RETIREMENT PLANS: A NEW ERA

UNDERSTANDING POOLED EMPLOYER PLANS (PEPS) AND THE TRANSAMERICA ADVANTAGE

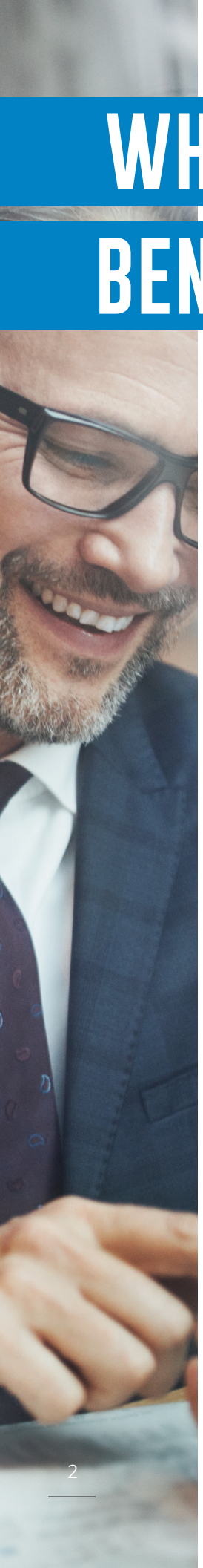
SBAM POOLED EMPLOYER RETIREMENT PLAN

Created by the SECURE Act in 2020, PEPs expand access to retirement plans for all workers by allowing employers from unrelated industries to join a pooled plan arrangement. Benefits to the adopting employers include increased administrative efficiencies, reduced fiduciary risk, and potential cost savings.

HOW IT WORKS

- The PEP sponsor is known as the pooled plan provider (PPP) and generally serves as the plan administrator and fiduciary
- "Adopting employers" elect to join the PEP
- These plans are defined contribution (DC) plans
- At any time, adopting employers are easily integrated into the plan hosted by the sponsor and tracked on the Transamerica platform

SMALL BUSINESS Association of MICHIGAN



WHAT ARE THE BENEFITS OF PEPS?

The pooled plan provider (PPP) is responsible for handling the administrative and fiduciary responsibilities related to the retirement plan, and can outsource some of its duties to third-party firms. This allows adopting employers to focus on running their business and meeting the needs of their employees.

Other benefits for adopting employers include:

1

Administrative relief, as the PPP and 3(16) plan administrator oversee the majority of day-to-day tasks

2

Reduced liability, as fiduciary support and responsibility is assumed by professional plan administrators

3

Ability for adopting employer to retain many of their customized plan features

4

Support with investment selections and performance oversight

5

Access to participant communications and plan support

6

Time savings for organizations by offloading many of these tasks

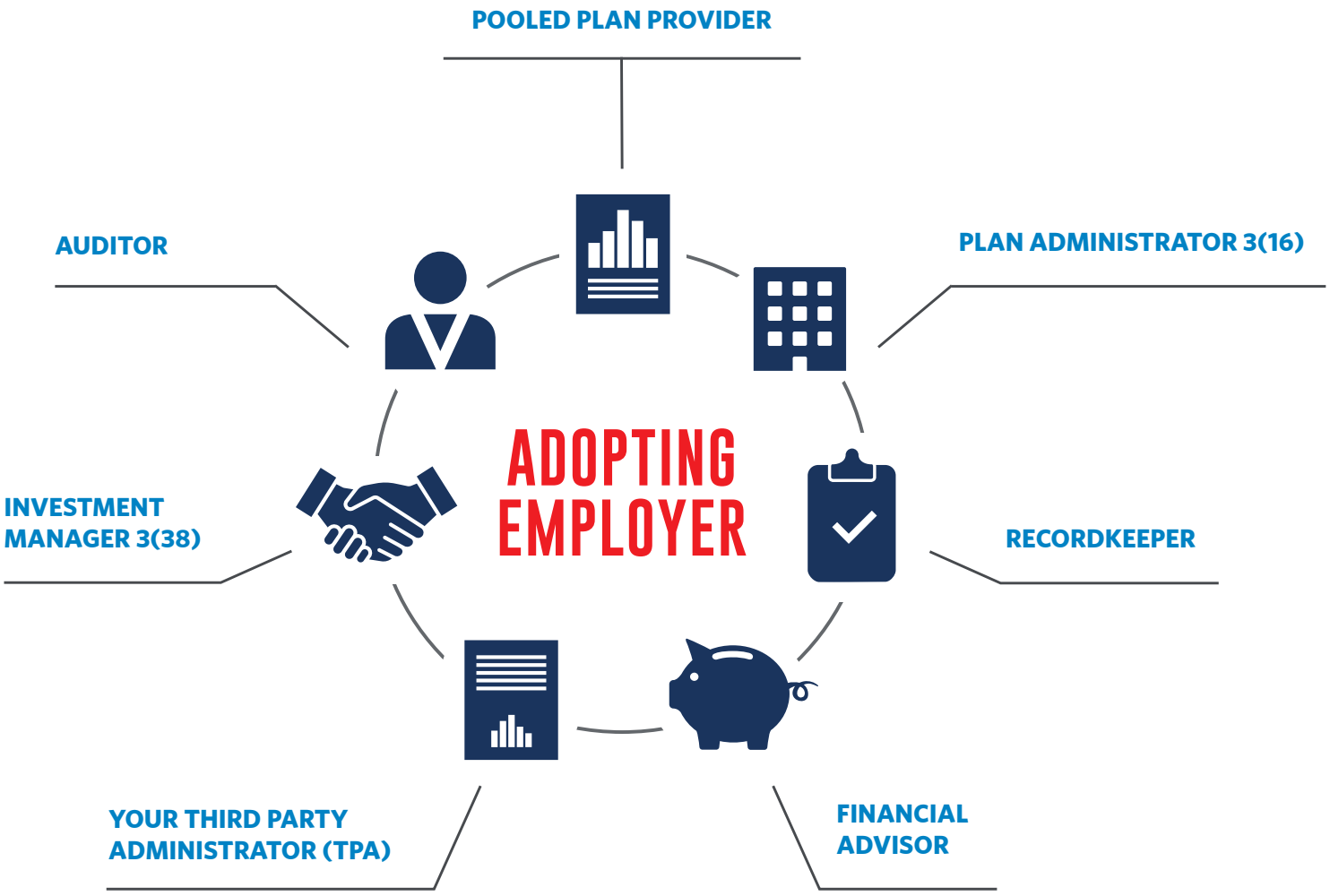
7

Potential cost savings compared to operating a single employer plan

ADDITIONAL BENEFITS

- A flexible, customizable plan design
- Specialized recordkeeping specific to their organization
- Increased negotiating power
- The PPP files one Form 5500 covering all adopting employer plans in the PEP, as well as any potential audit

A TEAM IN YOUR CORNER



Within some PEPs, professional service firms are hired to take on certain fiduciary and administrative roles on your behalf. These providers are legally obligated to carry out plan responsibilities with the highest degree of prudence, good faith, honesty, integrity, service, and undivided loyalty to the retirement plan participants. Support team members may include:

POOLED PLAN PROVIDER (PPP)

A pooled plan provider is the plan administrator and named fiduciary for a pooled employer plan. The provider is responsible for performing most administrative and fiduciary functions for the plan.

PLAN ADMINISTRATOR 3(16)

The plan administrator performs functions to keep the PEP compliant and may support day-to-day operations such as signing and filing the Form 5500, authorizing benefit payments, and processing participant distributions.

RECORDKEEPER

With more than 85 years of retirement plan experience, Transamerica is a pioneer and market leader in pooled plan solutions. As part of our recordkeeping services, Transamerica also provides support to plan participants from enrollment through retirement.

FINANCIAL ADVISOR

A trusted source of knowledge and experience, the advisor offers a range of services. Those services include helping to select the PEP provider, conducting plan reviews, suggesting changes to the plan design, and providing investment education and guidance for plan participants.

THIRD PARTY ADMINISTRATOR (TPA)

As part of its critically important role, the TPA will help with plan design to ensure the selected plan provisions meet the needs of adopting employers. It also provides ongoing compliance services for the plan and answers any plan-related questions.

INVESTMENT MANAGER 3(38)

The named 3(38) fiduciary is responsible for selecting and monitoring the funds in the investment lineup in accordance with the Inveswtment Policy Statement for the plan.

AUDITOR

The selected firm performs an annual audit to keep the plan in compliance. An audit is required if the PEP has more than 1,000 participants or any one adopting employer has more than 100 workers.

THE INDUSTRY LEADER YOU CAN TRUST

L	E	A	D	E	R
Leading EXPERTS	**Experienced PARTNERS**	**Affordable SOLUTIONS**	**Dedicated SUPPORT**	**Enhanced OUTCOMES**	**Recordkeeping SPECIALISTS**
Advocate for pooled solutions at national level for 20 years	Pooled plan arrangement experience: 290 plan sponsors; 14,896 adopting employers; $22.8B in pooled plan assets[1]	Flexible options of all plan types: MEPs, PEPs, and Group of Plans	Consultative services to help clients and partners find strategies to achieve goals and ongoing plan growth and support	Proven record of improving participants' retirement readiness	Proven system developed specifically for pooled plans to track both individual plans and aggregate level

When you combine our unwavering commitment and passion with our deep experience and resources, its clear why Transamerica is the premier recordkeeping partner for pooled plans and beyond.

PEPS REQUIRE EXPERIENCE AND UNIQUE RECORDKEEPING TECHNOLOGY

The Transamerica Platform

- Administration reports: extensive library for sponsors and adopters
- Plan administration support
- Plan reporting at the individual adopting-employer level
- Eligibility tracking
- Flexible provisions: vesting, eligibility, employer contributions, matching contributions
- Online access: available for each adopting employer
- Participant education through our Financial Wellness Center, access to retirement professionals, webinars, and a suite of materials on the participant website

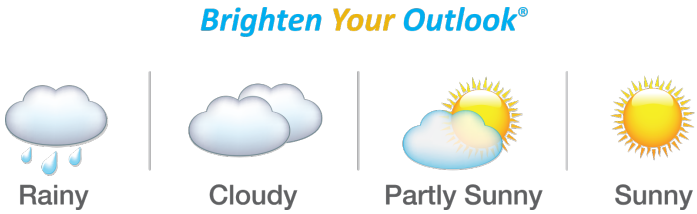
DRIVING BRIGHTER OUTCOMES FOR PARTICIPANTS

The participant experience is designed to help employees understand if their savings and investment strategy is in line with their retirement goals. It starts with enrollment and continues with personalized communications, digital tools, educational resources, and professional support that can help participants improve their retirement readiness.

Transamerica's comprehensive participant engagement program includes:

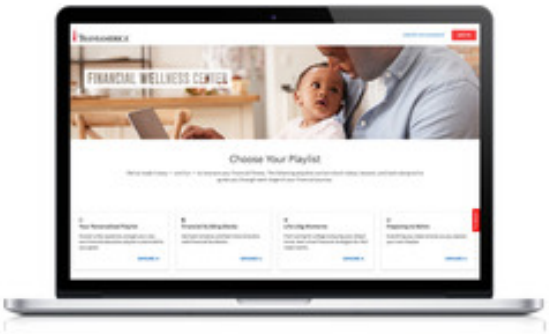
YOUR RETIREMENT OUTLOOK®

An easy-to-understand forecast generated by a sophisticated calculation engine provided by Morningstar. Using simple weather icons, it shows participants if their current investment strategy is likely to produce the income they're seeking in retirement — and allows them to make changes in real time to improve their chances of achieving their goals. *Your Retirement Outlook* is featured prominently on the participant website, mobile app, and quarterly statements.



FINANCIAL WELLNESS CENTER

Designed to enhance financial literacy, our educational experience offers self-paced lessons on relevant financial topics such as budgeting, managing debt, and buying a home. It's available to all employees whether they're enrolled in the retirement plan or not. Our goal is to engage and educate employees, so they have a better chance at long-term financial success.



EASY-TO-NAVIGATE PARTICIPANT WEBSITE

Employees can enroll, make salary deferral changes, rebalance their asset allocation, update personal information, review their retirement forecast, and manage their retirement plan account from the comfort of their home or office with the touch of a fingertip. With online reporting of their account activities, employees can gauge their retirement readiness 24/7. Our convenient mobile app also gives participants access to their current account information through most mobile devices.

The participant experience is integrated with our reporting capabilities. Adopting employers always have the ability to track the retirement readiness of their employees.

Images are examples only and do not reflect the experience of any particular user.

TRANSAMERICA®

Whether it's a PEP or another pooled plan arrangement, Transamerica is equipped to help determine the best fit for employers when offering a retirement plan. As a pioneer in pooled plans, we believe our ability to support advisors and their clients is unmatched.

Graystone Consulting
A business of Morgan Stanley

For over 35 years, Graystone Consulting – Farmington Hills has delivered insightful solutions and best-in-class service to institutional investors, small business owners, and corporate leaders. Mark J. Rogers, CIMA®, and Gary W. Jbara, CIMA®, CRPS®, lead a collaborative team of eleven investment professionals. The group offers advanced resources and fiduciary services for the administration of retirement plans.

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resources, llc

TAG Resources ensures your plan reaps long-term rewards with easier day-to-day operations. As the largest end-to-end retirement plan provider in the US, TAG is recognized nationally for pioneering unique pooled Retirement Programs, bundling retirement plans together in a service model previously only available for very large companies.

SMALL BUSINESS Association of MICHIGAN

The Small Business Association of Michigan (SBAM) is the only statewide and state-based association that focuses solely on serving the needs of Michigan's small business community. We have been successfully serving small businesses in all 83 counties of Michigan since 1969. Our mission is the success of Michigan's small businesses.

Our experience as a pooled-plan pioneer, unique recordkeeping capabilities, and holistic participant experience make Transamerica a pooled-plan solution provider of choice. Let us help you find the pooled solution that best fits the needs of you and your employees.

Get in touch:

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[1] As of December 31, 2020

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Pooled employer plans (PEPs) are a new type of multiple employer plan for which the Department of Labor (DOL) and IRS guidance is still pending in a number of areas. An employer participating in a PEP 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. Nothing in this communication should be construed as the commencement of operations by a pooled plan provider ("PPP") prior to registration as a PPP.

Before adopting any plan you should carefully consider all of the benefits, risks, and costs associated with a plan. Information regarding retirement plans is general and is not intended as legal or tax advice. Retirement plans are complex, and the federal and state laws or regulations on which they are based vary for each type of plan and are subject to change. In addition, some products, investment vehicles, and services may not be available or appropriate in all workplace retirement plans. Plan sponsors and plan administrators may wish to seek the advice of legal counsel or a tax professional to address their specific situations.

Important: The projections or other information generated by the engine (which produces *Your Retirement Outlook*®) regarding the likelihood of various investment outcomes are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Results derived from the tool may vary with each use and over time.

All cost savings mentioned are estimates and may vary depending on the pooled plan provider, selected service providers, advisor, or attorney fees.

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