



# Pooled Employer Plans— The Opportunity of a Generation

Pooled Employer Plans (PEPs) are a new, unique opportunity to gather and grow assets. Partnering with Matrix Trust Company (Matrix) can help you hit the ground running.

The new year has brought great news for small business owners and their employees, as well as for savvy, quick acting firms. As of January 1, 2021, the Setting Every Community Up for Retirement Enhancement (SECURE) Act came into effect, giving small businesses and their employees the opportunity to offer and participate in employer-sponsored 401(k) retirement plans that are pooled with other small businesses. Unlike Multiple Employer Plans (MEPs), PEPs do not require pooled employers to be in the same industry.

## A FANTASTIC OPPORTUNITY TO GATHER AND GROW AUM

The PEP may provide a significant opportunity for firms that react to this new trend by offering SECURE PEP plans.

How do we know this will happen?

Back in the 1980s, the explosive popularity of 401(k)s and other employer-sponsored retirement plans led to rapid growth for many firms thanks to billions of dollars invested in employer-sponsored retirement plans. The SECURE Act could have a similar impact<sup>1</sup> for asset managers, advisors and recordkeepers.

Private sector employees in the U.S. without access to a workplace retirement savings plan

38M  
EMPLOYEES

Now eligible to participate in PEP retirement plans

44%  
OF U.S. SMALL TO MID-SIZED BUSINESSES

There are approximately 38 million private-sector employees in the U.S. without access to a retirement savings plan at work.<sup>2</sup> PEPs will enable the 44% of U.S. small to mid-sized businesses with fewer than 250 employees<sup>3</sup> to offer retirement plans. Billions of dollars are on the table, and this retirement plan revolution will also likely transform the industry—again.

## A once-in-a-generation opportunity

### PEP HIGHLIGHTS

The PEP is treated as a single Defined Contribution plan for two or more employers under the primary control of a Pooled Plan Provider (PPP), who will manage the plan, be the named fiduciary and monitor all third parties that may be hired to deliver services.

### PEP key advantages for employers include:

- Potential for lower plan costs
- Reduced plan administrative duties
- Possibility for lessened fiduciary responsibility
- No affiliation requirement
- ‘One Bad Apple’ rule eliminated
- Only one Form 5500 requirement
- Audit required only once plan reaches certain thresholds
- One fund line-up

### ENTER THE MARKET WITH THE RIGHT PARTNER

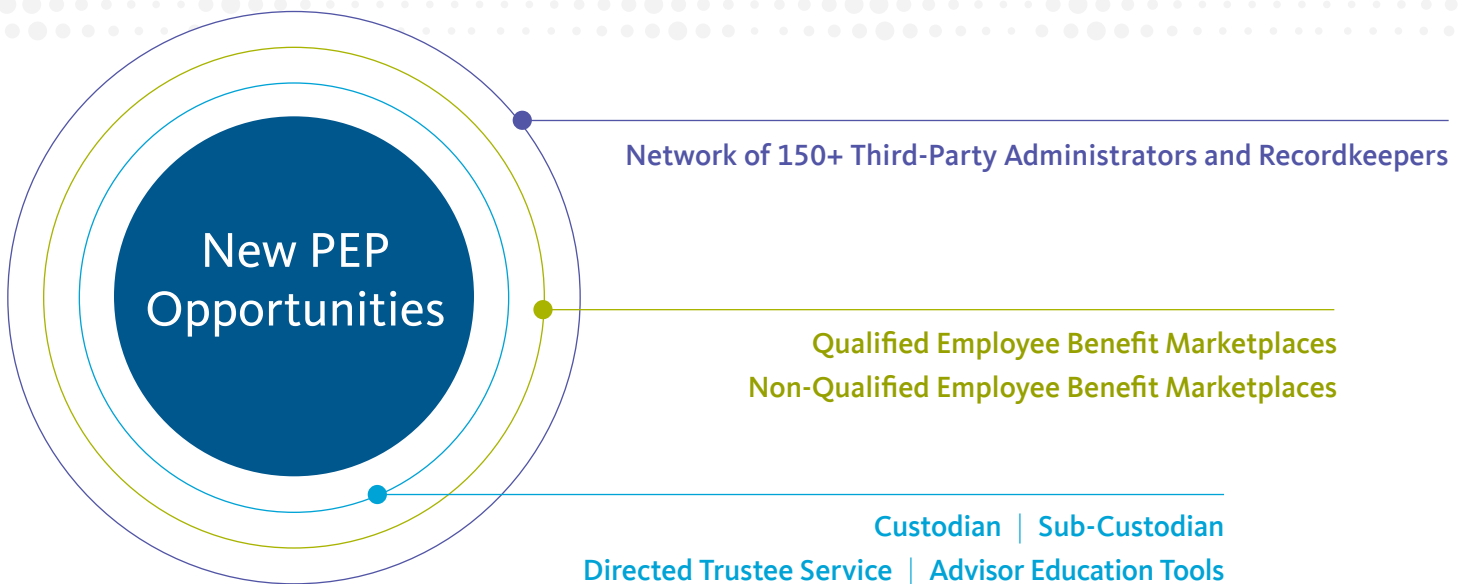
The key to getting into the PEP revolution quickly and successfully is choosing the right partner—one that can help you scale and offer crucial services such as executing management, performance reporting and compliance requirements. A partner that helps you realize the necessary cost savings can be the difference between success and failure in this small business marketplace. That’s where Matrix can help.

### THE MATRIX ADVANTAGE

We have a long history of providing highly accurate, data-driven, automated and independent custodial and trust services to the qualified and non-qualified employee benefit marketplace. Our flexible approach includes custodian, sub-custodian and directed trustee services, as well as specialized advisor education and programs and tools that help attract and retain valuable clients.

With our solution and trusted network of 150+ third-party administrators and recordkeepers, we can offer the best fit for every PEP opportunity.

## The Matrix Advantage





### **CUSTODIAL & DIRECTED TRUSTEE SERVICES**

Matrix can act as Custodian or Directed Trustee for eligible clients upon approval and validation to ensure proper registration of the Pooled Plan Provider.

### **SUB-CUSTODIAN SERVICES**

Matrix offers sub-custody services to recordkeepers, banks and trust companies, giving firms the ability to outsource back-office and trading operations while keeping their brand front and center and owning the client experience.

### **Key Features**

- Plan-level custodial/trust agreements are between the bank/trust partner and the plan directly.
- Bank/trust is named the trustee and/or custodian and maintains all plan client contact.
- Bank/trust can be given access to Matrix's trust system to view distributions and other activity as needed.
- Mutual fund accounts are registered in bank/trust's name, tax ID and address.
- Custom branding options include plan-level reporting, including certified branded trust statements, and all plan-related disbursements.

### **Gain first-mover advantage**

The passage of the SECURE Act, enabling more than 38 million Americans to access employer-sponsored retirement plans for the first time, is a once-in-a-generation opportunity to rapidly grow your business. Gain first-mover advantage—talk to Matrix today.



To learn more about how Matrix can advance your entry into the PEP market, **email [sales@broadridge.com](mailto:sales@broadridge.com), visit [broadridge.com](http://broadridge.com) or call +1 888 218 3852.**

## About Us

Matrix holds a leading position as one of the largest independent platforms in the wealth and retirement services channel. Our independence is the foundation of how we provide specialized tools for plan advisors to grow their business and better manage client relationships in the retirement plan marketplace. Our robust suite of solutions will help streamline management of retirement plan assets across your practice by delivering a toolkit to support you through every stage of the retirement plan lifecycle.

**LEARN MORE ABOUT OUR SOLUTIONS  
FOR RETIREMENT PLAN ADVISORS >>**



### FOOTNOTES

<sup>1</sup> <https://www.fa-mag.com/news/looking-for-new-markets-with-pep-60024.html?section=47&page=2>

<sup>2</sup> <https://www.dol.gov/general/topic/association-health-plans/association-retirement-plans-fact-sheet>

<sup>3</sup> The Pew Charitable Trusts, Small Business Views on Retirement Savings Plans: Topline Results of Employer Survey, [https://www.pewtrusts.org/-/media/assets/2017/01/employer-survey-toplines\\_v2.pdf](https://www.pewtrusts.org/-/media/assets/2017/01/employer-survey-toplines_v2.pdf)

Broadridge, a global Fintech leader with over \$4.5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for our clients and help them get ahead of today's challenges to capitalize on what's next.

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