Lincoln Financial Group®

WEST ST. LOUIS COUNTY Chamber of Commerce

A new business perspective on 401(k)s

Advantages of joining a Multiple Employer Aggregation Program

RETIREMENT PLAN SERVICES

Overview

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

2934981

For plan sponsor use only. Not for use with the public.

What is a Multiple Employer Aggregation Program?

A Multiple Employer Aggregation Program (MEAP) is a qualified retirement plan adopted by multiple employers through their association with the sponsoring organization, which acts as the lead sponsor. The MEAP is designed to gather the plan's important administrative, recordkeeping and fiduciary services to be overseen by a third party, which allows the plan sponsors who participate to outsource many responsibilities that come with running a retirement plan, and often, helps reduce costs.

Why consider joining a MEAP?

Because every business owner tells us the same thing: They want a retirement plan solution that...

1

Is easy

Situation:

They want to focus on their business — they don't want to be a 401(k) expert.

Solution:

The MEAP can become their 401(k) department, performing most of the administrative tasks for their plan, including handling their regular contribution files.

2

Protects them

Situation:

They don't want to be at risk of paying fines or penalties.

Solution:

By joining a MEAP, employers can avoid much of the compliance concerns that come with offering their own plan. While their role as plan fiduciary still exists, many specific tasks transition to the MEAP. The employer's ongoing role is to oversee the various parties dedicated to the plan to ensure it operates as expected.

3

Is cost competitive

Situation:

They don't want to overpay.

Solution:

The MEAP delivers more value and services — potentially at similar or less cost than they are already paying. And, as plans grow, they're reviewed regularly for price reductions.

Reducing work, responsibilities and liabilities

There's more to the fiduciary role than good intentions, or even good returns. It's essential to ensure key responsibilities are met and to adopt a prudent process for selecting and monitoring investment options. A MEAP may offer the fiduciary protection many plan sponsors need.

Your responsibilities BEFORE joining a MEAP

Plan sponsor duties

- Design plan document
- Maintain qualified status
- Assign and oversee all other plan fiduciaries

Plan investment fiduciary duties

- Appoint and monitor plan investment fiduciary duties for all other plan fiduciaries
- Produce, maintain and follow an Investment Policy Statement (IPS)
- Select and monitor an investment platform meeting ERISA "prudent person" standards
- Conduct and document quarterly Investment Committee meetings
- Review and document investment returns, fees, expenses and comparisons to peer group
- Monitor the status of all investment options and remove or replace them as appropriate

Operational plan administrator duties

- Deposit contributions and submit payroll files for upload on a timely basis
- Complete annual ownership and census verification for testing purposes
- Oversee annual census reconciliation with Third Party Administrator (TPA)
- Oversee and manage the annual Form 5500 filing process in conjunction with a TPA
- Determine participant eligibility
- Conduct enrollment and educational meetings
- Address specific participant requests in compliance with the 404(a)(5) participant fee disclosure regulation
- Administer participant loans in compliance with statutory requirements
- Verify termination dates and vesting, and send out participant termination packets
- Administer distribution and rollover requests for terminated employees
- Administer hardship withdrawals in compliance with the hardship rules, included in provisions of the Pension Protection Act (PPA) of 2006
- Review and validate compliance testing
- Send out required year-end notices to participants (that is, Safe Harbor, summary annual report (SAR) and so forth)
- Send out enrollment packets, including summary plan description (SPD), 404(c) compliance information, Qualified Default Investment Alternative (QDIA) and annual participant fee disclosure 404(a)(5)
- Comply with DOL Regulation Section 2550.404(a)(5) provisions for participant communications, including but not limited to:
  - Notice to participants of intention to comply with 404(c)
  - Description of investment alternatives
  - General description of the investment objectives and risk-and-return characteristics of each alternative
  - Explanation of transaction fees and expenses that affect the participant's account balance
  - Details about the plan fiduciaries
  - Description of annual operating expenses of each designative alternative
  - Copies of prospectuses, financial statements and reports provided to the plan

Your responsibilities AFTER joining a MEAP

Initial choices

- Sign initial paperwork agreement
- Select customized plan design options to meet your business needs

Ongoing duties

- Deposit contributions and submit payroll files for upload on a timely basis
- Periodically monitor the Program and any third parties managing administrative and fiduciary tasks to ensure plan provisions are being carefully administered
- Complete your annual ownership and census verification for testing purposes

Find out how much easier sponsoring a 401(k) plan can be when you join a Multiple Employer Aggregation Program (MEAP).

For more information, please contact:

Robin Monks
Cetera Investment Services LLC
800-886-4342 ext. 306
robin.monks@ceterainvestors.com

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

©2020 Lincoln National Corporation

LincolnFinancial.com

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LCN-3121774-061020
POD 6/20 **Z01**
Order code: DC-MEAP-BRC002

Lincoln Financial Group®

Important disclosures:

This material is provided by The Lincoln National Life Insurance Company, Fort Wayne, IN, and, in New York, Lincoln Life & Annuity Company of New York, Syracuse, NY, and their applicable affiliates (collectively referred to as "Lincoln"). Lincoln does not provide investment advice, and this material is not intended to provide investment advice. Lincoln has financial interests that are served by the sale of Lincoln programs, products and services.

A group variable annuity is a long-term investment product designed particularly for retirement purposes. Group annuities contain both investment and insurance components and have fees and expenses, including administrative and advisory fees. Optional features may be available for an additional charge. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals may carry tax consequences, including possible tax penalties.

Lincoln Director℠, a group variable annuity contract, is issued on variations of contract form 19476 and state variations and amendment forms AR-450A and AR-451A by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., Radnor, PA, a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

Contracts sold in New York are issued on variations of contract form 19476NY and amendment forms AR-450A and AR-451A by Lincoln Life & Annuity Company of New York, Syracuse, NY. **Contractual obligations are subject to the claims-paying ability of Lincoln Life & Annuity Company of New York.**

Products and features are subject to state availability. There is no additional tax-deferral benefit for an annuity contract purchased in an IRA or other tax-qualified plan.

Third party administrators for the Multiple Employer Aggregation Program are not affiliates of Lincoln Financial Group.

For plan sponsor use only. Not for use with the public.