Simplify retirement planning with a pooled employer plan (PEP)

Offering a 401(k) plan doesn't have to be complicated. A PEP is a modern retirement solution that streamlines plan management for employers. Introduced with the SECURE Act, PEPs allow multiple unrelated businesses to join a single, professionally managed 401(k) plan. This shared structure helps reduce administrative burden, lower costs, and limit fiduciary risk – making retirement plans safer, simpler, and more cost-effective.

PEPs are gaining momentum as employers look for smarter retirement solutions. The comparison below shows why many sponsors of single-employer plans (SEPs*) are joining a PEP.

SEP vs PEP: What's the difference?

Feature	Single-employer plan	Pooled employer plan (PEP)
Plan structure	A qualified retirement plan covering a single employer's employees	A qualified plan sponsored by a pooled plan provider (PPP), open to unrelated employers
Sponsor	The employer	The PPP
Administrative fiduciary	The employer, unless delegated	The PPP
Investment fiduciary	The employer, unless delegated	A discretionary 3(38) investment manager
Form 5500 and audit	Employer files annually; audit required for plans with 100+ participants	One consolidated 5500 and audit for all adopting employers, typically reducing individual costs

*Not to be confused with SEP-IRA

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Why a pooled retirement plan makes sense

1. Reduce Workload and Risk

Managing a retirement plan is complex. With a PEP, key responsibilities like compliance and investment decisions are handled by experienced professionals – giving you peace of mind and freeing up time to focus on your business.

2. Unlock Better Pricing and Services

By joining a pooled plan, you gain access to economies of scale and professional oversight, helping you lower costs and improve the quality of services for your organization.

3. Improve Outcomes

Offer your employees a high-quality retirement plan backed by expert management, helping to ensure their savings are protected and their future is secure.

Reach out to your Transamerica representative for more information

Visit **transamerica.com**

Call **866-393-8967**

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Pooled employer plans (PEPs) are a newer type of multiple employer plan for which the Department of Labor (DOL) and IRS guidance is still pending in a number of areas. An employer participating in a PEP retains certain fiduciary responsibilities, including responsibility for retaining and monitoring the pooled plan provider (PPP) and any named fiduciary, for determining the reasonableness of plan fees, and for periodically reviewing the plan as a whole. Among other responsibilities, the PPP acts as the ERISA 3(16) plan administrator.

Before adopting any plan, employers should carefully consider all of the benefits, risks, and costs associated with a plan. Information regarding retirement plans is general and is not intended as legal or tax advice. Retirement plans are complex, and the federal and state laws or regulations on which they are based vary for each type of plan and are subject to change. In addition, some products, investment vehicles, and services may not be available or appropriate in all workplace retirement plans. Plan sponsors and plan administrators may wish to seek the advice of legal counsel or a tax professional to address their specific situations.

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