



The AICUO Multiple Employer Retirement Plan (MEP)

What You Need to Know

The Association of Independent Colleges and Universities of Ohio (AICUO) represents privately supported, nonprofit colleges and universities in Ohio, conducting public relations, research and government relations for its members. The colleges and universities of AICUO work together to identify joint purchasing and consortial pricing opportunities for our members as well as opportunities to collaborate. Our goal is to assist member institutions in both expanding opportunities and maximizing resources. The AICUO 403(b) MEP is one such opportunity.

Why a MEP?

- Outsource fiduciary liability to a 3(16) fiduciary for plan administration and a 3(38) fiduciary for plan investment oversight
- Eliminate most administrative tasks (see reverse) to cut down on potential errors
- Collaborate with other campuses to reduce fees and improve plan performance
- Strengthen employee pre-retirement investment planning

Who are the service providers?

- TIAA – plan record keeper. Familiar to your participants.
- PlanPilot – 3(38) fiduciary, plan investment advisor. Manages plan investment menu and monitors performance
- Pentegra – 3(16) fiduciary, taking on day-to-day plan management and many of the tasks HR staff handles now
- Financial Design Agency of Ohio – Greatly increased participant education through individual & group meetings
- AICUO – Staff will coordinate meetings and facilitate communications between MEP members and providers

Frequently Asked Questions:

Are MEPs new? MEPs are relatively new to the 403(b) plan arena, but have been utilized in the 401(k) world for over 40 years.

What other MEPs exist in higher ed? The Michigan, Pennsylvania, and Indiana state associations (peers to AICUO) have launched MEPs within the past few years. Plans in several other states were launched before that. AICUO is among several other state associations working through the formation process now.

With increased services, how will costs be reduced? For most campuses, there will be a significant reduction in record keeping fees to TIAA. This savings, in most cases, will more than cover the new plan expenses for participant education, plan administration, and advisory services.

Who makes decisions for the MEP? How is it governed? The MEP board is comprised of one vote per member campus. Each campus that is subject to ERISA is a voting member. Non-ERISA participants are non-voting members.

Can I keep my own plan design? Yes. Each institution keeps its own plan design with contribution structure and eligibility set by the college.

Campuses involved in the creation of the AICUO MEP:

- Defiance College
- Heidelberg University
- Mount Vernon Nazarene University
- Tiffin University



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	Typical College/University Plan	MEP Services
Plan Document	<ul style="list-style-type: none"> • One plan per campus. • Updates, restatements and amendments paid for and monitored by campus. • Plan documents expenses paid by campus. 	<ul style="list-style-type: none"> • One MEP plan document shared by all adopting institutions - with individual designs maintained by each institution, such as contributions rates, loan rules, vesting periods. • Updates, restatements and amendments monitored and reviewed by MEP 3(16) administrator, Approved by MEP Board. • Initial plan document expenses shared by MEP campuses
Employee Education	<ul style="list-style-type: none"> • Group meetings and one-on-one counseling sessions are available through record keeper. • Frequency of meetings determined by size of institution. • Employees with significant assets can receive additional customized wealth management services from TIAA or another provider. 	<ul style="list-style-type: none"> • Education services are provided through the MEP and paid by the MEP with no cost to the institution. • Group meetings and one-on-one counseling provided by a registered fiduciary investment advisor. • One unified delivery system eliminates inconsistency of employee education and advice. • Each interested employee receives a written financial plan with personalized.
Hiring a Co-fiduciary to oversee investments	<ul style="list-style-type: none"> • Based on asset size, fees differ. Typical cost ranges from \$20,000 a year to over \$100,000 a year. • Paid for by campus, plan fee charge or revenue share. 	<ul style="list-style-type: none"> • A full fiduciary advisory firm will oversee investment decisions for all participating institutions in the MEP. • No cost to campus-paid by MEP Shared cost can be paid through revenue share.
Investment advisory fiduciary status	<ul style="list-style-type: none"> • Campus adviser is either 1) not taking a fiduciary responsibility, or is assuming an ERISA 3(21) status as a co-fiduciary. • Campus retains liability and responsibility per SEC. • Paid for by campus, plan fee charge or revenue share. 	<ul style="list-style-type: none"> • MEP hires a firm to assume full fiduciary responsibility as an ERISA 3(38) fiduciary, shifting the majority of the legal responsibility to a SEC registered investment advisor. • No cost to campus -paid by MEP Shared cost can be paid through revenue share.
Average investment expense ratio	<ul style="list-style-type: none"> • Based on asset size of the plan, expense ratios differ. • Average Investment expense ratios for target campuses are about 65-95 basis points or more • TIAA has several available fund options but many current menus consist of predominately funds due to lack of change. 	<ul style="list-style-type: none"> • Average expense ratio is expected to be no more than 40 basis points -to cover all shared cost described herein. • The Investment lineup will consist of TIAA proprietary and non-proprietary funds from TIAA's platform of over 7,000 available fund options.
Review loan options, evaluate hardships, send out SPD, change and update documents, hire auditors, and provide all administrative services for the plan	<ul style="list-style-type: none"> • Performed by Campus HR staff person(s) in conjunction with the record-keeper. • Campus pays for staff time attention to these services. • Campus continues to accept responsibility under ERISA for ensuring the plan is operated in accordance with the plan document and in a manner compliant with all rules and regulations. 	<ul style="list-style-type: none"> • New 3(16) administrative firm, in conjunction with TIAA, will perform all of these functions. • No cost to campus-Shared cost is included in 3(16) administrator fees paid by MEP. • And the 3(16)-plan administrator accepts responsibility under ERISA for ensuring the plan is operated in accordance with the plan document and in a manner compliant with all rules and regulations.