

# POOLED EMPLOYER PLAN

## POOLED EMPLOYER PLANS ARE CHANGING THE 401(K) LANDSCAPE

The SECURE Act of 2019 made it possible for groups of unaffiliated employers to join a pooled employer plan (PEP). This allows them to leverage economies of scale while retaining their ability to adopt the eligibility, vesting and contribution provisions that are best for the company.

**A pooled employer plan can help you minimize risk, reduce administrative burden and cost and still give you the ability to provide a retirement plan that fits your company's needs.**



### IDEAL CANDIDATES ARE PLANS:



Desiring a more robust investment offering



Looking to avoid expensive audit



Wanting to reduce fiduciary risk



Wanting less administrative burden

Want to learn more?

Contact your Level Four Retirement Plan Services Consultant!

**972.284.5466**

# POOLED EMPLOYER PLAN

Pooled Employer Plans (PEPs) are designed to transfer responsibility to a Pooled Plan Provider (PPP), who agrees to be responsible for substantially all compliance requirements; however, not all PEPs are created equal. When considering a PEP, as with an individual employer plan, understanding what the service providers are doing, and what they are NOT doing, on your behalf is important.

Responsibility Retained by Employer	Level Four PEP	Typical 401(k) Plan
Selection and Monitoring of Service Providers	✓	✓
Make Timely Contributions (Payroll)	✓	✓
Protect and Provide Data (Census)	✓	✓
Maintain an ERISA Bond	✓	✓
Named as Plan Administrator in Plan Document	-	✓
Maintain Plan Document	-	✓
Complete Plan Amendments and Updates	-	✓
Annual or Recurring Participant Notice Distribution	-	✓
Distribution of Participant Fee Disclosures	-	✓
Distribution of Safe Harbor Notice	-	✓
Participant Notice Distribution for Plan Changes & Updates	-	✓
Review & Sign Form 5500	-	✓
Calculation of Eligibility and Entry Dates	-	✓
Calculate and Maintain Automatic Enrollment Program	-	✓
Handle and/or Approve Participant Distributions	-	✓
Handle and/or Approve Participant Hardship Requests	-	✓
Handle and/or Approve Participant QDROs	-	✓
Handle and/or Approve Participant RMDs	-	✓
Implement Involuntary Distributions ("force-outs")	-	✓
Select and Monitor Automatic Rollover IRA Program	-	✓
Approve Participant Loans	-	✓
Maintain Tax Basis for Participant Events	-	✓
Lost Participant Searches	-	✓
Investment Oversight	-	✓
Ensure Proper Use of Forfeitures	-	✓
Ensure Vesting is Calculated Correctly	-	✓

When you join the Level Four PEP, you'll retain only a handful of requirements, including running payroll and submitting contributions timely, completing the annual census accurately and timely, and obtaining an ERISA bond. In addition, you are responsible to prudently select and monitor the service providers – for Level Four, you are hiring Level Four Advisory Services as investment fiduciary and Group Plan Systems, LLC as operational fiduciary.

GPS is able to take responsibility for so many of the requirements because of the extensive due diligence we have performed on EPIC Retirement Plan Systems (EPIC), the PEP's record-keeper, and Carr Riggs & Ingram (CRI) the PEP's third-party administrator. Because we are independent from EPIC and CRI, you can have increased peace of mind in our belief that their operations will produce compliant results. Other PEPs in the marketplace have a PPP who is affiliated with the record-keeper and/or third-party administrator, which removes a layer of independence found in the Level Four PEP.

# SMOOTH OPERATIONS WITH PAYROLL INTEGRATION



**LEVEL FOUR**<sup>®</sup>  
Advisory Services  
A DIVISION OF  
LEVEL FOUR GROUP LLC

Integrating your plan's payroll solution with our recordkeeping system can significantly ease the administrative burden of sponsoring a retirement plan. When dealing with the earnings and savings of plan participants, timeliness and accuracy are of the utmost importance. A payroll system integration is the most effective and efficient way to ensure the highest standards are realized.

We understand the value in streamlining your processes and deliverables. Please contact your Level Four service representative to enable any of the payroll integrations listed below for your plan(s). If you are a current or prospective user of a payroll provider with which Level Four does not yet have an established connection please contact your Sales Consultant or Relationship Manager to discuss an integration.

**The following is a summary of our current connections:**

**With a 180 degree integration, plan contribution details are automatically transmitted, reconciled and invested without any manual intervention by the plan sponsor.**

**A 360 degree integration automatically feeds participant initiated activity, such as online deferral changes, back into your payroll system for a seamless end to end experience.**

	Integration Type
ADP ADPR Platform	180
ADP Run*	180 and 360
ADP Total Source*	180 and 360
ADP Workforce Now*	180 and 360
Bamboo	180
Ceridian	180
Detamoov	180
Everything Benefits	180 and 360
Insperty Workforce Acceleration (WX)	180 and 360
iSolved HCM	180 and 360
iSolved Technology Platform	180 and 360
ONEMINT	180
Paychex (Flex Clients Only)	180
Paychex* (Oasis and SurePayroll not supported)	180 and 360

	Integration Type
Payco Inc.	180
Paycom	180
Paycor	180 and 360
Paykconnect	180 and 360
Paylocity	180 and 360
Payroll Integrations Inc.	180 and 360
Prism Technology Solutions	180
Proliant	180 and 360
Quickbooks Online Platforms* (Desktop Products not supported)	180 and 360
Trinet Technology Solutions	180
UKG Pro Pay (fka Ultipro/Ultimate Software)	180 and 360
UKG Kronos ReadyNow	180 and 360
Workday	180 and 360

\*Additional charges may apply from our third-party solution of Payroll Integrations Inc.

## Regional Payroll Solutions

Integration Type		Integration Type	
A Plus Payroll	180	IPS (Inova Payroll) - St Louis office	180 and 360
AAP HCM	180 and 360	Kergan Payroll	180 and 360
Allied Financial Payroll	360	Keystone Payroll	180 and 360
Aloha Payroll	180 and 360	Lift HCM	180
AmCheck Austin / Las Vegas	180	Meridian Payroll Group	180 and 360
Ascentis Payroll	180	Namely	180
BalancePoint	180	Netchex	180
BeneCare	180 and 360	Paper Trails	180 and 360
Ceridian Dayforce HCM	180	PayBridge	180 and 360
Coastal Payroll	180 and 360	Payday Payroll	180
Complete Payroll Inc. (Arkansas)	180	Payfluence	180 and 360
Complete Payroll Inc. (Massachusetts)	180	Payroll Central Inc.	180
Complete Payroll Inc. (Rochester, NY)	180 and 360	PNIHCM	180 and 360
Crescent Payroll	180 and 360	Rippling Payroll	180
CyberPay	180 and 360	Sharp / CAVU HCM	180
Dominion Payroll	180 and 360	Super Chief Pension Services	180
ECCA Payroll	180	Thread HCM Workforce Solution	180 and 360
Emplova PEO	180 and 360	Thrive Payroll	180 and 360
Encompass Payroll	180 and 360	USA Payroll	180
Execupay	180	Valley Payroll Group	180 and 360
GTM Payroll	180 and 360	Vibe HCM	180
Heartland	180	Vida HR	180 and 360
Idilius Payroll	180 and 360	Vision Payroll	180 and 360
InnovateHR	180	Workforce Go	180
Inova Payroll - Nashville, TN office	180 and 360	Worktrend Payroll	180 and 360
		Zenefits	180 and 360

Securities offered through Level Four Financial, LLC Member FINRA/SIPC. Advisory Services may also be offered through Level Four Advisory Services, LLC, an SEC-registered investment adviser. Insurance services offered through Level Four Insurance Agency, LLC. Level Four Financial, LLC, Level Four Advisory Services, LLC, and Level Four Insurance Agency, LLC are independent entities.

Level Four Group, LLC is a division of CRI Capital Group, LLC, a subsidiary of CRI Advisors, LLC. "CRI" is the brand name under which Carr, Riggs & Ingram, L.L.C. ("CPA Firm") and CRI Advisors, LLC ("Advisors") and its subsidiary entities provide professional services. CPA Firm and Advisors (and its subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CPA Firm is a licensed independent CPA firm that provides attest services to its clients, and Advisors and its subsidiary entities provide tax and business consulting services to their clients. Advisors and its subsidiary entities are not licensed CPA firms.

# LEVEL FOUR PEP TEAM

## Level Four Advisory Services

Over \$1 Billion in retirement plan assets  
under management

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## Group Plan Systems

9 active PEPs  
60 participating employers  
Over 10,000 participants served

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## EPIC Retirement Plan Services

8 active PEPs  
148 participating employers

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## CRI TPA Services

Administers over 1,000 retirement plans

# Frequently Asked Questions About Pooled Employer Plans (“PEPs”)

## **What is a PEP?**

A pooled employer plan (“PEP”) is a group retirement program in which multiple unrelated employers come together to create scale to negotiate more and better services and/or favorable fees and to simplify administration.

## **How is a PEP different from a stand-alone 401(k)?**

Employers in stand-alone plans must fill a number of legal roles such as plan sponsor, trustee, plan administrator, named fiduciary, and investment fiduciary. Hundreds of regulatory obligations attach to these roles and are articulated in plan documents and agreements that typically have hundreds of pages. Joining a PEP is simpler in that the employer holds none of these roles (except being a named fiduciary for limited purposes attached to its own portion of the PEP) and few of the regulatory obligations attached to those roles.

## **Who is responsible for managing the PEP?**

Professional fiduciaries are responsible for the PEP, including the Pooled Plan Provider (“PPP”), who is generally the plan sponsor, named fiduciary, and plan administrator; an investment manager to manage plan assets; and a trustee responsible for safekeeping.

## **Are my responsibilities reduced?**

Each employer’s responsibilities are dramatically reduced in a PEP because the employer no longer fills key fiduciary roles. A few important responsibilities remain, such as sending correct and complete contributions and data and selecting and monitoring the overall arrangement—and its named fiduciaries—as a prudent choice for the employer’s workers.

## **What are the benefits to me as an employer?**

The transfer to professionals of legal roles and responsibilities provides a safer, simpler way to offer retirement benefits versus sponsoring and being the principal named fiduciary of your own stand-alone plan. The structure may also allow for favorable access to features and services that might otherwise not be available to small plans, such as (audit, independent fiduciary, add-on services at RK...). The pricing for this specially negotiated bundle of services is negotiated with the advantage of scale, leveraging the size of the pooled plan overall, not just the employer’s portion of it. In summary, the advantages are simplicity, safety, enhanced services, and scale for price negotiations.

# Frequently Asked Questions About Pooled Employer Plans (“PEPs”)

## **Do I need a Fidelity Bond?**

An ERISA Bond, sometimes referred to as a Fidelity Bond, safeguards the plan assets against losses due to fraud or dishonesty. You must maintain coverage for your portion of the PEP.

## **Do I still need insurance ?**

The PEP structure may include access to fiduciary liability insurance protection at a fraction of the cost of stand-alone coverage. Also, the centrally governed PEP structure managed by professional fiduciaries generally transfers substantial risks and responsibilities away from you both individually and as an employer. Ask your risk management and/or insurance advisors if changes to your separate insurance are appropriate.

## **Do I need an audit?**

A key advantage of PEPs is that there is a single audit of the PEP and that each employer’s role in the audit is substantially reduced, on average, versus what is required in single employer plan audits. An employer with an existing 401(k) that is currently audited will therefore generally experience a significant reduction in time and cost needed for the audit. Small employers who would not otherwise have an audit if they sponsored their own plan have both pros and cons: the con is that they will periodically need to provide payroll data and interact with an auditor, and there is a cost built into the PEP for this, though it is substantially less than a stand-alone audit; the pro is that there is an audit, which protects both the employer and the participants.

## **What are the benefits to my employees?**

Workers benefit from enhanced service crediting in PEPs—for eligibility and vesting purposes, they get credit for time worked with any of the PEP’s adopting employers, not just their current employer. Plan participants also benefit from any enhanced services or features included in the PEP that might not have been included in their employer’s stand-alone plan, from the safety of being in an audited plan, and from any favorable pricing obtained by leveraging the PEP’s scale over time.

# Frequently Asked Questions About Pooled Employer Plans (“PEPs”)

## **What are the downsides to me as an employer?**

The enhanced service crediting is a benefit to workers but is a cost item to employers in that forfeiture dollars may be reduced (i.e., some workers may become vested sooner in the contributions you make on their behalf). Also, a key point of the PEP is centralized governance to simplify life for the employer, but the flip side of that is control—the employer no longer controls things like the fund menu, and certain less common plan designs may not be available.

## **Who is a good candidate for a PEP?**

Employers who want to offer retirement benefits without the burdens of sponsoring their own plan, or who feel they do not fully understand fiduciary roles and the regulatory requirements attached to them, are good candidates for a PEP. Employers attracted to the PEP’s favorable audit structure and cost are also good candidates.

## **Who is not a good candidate for a PEP?**

If you prefer to retain full control of your plan’s fund menu, plan document, and administration, and don’t mind the legal responsibilities that go with that control, a PEP is not for you. Similarly, if the features you prefer are not available in a PEP, stick to sponsoring your own single employer plan.