

News

Kaleda Covers PEPs with PLANADVISER and PLANSPONSOR

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Groom principal [David Kaleda](#) was quoted in *PLANADVISER*'s article, "DOL to Consult Industry on How To "Facilitate" PEP Uptake," as well as *PLANSPONSOR*'s article, "DOL to Inquire If Regulatory Guidance Could Boost PEPs," where, in both, he discussed pooled employer plans ("PEPs").

As stated by *PLANADVISER* and *PLANSPONSOR*, Kaleda "said the agenda item for the DOL signaled that policymakers and possibly the administration of President Joe Biden 'believe that not as many PEPs have been formed as may have been expected.'"

PLANADVISER continued, noting that Kaleda "says another question for some industry participants is whether prohibited transactions could arise if the pooled plan provider uses outside entities as service providers or asset managers. So far, the industry 'has moved ahead using existing, non-PEP guidance in order to address these issues.'"

Kaleda also stated, as recounted by *PLANADVISER*, that "there has been some confusion about who is responsible for assuring that a participating employer sends their contributions to the trust of a PEP, leaving it in some cases to the employer, which would create added burden. Under SECURE 2.0, however, the DOL makes it clear that a named fiduciary can ensure the contributions on behalf of the plan and all the employers."

To read the *PLANADVISER* article, [click here](#).

To read the *PLANSPONSOR* article, [click here](#).

For more information about SECURE 2.0's effect on PEPs, visit our [SECURE Act Resource Hub](#).