

# Plug in to the Ascensus | American Funds Pooled Employer Plan (PEP)

An easy and affordable way to 401(k)



Sponsoring a retirement plan can provide many potential benefits for you and your employees. A PEP enables employers of all sizes to join together for efficiency and cost savings—and can help alleviate the challenges of managing an employer-sponsored plan, including administrative burdens, fiduciary oversight, and cost. It's like a traditional 401(k) plan offered by individual employers, but with key advantages.

## REASONS TO CONSIDER A PEP



**Lower cost:** Costs are spread across a larger participant and asset base, which could reduce the costs for you and each employer in the plan. You may also have greater access to institutional class mutual fund shares.



**Less fiduciary responsibility:** Along with your financial professional, the pooled plan provider (PPP) will manage most of the fiduciary duties.

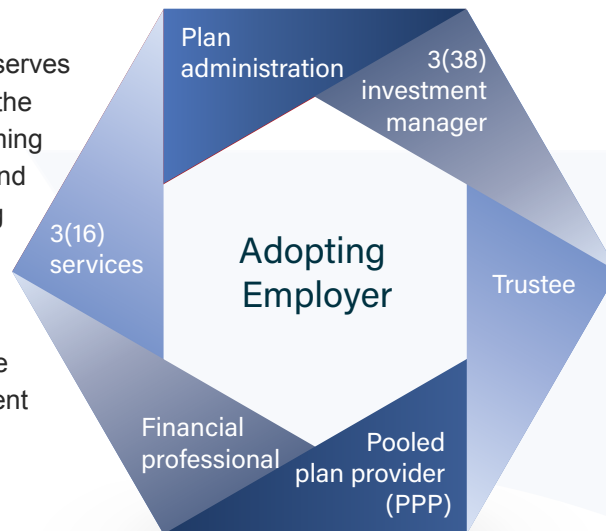


**Less time and effort:** The PPP also handles much of the administration—including eligibility, beneficiary tracking, and plan disbursements—so you are free to focus on growing your business instead of managing a retirement plan.

**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

## THE TEAM POWERING YOUR PEP

Newport Group, Inc., an Ascensus company, serves as the **PPP** and 3(16) plan administrator. It is the named fiduciary and is responsible for performing many of the plan's administrative, reporting, and management activities. This includes ensuring the plan is managed according to ERISA requirements and, as a fiduciary, exercising prudence in making decisions that affect the plan's participants. In addition, it is responsible for distribution of all required fee and investment disclosures to eligible plan participants.



The PEP is powered by the Ascensus recordkeeping system. As the nation's largest independent retirement recordkeeping services provider,<sup>1</sup> Ascensus gives you the freedom to design the retirement program that will best fit the unique needs of you and your employees. Trusted with more than \$742 billion in assets under administration, Ascensus employs more than 5,700 highly trained associates, helping millions save for a better future.<sup>2</sup> Ascensus is the day-to-day contact for your plan, providing world-class service<sup>3</sup> to you and your plan participants.

Wilshire® serves as **3(38) investment manager**. Using its proprietary evaluation methodology, Wilshire provides a line-up of investment options. Wilshire is a diversified financial services firm and an SEC registered investment adviser with over \$88.5 billion in discretionary assets under management and over \$1.3 trillion in assets under advisement. As a trusted partner to more than 70,000 retirement plans<sup>4</sup> where Wilshire serves as an investment fiduciary, Wilshire has extensive processes and resources dedicated to helping participants achieve better investment outcomes. Wilshire works closely with the PEP team to deliver a world-class institutional investment experience.

Newport Trust Company acts as **trustee** and holds plan assets in trust for the participants. Its role is to accept funds, prudently manage them, and distribute them to participants and beneficiaries. The trustee will also take an active role in collecting contributions from participating employers.

Your **financial professional** assists on plan design as well as in communicating the benefits of the plan to participants. Your financial professional can provide employees with investment advice, perform enrollment meetings, and serve as an educational resource for you and your participants.

<sup>1</sup> Cerulli Associates. *The Cerulli Report: U.S. Retirement Markets 2022*. December 2023. This report includes results from two proprietary surveys: Cerulli's 2023 401(k) Plan Sponsor Survey and 2023 DC Recordkeeper Survey, which Cerulli conducts in partnership with The Society of Professional Asset Managers and Recordkeepers (SPARK). **Cerulli 401(k) Plan Sponsor Survey:** This report includes the results of Cerulli's 4Q 2023 proprietary survey of more than 750 401(k) plan sponsors. This survey, now in its tenth iteration, addresses topics such as financial wellness, pooled employer plans (PEPs), service provider relationships, and investment selection. **DC Recordkeeper Survey:** Explores recordkeeping services and fee arrangements, trends in plan design, financial wellness, and distribution options for retired and separated participants. In total, 20 firms participated in this year's survey, including nine of the ten largest DC recordkeepers by assets under administration. These respondents represent over \$8.1 trillion of DC recordkept assets as of year-end 2022 across more than 520,000 plans.

<sup>2</sup> Ascensus data as of June 30, 2023.

<sup>3</sup> Ascensus received Net Promoter Scores® (NPS) of +81 for overall client satisfaction and +78 for employer onboarding experience as of June 30, 2023. Based on global NPS standards, scores of 70 or higher are considered "world-class."

<sup>4</sup> Wilshire data as of September 30, 2023.

## BENEFITS FOR YOU

### Retirement plans have never been easier to manage

The decrease in day-to-day plan administrative duties is one of the most notable reasons to consider a PEP instead of sponsoring a single-employer 401(k) plan. Under the PEP, the PPP takes on most of the plan's administrative responsibilities—but it's your job as an adopting employer to use prudence in choosing and monitoring the PPP. Plus, you are responsible for keeping accurate participant data.

Responsibility	Pooled Plan Provider	3(38) Investment Manager	Financial Professional	Adopting Employer	Single-Employer Plan* Employer
Selects & monitors the pooled plan provider (PPP)				✓	N/A
Serves as 402(a) named fiduciary	✓				✓
Serves as 3(16) operational fiduciary	✓				✓
Has discretionary authority over plan investments		✓			✓
Consults on plan design	✓		✓		✓
Selects plan design provisions				✓	✓
Reviews, signs, and files Form 5500	✓				✓
Reviews and signs off on compliance testing	✓				✓
Monitors plan eligibility	✓				✓
Handles beneficiary tracking	✓				✓
Prepares and approves required notices and reports	✓				✓
Reviews/Approves/Signs off on all distributions	✓				✓
Reviews and approves all qualified domestic relations orders (QDROs)	✓				✓
Compiles and completes year-end census data				✓	✓
Submits timely and accurate payroll and plan contributions				✓	✓
Selects and works with plan auditors	✓				✓
Manages participant communications and education	✓		✓		✓
Conducts investment meetings			✓		✓

\*Based on standard provisions and structure; division of responsibilities may vary.



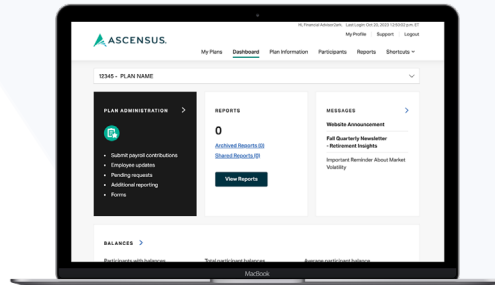
## Plan design that flexes with you

Our fully bundled solution allows you to choose the features and options that work for you and your participants. This includes whether you are looking for safe harbor provisions or want to drive participation through the addition of automated features—or both. Make the design choices that work for you.

## Tech-enabled experiences simplify tasks and support your success

You'll benefit from a comprehensive view that provides:

- key plan information
- proactive, actionable prompts
- simple, streamlined, compliance self-service capabilities
- intuitive payroll, with access to over 250 payroll vendor integrations
- easy access to reporting



## See how your employee demographics compare

We use research and data from our recordkeeping platform to provide personalized insights about how your demographics compare to others and to help you understand which features contribute to overall retirement readiness for your employees.



## BENEFITS FOR EMPLOYEES

### Enabling better outcomes

Using insights on participant behavior, combined with qualitative user research, we've created outcome-focused tools, messages, and nudges. They encourage participants to make informed decisions that can help put them on the path to financial security.

Whether it is personalized campaigns or our "consequence simulator" that offers behavioral intervention to prompt participants to make smarter decisions about their financial needs, our focus is always on driving more savers to save more.

### Building blocks for financial security:



**Savings** – Financial wellness resources, tools, and messages help participants make informed decisions



**Investments** – Personalized investment options and access to professionally managed solutions foster participant confidence in their portfolios



**Time** – Quick enroll helps participants get started sooner, which puts them on the fast track to savings and investing

### Personalized investment options from an expert you can trust

A combination of expertise and fiduciary management provides simple to understand, personalized investment options.

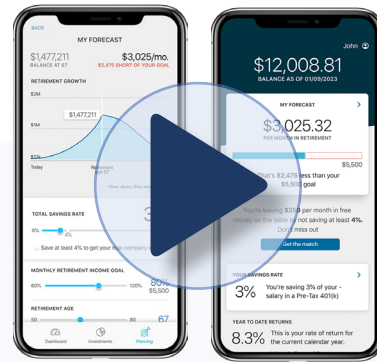
Wilshire, the plan's ERISA 3(38) investment manager, has developed a streamlined menu of investment options to help participants pursue a range of investment goals.

For participants who prefer to simplify choosing and managing their retirement investments, or if they don't make an investment selection, the plan offers Target Date Plus, powered by Morningstar Investment Management LLC. This personalized target date service dynamically allocates participant accounts to products such as the American Funds Target Date Retirement Series®. Leveraging Morningstar Investment Management's expertise in managed accounts, the service uses key participant data to create a personalized asset allocation via the blending of target date funds or the selection of an alternative target date vintage and, in some cases, a recommendation for how much a participant could choose to invest in a protected lifetime income product, like an annuity. The goal is to create a unique portfolio that matches a participant's financial needs more closely than a traditional target date fund allocation, which is determined only by age.

Although the target date portfolios are managed for investors on a projected retirement date time frame, the allocation strategy does not guarantee that investors' retirement goals will be met. Investment professionals manage the portfolio, moving it from a more growth-oriented strategy to a more income-oriented focus as the target date gets closer. The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. Investment professionals continue to manage each portfolio for approximately 30 years after it reaches its target date.

## An intuitive website and app experience

Ascensus provides a robust digital experience for participants when they access their accounts and uses behavioral science to help them make informed decisions. My Forecast provides a complete retirement readiness view, with the ability to include multiple contribution sources and outside assets. A participant can monitor their retirement progress, see their projected monthly retirement amount, make savings rate changes, and review their recent transactions—all from their iPhone or Android device.



## Account access in the palm of your hand

The READYSAVE™ mobile app is available in English and Spanish. [Watch a brief video preview.](#)

## Helping savers save more through financial wellness

As a part of your solution, employees will receive access to the Ascensus financial wellness program powered by Financial Finesse. This benefit provides unbiased and personalized coaching to help your employees achieve financial well-being. They will have access to an AI-driven virtual financial coach named Aimee™, receive tailored action plans and milestones, benefit from a robust education library, and receive engagement emails with educational content and personalized nudges.



## PARTNERS YOU CAN TRUST

### About Ascensus

Ascensus is the largest independent recordkeeping services provider in the United States.<sup>5</sup>



**155,500+** retirement plans administered and **4.9+ M** retirement plan participants<sup>6</sup>



**52 “Best in Class” awards** for retirement plans up to \$200 million, with the most won among all retirement plan providers for plans up to \$50 million<sup>8</sup>



**\$742+ B** in assets under administration<sup>6</sup>



**World-Class Service**  
+81 NPS for overall client satisfaction  
+78 NPS for employer onboarding experience<sup>6</sup>



**Top 10 in JD Power Retirement Plan Digital Experience** for customer satisfaction<sup>7</sup>



**Retirement Leader of the Year**<sup>9</sup>


### About American Funds

Since 1931, Capital Group, home of American Funds, has helped investors pursue long-term investment success. Our distinctive investing approach is at the heart of our mission to improve people’s lives through successful investing and it’s helped us become one of the world’s largest investment management organizations.

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**Get plugged in today to the American Funds PEP. Connect with us to learn more about how our powerful PEP solution can benefit your company.**


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<sup>5</sup> Cerulli Associates. *The Cerulli Report: U.S. Retirement Markets 2022*. December 2023. This report includes results from two proprietary surveys: Cerulli’s 2023 401(k) Plan Sponsor Survey and 2023 DC Recordkeeper Survey, which Cerulli conducts in partnership with The Society of Professional Asset Managers and Recordkeepers (SPARK). **Cerulli 401(k) Plan Sponsor Survey:** This report includes the results of Cerulli’s 4Q 2023 proprietary survey of more than 750 401(k) plan sponsors. This survey, now in its tenth iteration, addresses topics such as financial wellness, pooled employer plans (PEPs), service provider relationships, and investment selection. **DC Recordkeeper Survey:** Explores recordkeeping services and fee arrangements, trends in plan design, financial wellness, and distribution options for retired and separated participants. In total, 20 firms participated in this year’s survey, including nine of the ten largest DC recordkeepers by assets under administration. These respondents represent over \$8.1 trillion of DC recordkept assets as of year-end 2022 across more than 520,000 plans.

<sup>6</sup> Ascensus data as of June 30, 2023. Total assets under administration include Retirement, FuturePlan, Institutional Solutions, and Government Savings.

<sup>7</sup> JD Power 2022 U.S. Retirement Plan Digital Experience Study. June 2022. The U.S. Retirement Plan Digital Experience Study measures customer satisfaction across four factors: information/content; navigation; speed; and visual appeal. The study is based on responses of 5,804 retirement plan participants and was fielded in May-June 2023.

<sup>8</sup> PLANSPONSOR. 2022 Defined Contribution (DC) Survey. March 2023. THE 2022 PLANSPONSOR Defined Contribution Survey was conducted from August through October 2022, using the Qualtrics survey platform. Sponsors were asked to report specifics about their DC plan/s. The data, from approximately 2,830 respondents, represent 50 industries. Additionally, data was segmented by respondent profile to further magnify differences in asset range, industry and offerings across plan types and sizes.

<sup>9</sup> With Intelligence. With Intelligence Mutual Fund & ETF Awards. June 2022. The award was developed in consultation with leading allocators and industry leaders to ensure they are representative of the broad and fast-moving nature of the sector. Each category has its own set of criteria so that entrants can focus on key points of how they outperformed their competitors, and the judging panel can ensure that the true winner is awarded. Ascensus did not pay a fee to be considered for this award. For more information about the award, visit [fundintelligence.evessiocloud.com](http://fundintelligence.evessiocloud.com).

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Newport Group, Inc. (“NGI”), an Ascensus company, is a registered Pooled Plan Provider offering professionally-managed Pooled Employer Plans (“PEPs”). More information regarding Newport’s registration and available plans can be found at [www.efast.dol.gov](http://www.efast.dol.gov) by clicking Form PR Registration Search, entering “Newport” in the Legal Business Name field, and then clicking “search” at the bottom of the page. NGI and its affiliates provide recordkeeping, plan administration, trust and custody, consulting, insurance, and brokerage services.

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