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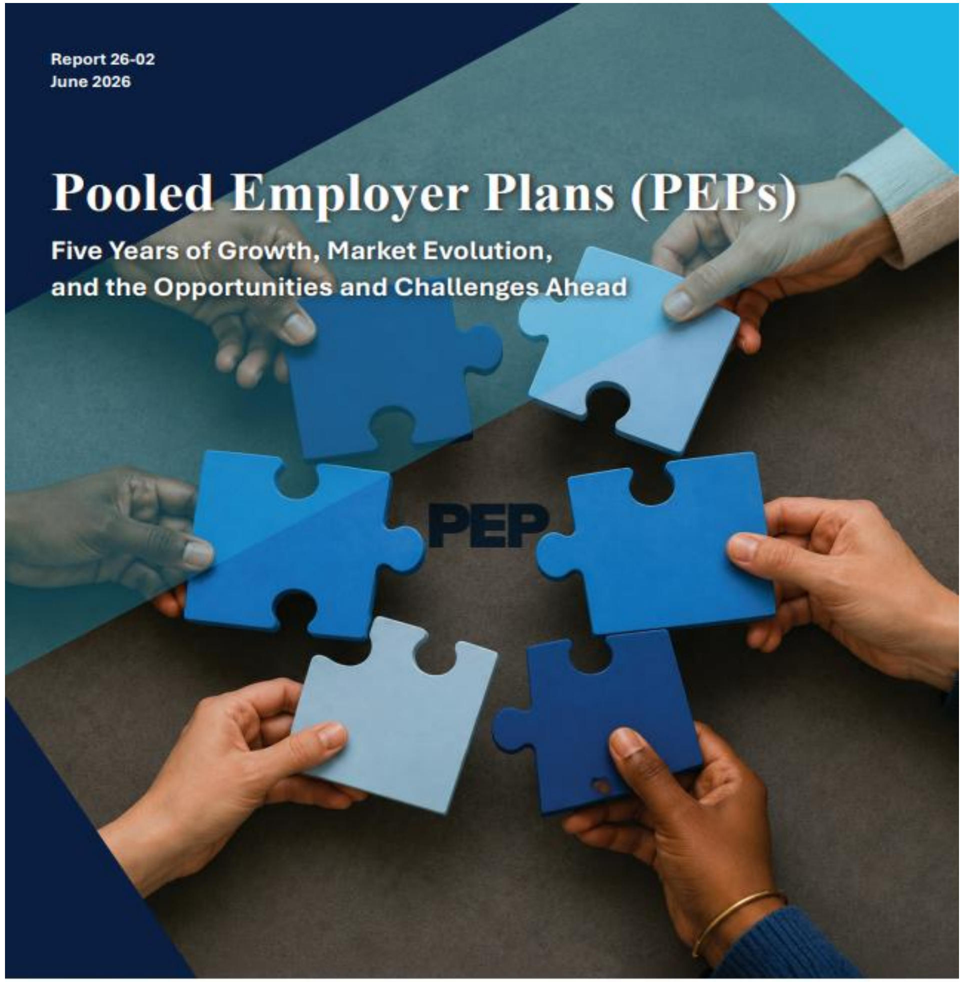
Webinar | August 27, 2026

Pooled Employer Plans (PEPs): Five Years of Growth, Market Evolution, and the Opportunities and Challenges Ahead



GEORGETOWN UNIVERSITY McCourt School of Public Policy CENTER FOR RETIREMENT INITIATIVES

In conjunction with Gallagher

Angela M. Antonelli
Executive Director

GEORGETOWN CRI RESEARCH REPORT

Pooled Employer Plans (PEPs): Five Years of Growth, Market Evolution, and the Opportunities and Challenges Ahead

Angela M. Antonelli, Scott Carroll, Michael S. Clark, and Jamie Kasabian | Georgetown University Center for Retirement Initiatives, with Gallagher Fiduciary Advisors, LLC | June 2026

PEP growth is encouraging. For the right employer, a PEP can offer real advantages — but it is not a one-size-fits-all solution.

- **Fiduciary duty is reduced, not eliminated:** Employers still must select and monitor the Pooled Plan Provider and confirm fees are reasonable — a duty that cannot be delegated.
- **Fees and conflicts need scrutiny:** PEP fees are not always lower than a comparable Single Employer Plan, and arrangements where the PPP also serves as the investment manager or recordkeeper warrant a closer look.
- **Exiting is not simple:** Employers should understand liquidity restrictions and spin-off complexity before joining, not after.
- **Policymakers can mitigate challenges:** Targeted recommendations for Congress, the DOL, PPPs and recordkeepers, to make PEPs more attractive to employers, especially small employers.
- **There is a long view:** International experience (UK’s NEST, Australia’s Superannuation) suggests pooled arrangements typically take a decade or more to reach mainstream adoption.

Source: Georgetown University Center for Retirement Initiatives, “Pooled Employer Plans (PEPs): Five Years of Growth, Market Evolution, and the Opportunities and Challenges Ahead,” June 2026.

Panelists: (in order of presentation)

- **Scott Carroll,** Senior Consultant, Gallagher Fiduciary Advisors
- **Christopher Bailey,** Director of Retirement, Cerulli Associates
- **Tim Rouse,** Executive Director, SPARK Institute
- **Norman Stein,** Senior Legal Counsel, Pension Rights Center
- **Kelsey Mayo,** Chief of Retirement Policy and Regulatory Affairs, American Retirement Association

Moderator:

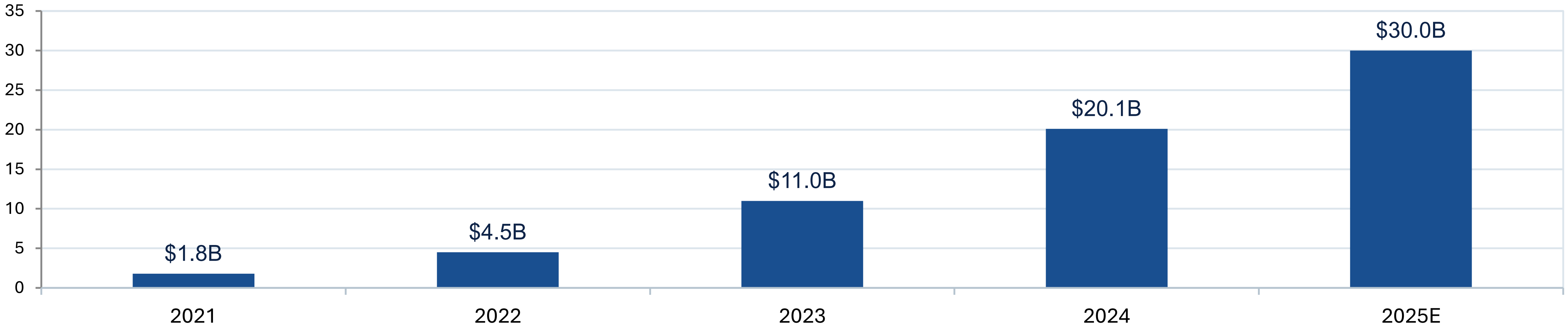
- **Angela Antonelli**, Research Professor and Executive Director, Georgetown University Center for Retirement Initiatives

Scott Carroll

Senior Consultant, Gallagher Fiduciary Advisors

Five years in: PEPs Have Reached Real Scale

Assets have grown rapidly, but scale alone is not the finish line. The bigger question is what kind of growth we are creating.



$20.1B	~50%	51,158
PEP assets at year-end 2024, up from $1.8B in 2021	Expected 2025 year-over-year asset growth	Adopting employers at year-end 2024

Source: Georgetown University Center for Retirement Initiatives, “Pooled Employer Plans (PEPs): Five Years of Growth, Market Evolution, and the Opportunities and Challenges Ahead,” June 2026, pp. 5, 18, 20, 43.

What the Topline Numbers Do Not Show

The growth story carries two important caveats.

Most assets came from established plans

The majority of PEP assets reflect migrations from existing Single Employer Plans, plus contributions that would otherwise have gone into those legacy plans.

PEPs are professionalizing administration, but the market has not yet made a major dent in the coverage gap.

A few PEPs are notable exceptions; they are not yet the dominant pattern.

Participation rates are lower than expected

36.2% PEP participation rate reported in the DOL bulletin, against a Vanguard plan-weighted average of 82% cited in the paper.

SECURE 2.0 auto-enrollment mandate may improve this over time, but outcomes need to be monitored.

Assets measure adoption. Participation and savings measure impact.

Source: Georgetown CRI, Pooled Employer Plans (PEPs) paper, June 2026, pp. 5, 18, 39, 43.

The Market's Next Constraint May be Comprehension

PEPs are still hard for many employers to understand.

Education and awareness

Employers may not understand how PEPs work, what they retain, or how PEPs compare with a Single Employer Plan.

Residual fiduciary duties

Selection and monitoring of the PPP cannot be delegated. Fees, contracts, conflicts, and payroll data still require attention.

Transition and exit friction

Liquidity restrictions, spin-offs, audit thresholds, and reporting burdens can make entry and exit harder than expected.

A simpler structure on paper can still feel complex in practice. There is a potential DOL role: practical, comparable education that supports informed choice across plan types.

Source: Georgetown CRI, Pooled Employer Plans (PEPs) paper, June 2026, pp. 15, 32, 36–38, 42–43.

Where PEPs Go From Here

The next phase should reward outcomes, neutrality, and execution.

Now

The DOL PEP request for information is a constructive first step.

1

Next

Keep plan options on equal footing so employers choose the structure that fits best.

2

Success

Measure outcomes: participation, savings, and retirement security, not assets alone.

3

Source: Georgetown CRI, Pooled Employer Plans (PEPs) paper, June 2026.

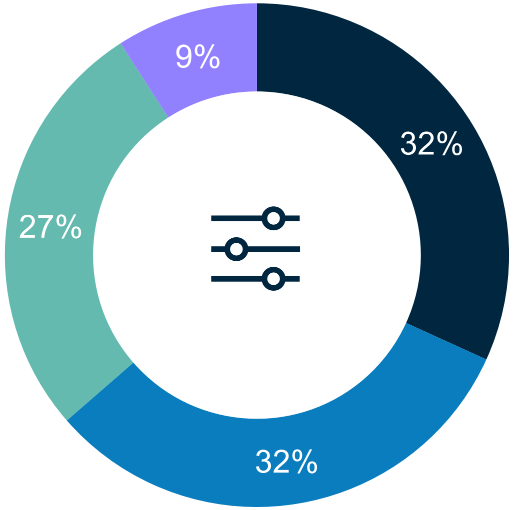
Christopher Bailey

Director of Retirement, Cerulli Associates

Recordkeepers are bullish on the PEP opportunity and the impact it will have on their businesses

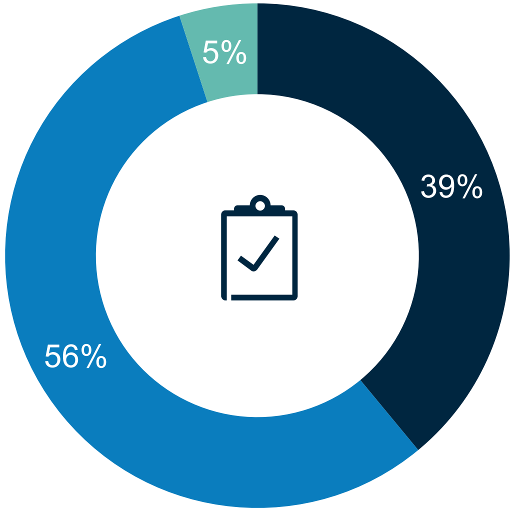
DC Recordkeepers:
Expected Impact of PEPs, 2025

- Significant positive impact
- Moderate positive impact
- No impact
- Moderate negative impact
- Significant negative impact



DC Recordkeepers:
Average Adopting Employer Plan Status, 2024

- New retirement plan
- Existing plan w/ another recordkeeper
- Existing plan sponsor client



"Every recordkeeper I work with, they're looking at 40% of their growth this year is going to be in the PEP space."

– Recordkeeping Executive

"We're saying 40% of it is new retirement plans, 56% of it is takeover. And then we're hearing anywhere from 20%, 30%, 40% of new business growth is coming from the PEP market in general for some of the competition out there."

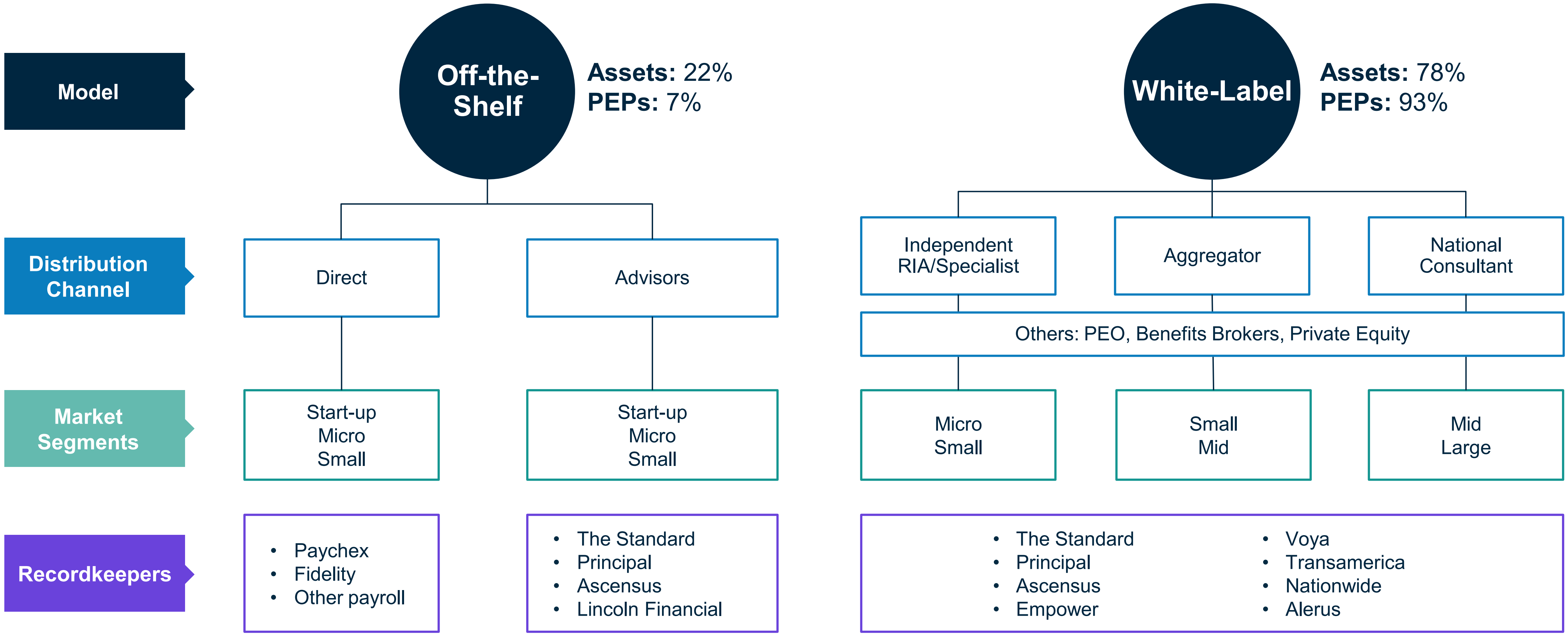
– Recordkeeping Executive

"I think we're going to see that number [of adopting employers] more than double over the next five years. It has to. This has become—I won't say it's become like the go-to solution because that doesn't really give it the color that it needs. It's inevitable is a better way to put this."

– Recordkeeping Executive

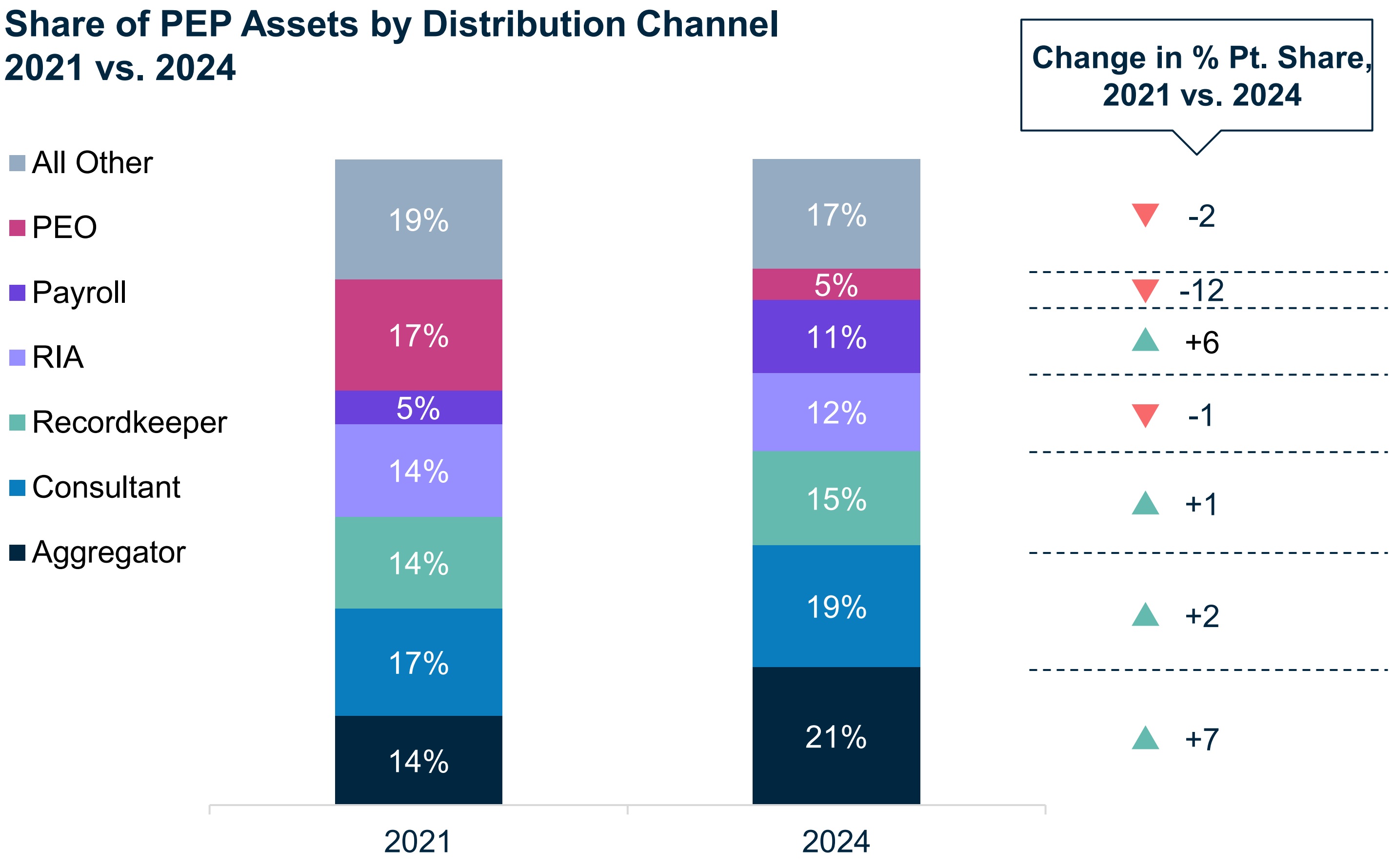
Source: Cerulli Associates
Analyst note: Respondents were asked about the impact of DC trends, their strategic priorities, and whether they currently offer a PEP or plan to

Two main models exist: The off-the-shelf/open PEP that is available to any advisor or sponsor, or white-label arrangements with distribution partners



Source: Cerulli Associates

Aggregators and consultants established a strong position early and have grown their share



Why do intermediaries offer PEPs?

Large consultants

- Address new market segments by delivering institutional capabilities to mid-sized and large market plans
- PEPs are an additional solution they can offer to existing clients

Aggregators and Retirement Specialists

- Design an offering aligned with their plan design and investment philosophy
- Ability to have their brand on the plan
- Control the recordkeeper, TPA, investment options

Wealth Management Firms

- Offer non-specialists a branded DC plan solution
- Consolidate compliance oversight
- Reduce risk

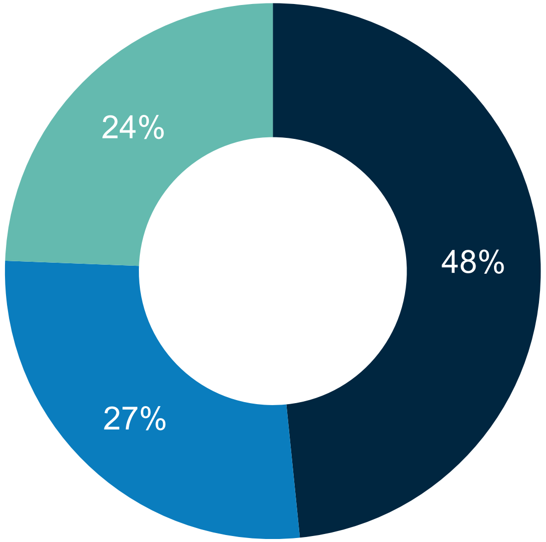
Sources: Cerulli Associates, Department of Labor

Interest in PEPs is strong, given plan sponsors want to delegate a greater portion of their fiduciary responsibility and administration to professionals

Plan Sponsors:

Interest in Joining a PEP, 2025

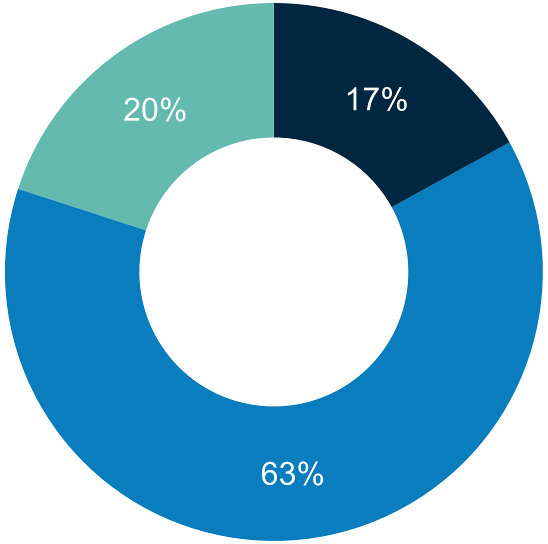
- Very interested
- Somewhat interested
- Not interested



Plan Sponsors[1]:

Interest in Delegating Fiduciary Responsibilities, 2025

- Considering full delegation
- Considering partial delegation
- Not interested



Plan sponsors are delegating fiduciary responsibility

- 90% work with an advisor or consultant who helps with investment and other plan decisions
- According to Mercer, 80% want to delegate a degree of plan management
- Options are evolving, with PEPs and 3(38) programs provide an opportunity to delegate key fiduciary obligations

Sources: Cerulli Associates, [1]Mercer
Respondents were asked, “Which of the following reflects your company's outlook on PEPs over the next year?”

Tim Rouse

Executive Director, SPARK Institute

2016 Boston: the industry chose expansion over opposition

> *"We are the retirement industry, and we cannot be opposed to retirement savings."*
>
> Chair, SPARK legislative meeting · Boston, 2016

01

State Auto-IRAs

INCUBATORS

A first step for the smallest employers who might otherwise offer nothing.

02

PEPs

COLLECTIVES

Professional administration and scale for unrelated employers — the industry's constructive answer.

03

Single-Employer Plans

CUSTOM SOLUTIONS

The right structure when an organization wants — and can support — more control.

CONVERSION FRICTION

Employers hesitate when leaving feels harder than joining.

1

Grow out

Employer wants its own single-employer plan.

2

Stop offering

Employer no longer wants to sponsor a plan.

3

Provider failure

PPP disruption or bankruptcy.

4

Acquisition

Buyer already has its own plan.

What providers can do now — without waiting on Congress

- Waive or reduce exit fees when the employer stays with the same recordkeeper
- Expedite data migration and shorten blackout periods
- Offer clean IRA rollover paths when the employer is truly exiting sponsorship
- Publish a clear M&A / change-of-control playbook before the employer joins

Industry work first. A few policy changes would remove avoidable friction.

01

Simplify exits

A clearer statutory spin-off path so employers do not feel locked in.

02

Fix the audit threshold

Do not treat a small employer as a large plan because the PEP is large.

03

Allow Roth IRA rollovers

Make the path from state Auto-IRAs into PEPs and single-employer plans cleaner.

04

Standardize fee disclosure

Employers and advisors need an apples-to-apples comparison.

The job has not changed since 2016.

Expand retirement savings. Do not defend any single structure. State programs, PEPs, and single-employer plans all have a place — if we make each one easier to use.

Norman Stein

Senior Legal Counsel, Pension Rights Center

SOME THOUGHTS ABOUT POOLED EMPLOYER PLANS

Norman Stein
Pension Rights Center
Washington, D.C.

WHY HAVE PEPS? TWO JUSTIFICATIONS

- Perspective One: PEPs will Increase Coverage
  - Skepticism about this claim
  - Most PEPs replace existing single employer plans
    - Weak incentives to pursue small employers (especially those who are not currently sponsoring plans)
  - PEPs may charge higher fees and provide lower levels of service to small employers
  - Better alternatives for small employers—
    - State IRA programs
    - SEPs, perhaps with reform permitting employee contributions with employer

WHY HAVE PEPS? TWO JUSTIFICATIONS

- Perspective Two: PEPs will provide increased efficiencies, reduced costs, improved plan management
  - But: pre-PEP research on Multiple Employer Plans suggest that such plans have higher costs than similarly sized single employer plans, Natalya Shnitser, Are Two Employers Better Than One: An Empirical Assessment of Multiple-Employer Arrangements, 46 J. Corp. Law 415 (2021)
    - Possibly these are offset by savings at employer level
  - The Hotel California problem—once you sign up, hard to get out
  - Certain PEP models may encourage conflicts of interest
  - Difficulties in evaluating and monitoring a PPP

PEP REFORM IDEAS

- Modification of registration statement
- Modification of DOL tips for employers
- Creation of mechanisms for employee and employer representatives in plan governance
- Requiring uniform disclosures from PEPs
- Certification of PEPs by DOL
- Clear disclosure of continuing sponsor role

Kelsey Mayo

Chief of Retirement Policy and Regulatory Affairs,

American Retirement Association

Making PEPs Work for Small Employers

Will require a multi-faceted approach

What Can Drive Small Employer Adoption?

INDUSTRY

Create business solutions

- Design scalable service models
- Coordinate advisors, PPPs, recordkeepers
- Educate and reach small employers

REGULATORS

Enable practical models

- Acknowledge business realities
- Facilitate PEP business models
- Mitigate conflicts

CONGRESS

Improve pooled plan rules

- Simplify pooled plan operations
- Remove barriers to small-plan adoption
- Align incentives with coverage goals

If all three prongs work together, PEPs could translate policy promise into real small-employer coverage.

QUESTIONS?

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