

# ADP 401k Premier

Investment choice  
and flexibility  
to meet the needs  
of midsized to  
enterprise companies





# Investment choice and flexibility to meet your needs

ADP 401k Premier empowers mid-sized and enterprise companies and their advisors with the flexibility and choice they need to best meet their retirement plan needs. Our investment objectivity and Open Fund Architecture (OFA) give clients the ability to maintain investment continuity and design a best-fit fund lineup selected from an expansive universe of options. You can also choose one of ADP's screened investment tiers which segments the investment options on the OFA platform into distinct groups or further customize your plan with fiduciary services that mitigate investment risk and meet plan fiduciary needs.

No matter how you and your advisor build your plan's lineup, ADP 401k Premier's flexible investment platform can accommodate your needs.

## RETIREMENT SAVING IS A TOP FINANCIAL PRIORITY FOR WORKERS



More than 25% **aren't confident they're doing a good job** saving for retirement



Less than 50% **have calculated the cost** of their future needs



64% plan to retire **at or beyond 65**

Source: Retirement Confidence Survey, Employee Benefit Research Institute (EBRI) and Greenwald & Associates, 2021.



With ADP OFA, you can minimize conversion disruption, fully meet fiduciary responsibilities and structure a plan investment menu that meets plan needs — **and is easily managed.**



## The flexibility of Open Fund Architecture (OFA)

Open Fund Architecture is the ideal solution for employers who want maximum flexibility and choice when designing the investment line-up for their retirement plan. With OFA, employers have greater control over the investment options in the plan. ADP offers a full range of funds on our open investment platform empowering you and your advisor to create a cost-effective, fully custom investment menu that meets employee needs including:

- Flexible, objective, unbiased investment platforms
- No proprietary fund requirements
- More than 13,000 investment options from over 160 leading investment managers
- Access to low cost, no load funds
- Investment data and reports for monitoring and benchmarking your plan's investment options

### **Open Fund Architecture benefits**

- Minimize conversion disruption and maintain investment continuity
- Choose from a diverse universe of investment options
- Potentially improve asset allocation and diversification with the ability to lower fees
- Greater investment choice and control
- Access to leading asset managers and range of investment types, share classes, and expenses
- Fully meet fiduciary responsibilities

In assembling and presenting its investment platforms, ADP, Inc. is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity.

## ADP Screened Investment Tiers

ADP's screened investment tiers segment the OFA investment options into discrete groupings.<sup>1</sup> The funds are sorted into tiers based on ADP's underwriting criteria and screened using certain quantitative criteria. Funds that fall short are eliminated, which can help your advisor more easily create your plan's investment line-up from a streamlined investment experience.<sup>2</sup>

The due diligence requirements include:

- 1-, 3-, and 5-year performance and risk measures as compared to peer groups or category
- Low expenses as compared to peer groups or category
- Manager tenure and management stability
- Style and investment strategy consistency

ADP offers up to four Sample Line-ups for each investment tier to further assist you and your advisor. Each of these line-ups — Basic, Standard, Advanced and Passive is designed for the needs of different participant bases.

## Fiduciary services<sup>3</sup> that mitigate investment fiduciary risk

As a fiduciary you have numerous duties, some of which include acting in the best interest of plan participants, ensuring the plan operates in compliance with IRS and Department of Labor rules, and making sure the service fees the plan is paying are reasonable. Fiduciary regulations are strict and non-compliance could result in steep penalties. ADP 401k Premier offers fiduciary investment services that can help you mitigate the risks associated with investment option selection and monitoring. You can choose between two options — 3(21) investment advisory services or 3(38) investment management services.

### Investment Fiduciary Services Benefits

- Reduce or outsource fiduciary burdens saving you valuable time
- Co-fiduciary or full fiduciary protection that allows you to fully meet your fiduciary responsibilities
- Peace of mind knowing the fiduciary is required to act in your plan's best interest

## 3(38) Investment Management Services

With this service, your plan will benefit from full investment discretion for selecting, monitoring, and if necessary, replacing the investment options for your plan. You and your advisor simply choose an investment tier assembled from ADP's investment platform based on ADP's underwriting criteria. Then, select from the investment guidelines crafted to match the investment sophistication level of the plan's participant base.<sup>4</sup>

1 In assembling and presenting its investment platforms, ADP is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity.

2 Provided for informational purposes to assist you in helping your clients to fulfill their fiduciary duties

3 While ADP makes a choice of fiduciary investment advice and guidance available to our clients, we cannot provide advice or a recommendation regarding which fiduciary service option is right for your plan needs.

4 Plan sponsors are responsible for reviewing investment guidelines and tiers and determining that the guideline and tier they select are reasonable and/ or suitable, as applicable.

## 3(21) Investment Advisory Services<sup>5</sup>

With this service, the investment management firm you select will provide advice and guidance on the investment selection and monitoring for your plan. This includes thoroughly analyzing the funds from ADP's OFA platform to create a fund list to guide you and your advisor in building an appropriate line-up.

## Powerful investment reporting and analytics

With 3(21) and 3(38) investment services, you and your advisor can access resources that keep you informed and help you fulfill your fiduciary duty including fund removal/change memos, quarterly market commentary and fund performance information on the plan sponsor website.

## TD Ameritrade Self-Directed Brokerage Account

By including a TD Ameritrade Self-Directed Brokerage Account<sup>6</sup> in your plan, you're adding additional investment flexibility for your participants who are more experienced investors. This feature, when elected by a participant, allows for expanded investment opportunity within the plan because it allows for trading of most listed stocks, mutual funds and exchange-traded funds.

Participants who choose to use a self-directed account can have more control over the investment of their retirement assets, including:

- The flexibility to invest in U.S. equities listed on the NYSE and NASDAQ, as well as corporate and government bonds and approximately 13,000 mutual funds
- Access to market data and research tools for stocks, mutual funds, and exchange traded funds (ETFs)



**Fiduciary coverage can help reduce the risks associated with investment option selection and monitoring.**

The registered investment advisor you select may provide your plan with legal protection and defense against certain third-party, ERISA-related lawsuits.

<sup>5</sup> Generally available to retirement plans that have \$10 million in assets or more.

<sup>6</sup> A self-directed brokerage account option provides plan participants with investment flexibility along with the advantage of potential tax-deferred growth through their employer's retirement plan. Plan participants can invest their retirement plan assets in most publicly-traded stocks and bonds and approximately 13,000 mutual funds, in addition to the core investment options offered in the plan. All investments involve risk, including the loss of principal. Information about this feature is provided by TD Ameritrade, Inc., member FINRA/SIPC. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. All rights reserved. Used with permission. ADP Retirement Services and its affiliates are separate and none are affiliated with TD Ameritrade.



## MORE THAN A PROVIDER, ADP IS A RETIREMENT ALLY.

ADP connects you and your employees to data and technology that make retirement plans easy and engaging. Seamless access to data and insights keeps everyone in control of saving for retirement. And our extensive, real-world experience in HCM and data security means we make work easier so you and your employees can thrive.

### Seamless connections

We seamlessly enable the automatic flow of data through our ADP platforms to make retirement planning easy and accessible. You gain holistic plan visibility and benefit from simplified administration and compliance. Your employees gain a more informed and rewarding benefits experience.

### Personalized insights and education

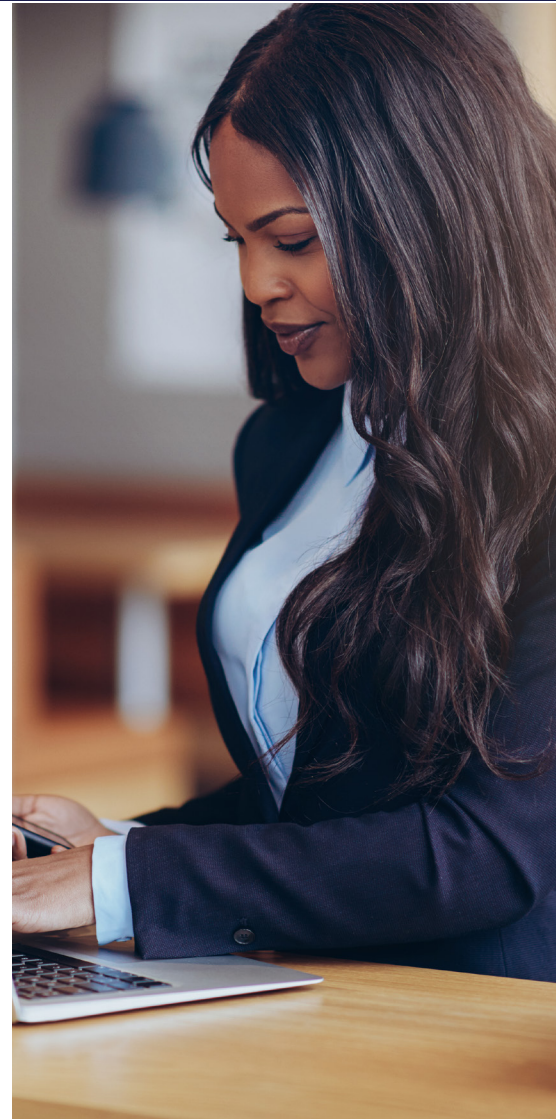
Our data-driven approach to employee education solves unique challenges, uncomplicates retirement planning and empowers employees to make better decisions.

### Flexibility to meet your needs

We give you the flexibility to choose a plan design that best meet the needs of your business and your workforce.

### Security you can count on

We ensure that your employee data is secure, compliance is managed, and risk is mitigated.



# Let's Talk.



With an ADP retirement plan, you and your employees are always empowered and engaged to make better decisions about saving for retirement. To learn more about how our personalized insights, integrated technology and flexibility can meet your plan needs, go to [adp.com](http://adp.com).

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