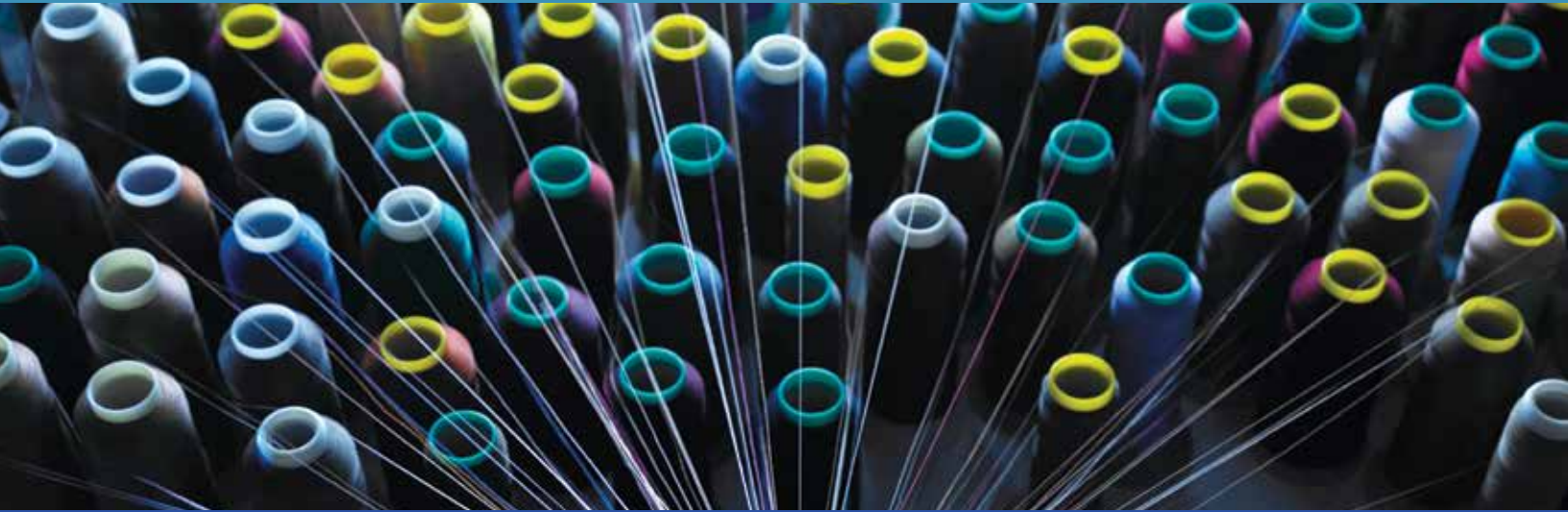


# PENTEGRA SECURE ACT SMART TIPS™



## Understanding Plan Structures

The Setting Every Community Up for Retirement Enhancement (SECURE) Act eases the regulations for Multiple Employer Plan “MEP” establishment and goes a step further and expands the MEP concept by allowing groups of unrelated plans to join together to form Pooled Employer Plans “PEPs” and Groups of Plans “GoPs” making it easier for small businesses to offer a retirement plan.

**A Closed MEP** is a type of multiple employer plan. Closed MEPs have a nexus, or commonality requirement. They are considered a single plan for reporting and audit purposes. They recognize “shared service” among participating employers for eligibility and vesting purposes.

**An Open MEP** is a type of multiple employer plan. Open MEPs have no nexus requirements, allowing completely unrelated employers to participate. Open MEPs are not considered a single plan for reporting, audit or shared service purposes.

**PEPs** are Pooled Employer Plans. They do not require commonality or nexus. However, a PEP is considered a single plan for reporting and audit purposes and also consider shared service among participating employers for eligibility and vesting purposes. A “Pooled Plan Provider” (PPP) is required to run a PEP.

**GoPs** are a Group of Plans. With a GoP, there is no nexus or commonality requirement. A GoP is not considered a single plan, However, a GoP is an aggregated plan that can file a consolidated annual return/report. GoPs do not offer shared service among employers or audit relief. Six specific features are required in order to be part of a GoP:

- All plans must be Defined Contribution plans
- Have the same Trustee
- Have the same Named Fiduciary (or named fiduciaries)
- Have the same Administrator
- Use the same plan year
- All plans must provide the same investments or investment options to participants and beneficiaries

Most importantly, with any of these solutions, a sales and marketing strategy is critical to success.

We can help. For more information, contact the Pentegra Solutions Center at [solutions@pentegra.com](mailto:solutions@pentegra.com) or 855-549-6689.

