

# Advisor Perspectives on Pooled Employer Plans

## Trends and Outlook

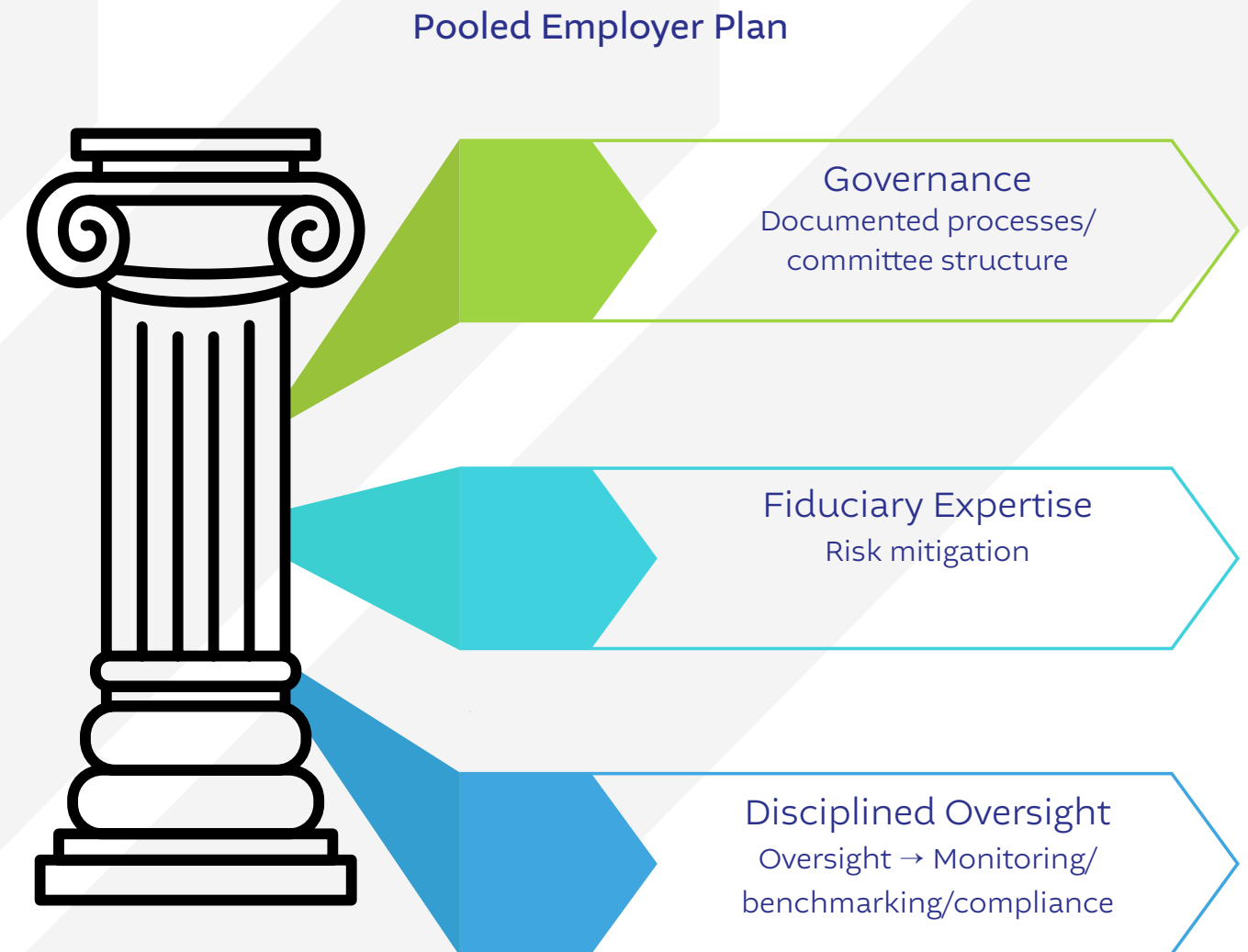


## The Changing Retirement Plan Landscape

As the retirement plan market continues to evolve, Pooled Employer Plans (PEPs) are coming to represent a significant structural shift. Advisors are uniquely positioned to assess their value, applicability, and long-term impact.

As PEPs gain traction across the retirement industry, advisors are playing a critical role in how these solutions are evaluated, implemented, and positioned with clients. PEPs offer new opportunities—and new considerations—for advisors and their clients.

This survey gathered advisor perspectives on PEP usage, trends, and expectations to help shape the conversation around the evolving role of PEPs in retirement planning.



PEPs are helping normalize higher standards of governance and oversight across the market, rather than leaving plan quality dependent on individual sponsor capabilities



## PEPs: An Emerging Solution Gaining Market Momentum

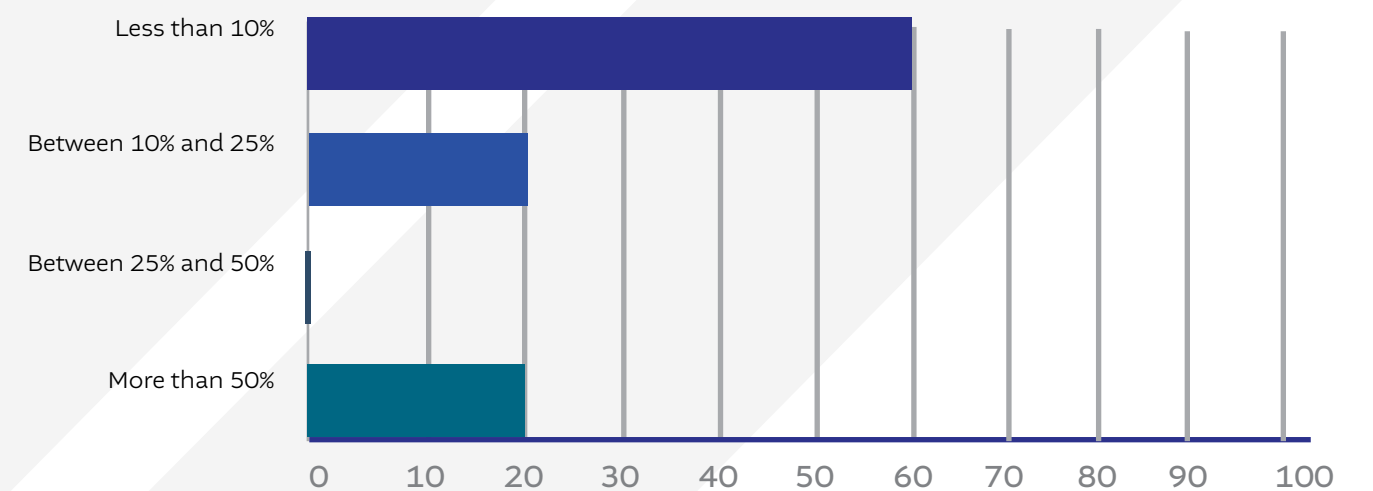
While PEPs are still in the early stages of market adoption, momentum continues to build. As advisors and employers seek greater administrative efficiency, fiduciary support, and cost scalability, PEPs are increasingly being evaluated as a viable alternative to single employer, standalone plan structures.

Market indicators suggest accelerating interest in PEPs. As fiduciary responsibility, operational complexity, and cost transparency remain front-of-mind for plan sponsors, PEPs are emerging as a structurally efficient solution.

While some advisors historically expressed concern that PEPs might limit flexibility, the survey results suggest that standardization is now viewed as a strength rather than a drawback. Advisors associate standardized plan design, investment oversight, and administration with **greater consistency and fewer plan problems**, particularly for employers without dedicated retirement plan expertise.

## PEPs—In the Early Stage of Market Adoption

How many of your clients are currently part of a pooled Employer Plan (PEP)?



PEP adoption is increasingly viewed as a risk-aware advisory practice decision, not simply a client recommendation. Advisors are prioritizing predictable, repeatable outcomes.

## PEPs as a Structural Response to Industry Complexity

Advisors increasingly view PEPs not as a product innovation, but as a structural response to rising complexity in retirement plan management. Regulatory scrutiny, fiduciary litigation, and operational demands continue to increase, particularly for small and mid-sized employers. The survey results suggest that PEPs are resonating because they have the ability to address these pressures systemically.

Ultimately, survey findings indicate that PEPs are progressing well beyond their initial positioning as an emerging structural alternative and are becoming a foundational component of contemporary retirement plan strategy.

As regulatory expectations intensify and operational complexity increases, PEPs are increasingly viewed as a vehicle capable of delivering a durable governance framework—one that enables advisors and plan sponsors to more effectively manage fiduciary risk, streamline administrative responsibilities, and strengthen oversight accountability. In an environment defined by heightened scrutiny and growing plan sponsor burden, PEPs are demonstrating their capacity to deliver scalable infrastructure, institutional-grade fiduciary delegation, and operational resilience.



PEPs are increasingly positioned as a practical risk-management solution, particularly for small to mid-sized employers.

PEPs are helping normalize  
**HIGHER STANDARDS**  
of governance and oversight across the market,  
rather than leaving **PLAN**  
**QUALITY** dependent on individual  
sponsor **CAPABILITIES.**



More than **80%** of respondents cited fiduciary risk mitigation as the leading factor driving their **POSITIVE** perception of PEPs.



Across responses, risk management consistently emerged as the most compelling rationale for recommending PEPs to plan sponsor clients.

The ability to shift key fiduciary responsibilities—particularly those related to plan governance, compliance, and investment monitoring—to a pooled plan provider (PPP) was cited as a meaningful way to reduce both employer and advisor exposure. This reflects a broader industry trend toward outsourcing complex fiduciary functions to specialized providers with the scale and expertise to manage them effectively.



Advisors are gravitating toward PEP solutions that offer strong governance, proven fiduciary expertise, and disciplined oversight—positioning PEPs as a foundational risk management strategy in today’s retirement plan landscape.



### Standardized Governance and Compliance Frameworks

PEPs play a strong role in delivering standardized governance and compliance frameworks that help reduce risk. It is this consistency in processes, documentation, and oversight that materially lowers the likelihood of fiduciary errors, regulatory failures, and operational breakdowns. In contrast to single-employer plans, where governance quality can vary widely by sponsor, PEPs deliver a more controlled and defensible fiduciary structure.

Importantly, advisors did not perceive PEPs as eliminating fiduciary responsibility altogether, but rather as **meaningfully reallocating and professionalizing it**. This distinction reinforces the credibility of the findings: advisors recognize that risk is mitigated through expertise, scale, and accountability—not avoided. As a result the adoption of PEPs is increasingly seen as a prudent risk-management decision, particularly for small to mid-sized employers with limited internal resources.

The survey further highlights that advisors view PEPs as a way to **mitigate their own professional risk**. Many respondents noted that partnering with an experienced pooled plan provider enhances defensibility, improves documentation, and supports clearer role definition—all of which are critical in an increasingly litigious and scrutinized regulatory environment.

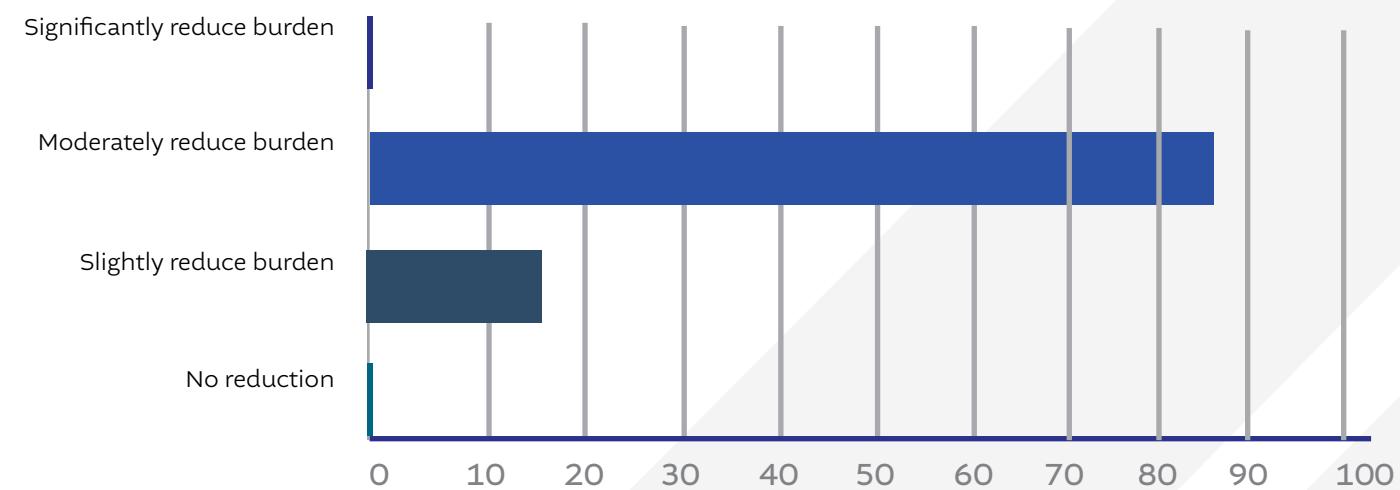


PEPs are increasingly positioned as a practical risk-management solution, particularly for small to mid-sized employers.



## Administrative Risk and Burden Reduction

To what extent do you believe PEPs reduce the administrative burden for clients compared to single-employer plans



## PEPs Reduce Administrative Burdens

Survey results indicate that more than 80% of respondents believe PEPs materially reduce administrative burdens for plan sponsors.

From a risk management perspective, respondents noted that reducing administrative complexity directly mitigates operational and fiduciary risk. By shifting core administrative functions—such as compliance testing, filings, documentation, and ongoing plan maintenance—to a centralized pooled plan provider known as a PPP, PEPs help limit the likelihood of errors, missed deadlines, and inconsistent practices that commonly expose plan sponsors and advisors to regulatory and fiduciary risk.

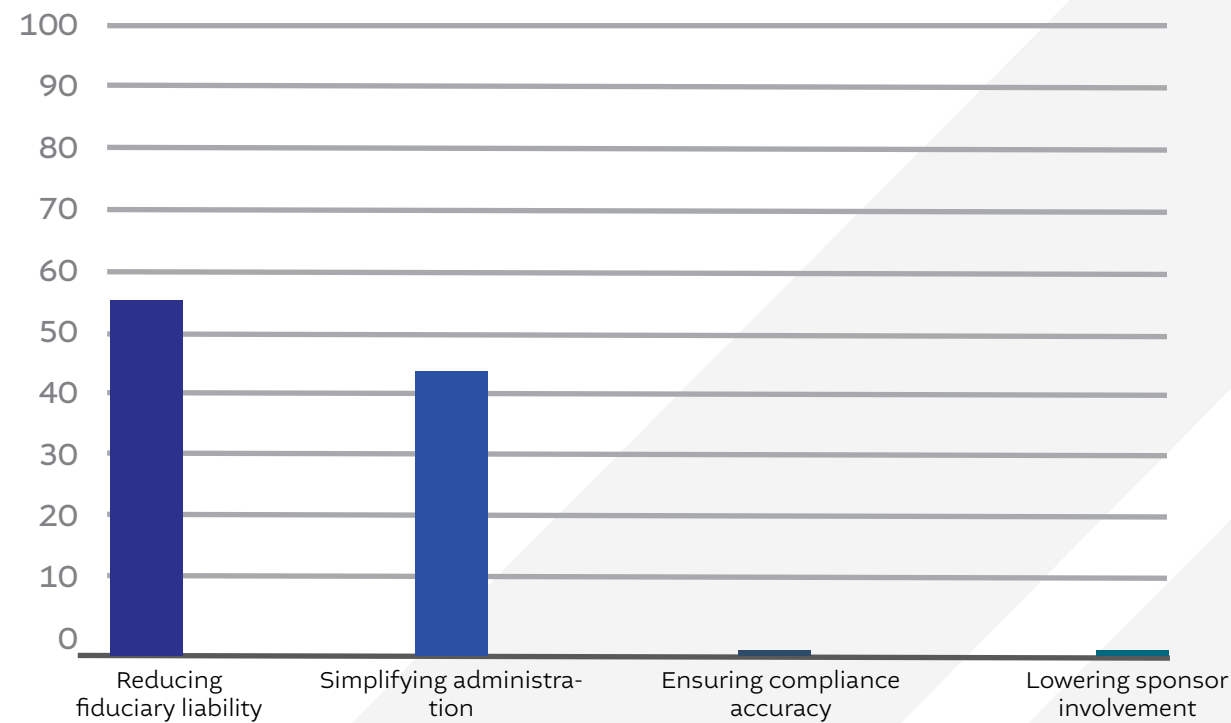


Pooled Employer Plans ease both administrative and fiduciary burdens by outsourcing these responsibilities to the plan providers and transferring key fiduciary responsibilities. By handing off these responsibilities to seasoned professionals, plan sponsors and advisors can reduce risk, streamline operations, and supercharge the effectiveness of retirement plans.



## Increased Control and Consistency

Which plan challenges do you believe a PEP addresses most effectively?



## Greater Plan Oversight Confidence

Advisors also emphasized that administrative burden reduction is not solely about efficiency, but about **control and consistency**. Standardized workflows and professional administration were viewed as creating a more defensible operating environment, particularly for employers that lack internal retirement plan expertise. As a result, respondents associated lower administrative burden with improved governance outcomes and greater confidence in ongoing plan oversight.

While some advisors historically expressed concern that PEPs might limit flexibility, the survey results suggest that standardization is now viewed as a strength rather than a drawback. Advisors associate standardized plan design, investment oversight, and administration with **greater consistency and fewer failure points**, particularly for employers without dedicated retirement plan expertise.

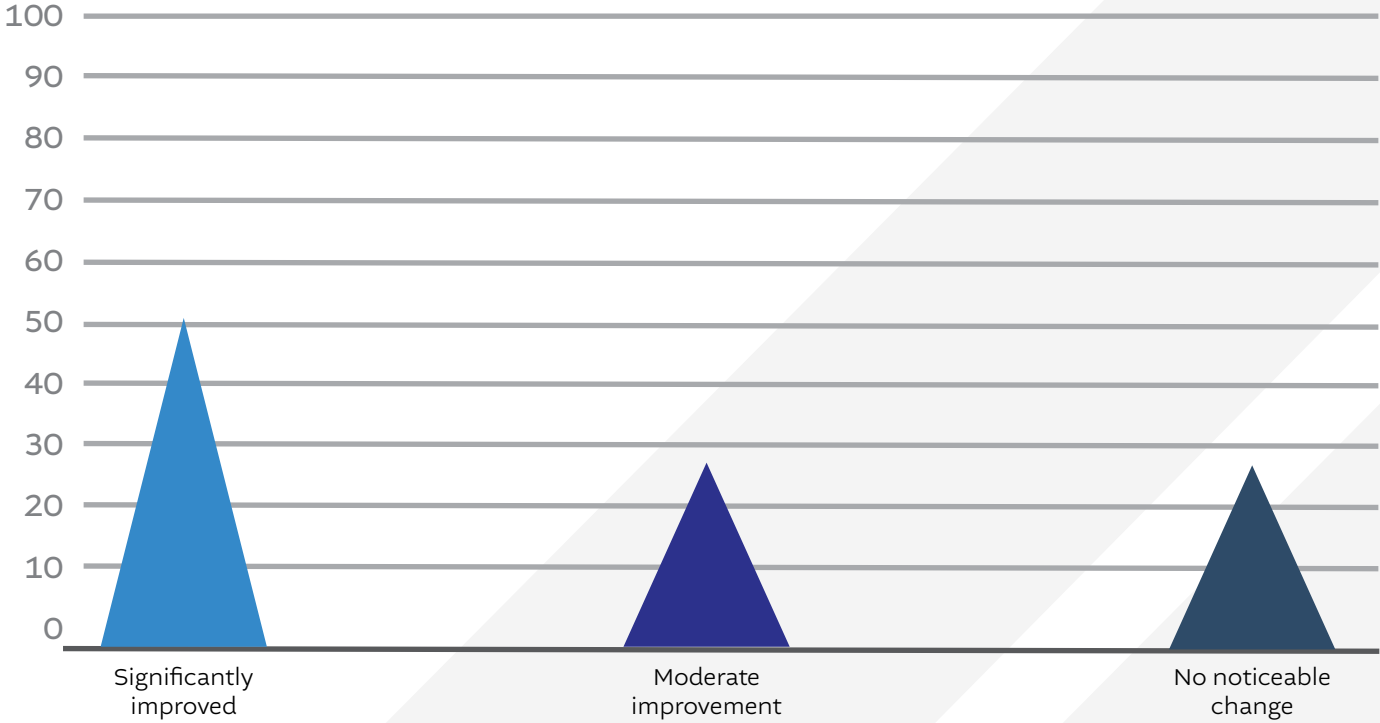


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### Improved Overall Plan Quality

For clients who have adopted PEPs or ERISA 3(16) services, what impact have you observed on overall plan quality?



### Raising the Baseline for Plan Quality

Among respondents with clients who have adopted PEPs or ERISA 3(16) fiduciary services, the results indicate a clear positive impact on overall plan quality. A majority of respondents (50%) reported a significant improvement in plan quality following adoption, while an additional 25% observed a moderate improvement. Collectively, this suggests that three-quarters of respondents experienced measurable enhancements in plan quality after moving to a PEP or 3(16) model.

Importantly, no respondents reported a decline in plan quality, with the remaining 25% indicating no noticeable change. This outcome suggests that even where improvements were not immediately evident, adoption did not introduce adverse effects or increased risk.

The reported improvements in overall plan quality suggest that PEPs and 3(16) services are raising the baseline standard for governance and administration. Even where respondents did not observe immediate improvement, no negative outcomes were reported—reinforcing the view that these models reduce downside risk while creating upside potential over time.

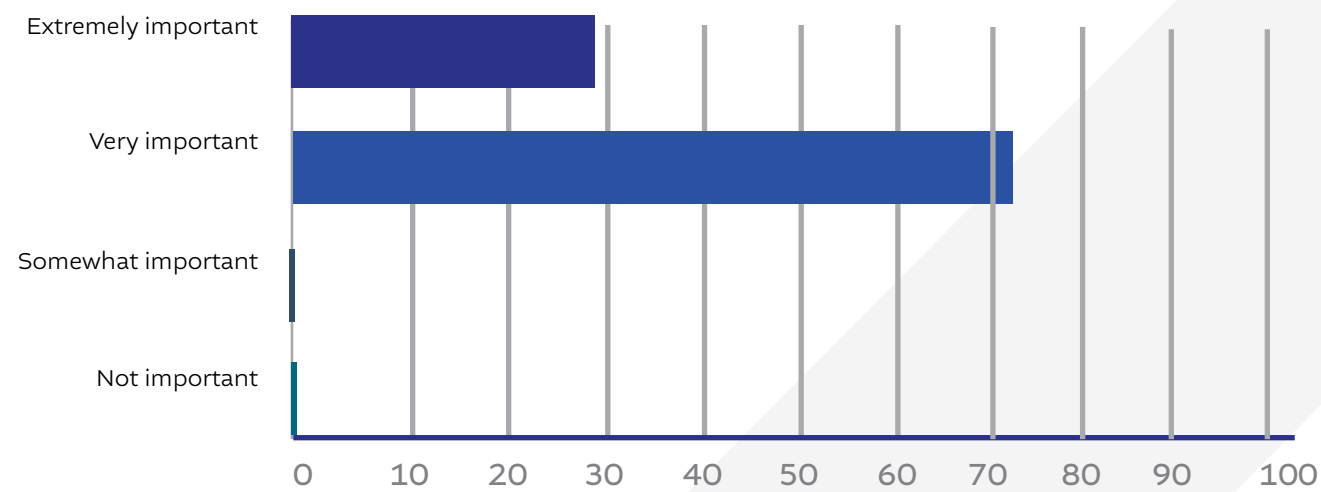


Overall, the results reinforce the view that PEPs and 3(16) services tend to raise the baseline level of governance, oversight, and operational discipline, contributing to stronger and more consistent plan quality outcomes.



## Importance of an Integrated Fiduciary Partner

How important is having a single integrated fiduciary partner (e.g., 3(16) Fiduciary +PPP + compliance specialist) to your practice?



## Integrated Fiduciary Models as a Market Expectation

Survey results show a strong and unanimous preference for an integrated fiduciary model among advisors. All respondents indicated that having a single, integrated fiduciary partner—combining 3(16) fiduciary services, pooled plan provider (PPP) responsibilities, and compliance expertise—is either very important (71%) or extremely important (29%) to their practice.

Notably, no respondents viewed an integrated fiduciary partner as only somewhat important or unimportant. This consensus underscores the growing importance advisors place on **simplified fiduciary oversight, clear accountability, and reduced fragmentation** in plan governance.

The importance placed on having a single, integrated fiduciary partner signals a broader market expectation shift. Advisors increasingly favor models that consolidate fiduciary accountability across 3(16), PPP, and compliance functions, reducing fragmentation and coordination risk.



Integration is no longer viewed as a “nice to have,” but as a foundational requirement for scalable, defensible plan oversight.

## The Value of PEPs in a Changing Landscape

Taken together, the survey results illustrate that Pooled Employer Plans are delivering meaningful value at a time when the retirement plan landscape is becoming more complex, regulated, and risk-sensitive. Advisors consistently view PEPs as a mechanism for **professionalizing fiduciary responsibility**, improving governance consistency, and reducing both employer and advisor exposure.

Importantly, advisors do not perceive PEPs as eliminating fiduciary responsibility, but rather as **reallocating it to specialized providers with the scale, expertise, and infrastructure to manage it effectively**. This distinction is critical: PEPs are not about avoiding responsibility, but about ensuring it is carried out in a disciplined manner.

As regulatory expectations increase and plan sponsors continue to face resource constraints, advisors are gravitating toward PEP models that emphasize strong governance, integrated fiduciary oversight, and operational rigor.

Ultimately, the findings suggest that PEPs are evolving from an emerging alternative into a **core component of modern retirement plan strategy**, helping advisors and plan sponsors navigate risk, complexity, and accountability in an increasingly demanding environment.

## About Pentegra

As a Pooled Plan Provider and 3(16) administrative fiduciary, Pentegra brings decades of institutional fiduciary experience, disciplined governance infrastructure, and deep operational expertise to every PEP relationship. Our model is built around true fiduciary assumption, not coordination alone—integrating 3(16) plan administration, and ongoing compliance governance into a cohesive framework designed to reduce sponsor burden and mitigate risk exposure. For advisors, this creates a scalable solution that enhances client value. For employers, it delivers confidence that plan oversight, compliance, and operational integrity are managed with institutional rigor.



### Fiduciary Strength

- 80+ years as one of the nation's oldest fiduciary experts
- CEFEX-certified for fiduciary and Pooled Plan Provider (PPP) services



### PEP Expertise

- Deep MEP (Multiple Employer Plan) and PEP experience
- Pooled Plan Provider (PPP) and/or 3(16) Fiduciary



### Operational Excellence

- Full-service infrastructure: onboarding, compliance, administration, audits
- Scale and technology for efficiency, and cost savings



### A Strategic Advantage

- Differentiate your practice and expand opportunities
- Deliver stronger outcomes for clients
- Dedicated relationship manager + high-touch service

**Learn more about the Pentegra PEP advantage. Talk to our experts.  
Contact the Pentegra Solutions Center at [solutions@pentegra.com](mailto:solutions@pentegra.com) or 855-549-6689.**

[www.pentegra.com](http://www.pentegra.com)



The Pentegra 2026 Advisor Study on Attitudes Toward PEPs was conducted from January 2, 2026 through January 29, 2026. The study included responses from 45 respondents nationwide.



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