



## **Nationwide Financial Helps CAFB Grow a Retirement Plan for Employees of Farm Bureau Ag Members**

Are you ready for the new state retirement plan mandate that may apply to you as soon as June 30, 2021? If not, Nationwide may be able to help.

The California Farm Bureau (“CAFB”) worked with Nationwide to create a multiple employer retirement plan (“MEP”) that is available only to employers that are agricultural members of county Farm Bureaus in California, even those that already sponsor a retirement plan. The CAFB-sponsored MEP provides a cost-efficient method to comply with the new law that began to apply in 2020 to California employers with over 100 employees. The law will expand and apply to smaller employers over the next two years so that by 2022, all California employers with five or more employees will be required to either:

- (1) sponsor their own retirement plan (*e.g.*, a SIMPLE IRA, SEP IRA, or 401(k)), or
- (2) facilitate automatic payroll deduction to enroll their employees into the CalSavers retirement program.

Those employers who do not comply will be subject to significant penalties based on their employee headcount.

**Please note: Employers with 51 or more employees, the deadline to comply with the new state retirement plan mandate is June 30, 2021.**

**We encourage you to take action right away to ensure adequate time to set up the plan prior to this deadline.**

Employers who join the CAFB’s MEP will not only comply with the California requirement described above but will also be able to take advantage of federal tax incentives available to employers that provide a retirement plan for their employees. In addition, participating employers will be providing their employees the opportunity to save for retirement with the help of Nationwide, who was recognized by both J.D. Power (in 2020) and DALBAR (from 2016-2021) as a leading retirement plan provider. These national recognitions are attributable to Nationwide’s Retirement Resource Group, which includes licensed retirement specialists that provide one-on-one financial planning not only on retirement, but also on healthcare costs, Social Security, and more. Another differentiator is Nationwide’s robust foreign language capabilities to provide verbal and written retirement plan information in employees’ native language, including Spanish.

Nationwide is a perfect partner for the CAFB because since its founding, helping protect the agricultural community has been a main priority. In fact, Nationwide was created by the Ohio Farm Bureau to provide auto insurance to its members at reasonable rates. Originally named the “Farm Bureau Mutual Automobile Insurance Company,” it quickly spread from Ohio to several other states and changed its name to reflect its intent to sell insurance products “nationwide.” Today, as the #1 writer of farm and ranch insurance<sup>1</sup> in the country, Nationwide has more than met its goal.

As Nationwide expanded geographically, it also expanded the products and services it offered Farm Bureau members, first to fire and life insurance in the 1930s, and eventually with the creation of



Nationwide Financial, into financial services. Like the growth of Nationwide’s agricultural insurance business, Nationwide Financial also quickly expanded. By December 31, 2020, Nationwide Financial managed over \$172 billion in assets for more than 2.5 million participants in over 35,000 retirement plans. Those numbers include \$28 billion in assets attributable to 2,500 retirement plans in California alone, where approximately 540 Nationwide associates live and work.<sup>2</sup>

Based on its agriculture heritage and its solid presence in California, Nationwide is uniquely positioned to help protect the retirement futures of MEP participants. Those who opt to join this newly established MEP will be able to take advantage of:

- lower costs because of the economies of scale that are realized through the pooling of all participating employees’ assets, and the sharing of fiduciary services,
- simplified administration because of the need to file only a single Form 5500, and correspondingly to conduct only one plan audit for all MEP participants, and
- shared ERISA 3(16) plan administration and ERISA 3(38) investment management.

It follows that participating employees will also share the same investment line-up. Notwithstanding the common investments, each employer that joins the MEP will still be able to customize a plan design that best meets its own needs.

Eligible employers who do not already sponsor a retirement plan for their employees are able to join the CAFB’s MEP, and those who sponsor an existing plan are also able to transfer plan assets into the MEP.

**For more information on the benefits of the MEP offered through the CAFB’s partnership with Nationwide, consider joining the following presentation/teleconference, planned for:**

**Thursday, May 13<sup>th</sup> from 6:00 – 7:00 pm PST, or  
Thursday, May 20<sup>th</sup> from 4:00 – 5:00 pm, PST**

**Register for this session from a computer, tablet or smartphone here:**  
<https://attendee.gotowebinar.com/rt/7679883525786327565>

You may also contact the following Nationwide Financial representatives in Private Sector Retirement Plans for more information:

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<sup>1</sup>A.M. Best Market Share Report 2019

<sup>2</sup> Nationwide Financial, December 31, 2020

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Retirement Resource Group includes Retirement Specialists and Personal Retirement Counselors. Retirement Specialists are registered representatives of Nationwide Investment Services Corporation (NISC), member FINRA, Columbus, OH. The information they provide is for educational purposes only and is not legal, tax or investment advice. Personal Retirement Counselors are registered representatives of Nationwide Securities, LLC., member FINRA, SIPC. DBA Nationwide Advisory Services, LLC. in AR, CA, FL, NY, TX, and WY.

The Nationwide Group Retirement Series includes unregistered group fixed and variable annuities and trust programs. The unregistered group fixed and variable annuities are issued by Nationwide Life Insurance Company. Trust programs and trust services are offered by Nationwide Trust Company, FSB. Nationwide Investment Services Corporation, member FINRA. Nationwide Mutual Insurance Company and Affiliated Companies, Home Office: Columbus, OH 43215-2220.

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