



You're In Charge®

RETIREMENT PLAN SERVICES

# A new business perspective on 401(k)s

Advantages of joining a Multiple Employer Aggregation Program



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

2051523

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



## What is a Multiple Employer Aggregation Program (MEAP)?

A Multiple Employer Aggregation Program (MEAP) is a group 401(k) program designed for and made available by an organization to their members and clients. The “Program” 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 most of their fiduciary responsibilities and liabilities.

### Why consider joining a MEAP?

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

<b>1</b> Is easy	Situation	Solution
	They want to focus on their business — they don’t want to be a 401(k) expert.	The MEAP can become their 401(k) department, performing most of the administrative tasks for their plan, including handling their regular contribution files.
<b>2</b> Protects them	Situation	Solution
	They don’t want to be at risk of paying fines or penalties.	The MEAP can help keep their plan in compliance, and the program’s investment and administrative fiduciaries assume most of their fiduciary responsibilities and liabilities.
<b>3</b> Is cost competitive	Situation	Solution
	They don’t want to overpay.	The MEAP delivers more value and services — and at a similar or lower cost than they are likely already paying. In addition, all plans are automatically reviewed regularly for price reductions as they grow.

## Reducing work, responsibilities and liabilities

Good intentions—even good returns—aren't enough when it comes to meeting plan sponsors' fiduciary responsibilities. Liability can extend beyond investment losses. A prudent process to select and monitor investment options is essential. A MEAP may offer the fiduciary protection many plan sponsors need while also reducing work and responsibilities.

Small employers rank meeting fiduciary responsibilities among the top concerns related to sponsoring a retirement plan.<sup>1</sup> Just as plan sponsors strive to protect employees' best interests, Lincoln Financial can help protect plan sponsors by facilitating their membership in a Multiple Employer Aggregation Program.

Your responsibilities BEFORE joining a MEAP	Your responsibilities AFTER joining a 401(k) Program
<p><b>Plan sponsor duties</b></p> <ul style="list-style-type: none"> <li>• Design the plan document and maintain qualified status</li> <li>• Assign and oversee all other plan fiduciaries</li> </ul> <p><b>Plan investment fiduciary duties</b></p> <ul style="list-style-type: none"> <li>• Produce and maintain an Investment Policy Statement (IPS)</li> <li>• Choose an investment platform meeting ERISA "Prudent Person" standards</li> <li>• Hold quarterly Investment Committee meetings</li> <li>• Review and document investment returns, fees, expenses and comparisons to peer group</li> <li>• Monitor the status of all investment options and remove or replace them as appropriate</li> </ul> <p><b>Operational plan administrator duties</b></p> <ul style="list-style-type: none"> <li>• Determine participant eligibility</li> <li>• Hold enrollment and educational meetings</li> <li>• Submit the 401(k) file each pay period</li> <li>• Deposit contributions on a timely basis</li> <li>• Provide the final annual census and payroll data for testing and audit purposes</li> <li>• Send out enrollment packets, including Summary Plan Description (SPD), 404(c) Compliance Information, Qualified Default Investment Alternative (QDIA) and Explanation of Expenses</li> <li>• Comply with ERISA Section 2550.404(c) provisions for communication to employees participating in the plan, including but not limited to: <ul style="list-style-type: none"> <li>– Notice to participants of intention to comply with 404(c)</li> <li>– A description of investment alternatives available in the plan</li> <li>– General description of the investment objectives and risk-and-return characteristics of each alternative</li> <li>– Explanation of transaction fees and expenses that affect the participant's account balance</li> <li>– Details about the plan fiduciaries</li> <li>– A description of the annual operating expenses of each designated investment alternative</li> <li>– Copies of prospectuses, financial statements and reports provided to the plan</li> </ul> </li> <li>• Address specific participant requests and/or instructions in compliance with 404(c)</li> <li>• Administer participant loans in compliance with statutory requirements</li> <li>• Send out Participant Termination packets</li> <li>• Administer distribution and rollover requests for terminated employees</li> <li>• Administer hardship withdrawals in compliance with the Hardship Rules, included in new provisions of PPA of 2006</li> <li>• Oversee annual census reconciliation with TPA</li> <li>• Review and validate compliance testing</li> <li>• Provide for an annual audit of the plan</li> <li>• Oversee and manage the annual Form 5500 filing process in conjunction with a TPA</li> <li>• Send out required year-end notices to participants (e.g., Safe Harbor, summary annual report/SAR)</li> </ul>	<ul style="list-style-type: none"> <li>• Sign the initial agreement to adopt and participate in the plan</li> <li>• Choose customized plan design options to meet your business needs</li> <li>• Complete your annual ownership and census verification for testing purposes</li> <li>• Deposit contributions and submit payroll files for upload on a timely basis</li> <li>• Periodically monitor the Program to make sure your plan is being administered carefully and in line with the appointment</li> </ul>

<sup>1</sup>"Fiduciary concerns challenge plan sponsors, despite 401(k) savings improvements," *Employee Benefit News*, April 30, 2014.

Plan sponsors who choose to participate in a MEP retain the fiduciary obligation of oversight, i.e., periodic review of the MEP to see if the employer should continue in the MEP.

**Find out how much easier sponsoring a 401(k) plan can be when you join a Multiple Employer Aggregation Program – contact your advisor to learn more.**

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

©2019 Lincoln National Corporation

[LincolnFinancial.com](http://LincolnFinancial.com)

**Login: Employer Retirement Plans**

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-2051523-030818

POD 10/19 Z07

**Order code: DC-MEPGN-BRC002**



### **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"). This material is intended for general use with the public. 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<sup>SM</sup>*, 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.**