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 for asset managers, advisors and recordkeepers.

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

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.

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

The Matrix Advantage

Network of 150+ Third-Party Administrators and Recordkeepers

Qualified Employee Benefit Marketplaces
Non-Qualified Employee Benefit Marketplaces

Custodian | Sub-Custodian
Directed Trustee Service | Advisor Education Tools
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, visit 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


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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