

QUICK GUIDE TO POOLED PLAN ARRANGEMENTS

Rea & Associates

	Group Plan SolutionSM (Brighter Way 401(k) GPS)	Multiple Employer Plan (Closed MEP)	Pooled Employer Plan (PEP)
Definition	A collection of unrelated single employer plans that share a common plan administrator, record keeping, 3(38) investment fiduciary and investment menu.	An employer-sponsored plan for employers who have a common interest, but are otherwise unaffiliated.	An employer-sponsored plan for more than one unrelated employer.
Who can sponsor?	Any employer that sponsors its own plan. The GPS administrator assumes fiduciary responsibility and a 3(38) fiduciary takes on the usual fiduciary tasks related to plan investments.	A trade group, industry association or chamber of commerce, or a professional employer organization (PEO), meeting certain requirements.	Generally sponsored by the PEP provider or the Pooled Plan Provider (PPP).
Can an adopting employer work with their own investment advisor?	Generally, yes.	Determined by each MEP	Generally, yes.
Who makes plan-level decisions?	The 3(16) GPS fiduciary, in conjunction with the adopting employers.	The MEP sponsor makes all administrative decisions and bears the fiduciary risk relating to the plan and assets. Participating employers may retain some plan design decision-making authority.	Same as MEP, but generally with the PPP making the decisions.
How is the plan tested?	Each adopting employer plan is tested separately.	Each adopting employer is tested and must pass required testing.	Same as MEP.

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(Brighter Way 401(k)
GPS)**

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**Pooled Employer
Plan (PEP)**

What is the fiduciary role for adopting employers?

It is a fiduciary decision to join and remain in a GPS and oversee the GPS service providers. The employer also has a fiduciary duty to submit contributions and data in a timely way.

Same as GPS (with oversight of MEP sponsor).

Same as GPS (with the PPP taking on the fiduciary duties).

What are the Form 5500 requirements?

Each plan files its own Form 5500. Large participating employers are required to file with an auditor's report, whether filing a separate Form 5500.

The MEP files one Form 5500 (with audit report) on behalf of all adopting employers (even if the adopting employer has fewer than 100 participants).

Same as MEP.

How are the audits handled?

Any adopting employer with at least 101 participant accounts. May be paid by adopting employer or from plan assets of the related plan.

Audit of the entire MEP (all adopters) is required. The cost is typically paid through plan assets.

Audit of the entire PEP (all adopters) is required. The cost is typically paid through plan assets.

What flexibility does the plan offer?

For adopting employers, may choose their own investment advisor. No flexibility in choosing the service providers or fund menu. Plan design is flexible.

For adopting employer, no flexibility in choosing certain fiduciaries and/or may have limited flexibility with plan provisions.

Same as GPS.

Group Plan SolutionSM (GPS) is a service mark of Transamerica Corporation. Transamerica is the recordkeeper for the Brighter Way 401(k) GPS. Transamerica and Rea & Associates are not affiliated organizations.

The Group Plan SolutionSM (GPS) is not a multiple employer plan (MEP). Unlike a MEP, certain plan qualification and ERISA requirements are applied at the individual plan level. An employer participating in the plan retains certain fiduciary responsibilities, including responsibility for retaining and monitoring the 3(16) plan administrator, for determining the reasonableness of its fees, and for periodically reviewing the plan as a whole. Transamerica does not act as a 3(16) plan fiduciary.