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N.A. JONES & ASSOCIATES, LLC

Collaborative Retirement Trust

401(k) Multiple Employer Plan

401(k) Multiple Employer Plan (MEP) Overview Booklet

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Overview

What is a MEP?

An Open MEP is a fully-integrated yet fully customizable, fee-based, qualified 401(k) retirement plan designed to reduce employer and personal fiduciary liability by allowing unaffiliated employers to opt into a retirement plan sponsored by an outside entity that bears responsibility for administering the plan.

It can be challenging for small business employers to set up and maintain a retirement plan for their employees that is cost-effective, has low administrative hassle, and mitigates employer fiduciary responsibility. **That is where multiple employer retirement (MEP) plans become the perfect fit.**

MEPs harness the economies of scale of multiple companies and leverage their collective strength in ways that a single employer could never do on their own.

How does a MEP work?

MEPs are designed with the different needs of each individual adopting employer and the affiliated partners in mind:

- **Combining resources to achieve economies of scale, we effectively lower expenses and better position your employees for a successful retirement outcome.**
- **We utilize an 'Open Architecture' investment platform, free of any potential conflicts- of-interest.**
- **We significantly reduce fiduciary liability for each Adopting Employer by means of an independent third-party legal fiduciary carrying the overall fiduciary burden as plan administrator and lead fiduciary.**
- **Your current advisor may be retained to deliver continued plan service.**

Based on the unique structure of this plan, fiduciary liability is transferred to the ERISA 401 and ERISA 3(16) fiduciary, and further to an ERISA 3(38) fiduciary via a contract executed between the plan custodian, adopting employer and 3(16) fiduciary. The advisor provides support to the adopting employer and becomes the liaison between them and the other providers.

The 401(k) world is riddled with high-priced "group variable" annuity products issued by an array of insurance companies. **MEPs are not annuities. All fees and expenses are fully disclosed and extremely competitive.**

Why a MEP may be a good fit for your business

A MEP is a fantastic tool for today's business owner. The employer and the employee both win when the benefits begin to impact the company's bottom line.

Consider these benefits for your company of participating in a MEP.

Reduce Your Liability

MEPs significantly reduce fiduciary liability for the Adopting Employer since the employer is no longer the trustee or plan administrator for their retirement plan. Responsibility is transferred to an independent fiduciary and they then carry the overall burden as the plan administrator and lead fiduciary.

Lower Retirement Plan Expenses

By combining resources with all of the other companies associated with the MEP, you achieve an economy of scale that lowers expenses and better positions your employees for a successful retirement outcome.

Widen Your Talent Pool

Most companies cannot afford other options when it comes to retirement. With MEPs, businesses now can offer retirement plans which allow you to be more competitive when it comes to recruiting and retaining talent.

Eliminate Conflicts-of-Interest

By utilizing the MEP's "open architecture" investment platform, free of any potential conflicts-of-interest, clients are able to have access to funds offered by competing institutions and fund managers-resulting in deeper trust in your retirement investments.

Expand Your Choices

Our MEPs allow employers to cast their nets across a wider range of funds in order to realize greater returns. Adopting employers will be provided a menu of investment options that incorporate risk-based portfolios selected by the 3(38) Investment Fiduciary along with core investment options that allow for self-direction.

Increased Flexibility

MEP plans allow for custom design so that each Adopting Employer can implement provisions (e.g. eligibility, matching) to fit their specific needs.

Benefits of a MEP vs. a traditional 401(k)

FOR PARTICIPANTS & EMPLOYERS

When established, the MEP allows an Adopting Employer to provide its employees with a 401(k) platform that they can easily adopt to replace their current plan.

At the participant level, the plan will feel very much the same as any 401(k) plan available in the marketplace. In fact, employees may not even notice a difference at all. The benefits are just as compelling from the perspective of the Adopting Employer.

Participants

- Participants will still have access to their plan online.
- They can still choose to receive statements electronically.
- They will still be provided with education about the plan and its investment options.
- They can still take loans and hardship withdrawals. Existing loans can transfer without penalties.
- They will still be able to save for retirement in an employer-sponsored plan.
- Auto-enrollment
- Auto escalation feature available.
- Qualified default investment accounts can be chosen.

Employers

- Employers retain all the flexibility in design that they would have in most other plans.
- They will no longer be responsible for filing an IRS Form 5500.
- They will have the opportunity to reduce their costly annual plan audit (required for plans that have over 100 eligible employees).
- They are replaced as the plan administrator and trustee for their retirement plan.
- And most importantly: employer fiduciary liability is reduced as The MEP transfers personal liability to an independent fiduciary.
- Plan could boost contributions for owners and highly compensated employees.
- For startups: tax credit opportunity for first 3 years.

Comparison: a traditional 401(k) vs. a MEP

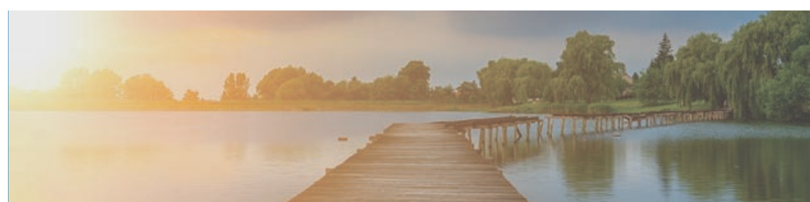
Traditional 401(k) Plan:

- Employer serves as Plan Sponsor, named fiduciary, & Trustee of Plan.
- Employer designs Plan Document and maintain qualified status; produces and maintains an Investment Policy Statement (IPS); complies with ERISA Section 404(c) provisions; provides prospectus delivery to participants on investment alternatives.
- Employer oversees and manages the process, in conjunction with TPA, for annual filing of Form 5500; provides for an annual audit of the plan (if required).
- Employer conducts periodic investment committee meetings; reviews and validate compliance testing; submits Year-End census data to TPA; distributes required annual notices to participants (e.g., Safe Harbor).
- Employer coordinates enrollment and employee education meetings; administers Distribution and Rollover requests for terminated employees.

MEP:

Eliminates the burdens associated with a traditional 401(k) by reducing the aforementioned 401(k) list to four items. The employer only needs to:

- Serve as Adopting Employer to the Plan
- Provide initial Year-to-Date employee census file
- Submit timely and accurate payroll data each pay period
- Provide requested annual information for year-end testing



On Considering a MEP

"Although Open MEPs are being discussed as something new, they are clearly a continuation of the established MEP plan structure. The advantages they offer should be a consideration for any employer exploring their fiduciary and administrative options."*

— Fred Reisch, Partner Drinker Biddle

*https://wwl.prweb.com/prfiles/2011/09/28/8835007/Open%20Multiple%20Employer%20Plans_09212011.pdf

Disclosures:

Secure Act of 2019: the SECURE Act removed the "commonality" provision of MEPs, opening up MEP opportunities to all employers. In addition, the act eliminated the MEP "one bad apple" provision which allowed the bad actions, compliance or otherwise, of one employer member to cause and effect ERISA scrutinization of the entire MEP. Under the New law, the MEP and its member employers are insulated from ERISA scrutinization due to the bad acts of one employer member. The MEP may however, in its own judgment, judicate against the "one bad apple", in the form of their membership status.

Collaboration: Although we have structured the MEP as a totally Turn-Key, Plug & Play offering, it retains the ability for any employer to choose their favorite Record-keeper, Third Party Administrator (TPA), Investment Line- Up, servicing Advisor (Upon Approval of Trust Committee and appropriately licensed & registered), etc., giving the Employer virtually unlimited choices. Although, the more one moves away from the economics of scale, the more they mitigate the advantage of special member pricing.

ERISA 3(38) Investment Fiduciaries: United Asset Strategies.

Custodian(s): Mid-Atlantic Trust Company or other approved custodians (Preferred).

Game Changing Fiduciary Investment Options: Through the use of state of the art technologies and collaboration with the nation's top Private Wealth Management firms, we have been able to bring to the masses and Main Street, investment opportunities that have been traditionally reserved for the largest Employers, Endowment Funds, and the wealthy and privileged in this country. Consequently, in addition to typical Modern Portfolio Theory - Buy & Hold funds (MPT), and Low-Cost Index & Target Date funds, we are providing access to America's top daily active management, with low risk & low volatility Tactical Management firms, as well as availability of MPT with Tactical Overlay, and Passively Managed Index funds which provide higher risk-adjusted returns at the low cost of typical index funds. All of this is detailed in our series of White Papers available upon request.

National ERISA 3(16) Fiduciary: Collaborative Office Services, working with preferred and approved TPAs.

National Record Keeper & Collaborative Retirement Trust: KTRADE: Plymouth, IN, (Preferred) or any other committee-approved record keepers.

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Collaborative Office Services ("COS") is the sponsor of a Multiple Employer Plan, Collaborative Retirement Trust ("CRT"). COS is owned by Gregory H. Skidmore and Brandon E. Lacoff and the CRT's Board of Trustees is made up entirely of Related Persons of Belpointe. As the sponsor of the CRT, COS has a material financial incentive to recommend that employers in the CRT use Belpointe as the advisor to their plan. The fee Belpointe receives for advising a plan is negotiated by Belpointe and the Employer utilizing the CRT. Ultimately it is the decision of the Employer to select the advisor to their plan and therefore they may select an advisor that is unrelated to COS to advise their plan. There is no requirement to use Belpointe.

In addition, Belpointe has a material financial incentive to recommend Employers utilize the CRT because the COS receives 25 bps as administrative fees for services it provides to the CRT. This fee is paid from plan assets and is a fee above and beyond the fee a plan would pay Belpointe for advising their plan. Employers are not obligated to use the CRT and there are other options available through unrelated service providers.

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