

# PEP Talk

You Have Questions,  
We Have Answers

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*Vice President, Key Accounts and Conversions*

**NEWPORT**  
retirement services

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## Agenda

Overview of The SECURE Act and PEPs

Question and Answer Roundtable



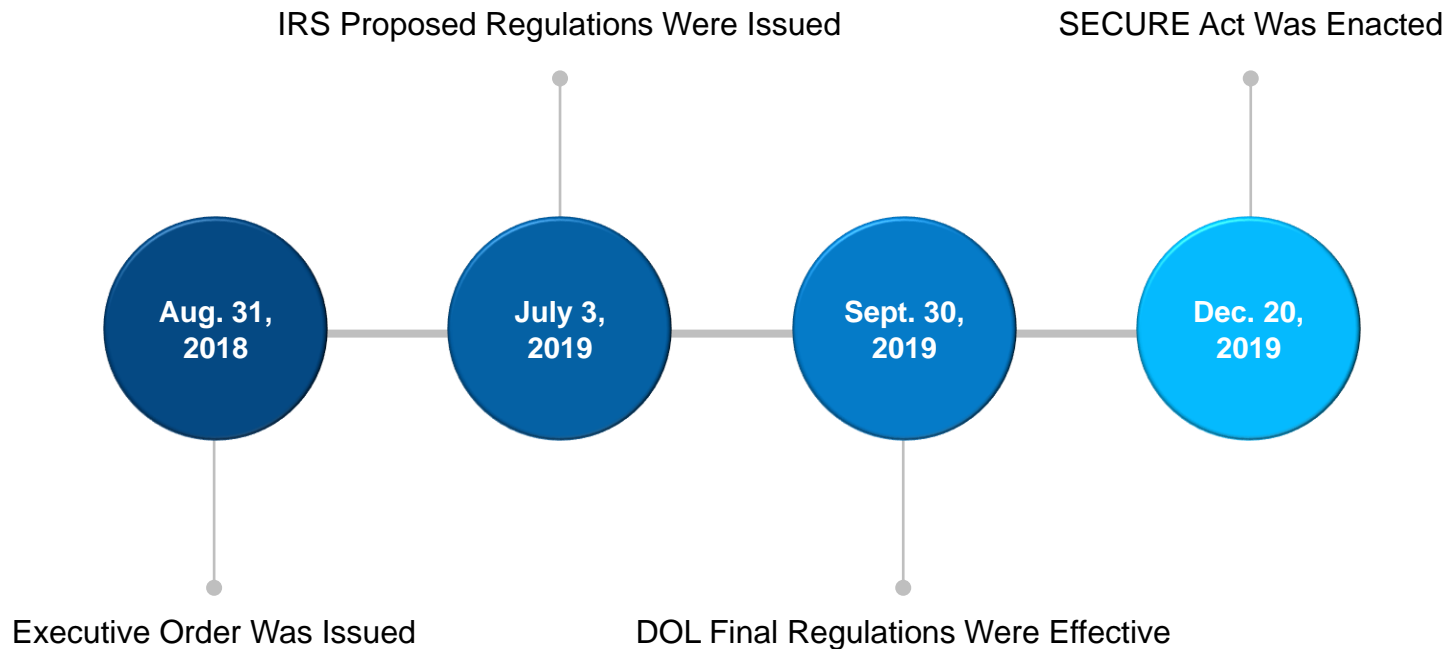
# Full Range of Retirement Services



# Navigating the Complex Regulatory Environment

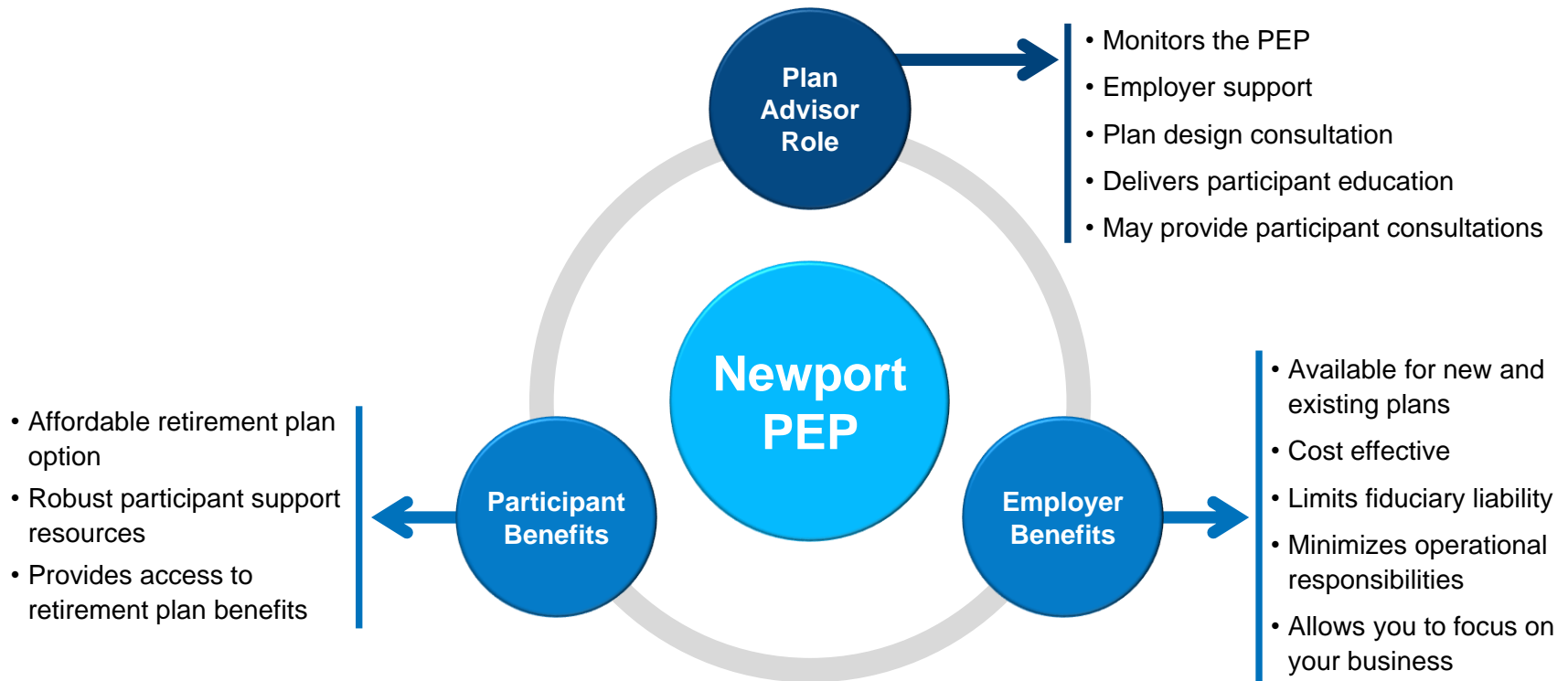
Where are we today?

## Legislative and Regulatory Updates:



# A Holistic Retirement Plan Solution

The **Newport Secure Retirement PEP** – designed for employers who may be looking to outsource the burden of daily operations, fiduciary risk, liabilities and other obligations to Newport.



# Newport Secure Retirement PEP vs. Single-Employer Plan


## How Does the Role of the Employer Compare by Plan?\*

Responsibility	Pooled Plan Provider (PPP)	Employer Advisor	Adopting Employer	Single-Employer Plan Sponsoring Employer
Selects the PPP/pooled plan provider			✓	N/A
402(a) named fiduciary	✓			✓
3(16) operational fiduciary	✓			✓
Selects the 3(38) investment manager			✓	✓
Selects plan trustee			✓	✓
Consults on plan design	✓	✓		
Selects plan design provisions			✓	✓
Review, approves and signs plan documents			✓	✓
Reviews, signs and files 5500	✓			✓
Reviews and signs off on compliance testing	✓			✓
Monitors plan eligibility	✓			✓
Beneficiary tracking	✓			✓
Prepares/approves required notices/reports	✓			✓
Reviews/approves/signs off on all distributions	✓			✓
Reviews and approves all QDROs	✓			✓
Compiles and completes year end census data			✓	✓
Submits timely and accurate payroll and plan contributions			✓	✓
Selects and monitors service providers (other than named fiduciaries)	✓		✓	✓
Selects and works with plan auditors	✓			✓
Manages participant communications and education	✓	✓		✓
Conducts investment meetings		✓		✓
Monitors and benchmarks the PPP			✓	✓


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

# Plan Design Options

In the Newport Secure Retirement PEP, we embrace those plan features that have proven successful at improving participant outcomes, but we know companies often need some flexibility and offer options to tailor key plan design elements to the needs of each adopting employer.

	Best Practice 	Other Options
Safe Harbor Design	ACA Safe Harbor QNEC Safe Harbor	Standard Safe Harbor
Automatic or Voluntary	Automatic enrollment for new hires Automatic savings increases (opt-out) Default QDIA investment Re-Enrollment at scheduled frequency	Voluntary enrollment via Quick-Enroll Opt-in savings increases
Eligibility Requirements	60 day, 90 day or one-year Monthly or quarterly entry dates	Age minimums Able to exclude employee classes
Employee Contributions	Pre-Tax ROTH Catch-up Rollovers } Based on W2 wages	After-tax

# Plan Design Options

	Best Practice 	Other Options
Employer Contributions	Safe harbor match, enhanced match, or non-elective contribution	Discretionary match or enhanced match Discretionary profit sharing
Vesting Requirements	Immediate vesting Same schedule for all contribution types Normal Retirement Age – 65	3 Year Cliff 5 Year Graded 6 Year Graded
Participant Loans	Minimum \$1,000, one loan at a time Interest rate: Prime + 1% Paid through payroll deduction Due and payable upon termination	Up to two loans at one time
Plan Distributions	In-service (after age 59 ½) Hardship (from all sources) Termination, disability, death RMDs	Birth and adoption Natural disasters



# 3(38) Investment Fiduciary Services

Newport as the 3(38) fiduciary assumes discretionary control over the plan's investment menu and services.

- Investment menu selected from a large universe of funds across multiple managers
- Balance of active and passive strategies
- Domestic and global diversification
- Focus on low cost
- Managed Account Service – Personalized Advice

Asset Class/Style	Active and Passive Menu	Net Expense Ratio
<b>Fixed Income</b>		
<b>Stable Value</b>	Vanguard Retirement Savings Trust IV	0.35
<b>Intermediate-Term Bond Index</b>	Vanguard Total Bond Market Index Adm.	0.05
<b>Intermediate-Term Bond</b>	Baird Core Plus Bond Instl.	0.30
<b>Inflation-Protected Bond</b>	Fidelity Inflation-Protected Bond Index	0.05
<b>World Bond</b>	American Funds Capital World Bond R6	0.49
<b>US Equity</b>		
<b>Large Value</b>	Vanguard Equity-Income Adm	0.18
<b>S&amp;P 500 Market Index</b>	Vanguard Institutional Index I	0.035
<b>Large Growth</b>	Harbor Capital Appreciation Retirement	0.59
<b>Completion Index</b>	Vanguard Extended Market Index Instl.	0.05
<b>Small/Mid Blend</b>	Vanguard Strategic Equity Inv.	0.17
<b>Non-US Equity</b>		
<b>Total International Index</b>	Vanguard Total International Stock Index Adm.	0.11
<b>International Equity</b>	American Funds EuroPacific Growth R6	0.46
<b>Asset Allocation</b>		
<b>Target-Date Series</b>	Vanguard Target Retirement Series – Instl	0.09
<b>Managed Account Service</b>	Newport Managed Account Service	.30

# Questions and Answers

## And Your Newport Contacts for Qualified Retirement Plan Solutions

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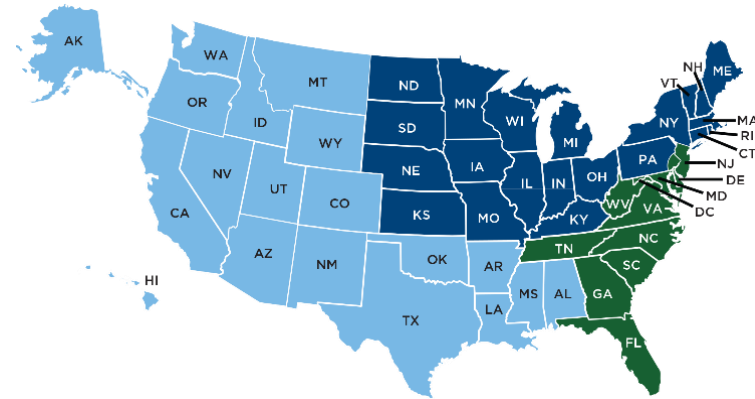
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ISD: Internal Sales Director



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**Expertise you need. Flexibility you want.  
Retirement you deserve.**