Employer Plans (PEPs) can gain a decisive edge—helping clients simplify plan management while expanding their own business opportunities. PEPs are more than just a new retirement plan type; they can be a gateway to stronger client relationships, differentiated service, and scalable growth.

  PEPs streamline administration by consolidating responsibilities under a Pooled Plan Provider (PPP). Employers can focus on running their business, not running a retirement plan.

- Reduced Fiduciary Liability
  Employers transfer significant fiduciary responsibility to the PPP, reducing exposure to risk and minimizing costly compliance missteps.

- Economies of Scale
  By joining a pooled structure, employers access institutional pricing and investment options that may otherwise be unavailable.

- Enhanced Plan Experience
  Participants benefit from well-managed plans with strong governance, streamlined operations, and often lower costs.

The Advisor Benefit—Why PEPs Matter to Your Practice

- Differentiate Your Offering
  Position yourself as a forward-looking advisor with innovative solutions that help clients achieve better outcomes.

- Expand Your Market
  PEPs open the door to small and mid-sized businesses that previously viewed 401(k) plans as too costly or complex.

- Strengthen Client Relationships
  By bringing a simplified retirement solution, you become a trusted resource for long-term strategy, not just plan mechanics.

- Scalable Growth
  Instead of managing multiple stand-alone plans, you can streamline oversight through a PEP structure, freeing up time to focus on growth and service.

PEPs Offer a Strategic Advantage

The retirement plan landscape is shifting — and advisors who embrace scalable, future-ready solutions like PEPs are poised to lead the charge. Now is the time to differentiate your practice, amplify your value, and unlock new growth opportunities.

- Future-Ready Model
  PEPs represent the future of retirement plans—designed to remove complexity, improve governance, and enhance outcomes.

- Risk Mitigation + Growth
  By aligning with a strong PPP, you reduce the administrative and fiduciary burdens that typically slow down business growth.

- Partnership Power
  With the right PPP provider, PEPs become a strategic tool to add value, win new business, and deepen existing relationships.

- Enhanced Plan Experience
  Participants benefit from well-managed plans with strong governance, streamlined operations, and often lower costs.

Pentegra is Your PEP Partner

Why Partner with Us

With more than 80 years of fiduciary expertise and deep experience as one of the nation's leading Multiple Employer Plan (MEP) and PEP providers, Pentegra delivers the expertise, infrastructure, and partnership you need to succeed in the evolving retirement landscape.

Pentegra can serve as a Pooled Plan Provider (PPP) and/or an ERISA 3(16) Plan Administrator for your PEP. We're ready to partner with you to bring maximum flexibility to every PEP opportunity and deliver the best end-to-end solution for you and your clients.

Position yourself as the advisor of choice. Let's talk about how PEPs can power your growth and your clients' success.

Take the Lead in the Retirement Revolution

Don't wait for the industry to evolve — be the advisor who's driving the evolution.

- Start integrating PEPs into your business strategy
- Position yourself as a go-to expert for modern retirement solutions
- Deliver greater value with less complexity

Turn this playbook into your playbook for growth.

Let's get started.

Contact the Pentegra Solutions Center at solutions@pentegra.com or 855-549-6689.

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Follow our conversation

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