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SPRING 2026

THE POWER OF PARTNERSHIP

Who's got your back? 'TPA Teammates,' ASPPA's new accolade, takes center stage. Who made this year's list of top recordkeeping wholesalers?

Closing America's Retirement Coverage Gap

Why Retirees Think Like Workers (and What to do About it)

Balance Your Workload to Meet Compliance Deadlines

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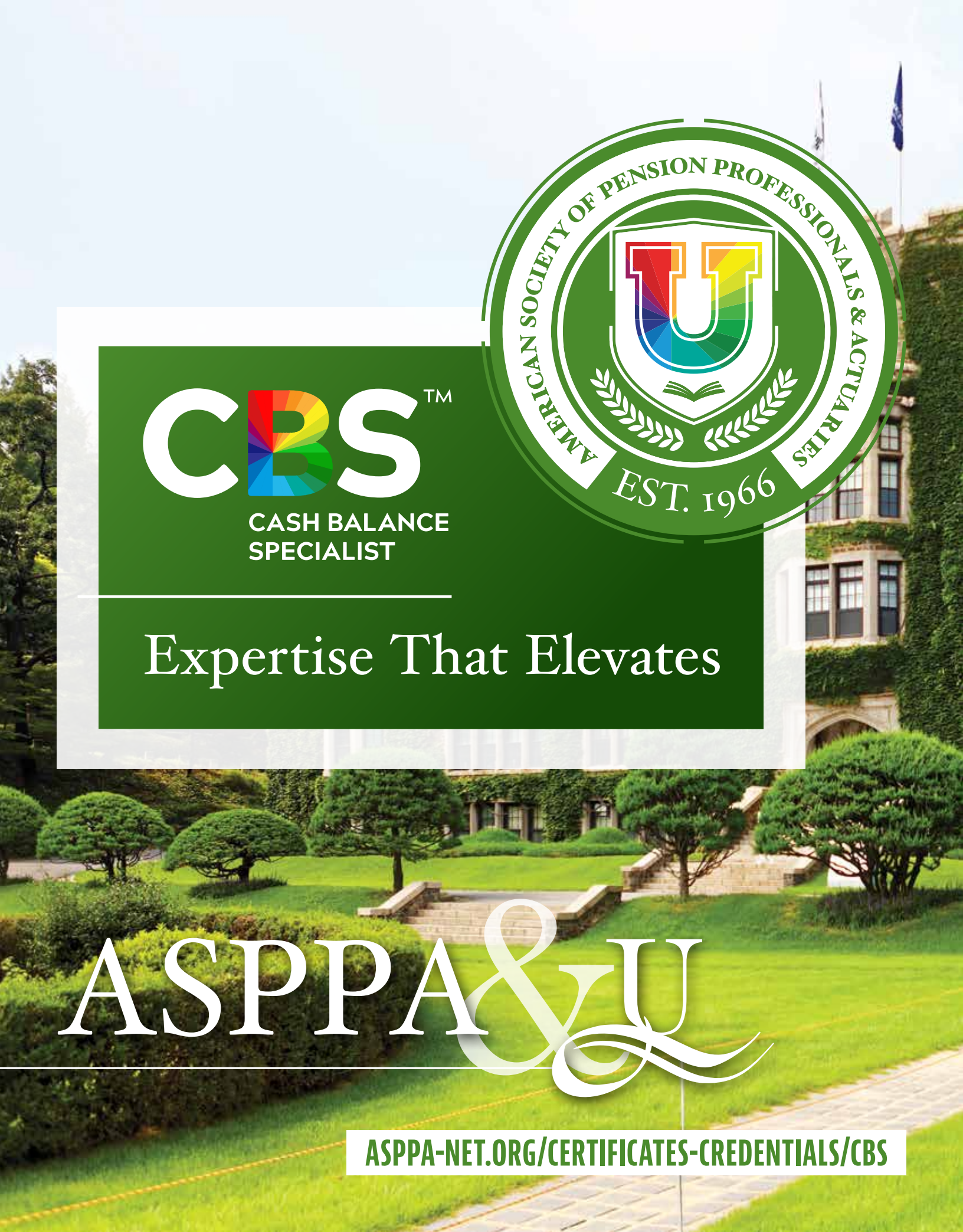
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STRANGER THINGS: THE '401(K) MULLET' GOES MAINSTREAM

Making 401(k)s cool to encourage workers to save at younger ages has always been (and is) a challenge, so — begrudgingly — we'll accept the help. **By John Sullivan**

This is one of the stranger stories we've come across, but we'll take whatever help we can get.

The 401(k) 's Achilles Heel is its name. It's tough to get young workers to take a serious interest in a retirement savings vehicle named for Section 401(k) of the U.S. Internal Revenue Code. Target marketing, this is not.

There's always the belief that our future selves will somehow miraculously bail out our present selves, leading to savings procrastination that destroys (or blunts) the miracle of compounding interest over time.

It's the reason the retirement plan industry has advocated for a rebrand; call it something, anything other than a term that makes people think of fluorescent green visors and a 10-key machine, so that young people engage.

We have to make 401(k)s cool, and we're not sure this is it, but at least it's …something.

The "401k Mullet" is now a thing (seriously).

The late 1980s, early 1990s fashion statement/abomination made famous by tennis great Andre Agassi and country music artist Billy Ray Cyrus has gone corporate with a more professional, sanitized version that's growing in popularity.

Whether it reaches the level of the midtown uniform (fleece vest over a button-down shirt that's ubiquitous on Wall Street) is yet to be seen, but rapper T-Pain gave it a steroid shot on Instagram in November, posting "401k and a quarter zip" with pictures of his new 'do.

Even Vogue gave its seal of approval, including a piece in its spring issue titled, "All the Hottest Guys Have the 401k Mullet," complete with pics.

Citing young heartthrobs like Joe Keery, Austin Butler, and Harry Styles, the mag described it this way:

This cut is a little (or a lot) more grown-up than that Joe Dirt version. The back is neat but still a little swishy and overall, a much shaggier, more textured shape. The front hits just at the top-mid section of the forehead. It's still business in the front and party in the back, but the party these guys are taking you to is martinis at that sexy red vinyl members-only club, not beer in the backyard.

From what we can tell, it resembles the Bay City Rollers in the late 1970s (for you kids, it was a boy band before there were boy bands).

"The 401k mullet is a natural and smart evolution of the persisting cut that's both polarizing and somehow always in fashion," Vogue's Christian Allaire added.

Razzing aside, and this is important, CNBC thinks it's a positive development for 401(k)s and retirement savings overall, believing it's broken through in pop culture and has people talking.

"The old 401(k) is now cool," according to the network. "These employer-sponsored retirement savings plans have been steadily gaining steam for years, but in 2026, they've tapped into the zeitgeist. According to Vogue, the '401(k) mullet' is catching on, which is a more grown-up version of its shaggy predecessor."

Making 401(k)s cool to encourage workers to save at younger ages has always been (and is) a challenge, so — begrudgingly — we'll accept the help, no matter how Faustian the bargain.

But we draw the line at Day-Glo IRAs. PC

John Sullivan
Editor-in-Chief

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RISING TOGETHER: LEADERSHIP, MOMENTUM, AND THE POWER OF OUR COMMUNITY

I am proud of this organization and the people who make it what it is. Thank you for your engagement, passion, and support. **By Shannon Edwards**

It is truly an amazing time to be a member of the American Society of Pension Professionals and Actuaries (ASPPA). The energy across our organization, our councils, and our broader community is palpable—and I feel incredibly grateful to experience it alongside you as your president.

Many of us recently returned from ARA RISE: The Women in Retirement Leadership Forum in Tampa, where more than 150 women from across the retirement plan services industry gathered to kick off the year together.

It was powerful. It was collaborative. And it was deeply human. The conversations were honest and vulnerable, the learning was meaningful, and the connections were real.

We focused on becoming better leaders—not just for our firms, but for each other and for the industry we love.

What struck me most wasn't just the exceptional speakers or the thoughtful content (though both were outstanding). It was the climate in the room. Women openly sharing their stories, challenges, successes, and lessons learned. Women lifting each other up, exchanging ideas, and reminding one another that none of us does this work alone.

> "MANY ATTENDEES SAID THE SAME THING: ONCE YOU ATTEND RISE, YOU NEVER WANT TO MISS IT AGAIN. I COULDN'T AGREE MORE."

Many attendees said the same thing: once you attend RISE, you never want to miss it again. I couldn't agree more. If you have never experienced this conference, I encourage you to put it on your calendar next year and see for yourself what makes it so special. It is a gift to our community, and we are incredibly fortunate to have it as a way to begin each year.

That spirit of collaboration and support carries into another exciting initiative I want to highlight: Rai$e Her.

This movement, launched by our sister organization, the National TaxDeferred Savings Association (NTSA) and led by Toni Whaley, is focused on empowering one million women with greater financial confidence and education within five years. Rai$e Her is about meeting women where they are and equipping them with the tools, knowledge, and confidence to make informed financial decisions.

The goals of Rai$e Her align beautifully with the values so many of us share: education, access, confidence, and long-term impact. This initiative addresses real gaps in financial literacy and retirement readiness, and it invites industry professionals to be part of a movement that can create lasting change for women, families, and communities.

I encourage you to learn more, get involved, and help us amplify this important work.

On the technical front, by the time you read this, or very shortly after, the newly redesigned ERISA Outline Book will be available in its new online format. It is impressive, intuitive, and incredibly easy to search and use. I highly encourage you to take a look at it as soon as it is released. It is a powerful resource and a reflection of ASPPA's ongoing commitment to excellence and innovation.

Finally, don't forget to register for ASPPA's Spring National Virtual Conference, taking place May 13–14, 2026. This conference offers 10 hours of high-quality continuing education on important technical topics and is a great opportunity to invest not only in yourself but also in your team.

I am so proud of this organization and the people who make it what it is. Thank you for your engagement, your passion, and your support. Serving as your president is truly an honor, and I cannot wait to see what we accomplish together in the months ahead. PC

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SAVE THE DATE

STEWARDSHIP AND MOMENTUM: A VISION FOR AMERICA'S RETIREMENT SYSTEM

Why stability, smart modernization, and practical expansion must guide the next chapter of retirement policy. **By Brian H. Graff**

As we chart the course for retirement policy in 2026 and beyond, strengthening and sustaining America's employer-sponsored retirement system requires more than technical adjustments or legislative victories.

It requires a steady, long-term vision that balances stability with thoughtful modernization, resilience with innovation, and expanded access with practical implementation.

Over recent years, the retirement landscape has weathered shifting economic conditions, regulatory recalibrations, and intense legislative debate.

Through it all, one thing has remained constant: the enduring importance of a retirement system built on private-sector plans, guided by knowledgeable sponsors, empowered by professional advisors, and grounded in bipartisan support. This system's resilience is no accident. It is the product of incremental refinement, deep experience, and a shared commitment to helping Americans save and secure financial futures.

That durability was tested when Congress considered sweeping fiscal legislation last year that could have significantly altered core retirement policy provisions. In moments like these, the danger is not only obvious policy change, but the subtle erosion of confidence among employers and advisors who make the system work every day. When technical plan features become political bargaining chips, the risk isn't merely to the law; it is to the system's foundation.

Our advocacy in these debates was guided by a simple principle: protect what works, improve what needs improvement, and avoid destabilizing changes that would harm sponsors and participants alike.

Preserving the fundamental tax-advantaged framework of workplace retirement plans was not merely a defensive win; it was an affirmation that policymakers continue to recognize the system's value.

Stability matters because participation depends on predictability. Employers invest in retirement benefits when they trust the rules will endure. Advisors and consultants build strategies around a reliable framework. Participants save consistently when they believe the system is sound. Safeguarding that foundation ensures that innovation can continue without fear of abrupt structural change.

At the same time, stewardship does not mean standing still. The retirement system has always evolved in response to workforce realities and practical experience. From the early growth of defined contribution plans to the rise of automatic enrollment and digital engagement tools, progress has been driven by measured reform grounded in operational insight.

Today's modernization efforts reflect that same philosophy. Policymakers increasingly understand that expanding access and reducing administrative friction can strengthen the private retirement marketplace. Improvements aimed at small employers, greater plan flexibility, and the removal of outdated structural barriers are not ideological shifts; they are pragmatic adjustments designed to align policy with practice. Effective reform recognizes the diversity of the employer landscape and seeks solutions that broaden opportunity without imposing rigid mandates that could discourage participation.

Brian H. Graff, Esq., APM, is the Executive Director of ASPPA and the CEO of the American Retirement Association.

The system is also confronting important questions about fiduciary standards and litigation trends. Accountability is essential. Participants deserve protections that ensure prudent oversight of their savings. But when ambiguity or repetitive litigation creates excessive uncertainty, innovation slows, and risk aversion grows.

Policymakers are increasingly engaging in a thoughtful conversation about balance: how to preserve participant protections while ensuring clarity and fairness for plan sponsors and advisors. Clear, workable standards allow professionals to focus on improving outcomes rather than managing avoidable risk.

Perhaps the most encouraging development in recent policy

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"IN THIS ENVIRONMENT, THE ROLE OF ADVISORS AND CONSULTANTS BECOMES EVEN MORE VITAL. YOU ARE NOT MERELY IMPLEMENTERS OF REGULATION; YOU ARE ARCHITECTS OF RETIREMENT READINESS."

discussions is the bipartisan focus on expanding access to workplace retirement plans. Coverage gaps — particularly among small businesses, nonprofits, and evolving workforce models — remain a real challenge. Yet the conversation has matured.

The emphasis is no longer simply on whether to expand access, but on how to do so in ways that reinforce participation, preserve employer flexibility, and harness the strengths of the existing system.

In this environment, the role of advisors and consultants becomes even more vital. You translate policy into practice. You guide plan sponsors through fiduciary responsibilities. You help participants navigate savings decisions. You are not merely implementers of regulation; you are architects of retirement readiness.

Looking ahead, discussions about the next phase of retirement reform are already taking shape. While specifics will evolve, the guiding principles should remain consistent: reduce unnecessary complexity, strengthen incentives that meaningfully drive savings behavior, address persistent coverage gaps, and adapt to the realities of a changing workforce.

These are not radical ambitions; they are logical extensions of bipartisan progress achieved over the past decade.

Washington will remain dynamic, and policy debates will continue with intensity. That is inherent in the legislative process. But if we remain anchored in stability, guided by practical modernization, and committed to expanding access responsibly, the employer-sponsored retirement system will continue to thrive.

The work before us is both a responsibility and an opportunity. By maintaining focus on long-term sustainability rather than short-term disruption, and by continuing the partnership between policymakers and the professional community that supports workplace plans, we can ensure that America's retirement system remains strong for generations to come.

I am confident that, together, we will rise to that moment. PC

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UTILIZING A DEFINED BENEFIT PLAN IN THE SALE OF A BUSINESS

It can be a beneficial tool in certain circumstances. **By Kerry Smith and Theresa Conti**

Defined benefit plans, including cash balance plans, can be effective tools for business owners to save for retirement while reducing their taxable income. A defined benefit plan may allow for significantly higher contribution limits than a 401(k)-profit sharing plan and can be paired with a 401(k)-profit sharing plan, often working very well together to provide benefits and higher total contributions. For business owners who have not been able to save for retirement until later in their working life, the higher contribution limits of a defined benefit plan can be essential in helping them save for retirement in a shorter timeframe.

We want to point out an overlooked option of using a defined benefit plan when a business owner is selling their business. As consultants, we don't always know when that is happening in advance, but by having conversations with clients who may be dropping hints or reminding the CPAs we may have a relationship with, we can get in front of this type of business sale and have a strategy in place.

There are other mechanics to consider, such as the type of sale, the relationship between the buyer and seller, and planning ahead.

Let's look at examples of how this may work.

In our first scenario, it is assumed to be an asset sale of the business. This business has one owner and five employees. The business has sponsored a cash balance plan, which became effective in 2022, and the owner plans to sell the business's assets in an asset sale at the end of 2026.

At that point, the employees will become employees of the buyer, who will buy the business's assets in five annual installments. The seller plans to continue consulting and to maintain his business, which sponsors the cash balance plan, for at least another five years. The five employees will be terminated from the original business on December 31, 2026.

Assume the cash balance plan allows for lump sum distributions upon termination, and the five prior employees choose to distribute their benefits from the cash balance plan in lump sum rollovers to IRAs after they are terminated at the end of 2026.

The original owner, now the only participant in the plan, can continue to accrue benefits in the cash balance plan and can generally make deductible contributions to the plan using the payments from the buyer, assuming the contribution amounts are within the acceptable funding range for the cash balance plan each year.

Once the seller decides to retire and terminate the plan, he rolls his benefit from the cash balance plan into an IRA until he's ready or required to take taxable distributions.

In the second scenario, the business owner sells the business in a stock sale to his employee. Again, the original owner sponsors a cash balance plan that became effective in 2022. In this case, the buyer will not only acquire the assets but also the entity and, therefore, the cash balance plan.

The original owner continues to work for the buyer for three years to ensure a smooth transition. In this case, the seller lowers the purchase price by the amount to be used to fund the seller's cash balance plan benefit, or a portion of it. The buyer can then fund the seller's benefits using deductible contributions, generally lowering the business's taxable income.

Then, assuming again that the cash balance plan allows lump-sum distributions upon termination, when the seller decides to quit working for the buyer, he elects to roll his benefit into an IRA. He can then start taking taxable distributions when he is ready or required to do so.

In any of these scenarios, planning is crucial to ensure proper execution. The type of business transition, asset or stock, can impact whether utilizing the cash balance plan will be an option that makes sense.

If there is an existing defined benefit plan, and it is determined that the buyer does not want to assume and maintain the plan in the case of a stock sale, then the termination process for the plan may take several months to execute properly.

In the case of an asset or stock sale, notifying the TPA well in advance will help the TPA better prepare and advise on the implications of the sale on the defined benefit plan and any required actions the sponsor must take in a timely manner related to the defined benefit plan.

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"IF A CASH BALANCE PLAN DOESN'T EXIST BEFORE THE BUSINESS SALE, ADOPTING A NEW PLAN AFTER THE SALE PRESENTS ADDITIONAL HURDLES, INCLUDING ENSURING YOU DON'T DISCRIMINATE IN FAVOR OF HIGHLY COMPENSATED EMPLOYEES."

If a cash balance plan doesn't exist before the business sale, adopting a new plan after the sale presents additional hurdles, including ensuring you don't discriminate in favor of highly compensated employees. This requirement refers to Treasury Reg. 1.401(a)(4)-5, which says a plan amendment cannot discriminate in favor of highly compensated employees, including the establishment of a plan.

Therefore, using past service or compensation before the sale of the business to accrue a benefit and develop a funding range may not be possible if there were non-highly compensated employees during that period. Consulting with ERISA counsel to establish a new plan may be advisable.

In addition, qualified retirement plans are intended to be permanent. If the defined benefit plan is terminated within 10 years of inception, there must be a compelling business reason for doing so.

There are other considerations, such as tax and liability implications, to consider when determining whether an asset sale or a stock sale would make the most sense and whether utilizing a defined benefit plan would be the best path. As always, it is recommended to consult the CPA, legal counsel, and financial advisor for advice on these matters.

A defined benefit plan can be a beneficial tool in the sale of a business in certain circumstances. Allowing enough time to plan and consult with relevant advisors are essential for success. **PC**

COUNTDOWN TO COMPLIANCE: 403(B) CYCLE 2 RESTATEMENT REQUIREMENTS

If you maintain or are a pre-approved provider of a 403(b) plan, don't miss this important deadline. **By Susan Poliquin**

A pre-approved plan offers many advantages to adopting employers, including cost savings, reduced administrative burden, and the ability to rely on the document providers' IRS opinion letter. The IRS estimates that approximately 94% of all qualified plans are pre-approved plans.

WHY THIS DEADLINE MATTERS

An employer intending to maintain a 403(b) pre-approved plan must adopt a Cycle 2 pre-approved plan on or before Dec. 31, 2026. Failure to timely adopt a Cycle 2 pre-approved 403(b) plan may jeopardize the plan's tax-qualified status and require corrective action to bring it back into compliance.

WHO IS AFFECTED BY THE CYCLE 2 RESTATEMENT

This restatement cycle applies to pre-approved 403(b) plans offered by public schools and certain charities (i.e., tax-exempt organizations), as well as those offered by Church and Church-Controlled Organizations and some Governmental entities.

Employers that adopt one of the new pre-approved plan documents by Dec. 31, 2026, can rely on the provider's opinion letter until the end of the second cycle (typically six years from when the restatement window opened).

INDIVIDUALLY DESIGNED PLANS NOT INCLUDED IN CYCLE 2 RESTATEMENT

The restatement requirement for pre-approved plans does not apply to individually designed plans (IDPs). An attorney generally prepares IDPs for an individual employer, and they are not pre-approved by the IRS. Although individually designed plans are not subject to IRS restatement cycles, they must still be timely amended to reflect legislative and regulatory changes.

WHAT'S CHANGED

Changes included in this Cycle 2 restatement include those from the 2022 Cumulative List of changes. Some of the notable items from the list include, but are not limited to, the following:

- Increase the 10-percent cap for automatic enrollment safe harbor plans.
- Eliminate certain safe harbor notice requirements for plans that provide for safe harbor nonelective contributions and add new provisions for the retroactive adoption of these plans.
- Broader definitions of "spouse."
- Ability to rollover distributions from a 403(b) plan to a SIMPLE IRA.
- Special rules for church plans for purposes of determining controlled groups, automatic enrollment arrangements, certain plan transfers and mergers, and investments in collective trusts.

GETTING STARTED

Close coordination among plan sponsors, legal counsel, financial advisors, and third-party administrators is essential to maintaining overall compliance. Steps to ensure a smooth restatement process that keeps the pre-approved plan document in compliance include:

- Communicating the importance of a timely restatement to plan sponsors. Many plan sponsors rely on their retirement plan to attract and retain their workforce. Keeping it in compliance is paramount to ensuring this accomplishes the long-term goals of the Plan Sponsor and Participants.
- Communicating the effect of any regulatory changes to the plan and participants
- Taking the opportunity to consult with the plan sponsor to ensure that the plan is continuing to meet the needs of the business and Participants. The restatement process is a great time for them to make any changes without incurring additional costs. It also helps to solidify the relationship with the plan sponsor.
- Review and align documents to ensure that all provisions under which the plan sponsor has been operating are incorporated into the restatement.

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- Update forms and procedures to ensure operational compliance.
- Emphasize the importance of the timely execution of the plan documents.
- Plan sponsors should retain a copy of the signed documents in their permanent records for audit purposes.

TERMINATING PLANS

A terminating plan must be updated to include all law changes in effect at the time of termination. Restating the plan before termination is a "best practice" that ensures it is fully compliant with all current legislation as outlined in the 2022 Cumulative List of Changes.

The Cumulative List includes changes that were enacted or issued after Oct. 1, 2012. It's important to note that the IRS did not consider any guidance or statutes issued or enacted after Nov. 1, 2021, or those that were first effective in 2022.

To comply with these later changes, additional amendments, such as SECURE 2.0, should also be adopted by the terminating plan to obtain full reliance.

MISSED DEADLINE

It should always be the goal to amend and restate in a timely manner; however, if a plan sponsor inadvertently misses the 403(b) Cycle 2 restatement deadline, remedies are available. Expediency is key in correcting any document failure. Self-Correction is available under the Employee Plans Compliance Resolution System (EPCRS).

Under the Self-Correction Program (SCP), plans with a favorable opinion letter on their current plan document may correct a missed restatement deadline by adopting the updated document without contacting the IRS or paying a fee.

Plan document failures cannot be self-corrected once a plan is under IRS examination unless the correction was in process before the examination began. It's also important to put safeguards in place to prevent future document failures.

NEXT STEPS

Plan sponsors and providers should review their 403(b) plan pre-approved documents now to allow sufficient time for coordination, execution, and record retention before the Dec. 31, 2026, deadline. Early action reduces risk and ensures uninterrupted reliance for plan sponsors. **PC**

POOLED ACCOUNT DESIGNS: AN OVERLOOKED OPTION FOR TODAY'S DC PLANS

Where should fiduciary responsibility live, and how much complexity does a given workforce actually need?

By Megan Crawford and Chad Johansen

Defined contribution plans have evolved dramatically over the past several decades. What began as institutionally managed, pooled investing has largely shifted to participant-directed individual accounts with daily valuations, mobile apps, and an ever-growing disclosure ecosystem.

Yet, today, pooled account approaches are resurfacing in conversations among TPAs, advisors, and plan sponsors—not as a step backward, but as a strategic alternative in the right circumstances.

Part of the confusion stems from terminology. "Pooled accounts" is often used as a catchall phrase that can unintentionally lump together very different structures: pooled separate accounts, collective investment trusts (CITs), and pooled employer plans (PEPs).

Each serves a different purpose, operates under different rules, and answers a different problem in the defined contribution space. Before evaluating the pros and cons, it's critical to define what we're actually talking about clearly.

So, in this discussion, pooled account designs refer specifically to non-participant-directed defined contribution arrangements where investments are managed at the plan or trust level rather than at the individual participant level.

A BRIEF HISTORY: FROM POOLING TO PARTICIPANT DIRECTION

In the early days of ERISA-governed retirement plans, pooling was the norm. Defined benefit plans and early defined contribution arrangements relied heavily on institutional managers, pooled vehicles, and committee-driven investment decisions. Participants were beneficiaries, not investors.

As 401(k) plans grew in popularity through the 1980s and 1990s, the industry began to reframe retirement savings as an individual responsibility. This shift culminated in the Department of Labor's final regulations under ERISA Section 404(c) in 1992, which formalized the concept of participant-directed investing and clarified when fiduciaries could be relieved of liability for losses resulting from participant investment decisions.

Another key driver of this movement was to empower participants to invest based on their personal risk tolerances or time horizons. This customization, which helped a 30-year-old participant invest differently than a 60-year-old participant, was a key factor in the change.

Thus, over the next two decades, the participant-directed model accelerated. Daily valuations became standard. Participant-level websites and mobile apps became expected. Disclosure requirements were expanded significantly, including participant fee and investment disclosures, as well as Qualified Default Investment Alternative (QDIA) rules. By the 2010s, the "retail" 401(k) experience had become the default for most plans.

Yet the shift was not without tradeoffs. Administrative complexity increased. Disclosure volume ballooned. And despite the tools provided, participant engagement with investments remained limited — particularly as target-date funds became the default solution for many workers.

WHAT ERISA 404(C) REALLY DOES — AND WHY IT MATTERS HERE

ERISA Section 404(c) is often described as a liability shield, but that shorthand can be misleading. 404(c) does not eliminate fiduciary responsibility; instead, it reallocates responsibility for investment outcomes when participants are given—and actually exercise—the right to direct their investments.

To qualify for 404(c) relief, a plan must meet specific requirements, including offering a broad range of investment alternatives and providing sufficient investment information through detailed participant disclosures. If those conditions are met, fiduciaries may be relieved of liability for losses resulting from participants' investment choices.

Pooled account designs frequently sit outside this framework. When participants do not direct investments, there are no participant decisions for fiduciaries to "shift" responsibility for. In those cases, fiduciary responsibility remains centralized with the sponsor or investment fiduciary, and many participant-directed disclosure rules tied specifically to 404(c) are not triggered.

This distinction is not about avoiding fiduciary duty — it is about deciding where that duty is most appropriately exercised.

THE PRACTICAL PROS OF POOLED ACCOUNT DESIGNS

- Operational simplicity: Pooled account designs can reduce certain categories of administrator-level errors, such as

small misallocations resulting from payroll posting errors. With fewer individual accounts to reconcile, correction work can be more streamlined—though even with improved payroll integrations, fewer allocation points generally mean fewer correction opportunities.

- Fewer participant-directed disclosure requirements: When participants do not have investment direction rights, certain participant-directed disclosure rules—such as investment comparative charts—may not apply in the same way. While plans are never "notice-free," the disclosure ecosystem can be narrower and more manageable.
- Speed to implementation: For new plans or employers operating on compressed timelines, opening a single pooled trust or account can be significantly faster than establishing a full participant-directed recordkeeping environment.
- Cost efficiency and scale: Pooling assets can reduce per-participant administrative costs and allow access to institutional pricing. While pooling does not guarantee higher returns, lower expenses can meaningfully improve net outcomes over time — particularly for small plans.
- Institutional governance: For advisors and committees accustomed to pension-style oversight, pooled accounts offer a familiar governance framework that emphasizes professional management and fiduciary accountability.

Participant behavior and investment inertia: Despite being built around investment choice, participant-directed plans see limited participant engagement. Industry studies consistently show that well under 10% of 401(k) participants make active allocation changes, leaving many portfolios misaligned over time. Pooled account designs respond to this inertia by centralizing diversification and rebalancing at the plan level rather than relying on individual action.

THE TRADEOFFS SPONSORS MUST WEIGH

- Participant experience and visibility: Participants in pooled designs often receive benefit statements annually, unless more frequent valuations are provided. In a world of real-time account access, this can feel limiting — even if participants rarely make investment changes.
- Engagement considerations: Less visibility can translate to lower engagement. Sponsors adopting pooled designs should still invest in education around saving, plan value, and retirement readiness to avoid an "out of sight, out of mind" outcome.
- Administrative responsibilities: Depending on the service model, TPAs or vendors may handle more hands-on processing for distributions, tax withholding, and reporting. This shifts the workload rather than eliminating it.
- Advisory compensation structures: Advisory fees and service models may differ between participant-directed and pooled arrangements. Clear alignment of services, fiduciary roles, and compensation is essential.

WHERE POOLED ACCOUNT PLANS FIT BEST TODAY

Pooled account designs are not a replacement for participant-directed plans — they are a strategic alternative. They tend to be especially effective for small and startup plans, employers seeking rapid implementation, and workforces with limited investment engagement. They also appeal to sponsors who value institutional oversight and predictable administration over participant-level customization.

Conversely, participant-directed plans remain a strong fit for employers competing for talent, offering robust financial wellness programs, or serving financially sophisticated employee populations.

CONCLUSION: NOT A STEP BACKWARD, BUT A DIFFERENT TOOL

The defined contribution industry has spent decades building infrastructure around participant choice. Pooled account plans challenge the assumption that more choice always leads to better outcomes. Instead, they ask a different question: where should fiduciary responsibility live, and how much complexity does a given workforce actually need?

For advisors and sponsors willing to evaluate plan design through that lens, pooled account structures offer a legitimate, efficient option—one rooted in the industry's history and adapted for today's practical realities. **PC**

Anton Vierietin / Shutterstock.com

HOW TO BALANCE YOUR WORKLOAD TO MEET COMPLIANCE DEADLINES

By implementing consistent tools and processes, you not only meet compliance obligations but also deliver a higher standard of service and trust to your clients. **By Kristin Deskin and Monica McCurty**

In the fast-paced world of retirement plan consulting, balancing day-to-day responsibilities with hard compliance deadlines can feel like walking a tightrope.

Missing a deadline is not just inconvenient; it can result in costly penalties for clients and reputational damage for consultants and the TPA firm.

That is why mastering time management, prioritization, and proactive planning is not optional; it is essential.

Not all tasks carry the same urgency or impact. To manage your workload effectively, start each week or each day by identifying the tasks that must be completed to avoid compliance risks or client dissatisfaction.

A triage system is a structured way to sort and prioritize work based on urgency, deadlines, and potential consequences. By categorizing tasks into priority levels, you can focus your time where it matters most and improves overall workflow.

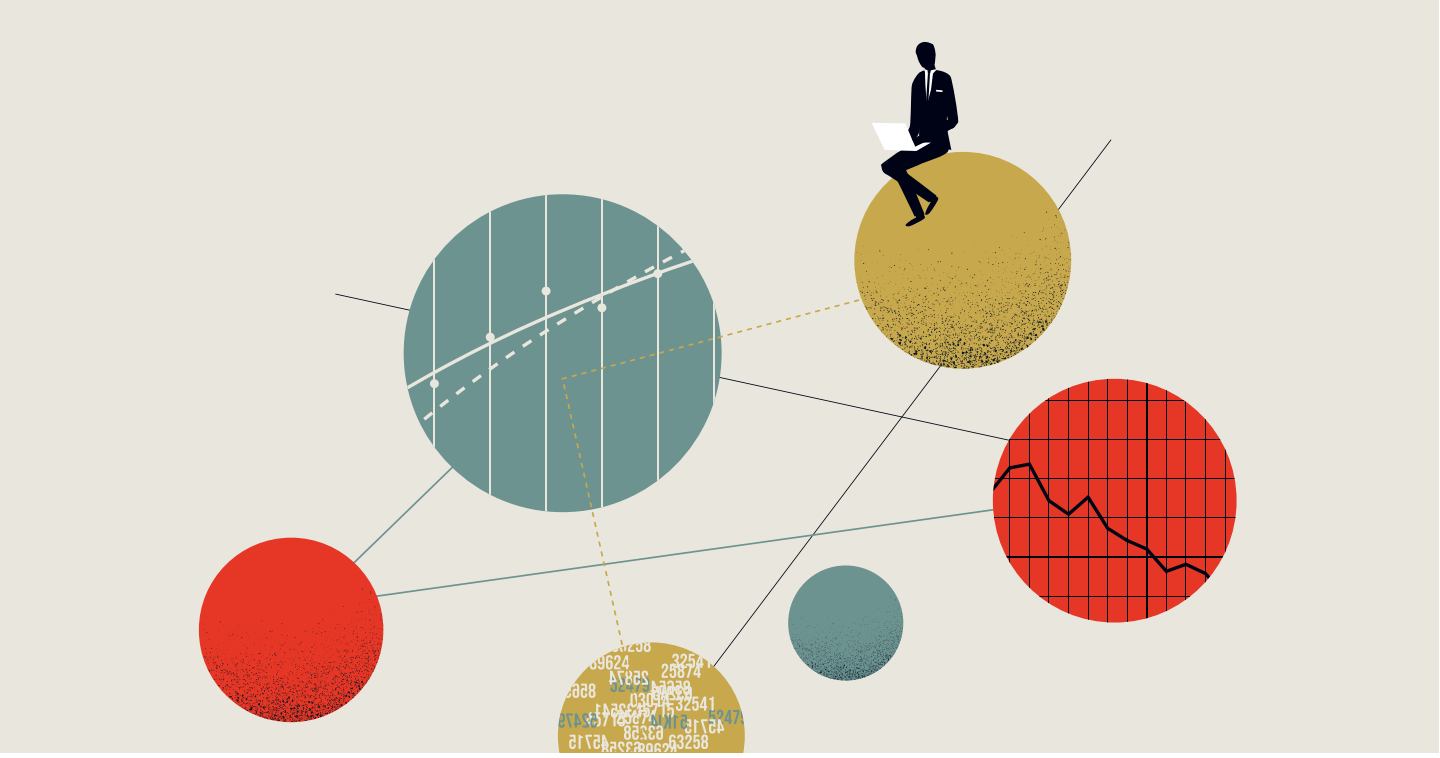
Example of a Triage System:

Priority 1: Urgent & High-Risk Compliance Items

- Compliance testing due within 1–2 weeks
- Plans that historically have failed the ADP/ACP test and need immediate correction
- Plans that require annual match calculations
- Deferral-only plans.

Priority 2: Approaching Deadlines

- Testing underway; deadline approaching in 3–4 weeks.



Priority 3: Data-Dependent but Time Sensitive

- Plans waiting on client data (especially those who tend to delay providing information)
- Even if their deadline is further, these should be flagged higher since extra time will be needed once the data is received.

Priority 4: Low-Action or No-Action Items

- Plans that do not currently require testing or action, such as:
  - Solo 401(k) plans or owner-only plans
  - Safe harbor plans
  - Plans with no employee or employer contributions during the year.

By applying this triage method, you ensure that the most critical and time-sensitive work is handled first, reducing the risk of missed deadlines and client dissatisfaction while keeping lower-priority items from clogging your workflow.

Remember, not all clients extend their taxes, so they need to fund contributions earlier in the year when they are filing their business tax returns.

Tackling high-priority items early in the day improves decision making and reduces end-of-day stress. This strategy also lets you have a 'win' early in the day, so you feel accomplished at the end of a long, complex day. Update tasks weekly to prevent shifting priorities from catching you off guard.

Time blocking your day allows for extended periods of focused work. Set your phone on Do Not Disturb and close out your email to minimize distractions for a 2–4-hour block of time. At the end of the block, check and respond to voicemails and emails. Then close out the email and turn off the phone for another couple of hours.

Again, check them during the last hour or 90 minutes of the day. This will allow you to leave the office with a clean desk and inbox at the end of the day. Working in large uninterrupted blocks allows you to complete tasks from start to finish without setbacks, often enabling you to complete your daily priorities.

Controls or workflow tracking are critically important for a retirement plan consultant. It serves as your central command center for tracking each client's status in their plan year administration cycle. Without it, you can easily lose sight of key steps, fall behind on deadlines, or forget about a client entirely.

When creating a plan-year tracker, use columns to log tasks such as census data collection, ADP/ACP testing, 5500 preparation, and plan document updates. Include dates, status indicators, and notes.

Notes can include details such as the asset holder, whether the plan is safe harbor, or the profit-sharing allocation method. Color coding is an effective way to provide a quick status reminder. This will serve as your consolidated point of reference throughout the year.

Retirement plan administration involves dozens of moving pieces: census data collection, compliance testing, 5500 preparation, and client approvals. A tracking spreadsheet helps you monitor each step's status, ensuring nothing falls through the cracks.

A structured workflow creates a repeatable, reliable process you can follow for every client, every year, not just for one-off projects. It is essential for maintaining consistency and reducing errors.

A well-built tracker provides a bird's-eye view of each plan's status, what is overdue, and what is coming next. Maintaining a central workflow document allows you to spend less time double-checking what has been done and more time focusing on higher-value tasks like client strategy or consulting. Keeping the tracker updated with notes year after year enables you to compare data and identify trends and areas for improvement.

Several tools are available specifically for retirement plan administration and project tracking. These tools can streamline the process. Automate tasks wherever possible to eliminate repetitive tasks and reduce human error. Some recommended tools include practice/project management platforms, compliance-tracking software, and automated email reminders for client data requests and internal reviews.

Compliance deadlines are fixed, but internal ones can and should be adjusted. Create a buffer by setting your own "early due dates" that are days or even weeks ahead of the actual deadline. This provides time to address unexpected client delays, conduct internal quality reviews, and clarify guidance if new regulations are involved.

Mistakes in compliance work can be costly, and mistakes do happen. Schedule dedicated time for peer reviews or self-audit of complex filings and calculations. Best practices include using checklists for recurring tasks, documenting review steps, and creating a "review week" before major deadlines.

After peak periods (e.g., July 31st or October 15th), take time to debrief with your team. Identify what went well, what caused delays, and areas for improvement. Some debrief questions could include: Were there repeat client issues? Did you feel overbooked? What tech tools saved you time? What should be added to the checklist next year?

In conclusion, managing workload and compliance deadlines as a retirement plan consultant requires more than just technical expertise. It demands structure, discipline, and proactive planning.

With a solid workflow system, a well-prioritized triage process, and clear communication both internally and with clients, you can stay ahead of the curve even during peak deadlines.

By implementing consistent tools and processes, such as tracking spreadsheets, internal deadlines, and risk-based prioritization, you not only meet compliance obligations but also deliver a higher standard of service and trust to your clients.

The key is to treat organization as a strategy to ensure a smoother, more efficient compliance season year after year for you and your clients. **PC**

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THE POWER OF PARTNERSHIP

'TPA Teammates,' ASPPA's new accolade, takes center stage. Who made this year's list of top recordkeeping wholesalers?

Apisit Suwannaka /Shutterstock.com

BY ASPPA NET STAFF

Who doesn't appreciate a good teammate? Achieving success is far easier when you extend a helping hand and receive one in return.

The American Society of Pension Professionals and Actuaries (ASPPA) is pleased to announce the recipients of a new industry accolade — "TPA Teammates!"

The recognition celebrates the recordkeeping partners that third-party administrators (TPAs) rely on to help build their businesses and serve their clients. We asked TPAs who stood out, and they responded — enthusiastically.

ASPPA announced the new accolade at its annual conference in San Diego, California, last fall.

"The most successful wholesalers are true partners who often work side-by-side and collaborate with TPAs to introduce new ideas, help them grow, deliver better service, and build stronger client relationships," American Retirement Association (ARA) CEO and ASPPA Executive Brian Graff said when introducing the accolade.

In the retirement plan industry, TPAs know that their success doesn't happen in a vacuum. It's built on strong relationships — and few are more critical than the partnership between TPAs and their recordkeeping allies. These collaborations help TPAs grow, deliver exceptional service, and build stronger, lasting client relationships.

It's designed to highlight that collaboration and recognize recordkeepers who go above and beyond.

The program has two categories:

- The Distinguished Wholesaler Accolade
- The Distinguished Relationship Manager Accolade

TPA firms nominated up to six individuals — four wholesalers and two relationship managers — who demonstrated excellence in engagement, business impact, and service responsiveness.

The recordkeeper wholesaler nominees submitted a questionnaire consisting of quantitative and qualitative information.

An independent panel of judges then convened to review both the quantitative metrics and qualitative stories and selected the final accolade list of **25 wholesalers and 10 client relationship managers.**

ASPPA announced the inaugural winners online and in ASPPA Connect in mid-January.

"The goal is simple," Graff added. "We recognize the recordkeeping partners who make this industry better by helping TPAs succeed. When those relationships work, everyone wins."

ASPPA sent nomination forms in late October and will do so again this year.

Guidelines for TPAs when submitting their nominations included:

- **Nomination Scope:** Each firm submitted up to six nominees (four wholesalers, two relationship managers).
- **Eligibility:** Nominees had to be actively engaged in TPA-facing roles.
- **Submission Requirements:** A completed form, including objective metrics, was required and submitted, with firms certifying that the submitted data was accurate.

"Our industry is built on collaboration, and partnerships like the one between recordkeepers and TPAs power successful retirement plans," ARA Chief Regulatory Affairs Officer Kelsey Mayo, who organized the accolade, said. "We're proud to celebrate those professionals who lead with integrity, partnership, and a shared commitment to improving retirement outcomes for all.

So, congratulations to those who made this year's inaugural list, and look for the call for nominations again later in 2026.

And thank you for all you do to ensure a secure and fulfilling retirement for ALL hardworking Americans!

TPA TEAMMATES

WHOLESALERS

DOUG ALLEN
Manulife John Hancock

DAN ARMSTRONG
Voya Financial

BRIAN BILLMEIER
Transamerica

ADAM BLITZ
Empower

SALLY BOWEN
T. Rowe Price

BENJAMIN BRUETSCH
Manulife John Hancock

ANDREW CARRILLO
Principal Financial Group

CHRIS CASTRO
Transamerica

TODD CHAMPNEY
Empower

ROB HAMITLON
Empower

KEVIN HUTTON
Empower

ADAM JOHNSON
Manulife John Hancock

JAY KIRLAND
Voya Financial

BROOKS LAU
Principal Financial Group

THOMAS LYMAN
Manulife John Hancock

HAYDEN MAIN
Manulife John Hancock

BRIAN NOCERA
Voya Financial

STEVEN PERSON
Manulife John Hancock

JARED SHEINWALD
Lincoln Financial Group

DEAN SPALDING
Voya Financial

SCOTT WARD
Manulife John Hancock

BRAD WHELAN
Empower

ERIK WOODIN
Empower

PAUL YOSSEM
Nationwide

DAN ZIBAITIS
Manulife John Hancock

CLIENT RELATIONSHIP MANAGERS

JESSICA BERTILS
Voya Financial

KATIE BOYER-MALOY
Principal Financial Group

MICHELLE CONDOU
Empower

KELLEN CRAIG
Manulife John Hancock

KARA EARLE
Fidelity Investments

LESSIE EVANS
Nationwide

SABRINA FOEST
Lincoln Financial

ANDREW POOSER
Manulife John Hancock

BRETT SCHAEFER
Manulife John Hancock

JOHN SHUTA
Manulife John Hancock

AMERICA'S RETIREMENT COVERAGE GAP

A PROBLEM WE CAN SOLVE TOGETHER

The issue is large but not insurmountable. Here's what it will take.

BY SHANNON EDWARDS AND THERESA CONTI

Did you know that AARP research has found that Americans are approximately fifteen times more likely to save for retirement when they have access to a workplace plan? The likelihood of participating increases by 20 times when the plan has an automatic enrollment feature.

Many studies have found that both the average age of retirement and life expectancy have increased significantly over the years, indicating that employees must save more for retirement.

Even more staggering is that half of Americans think they will work part-time during retirement, and one in 12 believe they will never retire.

Most people don't start saving until they are over 30 years of age, 56% say they are behind in savings for retirement, 32% have no retirement savings, and 43% are worried about outliving their retirement savings. So, how do we change the minds of the 37% of workers who don't feel they will be able to achieve their retirement goal? [1]

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For years, the American private retirement system has been the engine that enables millions of workers to save for their later years. Employer-sponsored retirement savings plans, most notably 401(k)s and similar defined-contribution vehicles, have enabled workers to build meaningful retirement assets outside Social Security.

These plans provide tax-favored savings, payroll-deducted contributions, and often an employer match, a powerful combination that turbo-charges retirement readiness when workers have access to them.

But for too many Americans, especially those working for small employers or participating in the rising gig economy, that access simply doesn't exist, creating a retirement coverage gap that places millions at risk of entering retirement with inadequate savings.

Despite the success of workplace plans for those who do have them, access remains far from universal. According to Georgetown University's Center for Retirement Initiatives, nearly 47% of private sector workers, roughly 59 million U.S. workers, lack access to a workplace-sponsored retirement plan. This includes both full-time and part-time workers who might otherwise benefit from automatic payroll deductions.

To put that in context, 42% of full-time workers don't have access to a retirement plan through an employer. That translates to more than 40 million private sector workers left on the sidelines. Part-time workers are far worse off: 79% lack access to any workplace retirement plan.

Smaller employers are most likely to be on that access-gap side of the ledger: workers in firms with fewer than 50 employees are far less likely to have access than those in larger organizations, a structural challenge that fuels the gap.

These numbers translate into a large pool of workers who may be saving nothing for retirement outside of Social Security. They are unable to benefit from the core strengths of employer-sponsored retirement plans: regular payroll deductions, compounding investments, organizational defaults such as automatic enrollment, and, for many plans, employer matching contributions.

The research also suggests that almost 50% of employers who sponsor a plan do not offer an employer match, thus leaving the entire savings responsibility on the employee.

When we dig deeper, the data consistently show that the coverage gap is driven by small employers, the very businesses that make up the lion's share of the American economy. Multiple analyses find that only about half of small employers offer a retirement plan, while roughly 90% of employers with more than 100 workers do.

Another estimate from independent research suggests that between 66% and 74% of small firms with 100 or fewer employees don't offer any plan. This gap doesn't just leave workers without access; it leaves entire communities less prepared for retirement, disproportionately affecting lower-income employees and those in nontraditional work arrangements.

In fact, almost 80% of lower-income workers lack access to a retirement plan, compared to just about 18% of high earners.

In addition to traditional employees at small firms, a growing segment of the workforce consists of gig workers, independent contractors, freelancers, and other "nontraditional" workers. These workers often lack access to an employer-sponsored retirement plan because their work arrangements fall outside the traditional employer benefits model.

According to earlier research, roughly 40% of independent and gig workers lacked access to any formal retirement plan. While comprehensive current data is sparse, policy research confirms that this group remains underserved compared to traditional employees, further widening the coverage gap.

One concern is that 47% of households are at risk of having insufficient retirement savings. Is the thought that employees don't save even when offered a retirement plan because they don't feel that it will make a difference in their retirement?

And many employees honestly don't even know how much they need to be saving to have enough in retirement. In fact, about 55% of employees have never even tried to calculate how much they might need.

Despite this coverage gap, the private retirement system remains one of the most successful mechanisms for helping Americans save for retirement. For workers who do have access, participation rates in workplace retirement plans are strong.

Historically, around 50–56% of workers participate in a workplace retirement plan when they have access. This percentage increases tremendously when an automatic contribution arrangement is added. According to research, workers with a 401(k) plan accumulate 29% more in retirement savings than those without one. Including employer matches, employees in voluntary plans save an average of 7.6%, and employees in automatic enrollment plans save an average of 12.1%.

Access to plans correlates with higher retirement accumulations, not just because of tax savings, but because payroll-deducted contributions and automatic enrollment significantly boost participation and savings behavior. Employer matches provide a compelling incentive, and for many workers, matching contributions represent free money that accelerates retirement saving.

This success story doesn't negate the coverage gap, but it underscores a central truth: when Americans have access to workplace retirement plans, they tend to accumulate meaningful savings and often enter retirement with dignity and choice they otherwise wouldn't have.

Recognizing the coverage gap and its implications, Congress has taken meaningful legislative steps in recent years with the SECURE Act ("Setting Every Community Up for Retirement

Enhancement") and its successor, the SECURE 2.0 Act of 2022. These laws were explicitly designed not just to strengthen retirement savings for workers who already have plans, but to expand coverage to workers who historically lacked access. Key provisions aimed at closing the gap include expanded tax credits for small employers to offset the costs of starting a retirement plan.

The startup tax credit covers up to 100% of qualified plan startup costs (capped at $5,000 per year for the first three years) for employers with 50 or fewer employees. A new employer contribution tax credit of up to $1,000 per employee (for contributions made on behalf of employees earning less than $100,000), phased over a five-year period was also included in SECURE 2.0.

Finally, there is an auto-enrollment tax credit of $500 per year for three years to incentivize employers to include automatic enrollment because it has proven to increase employee participation. These credits significantly reduce, or even eliminate, the cost hurdle for many small businesses that have historically cited financial and administrative barriers to offering a plan.

Both the original SECURE Act and subsequent guidance under SECURE 2.0 expanded the feasibility of Multiple Employer Plans (MEPs) and Pooled Employer Plans (PEPs), which are vehicles that allow unrelated small employers to band together under one plan.

They are intended to be designed to reduce administrative complexity and shared fiduciary responsibility. MEPs and PEPs give small employers a path to offer retirement with potentially fewer oversight requirements than they would have in a standalone plan because they outsource certain, but not all, fiduciary responsibilities to a Pooled Plan Provider, a 3(38) fiduciary, a 3(16) fiduciary, and a 402(a) fiduciary.

However, the addition of these other parties, who would not necessarily be involved in a standalone plan, has been shown to increase the cost to the employer of offering a plan.

SECURE and SECURE 2.0 also expanded eligibility rules by including provisions that open plan participation to certain part-time workers, bolstering coverage for individuals who work non-standard hours but still rely on payroll savings. These policy moves reflect a clear intent from lawmakers to remove barriers that have kept so many workers on the outside looking in, and to make retirement saving more inclusive and more automatic.

It would be both honest and constructive to acknowledge that the American retirement system still has significant gaps. Millions of workers do not currently benefit from payroll-deducted retirement savings.

Coverage is heavily skewed toward larger employers, leaving smaller firms and nontraditional workers behind. And simply having access is not enough. Participation and adequate savings levels remain ongoing challenges for many American Workers. But it's equally true that the private retirement system has been largely successful for the workers who do participate. It has scaled from a niche benefit for a few corporate employees to a central part of retirement security for tens of millions of people.

This has enabled long-term wealth accumulation outside of Social Security. The system works when people can access it, and the tools embedded in our tax and labor code help make that possible.

Today, through laws like SECURE and SECURE 2.0, we are actively working to shrink the coverage gap. The sister organizations of the American Retirement Association (ARA), such as ASPPA and NAPA, along with our members, are at the forefront of this effort.

We, with the ARA staff, are advocating in Washington, educating small employers, and developing solutions that lower friction and expand access. As legislative champions and industry professionals, we share a dual perspective.

We recognize the coverage gap and the real risks it poses to millions of workers. And we believe the private retirement system has the capacity to solve it, especially when policy incentives, plan sponsors, advisers, and advocates align around that common purpose.

The problem is large, but it's not insurmountable. With continued advocacy, smarter incentives, better education for employers and workers alike, and the collective work of professionals across the retirement ecosystem, we can continue to close the coverage gap and help more Americans save for retirement with dignity. **PC**

WHY RETIREES STILL THINK LIKE WORKERS

and How Plan Professionals Adapt

Psychology, Social Security, and market losses should shape retirement income design.

BY KENT PETERSON

Most American workers live inside a simple, durable financial rhythm: A paycheck arrives, it lands in checking, and that amount becomes "safe to spend." The portion to save is automatically deposited into my retirement plan or savings account — a simple, clean separation.

That pattern does more than pay the bills. Over the decades, it has trained people in how to think about money:

- Checking is for spending.
- The savings account is for safety and emergencies.
- Retirement accounts are for "later" and mentally off-limits.

Then retirement arrives.

The paycheck from work stops. Social Security starts (eventually). The checking account still needs to be funded — but now from a combination of Social Security and withdrawals from savings that participants were reluctant to touch.

At the same time, retirees become acutely sensitive to market swings. When portfolios decline while withdrawals continue, many feel like they are "losing money twice" — from markets and from their own distributions — and they are.

The question for defined contribution (DC) plan design is simple: how do we build in-plan income solutions that respect this psychology and help participants make better decisions, whether they ultimately keep the income in the plan or take it outside?

MENTAL BUCKETS AND THE 'DO NOT TOUCH' PROBLEM

Behavioral economists describe mental accounting as the way people separate money into informal "buckets," each with its own rules. For a typical household, it looks like this:

- **Checking** — where the paycheck and, later, Social Security land. This is the most spendable amount of money.
- **Savings** — an emergency buffer. Withdrawals feel uncomfortable and often come with guilt.
- **401(k)/IRA** — a "do not touch" bucket earmarked for retirement someday.

Retirement asks people to do something completely new: turn their "do not touch" bucket into their everyday spending account. That runs directly against decades of habit. It is no surprise that many retirees:

- Underspend out of fear of "running out."
- Park too much in cash.
- Delay or avoid withdrawals because they worry about doing it wrong.

Social Security (as well as defined benefit monthly income for a small fraction of people) fits neatly into their existing mental model because it looks and feels like a paycheck: a monthly deposit from a trusted source.

But for most households, Social Security alone is not enough to support their desired lifestyle, forcing them to consider using retirement savings as income — something they have never done.

This is why the last five to ten years before retirement are so important. In that window, planning must shift from "How big should my account balance be?" to "How much monthly income will I need — *and for how many years* — on top of Social Security?" People can learn to think this way, but only if the system helps them translate balances into income, time horizons, and clear spending priorities, rather than just showing projected lump sums.

WHEN MARKETS ARE DOWN, LOSSES FEEL TWICE AS BAD

Market volatility adds to another layer of stress.

During working years, people can tell themselves, "The market is down, but I'm still contributing. I'm buying low. It'll recover."

In retirement, the narrative changes to, "The market is down, and I'm withdrawing. I'm locking in losses."

This creates a "double loss" effect:

1. Portfolio loss from market declines.
2. Balance loss from ongoing withdrawals.

Even if their withdrawal rate is mathematically sustainable, the optics are painful. The account is shrinking from both directions. Social Security helps because it is not tied to markets, but if it covers only part of the budget, retirees still watch their savings fall at exactly the moment their anxiety is highest.

This is one reason systematic withdrawal strategies — however elegant on paper — often fail the real-world test. Being told "You have Social Security plus a 4% withdrawal plan" is not the same as feeling "I have a secure paycheck I can live on."

SOCIAL SECURITY: THE FIRST RETIREMENT PAYCHECK

For most Americans, Social Security is the foundational retirement paycheck:

- It arrives monthly.
- It lands in checking.
- It is guaranteed for life and indexed to inflation.

Psychologically, it becomes the new baseline. Many retirees anchor their "safe-to-spend" number at their Social Security benefit, even when they could afford to spend more. Claiming decisions feel like high-stakes choices that define the size of that primary paycheck for life.

From a plan design perspective, Social Security should be treated as Step One in the income conversation: estimate the benefit, frame it as the first paycheck, and then build everything else around it, rather than ignoring it or treating it as a separate topic.

For workers in their final decade before retirement, this framing also changes how they think about work itself. Instead of only asking, "When can I retire?" they can ask, "What baseline income will I have from Social Security and guaranteed income, and how much do I want or need to earn from part-time or side jobs on top of that?"

If a solid income floor is in place, some people may choose to work part-time and delay claiming Social Security, knowing that every year they wait increases that first paycheck for life.

IN-PLAN GUARANTEED INCOME: PREPARATION, NOT REPLACEMENT

The next layer is plan-based guaranteed income — annuities or similar structures available inside the DC plan.

Critically, in-plan guaranteed income does not replace all the out-of-plan options participants might use. Retirees will still roll to IRAs, purchase retail annuities or work with advisors who shop the market across carriers. The role of in-plan income is to give participants a better on-ramp to that decision: better education, better illustrations, and a more natural link between their accumulated balance and future paychecks.

But that behavioral value is not enough on its own. In-plan solutions must also stand up to economic comparison. Over time, lifetime income per dollar of premium inside the plan needs to be at least comparable to, and ideally better than, what a participant could reasonably obtain outside the plan after fees and pricing. If in-plan income consistently lags out-of-plan alternatives, both participants and fiduciaries will eventually vote with their feet.

In other words, in-plan guaranteed income is both:

- A framework for making the decision easier and more intuitive, and
- A product that must be competitive in a world where out-of-plan options are readily available.

PARTIAL ANNUITIZATION: COVER PRIORITIES, NOT THE ENTIRE PLAN BALANCE

Once Social Security is recognized as the first paycheck and in-plan guaranteed income is positioned as a competitive option, a key design principle emerges:

The goal is not to turn the entire 401(k) into lifetime income. The goal is to turn enough into income — on competitive terms — to cover monthly priorities comfortably.

Most retirees need:

- A secure income floor for essential expenses.
- A flexible pool of assets for discretionary spending, emergencies, and legacy goals.

A more useful framing than "annuitize everything or nothing" is:

"How much income, on top of Social Security, do I need to reliably cover the must-have items in my budget—housing, food, utilities, basic transportation, healthcare premiums — and what slice of my savings should I use to secure that income?"

That points to partial annuitization, sized to the gap between Social Security and essential spending. The rest of the balance can remain in liquid, transparent investments — some in low-volatility strategies and some in growth assets — giving retirees both structure and flexibility.

This approach aligns with how people already live: core bills are covered by predictable paychecks; everything else is managed from a combination of reserves and longer-term savings.

It also gives people a clearer sense of how much they might want to earn from side jobs or phased work in retirement: once the baseline income floor is known, any additional earnings become a choice lever for lifestyle upgrades, travel, helping family, or delaying Social Security.

WHAT PLAN PROFESSIONALS CAN DO

For plan consultants, TPAs, and advisors, several practical implications follow:

- Explicitly integrate Social Security into income conversations as the first paycheck.
- Help participants in the last decade before retirement shift from "How big should my balance be?" to "How much income will I need, for how long, and how much work or side income do I want to contribute to that picture?"
- Evaluate in-plan guaranteed income against realistic out-of-plan alternatives; if it can't at least match them, it doesn't belong in the long-term lineup.
- Emphasize partial annuitization to cover essentials, not the full conversion of account balances.
- Communicate in monthly income terms, not just ending balances or replacement ratios.

Retirement planning will always require good math. But retirees do not live on probability curves — they live on deposits into checking accounts. Social Security and competitive guaranteed income give them a way to keep living in a paycheck world, even after the employer paycheck stops. PC

BEST PRACTICES FOR BENCHMARKING AND REVIEWING RECORDKEEPERS

Expertly guiding clients through this process offers a significant opportunity to provide meaningful value and reinforce the importance of fiduciary discipline. **By Josh Itzo and Justin MacNeil**

Benchmarking recordkeeping services is now one of the most visible and routine fiduciary exercises for plan sponsors. This process is frequently initiated by events such as a fee disclosure review, a change in advisory relationship, or a fundamental question posed by a committee member: *"Are the fees we pay still reasonable?"*

Although often viewed merely as a pricing analysis, seasoned consultants and advisors understand that this exercise is significantly more nuanced. While reviewing annual fee reports from typical benchmarking databases is necessary to ensure good "fiduciary hygiene", they do not provide an accurate pulse on current market pricing.

Gathering current bids from multiple recordkeepers based on specific plan characteristics — including size, participant count, and required services — is the most effective way to determine whether fees are prudent and reasonable.

A standard practice is to solicit three to five proposals, or even more, to compare against the existing recordkeeper. The complexity lies in comparing proposals, as fee structures differ considerably, services may be bundled in one proposal and itemized in another, and vendors consistently employ innovative methods to present their service models and associated costs.

A successful plan benchmarking initiative requires a repeatable, structured process that accurately assesses the specific needs of the plan and its participants. When executed properly, this exercise is vital for risk management and serves as clear evidence of proactive fiduciary oversight across the large, mid, or micro-market segments.

While cost is the natural default focus of benchmarking, it is equally critical to first establish a regular and consistent benchmarking cycle.

Despite its necessity for ensuring overall plan health, this regularity is often a critically overlooked or ignored component of the process.

Fiduciaries must be able to demonstrate they evaluate recordkeeping fees and services consistently, rather than reacting solely to participant complaints or the initiation of an audit. Annual plan contributions can help gauge the appropriate benchmarking frequency, but a sound general practice involves a formal benchmarking process every two to three years, supplemented by lighter annual reviews to track asset growth, participant counts, and fee changes. Larger plans in the mid- to large-market sectors may choose to conduct a comprehensive Request for Proposal (RFP) every three to five years.

Occasionally, an off-cycle benchmarking review becomes necessary due to triggering events such as substantial asset growth, shifts in workforce demographics, or a pattern of accumulated service complaints. More common in the current era are mergers and acquisitions that can have a material impact on a plan's size (and pricing).

For example, a fee structure suitable for a $10 million plan with 75 participants is likely inappropriate when the plan expands to $75 million with 500 participants. Furthermore, the simple addition of a new plan feature can fundamentally alter the reasonableness of the existing recordkeeping agreement, depending upon the administrative impact.

Best practices dictate that fiduciaries remain aware of these developments and proactively evaluate the plan's requirements as they arise. While this continuous monitoring may appear demanding, adopting a proactive stance minimizes future risks and the need for corrective action.

Beyond the plan sponsor's fiduciary duty, the benchmarking process is of significant importance to the plan advisor. Savvy advisors often identify plans lacking a consistent review cycle

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and capitalize on this oversight to acquire new clients.

Plans that fail to benchmark regularly often end up priced significantly above market rates due to a lack of active monitoring. As plan assets increase, the plan's inherent value to the service provider also grows. The incumbent recordkeeper rarely offers spontaneous price reductions, which can ultimately be detrimental to the plan.

A proactive advisor seeking new business can readily use this discrepancy to illustrate the current advisor's failings in serving the plan and its participants, making a transition appear both recommended and necessary.

We can now address the element that typically takes center stage in benchmarking discussions: cost.

Fundamentally, ERISA mandates that plan sponsors select a recordkeeper whose fees are **reasonable and prudent** for the services provided, not necessarily the lowest available in the market. This distinction is critical. A provider offering a minimal service model at a highly attractive price point is probably unsuitable for a plan with a complex structure, multiple payroll feeds requiring divisional reporting, or a participant base demanding extensive education or bilingual assistance.

Conversely, choosing a premium-priced, full-service brand for a five-person startup is also generally imprudent. Best practices require evaluating cost and value concurrently to achieve the optimal balance tailored to the plan's specific needs.

Cost is a multifaceted factor influenced by numerous variables. Superficial analysis often begins with total plan assets, annual contributions, and average account balances, but these metrics only partially inform the total cost.

A deeper analysis is necessary to uncover the underlying fee structures and how they are projected to impact the plan's cost over time. Key questions include:

- What are our projected growth rates in terms of assets and participants over the 3-5 years?
- Do we expect assets to grow faster or headcount?
- Are the fees asset-based or hard-dollar?
- If asset-based, would transitioning to a flat, billable structure, such as an open-architecture approach, be more advantageous based on our assumptions and projections?
- Does the investment lineup include revenue sharing, sub-transfer agency (sub-TA) payments, or a wrapper that subsidizes or conceals recordkeeping revenue?
- Are proprietary investments like target-date funds, managed accounts, or stable value options required to meet the stated pricing, or offered as alternative concessions?
- How do these options impact the overall cost, not just the recordkeeping?

Although different fee structures are not inherently imprudent, fiduciaries must fully understand their impact on the plan and evaluate whether alternative solutions should be considered. While the industry has made commendable progress toward overall fee transparency, complex pricing metrics persist, particularly within older product offerings, necessitating careful evaluation.

If cost represents one side of the benchmarking coin, the scope and quality of service constitute the other. The fiduciary review process must thoroughly evaluate the recordkeeper's services beyond basic functions like transaction processing, account statements, and website access.

Services such as participant education, call center support, payroll

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"DOCUMENTING WHICH SERVICES ARE INCLUDED IN THE BASE FEE, WHICH ARE OPTIONAL ADD-ONS, AND WHICH ARE COMPLETELY EXCLUDED IS CRUCIAL."

integration, compliance assistance, notification services, 3(21) and 3(38) fiduciary support, and distribution and loan processing all contribute significantly to the total value proposition. Documenting which services are included in the base fee, which are optional add-ons, and which are completely excluded is crucial. This documentation is vital for demonstrating that the fiduciaries have assessed the total value received in relation to the cost.

Finally, documentation is paramount. This step is arguably the most critical component of the entire benchmarking process. Regulatory bodies and litigation often judge fiduciaries based on the **process** used to reach their decisions, rather than merely on the ultimate outcome.

Documentation best practices require clearly articulating the committee's rationale for concluding that the fee schedule is reasonable, detailing the service evaluation methodology, listing alternatives considered, and summarizing any actions taken following the review. The documentation must be comprehensive enough to be self-explanatory years later, even if committee membership has shifted.

Performing a benchmark does not automatically necessitate transitioning to a new recordkeeper.

Often, the exercise confirms the suitability of the current provider or provides the ammunition to renegotiate to align the plan with the current competitive market environment. In situations where the incumbent's services and fees are appropriate for the plan and its participants, but an alternative recordkeeper submitted an aggressively low proposal to win the business, the plan sponsor and advisor gain significant leverage.

They can use the data as a negotiating tool with the current recordkeeper to achieve fee reductions or service enhancements, thereby avoiding a disruptive transition for participants. These actions collectively demonstrate active oversight and an unwavering commitment to acting in the best interests of the participants.

Benchmarking can undeniably be a considerable undertaking, particularly for new or generalist advisors. Therefore, securing independent validation is a critical element of a robust benchmarking process. Fiduciaries should exercise caution when relying exclusively on reports from the incumbent recordkeeper, as these may constitute a limited or selectively curated peer set. It is crucial to remember the availability of qualified partners, such as a Third-Party Administrator (TPA), who can provide assistance. Some TPAs can operate as objective third parties and generally interact with a broader spectrum of recordkeepers daily than most individual advisors. This extensive exposure ensures they are well-versed in the various recordkeepers, their fee schedules, service models, and suitability for inclusion in the benchmarking pool. Leveraging their expertise is highly recommended.

Finally, benchmarking is typically done as a "point in time" activity, but it shouldn't be presented that way. Running a five to 10-year fee projection helps put the data in the appropriate context so fiduciaries can understand the impact of their decision not just today but into the future. CFO's, in particular, gravitate towards this type of analysis. Further, tracking the trend and history of how plan fees have changed over time as assets/participants have increased (and the specific actions or decisions that impacted those changes) can provide a great visual for clients, demonstrate prudence, and earn a well-deserved win for the advisor.

In the current climate of increasing fee transparency and expanding fiduciary responsibilities, effective benchmarking should be viewed as a cornerstone of prudent plan governance.

Approaching this evaluation as a disciplined fiduciary process empowers plan sponsors to manage risk more effectively, improve participant outcomes, and unequivocally demonstrate their dedication to serving participants' best interests. For both advisors and TPAs, expertly guiding clients through this process offers a significant opportunity to provide meaningful value and reinforce the importance of fiduciary discipline within an increasingly complex retirement landscape. PC

THE STATE OF THINGS: EXPANDING VISTAS OF REVENUE AND COVERAGE

Here's where we stand with state-sponsored auto-IRA programs. **By John Iekel**

What do the rocky shores of Maine, Mystic Seaport, Atlantic City casinos, Wrigley Field, and Hollywood all have in common?

All are in states that expanded retirement plan coverage through state-run auto-IRA programs. And the Mississippi Delta and even Key West may be added to the map.

Here's a look at some recent developments concerning state-auto-IRA programs.

SCOPE AND SCALE

State Auto-IRAs continue to grow in their scope and scale. They cover millions of private-sector employees who would not have it absent Social Security and help put them on a path to a more financially secure retirement. And in the last months, thousands more have been added to the rolls.

CalSavers, the largest of the programs, just experienced its final tranche of employer registrations — and, therefore, the start of the last dramatic infusion of new individuals participating. The last employer group to have a deadline to register with the program, if they do not themselves offer a retirement plan — employers with 1 to 4 employees — had until New Year's Eve of 2025 to do so. So it's no surprise that employer registrations with CalSavers stood at 13,461 in November but were *five times* that number in December — 67,408.

The Golden State's northern neighbor, Oregon, reports that 33,684 covered employers registered with OregonSaves by the end of November. In the Land of Lincoln, 25,820 employers registered with Illinois Secure Choice by Thanksgiving.

On the opposite side of the country, Maine's program — the toddler Maine Retirement Investment Trust (MERIT), age 2 — was launched early in 2024. In two years, 3,000 employers have facilitated the participation of 18,200 employees so far. Program & Communications Manager Ariel Carron reports that more employees contribute to MERIT each month.

And no state can match the rate of growth of the Nutmeg State.

Before the state launched MyCTSavings, the state found that more than half a million employees of private-sector employers in Connecticut lacked access to an employer-provided retirement plan.

Fast forward: In 2025, three years after MyCTSavings was inaugurated, the number of employers registered with the program ended up 11 times larger than it was when the program was inaugurated just three years before. Eleven times.

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ACCOUNTING FOR CONTRIBUTIONS

As registrations go in state auto-IRA programs, so go payroll contributing accounts. And as 2025 was coming to a close, the growth in the number of accounts accelerated.

Illinois Secure Choice had 194,382 payroll contributing accounts by the end of 2025, which was 3,045 more than it had on Dec. 1. That exceeded the growth in November, when 2,138 came on board. Growth in the number of funded accounts in December also exceeded that of November, bringing the total to 167,328 by year's end.

CalSavers added 8,246 new payroll contributing accounts in November, bringing the total to 701,671. In December, fueled by the deadline for the smallest employers to register with CalSavers, it added 10,089 more. Similarly, the growth in the number of funded accounts in CalSavers accelerated in December, and by Christmastime, there were just under 600,000.

OregonSaves had 145,907 funded accounts by the end of November, 1,745 more than they had on Halloween.

THE BOTTOM LINE

Bank balances offer a look at whether state auto-IRA programs are succeeding, at least in their core purpose — accumulating funds to help account holders finance retirement. By that measure, they certainly appear to be.

CalSavers passed the $1 billion mark in assets — that's billion with a b — a while ago, and by the end of 2025, it was more than halfway to a second $1 billion. There was $1,555,353,051 in assets in CalSavers' accounts collectively by Nov. 30; by New Year's Eve, their assets climbed by another $32,586,492 to $1,587,939,563.

California's northern neighbor is halfway to the b word. In November, OregonSaves' assets rose by almost $5 million to $436,472,417. And

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> "I AM COMMITTED TO THE SUCCESS OF MYCTSAVINGS BY ENROLLING MORE EMPLOYERS AND EMPLOYEES SO THAT ALL CONNECTICUT WORKERS HAVE THE CHANCE TO ENJOY THE DIGNIFIED RETIREMENT THEY DESERVE."
>
> — Sean Scanlon

the collective assets of Illinois Secure Choice stood at $305,039,698 by the end of November and added another $6 million in December.

Connecticut's program has amassed much less than the big three, but then again, it's only been around for three years, and it serves a much smaller state. Still, MyCTSavings' achievements in accumulating funds for participating employees are impressive.

Connecticut Comptroller Sean Scanlon reported that at the end of December 2022, around $9 million had accumulated in the program's coffers; in October 2023, the collective funds stood at almost $11 million. Fast forward to the end of 2025: In just two more years, the amount of money in MyCTSavings was 5 times larger — $55 million.

And while Maine's MERIT program is just two years old, the Maine Retirement Savings Board reports that, in that brief time, it has accumulated more than $25 million in assets.

MORE GROWTH TO COME

Recent changes to the programs that serve Connecticut and New Jersey bring the promise of robust growth to come in them as well.

The growth of MyCTSavings could accelerate in the wake of changes enacted in 2025.

In June 2025, Connecticut increased the default contribution rate from 3% of compensation to 5%. Similarly, the new law in New Jersey not only widens the group of employers that must participate, but it also provides for gradually increased contribution levels.

The law says that in most cases, if an enrolled employee fails to select a contribution level, the default contribution level will be 3% of his or her wages. And the default contribution level will increase by 1% percent each year; however, the contribution level shall not exceed 10% of an enrollee's wages. Further, enrollees may change their contribution level at any time.

The state government also enacted a measure that expands the employees who can participate in MyCTSavings. Beginning July 1, 2026, certain personal care attendants who provide personal care assistance under a state-funded program, such as the Connecticut Home Care Program for Elders, also can participate in MyCTSavings.

"I am committed to the success of MyCTSavings by enrolling more employers and employees so that all Connecticut workers have the chance to enjoy the dignified retirement they deserve," said Connecticut Comptroller Sean Scanlon in a statement.

Meanwhile, the Garden State has poised itself to experience a sudden jump in registrations. The universe of employers to which the registration requirements of RetireReady NJ — once known as New Jersey Secure Choice — applies has expanded.

On Jan. 20, just-inaugurated New Jersey Gov. Mikie Sherrill (D) signed into law A5358, a measure the Senate passed just eight days before and that the Assembly passed the previous May. Before she signed the measure into law, private-sector employers with 25 or more employees that do not offer a plan had to register with RetireReady NJ,

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but it was optional for employers with fewer employees than that.

Now substitute 10 employees for 25 since that law is in force — so one can reasonably expect employer registrations in RetireReadyNJ to accelerate.

YOU CAN TAKE IT WITH YOU

"He who transplanted still sustains," says Connecticut's state motto. So, it's entirely appropriate that one of the features of MyCTSavings is that participating employee accounts are transferable; participating employees can take their accounts with them if they leave the employer through which their account was established.

And the Nutmeg State is not alone. Maine, too, provides that employee participants in its MERIT program can take their accounts with them if they leave the employer they worked for when their account was established.

JOINING THE CLUB?

The State Auto-IRA Club may have two more members in the not-so-distant future — this time in the Deep South.

Mississippi. Legislation before the Magnolia State Senate would establish the Mississippi Secure Choice Savings Program.

Senate Bill 2912 would take effect on July 1, 2026, if enacted as currently written, putting the Mississippi Work and Save Program on the path to operation. Sen. J. Walter Michel (R-Hinds, Madison) introduced it on Jan. 19.

The bill would create a program in which employers that do not themselves offer a retirement plan would participate. It would provide coverage for eligible employees, including individuals employed by a covered employer who are at least 18 years old. Eligible employees would be automatically enrolled but could opt out. Participating employees would contribute to a Roth IRA through payroll deduction, with the investment in a target-date fund.

The program would be run under the aegis of the state Treasury, and the bill would create the Mississippi Work and Save Administrative Fund to finance it.

The bill also would allow program administrators to combine resources, investments, and administrative functions with other entities, including retirement savings programs operated by other states that are compatible with the program, to achieve economies of scale and other efficiencies and minimize program costs.

"The Legislature finds that too many Mississippi citizens have no or inadequate savings for retirement, and many Mississippi working families, including employees, independent contractors, and the self-employed, have no access to an employer-sponsored retirement plan or program or any other easy way to save at work," says the preamble to the bill.

"More adequate, portable, low-cost, and consumer-protective retirement saving by Mississippi households will enhance their retirement security and ultimately reduce the pressure on state public assistance programs for retirees and other elderly citizens and the potential burden on Mississippi taxpayers to finance such programs," the preamble further says.

Florida. It's too soon to say whether the Sunshine State will be the next to put a state-run auto IRA in place for private-sector employees whose employers don't offer one, but it's possible the ball might start rolling soon.

Legislation that would create such a program is not in the legislature's hopper. But what IS before the state Senate is a measure that would create a task force that would lay the groundwork.

Sen. Jonathan Martin (R-Lee County) has introduced SB 930, a bill that would establish the Florida Retirement Savings Task Force. It would be an adjunct to the Florida Department of Commerce; its purpose would be to examine and develop recommendations to expand access to retirement savings vehicles for private-sector employees who don't have access to employer-sponsored retirement plans. PC

THE ONE BIG BEAUTIFUL BILL ACT: IS IT 'BEAUTIFUL' FOR SOCIAL SECURITY?

The OBBBA does not have specific provisions that address Social Security, but it might not need to in order to affect the storied political 'third rail.' **By John Iekel**

July 4, 2025: the 249th birthday of the USA, and *the* birthday of the One Big Beautiful Bill Act. The OBBBA, a bit of a kitchen sink, was notable for a variety of things — and one of them was the absence of provisions that explicitly addressed retirement plans.

"What's not in the legislation is the story, meaning any adverse impact on retirement plans," American Retirement Association CEO Brian Graff has said, calling that a big win for plan sponsors and participants, as well as the country's retirement plan system as a whole.

However, the OBBBA may have been silent regarding pension plans, 401(k)s, and IRAs, but it nonetheless does affect retirement benefits.

For instance, it allows the establishment of Trump accounts, which American Retirement Association Chief Regulatory Affairs Officer Kelsey Mayo has described as "essentially Individual Retirement Accounts (IRA) for kids" that allow children under age 18 to establish a savings account to which their parents, relatives, private-sector employers, non-profits, and government entities can all contribute.

Other effects are not explicit. But subtle or not, the One Big Beautiful Bill Act may indeed affect retirement benefits. And that may not be so beautiful in one case — the linchpin of financial security in old age, none other than the nonagenarian…drumroll, please…Social Security.

The OBBBA does not have specific provisions that address Social Security. But it might not need to in order to affect the storied third rail.

At its most fundamental, this arises because the OBBBA makes a variety of changes related to taxation.

Karen Glenn, Chief Actuary of the Social Security Administration, said in an Aug. 5, 2025, letter that the results of the OBBBA being enacted include making permanent the lower ordinary income tax rates and adjusted tax brackets originally enacted under the 2017 Tax Cuts and Jobs Act (TCJA) and temporarily changing certain standard and itemized deduction amounts.

And THAT affects Social Security. An indirect effect, perhaps, but an effect, nonetheless.

The Committee for a Responsible Federal Budget (CRFB) said as much in an analysis of the OBBBA and its potential effects. They said that the OBBBA would have an indirect effect on Social Security and Medicare, but that effect would mainly be that it could reduce the revenue collected from the income taxation of Social Security benefits.

And the sum total of these results is the potential for lower retirement security. Dr. Joelle Saad-Lessler, Stevens Institute of Technology School of Business Associate Dean of Undergraduate Studies, in a Feb.

Jim Barber / Shutterstock.com

11 National Institute on Retirement Security, captured how serious that effect could be, characterizing the importance of Social Security for older adults as "eye-opening."

HILL SCRUTINY

Capitol Hill began focusing on the effects the One Big Beautiful Bill Act might have, including those on the Social Security system, before the ink on the signature enacting it was even fully dry.

Sen. Ron Wyden (D-Ore.) wrote a letter to Glenn shortly after the OBBBA was enacted, addressing the possible effects of the new law on the Social Security system.

In the July 30 letter, Wyden said that many of the changes set in motion by the OBBBA "directly and indirectly impacted projected revenue and benefit outlays in the Social Security programs" and inquired about the implications for the Social Security Trust Funds.

Glenn, in her Aug. 5 response to Wyden, confirmed that the One Big Beautiful Bill Act will indeed affect the Social Security system — and not just immediately. Wrote Glenn, "Because the revenue from income taxation of Social Security benefits is directed to the Social Security and Medicare trust funds, implementation of the OBBBA will have material effects on the financial status of the Social Security trust funds."

She reiterated that analysis in a letter she wrote to Rep. Steven Horsford (D-Nev.) on Sept. 2, 2025. Said Glenn, "The income tax provisions in the OBBBA will lead to lower income tax liability for Social Security beneficiaries, in total. As a result, the trust funds will receive lower levels of projected revenue from income taxation of Social Security benefits."

But there may be some good news, too — it's possible that the effect could be counteracted by other effects of the OBBBA.

Glenn noted in her letter to Horsford that the Congressional Budget Office and the Joint Committee on Taxation have issued reports stating that they expect the OBBBA to lead to modest economic growth. "If that boost does occur, then there would be a resulting positive financial impact on the trust funds, offsetting to some extent," any negative financial impact.

WHAT DOES THIS MEAN?

If the OBBBA will indeed affect Social Security for many years to come, what does that mean?

Costs of the program. The OASDI trust funds will cost more than they bring in, Glenn told Wyden. She wrote that during the rest of the century, the OASDI income rate is projected to be 13.63%, while the cost rate is expected to be 17.61% — resulting in an actuarial balance of –3.98%.

According to Glenn, the Office of the Chief Actuary estimates that implementing the OBBBA will increase the cost of the Old Age, Survivors, and Disability Insurance (OASDI) program. "Over calendar years 2025 through 2034, the total net increase in OASDI program cost is estimated to be $168.6 billion," she told Wyden.

And those cost increases would grow each year during that period. Statistics Glenn provided Wyden showed that they would be $3.5 billion in 2025 and steadily increase to $21.6 billion by 2034.

But that's not the end of the cost increases. Fast forward to the end of the century, and they'll stand at more than $1 trillion as the 22nd century dawns.

Effect on Trust Fund reserves. It's no secret that the long-term vitality of the Social Security trust funds is in question; projections have long warned that their depletion is on the way.

The OBBBA could make it more likely to occur, the CRFB suggests. It warns that if the OBBBA indeed reduces revenue collections, one ripple effect could be that less revenue would be deposited in the Social Security trust funds.

And Glenn is among those warning that the enactment of the OBBBA could hasten the depletion of the Social Security Trust Funds a bit. She told Wyden that the Old Age and Survivor's Insurance (OASI) trust fund reserves would be accelerated from the commonly anticipated first quarter of 2033 to the fourth quarter of 2032.

Glenn did not evince similar concern about the disability insurance (DI) trust funds, the other component of the OASDI trust funds. She told Wyden that, unlike the OASI trust funds, the DI trust funds are not projected to become depleted during this century.

It's a different matter when the OASDI trust funds are considered as a whole, however. Glenn said that, as with the OASI trust funds, those of the OASDI might be depleted earlier than anticipated. Now, she said, they could be depleted in the first quarter of 2034, rather than the third quarter of 2034.

The Social Security trustees, in their 2025 Trustees Report, have issued a similar warning, also projecting that the OASDI trust fund reserves would be depleted in the first quarter of 2034 rather than the first.

A CAVEAT

With all the discussion of trust fund depletion and actuarial decline, it's not hard to assume that Social Security is in crisis mode. But analysts have consistently offered some reassurance, noting that trust fund depletion does not equal system failure and funds completely drying up.

Why? Because money will still be coming into the system via payroll deductions. But while the Social Security system is not expected to run dry, ongoing financial and actuarial stresses could still lead to reduced benefits.

MONITORING THE SITUATION

The Social Security Administration (SSA) office of the Chief Actuary is "continuing to monitor and review estimates by other government agencies about the broader economic effects" of the OBBBA, according to Glenn.

It's too soon to draw conclusions about how the OBBBA will affect Social Security, Glenn indicates. She told Horsford, "After reviewing these external estimates and other economic indicators, and consistent with actuarial standards of practice, we continue to believe that it is too early to reflect any potential positive economic effects of the OBBBA in our estimates of Social Security's financial status."

"We will, as always, continue to monitor incoming experience and build it into future estimates as appropriate," Glenn pledged. PC

ELEVATING THE CUSTOMER EXPERIENCE: A COMPETITIVE ADVANTAGE FOR TPAS

By focusing on communication, empathy, problem-solving, and continuous improvement, firms can strengthen client relationships and reinforce their value beyond technical expertise.

By Katie Boyer-Maloy

As client expectations continue to evolve, TPAs have an opportunity to stand out by delivering consistent, high-quality customer experiences that build trust, loyalty, and long-term partnerships. While technical accuracy and regulatory expertise remain essential, sponsors are increasingly evaluating TPAs on how clearly they communicate, how confidently they navigate challenges, and how consistently they support clients across every interaction.

WHY CUSTOMER EXPERIENCE DESERVES YOUR ATTENTION

In an environment where many TPAs offer similar core services, customer experience has become a meaningful differentiator. Research shows that 64% of business-to-business buyers now place greater importance on experience than on price when selecting a provider, underscoring the role of service quality in provider decisions even when costs are comparable.[1]

Strong service experiences can reinforce client confidence and deepen relationships, while service missteps can quickly erode trust. More than 75% of customers report switching providers due to a poor service experience, highlighting how service breakdowns—not technical gaps—often drive attrition.[2] For TPAs, prioritizing the client experience isn't just about satisfaction; it's about retention and long-term growth.

FIVE FOUNDATIONAL PILLARS OF CUSTOMER SERVICE

1. **Communication.** Clear, timely, and empathetic communication helps set expectations and reduce confusion—particularly when navigating complex administrative or plan compliance-related topics.
2. **Knowledge.** Deep technical understanding allows teams to respond confidently and accurately, reinforcing credibility and trust.
3. **Patience.** Not all client situations are straightforward. Remaining composed and attentive, even during challenging conversations, supports productive outcomes.
4. **Problem-solving.** Clients value strategic partners who focus on solutions. Identifying root issues and offering practical options keeps conversations moving forward.
5. **Attitude.** A positive, professional demeanor signals commitment and reliability, even in high-pressure situations.

STRENGTHENING THE SKILLS BEHIND THE SERVICE

Delivering on these pillars requires ongoing skill development across teams. Active listening helps ensure client concerns are fully understood before solutions are proposed. Empathy can validate a client's experience and builds rapport, particularly when emotions are elevated. Clarity, especially when explaining complex issues, reduces misunderstandings and builds confidence.

Time management and adaptability also play critical roles. Prompt responses demonstrate respect for client priorities, while flexibility allows service teams to adjust their approach based on different personalities, plan designs, and sponsor expectations.

IMPROVING COMMUNICATION AT EVERY TOUCHPOINT

Client interactions occur across verbal, non-verbal, and written channels, and each contributes to the overall experience. Tone, pacing, and word choice shape how messages are received during calls and meetings. Engagement and attentiveness reinforce professionalism. Written communications should be concise, accurate, and tailored to the audience.

Across all formats, active listening remains essential. Approaching each

interaction with focus and curiosity helps clients feel understood and supported.

NAVIGATING CHALLENGES WITH CONFIDENCE AND CONSISTENCY

Even strong relationships encounter difficult moments. How those moments are handled often leaves a lasting impression.

When issues arise, uncovering the root concern through thoughtful, open-ended questions can help move the conversation toward resolution. Collaborating with clients on potential solutions reinforces the relationship, while maintaining a calm, steady approach can help de-escalate tense situations. Knowing when to involve leadership ensures clients receive the right level of support.

Follow-up is equally important. Checking back confirms resolution and demonstrates accountability, while giving clients confidence that their TPA is committed to seeing issues through.

USING FEEDBACK AS A CATALYST FOR IMPROVEMENT

Customer experience isn't static; it typically evolves over time. Regularly gathering feedback through conversations, surveys, or check-ins provides insight into what's working and where refinements may be needed.

Organizations that consistently prioritize customer needs tend to see tangible results. Research shows that customer-centric organizations tend to achieve significantly higher customer retention rates than their peers, helping reinforce the long-term value of investing in the client experience.[3]

FINAL THOUGHTS

For TPAs, elevating the customer experience is a strategic investment. By focusing on communication, empathy, problem-solving, and continuous improvement, firms can strengthen client relationships and reinforce their value beyond technical expertise.

In a market where many services look similar on paper, the experience you deliver can be what truly sets your firm apart. **PC**

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ARTIFICIAL INTELLIGENCE AND TPAS: TRANSFORMING MEP, PEP ADMINISTRATION

Embracing AI is about positioning our firms to serve clients, support our teams, and adapt to an industry that's changing faster than ever. **By Olivia Schwartz**

There is no doubt that artificial intelligence (AI) is transforming the way we do business. Whether we realize it or not, AI has already become part of our everyday lives.

From the simple act of typing a question into a search engine to the sophisticated tools embedded in our workplaces, AI is increasingly influencing how work gets done. Over the past two years, nearly every conference I have attended, across industries, has included at least one session dedicated to AI.

The conversations range from excitement and curiosity to concern and skepticism, but one thing is clear: AI is here and not going away.

For those of us in the retirement plan industry, and more specifically in the Third-Party Administration (TPA) space, the question is no longer *if* AI will impact our work, but how.

TPAs are responsible for managing some of the most complex regulatory and operational responsibilities in the financial services world. When you layer in the unique challenges of Multiple Employer Plans (MEPs) and Pooled Employer Plans (PEPs), that complexity increases significantly.

These plan structures create opportunities for efficiency and scale, but they also introduce administrative hurdles that can strain even the most experienced service providers.

So, how are TPAs beginning to use AI to better manage MEPs and PEPs? While the technology is still evolving, we have already identified several areas where AI is making a meaningful difference by streamlining processes, reducing manual effort, and allowing our teams to focus on higher-value work.

THE UNIQUE CHALLENGES OF ADMINISTERING MEPS AND PEPS

Before diving into specific AI use cases, it is important to understand why MEPs and PEPs are particularly difficult to manage. Unlike a single-employer plan, these arrangements involve multiple adopting employers, each with its own payroll, eligibility provisions, contribution formulas, and operational nuances.

Even though the plan operates under a single umbrella document, the joinder agreements often vary from one employer to another.

For TPAs, this means juggling large volumes of data and documents, along with ongoing compliance requirements. A change at the plan level must be evaluated not only for its overall impact, but also for its effect on each individual adopting employer. Errors or inconsistencies can have ripple effects, increasing the risk of compliance failures, participant confusion, and operational inefficiencies.

AI does not eliminate these complexities, but it does offer tools that can help TPAs manage them more effectively.

PLAN DOCUMENTS: ONE OF THE BIGGEST OPPORTUNITIES FOR AI

One of the first and most impactful areas where we have leveraged AI is plan document management. Anyone who has taken over a MEP or PEP from another vendor understands how daunting this process can be. When a client uses a different document provider or document format, the transition can require drafting or restating hundreds of joinder agreements.

Traditionally, this process is highly manual. Each joinder must be reviewed, interpreted, and recreated in the new document system. The time commitment is significant, and the risk of human error increases as the volume of documents grows.

To address this challenge, we partnered with an AI company to explore whether the process could be automated. The AI was trained to map the client's existing plan document to our document provider's format. From there, it learned how to interpret and map each joinder agreement based on the specific provisions selected by each adopting employer.

Once trained, the AI generated all the joinders in the correct format required by the document provider,

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allowing them to be uploaded to the system in a single batch. What would have previously taken weeks, or even months, of manual drafting was reduced to a fraction of the time.

That is not to say the process was entirely hands-off. Our team still conducted a thorough quality review of each plan to ensure accuracy and completeness. There are certain elements that AI cannot interpret at this stage.

For example, "describe line" language, custom provisions, and special addenda often require contextual understanding that goes beyond pattern recognition. Additionally, if a plan document is not checkbox-driven or is individually drafted with significant variation across joinders, the AI's effectiveness is more limited.

Even with these limitations, the time savings were substantial. Conservatively, this approach saved our team a minimum of three to four weeks of work. More importantly, it reduced burnout, allowed our experienced staff to focus on quality control rather than repetitive drafting, and improved overall consistency across documents.

IMPROVING THE ONBOARDING EXPERIENCE THROUGH AI

Another area where AI has proven valuable is onboarding. Onboarding a new adopting employer into a MEP or PEP requires collecting substantial information.

This includes plan provisions, payroll details, eligibility rules, contact information, and more. Historically, this data is captured during onboarding calls and then manually entered into multiple systems by different team members.

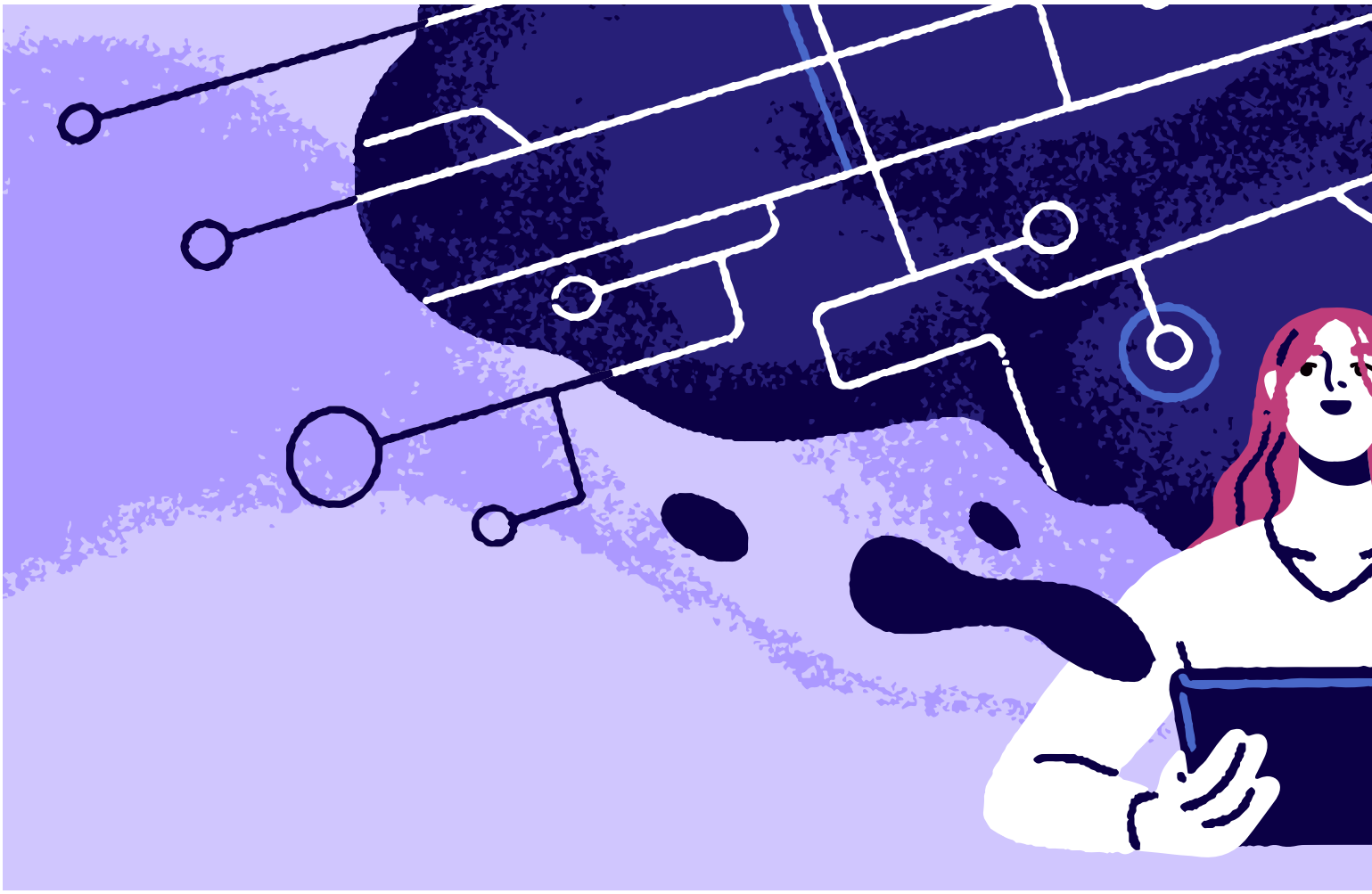
This redundancy is not only inefficient, but it also increases the likelihood of data entry errors. Small discrepancies can lead to larger issues down the line, particularly in plan administration and compliance.

By leveraging AI, we programmed the system to capture key information during the onboarding call itself. Once captured, that information automatically feeds into other internal systems, creating a more streamlined and consistent workflow.

Employees no longer need to key the same information into multiple platforms, saving time and reducing frustration.

The next step in this evolution is integrating AI more deeply through application programming interfaces (APIs). We are currently working on an API connection that will allow plan provisions collected during onboarding to feed directly into the document provider's system.

This has the potential to reduce manual intervention further and speed up the time from onboarding to plan implementation.



CENSUS COLLECTION: A WORK IN PROGRESS WITH SIGNIFICANT POTENTIAL

Census data collection is another area where AI holds promise, though it is still very much a work in progress. Accurate census data is the foundation of retirement plan administration.

It drives eligibility, contributions, testing, and reporting. In the context of MEPs and PEPs, census collection becomes exponentially more complex due to the involvement of multiple employers and payroll systems.

The goal is to leverage AI once a payroll connection is established. Ideally, the system can pull data directly from payroll providers and generate census information at both the individual joinder level and the overall MEP or PEP level. This would significantly reduce the need for manual data aggregation and reconciliation.

However, there are real challenges to overcome. Payroll providers vary widely in how they structure and deliver data. Each adopting employer may use a different provider, and each provider may require a different approach to integration.

Additionally, the data required for plan administration does not always align neatly with payroll outputs.

Despite these challenges, progress is being made. AI can learn patterns, identify discrepancies, and flag potential issues before they become problems.

While full automation may still be a ways off, even partial improvements in census collection can lead to meaningful efficiency gains.

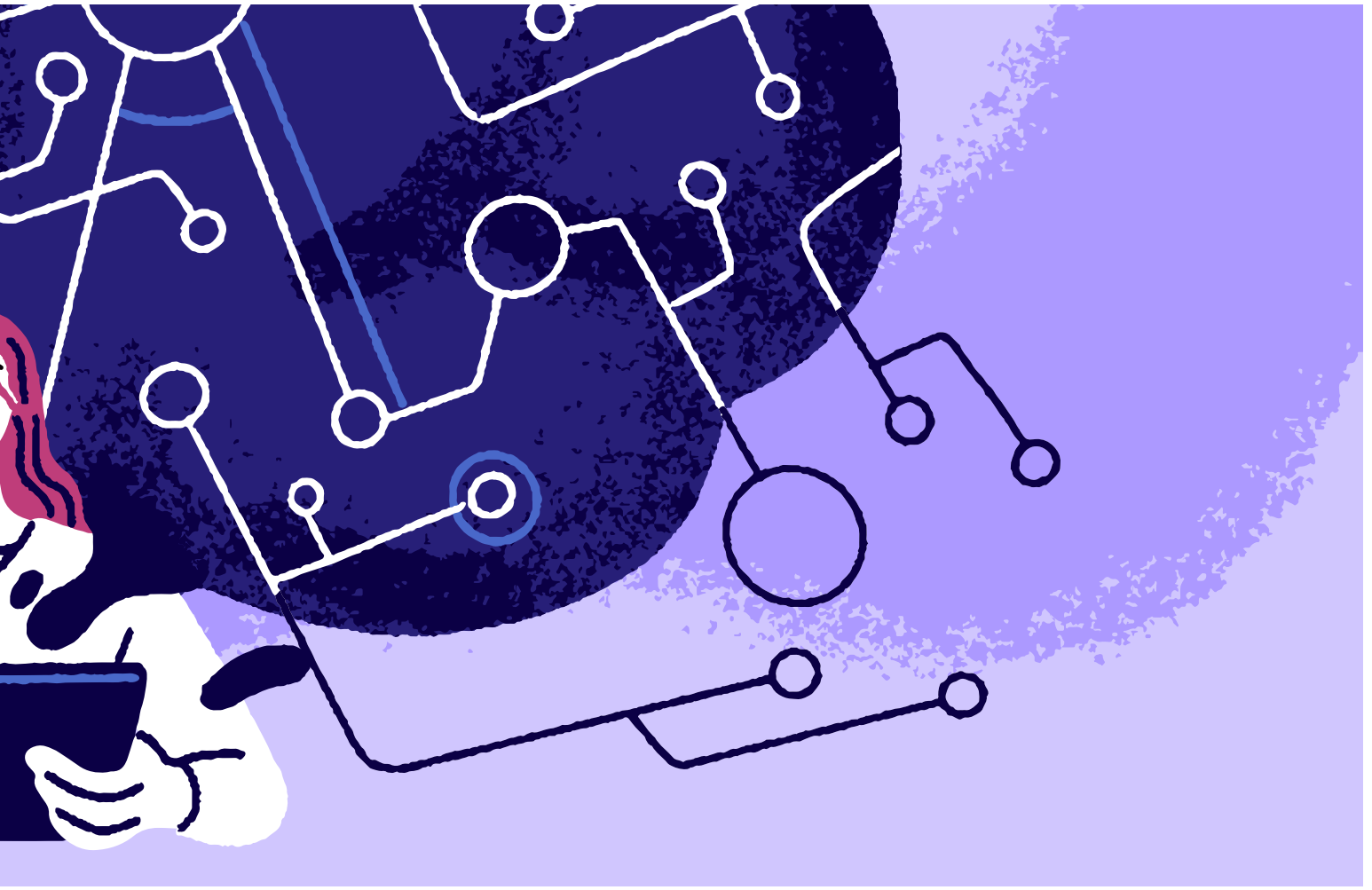
THE ROLE OF HUMAN OVERSIGHT

One of the most important points to emphasize is that AI is not replacing TPAs. Instead, it is augmenting their work. Human expertise remains critical, particularly in interpreting regulations and exercising judgment.

AI excels at handling repetitive, data-driven tasks at scale.

It can process large volumes of information quickly and consistently. What it cannot do, at least not yet, is fully understand nuance, context, and intent in the way experienced professionals can.

The most successful implementations of AI in the TPA space strike a balance. They use technology to handle the heavy lifting, while skilled professionals review, interpret, and make final decisions.



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AI-DRIVEN WORKFLOW MANAGEMENT: REDUCING RISK, STRENGTHENING PLAN ADMINISTRATION

Another critical area where AI will have a significant impact is in managing and optimizing process workflow, which is one of the biggest challenges TPAs face today. Retirement plan administration involves dozens of interconnected steps, deadlines, and decision points, and the risk of missed or improperly completed tasks increases as plans grow in size and complexity.

This is especially true for MEPs and PEPs, but it is equally important for single-employer plans. By embedding AI into a centralized workflow system, TPAs can ensure that each required step is tracked, completed in the correct order, and validated before moving forward. AI-driven workflows reduce reliance on institutional knowledge and manual checklists, lowering the risk of oversight, incorrect setup, or no setup at all. Over time, as the AI analyzes workflow data, it can identify bottlenecks, recurring errors, and inefficiencies, enabling firms to refine their processes and procedures continuously.

Ultimately, this creates a feedback loop in which the workflow not only guides daily operations but also feeds accurate, real-time information into downstream systems, thereby improving data integrity, operational consistency, and overall plan governance.

LOOKING AHEAD

AI adoption in the TPA space is still in its early stages, but the momentum is undeniable. As the technology continues to evolve, we can expect to see even more sophisticated applications that further streamline administration, improve accuracy, and enhance the client and participant experience.

For TPAs managing MEPs and PEPs, the stakes are high. These plans offer tremendous value to employers and participants, but only if they are administered correctly. AI is not a silver bullet, but it is a powerful tool that, when implemented thoughtfully, can help TPAs meet the growing demands of this complex environment.

Ultimately, embracing AI is about more than efficiency. It is about positioning our firms to serve clients better, support our teams more effectively, and adapt to an industry that is changing faster than ever before. **PC**

HOW TO INTEGRATE AND MANAGE (ONGOING) AI AND TECHNOLOGY INTO YOUR FIRM

When AI is layered on top of structured, trusted information and embedded into existing workflows, adoption becomes manageable, measurable, and far less disruptive.

By Lee Bachu

Artificial intelligence is no longer a concept of the future or an experimental fad reserved for innovation labs. For many firms today, AI has quietly become infrastructure; embedded in how clients ask questions, how employees find answers, and how institutional knowledge is created, accessed, and scaled.

The challenge leaders now face is not whether to adopt AI, but how to integrate it responsibly, strategically, and sustainably over time.

Successful AI integration requires more than simply deploying tools. It demands a rethink of workflows, knowledge management, governance, and how expertise moves through an organization. Integrating AI via an Answer Engine Optimization (AEO) model reinforces a simple truth: technology delivers the most value when it closely aligns with real human behavior and operational reality.

START WITH BEHAVIOR, NOT TOOLS

One of the most common mistakes organizations make when adopting AI is starting with the technology itself. Chatbots, large language models, automation platforms, and analytics tools are often evaluated in isolation, rather than through the lens of how people actually work and interact.

A more effective approach begins by observing how technology is already being used across the firm. Internal usage data often reveals a clear shift toward fast, conversational, text-based interactions. Employees increasingly expect immediate answers delivered in plain language and proper context. When information is instantly accessible, time and effort are freed up for higher-value work rather than administrative searching or manual follow-up.

These insights should directly shape the technology roadmap. Rather than positioning AI as a completely separate way of doing business that employees must relearn, leading firms embed AI into existing software, systems, and workflows as a primary interface for real-time information delivery. By meeting users where they already are, adoption becomes natural and intuitive rather than forced.

The lesson for firms is clear: AI adoption works best when it responds to real needs and usage patterns, not when it chases the latest AI trends. Pay close attention to how clients and employees are already trying to get information faster, with fewer steps and less friction. AI should amplify those behaviors, not fight them.

MOVE FROM ANSWERING QUESTIONS TO ANTICIPATING THEM

While improving responsiveness is valuable, it represents only the first phase of AI maturity. The real operational leverage emerges when firms begin delivering answers before questions are even asked.

This shift often leads firms to develop internal Answer Engine Optimization frameworks tailored to their specific operational workflows. Instead of relying on siloed documentation, manual reporting, or institutional knowledge held by a small group of experts, AEO exposes a unified layer of intelligence.

These systems integrate internal process documentation, Department of Labor and IRS regulatory guidance, historical plan data, and client-specific configurations into a single conversational interface. Employees no longer need to run reports, search shared drives, or interrupt senior colleagues to validate information. Instead, they can retrieve precise, compliant, and context-aware answers through a single prompt.

The strategic shift here is subtle but significant. AI becomes more than a retrieval tool; it becomes a mechanism for anticipation. When data is structured so AI systems can interpret and surface it effectively, firms can proactively identify issues, guide decisions, and reduce operational friction before it escalates.

CODIFY EXPERTISE TO SCALE IT

One of the most underappreciated benefits of AI integration is its ability to democratize expertise. In many firms operating in regulated environments, critical knowledge lives

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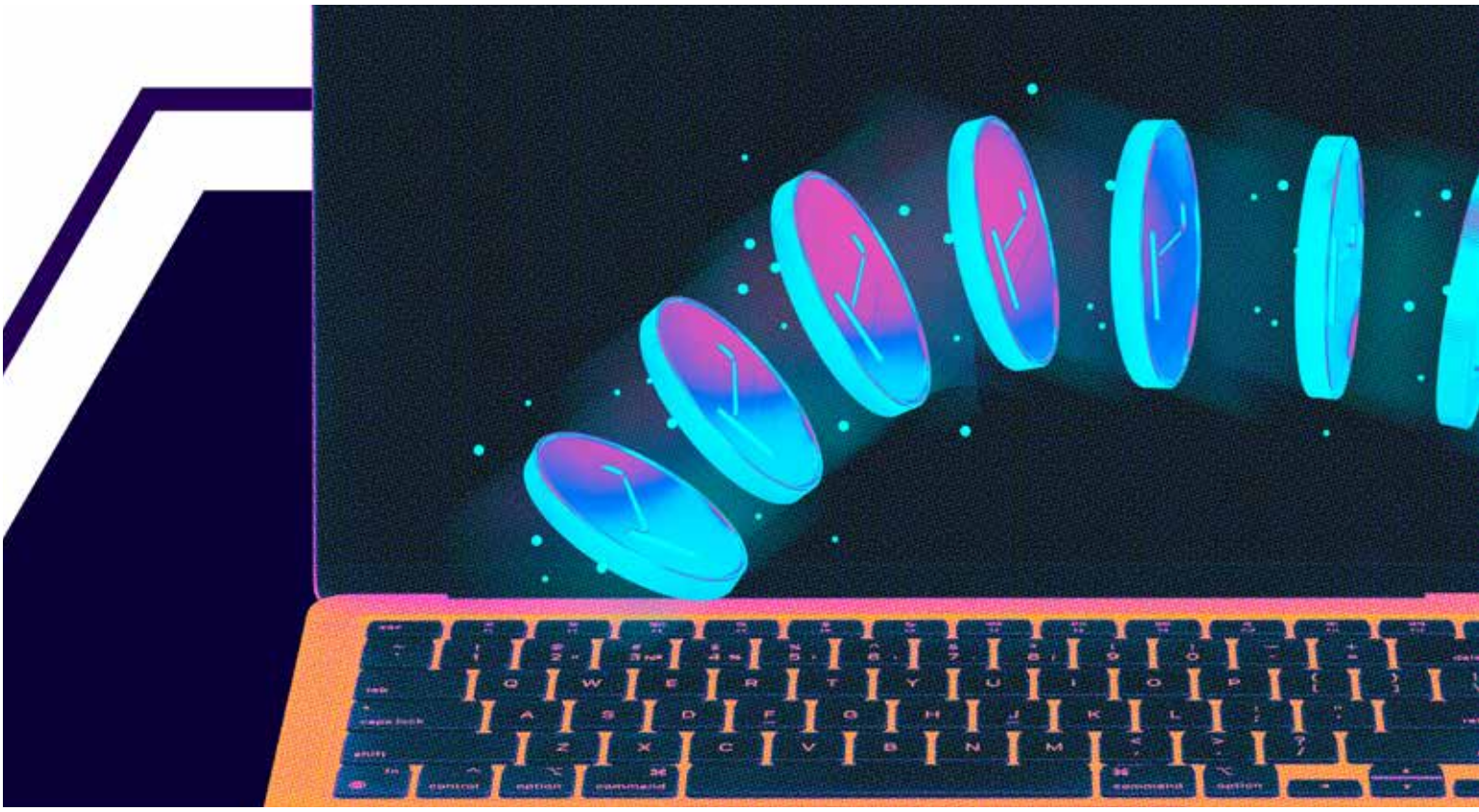

in the heads of a few experienced specialists. While this model may work at a smaller scale, it quickly becomes a bottleneck as organizations grow.

An Answer Engine Optimization (AEO) driven approach transforms how knowledge flows throughout the organization. Employees onboard faster, gain confidence sooner, and access expert-level insights without waiting for mentor availability. Institutional expertise is no longer passed down solely through hierarchy or tenure; it is codified, searchable, and instantly accessible.

The operational impact is meaningful. Knowledge consistency improves. Errors decrease. Dependency on individual subject-matter experts is reduced without diminishing their importance. Instead of answering the same questions repeatedly, experts can focus on higher-level analysis, oversight, and innovation.

For firms evaluating AI adoption, this represents a critical management opportunity. The question is not whether AI will replace expertise, but whether organizations will use AI to preserve, distribute, and strengthen it.

DESIGN FOR TRUST, ACCURACY, AND GOVERNANCE

As AI systems become embedded in daily operations, governance becomes non-negotiable. Speed without accuracy is a liability, especially in our industry. Successful AI integration depends on disciplined data management, validation processes, and clear oversight.

Broader market trends reinforce this need. As generative AI reshapes how users discover and consume information, favoring direct, zero-click answers over traditional navigation, clients and employees alike now expect immediate, context-specific responses. That expectation significantly raises the bar for data quality.

To meet it, firms must invest in high-quality, professionally validated databases that are structured, accessible, and trusted by AI systems. This mirrors the evolution of SEO into AEO in the public search landscape, where success depends less on keyword density and more on authoritative, well-structured knowledge.

Internally, this means AI outputs are grounded in vetted sources, regulatory updates are continuously maintained, and responses are auditable. AI should function as an extension of compliance infrastructure, not a replacement for it. Leadership teams must define clear ownership, review cycles, and escalation paths so AI accelerates decision-making without obscuring accountability.

TREAT AI AS A LIVING SYSTEM, NOT A ONE-TIME DEPLOYMENT

Perhaps the most important mindset shift is recognizing that AI integration is never complete. Models evolve. Regulations change. User

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expectations shift. Organizational complexity increases. AI systems must be actively monitored, refined, and managed over time.

Ongoing feedback loops, from both employees and clients, are essential. What questions are asked most often? Where do users hesitate? Which responses require clarification or improvement?

Firms that succeed with AI treat it as a living system embedded in culture and operations. Training is continuous. Metrics focus on outcomes, not just usage. Governance adapts as capabilities expand.

A STRATEGIC ADVANTAGE, NOT JUST A TECHNOLOGY UPGRADE

Ultimately, integrating and managing AI effectively is about aligning technology with purpose. When implemented thoughtfully, AI enhances human capability rather than replacing it. It accelerates learning, improves consistency, and enables firms to deliver expertise at scale.

The same forces reshaping public search and digital discovery are transforming how firms operate internally. By investing in structured knowledge, trusted data, and conversational access, organizations can future-proof both the client experience and internal execution.

AI is no longer a question of if. The firms that lead will be those that understand how and commit to managing AI as a core, ongoing strategic discipline.

WHAT COMES NEXT: A PRACTICAL FIRST STEP FOR TPAS

For many TPAs, this all may sound directionally correct but operationally daunting. The good news is that meaningful AI integration does not require a massive upfront transformation. The most effective first step is to map where questions, delays, and handoffs already exist across the organization. Identify the most common internal and client-facing questions, where people go for answers today, and where time is lost.

From there, focus on organizing and validating the data you already have (i.e., process documentation, regulatory guidance, plan records, and institutional knowledge) before introducing advanced AI tools. When AI is layered on top of structured, trusted information and embedded into existing workflows, adoption becomes manageable, measurable, and far less disruptive.

WHERE TO START IF YOU'RE A TPA

- Identify the most common client and employee questions
- Inventory and validate existing knowledge and data
- Structure information before applying AI
- Embed industry-tailored AI software into current workflows, not new ones
- Treat AI as an ongoing operational infrastructure, not a one-time project. PC

TPAS: HOW TO POSITION YOURSELF TO MOVE UP MARKET

Larger plans often have committees, multiple executives, and a formal review process. TPAs that communicate clearly and demonstrate reliability become true partners. **By Theresa Conti**

Third-party administrators (TPAs) are experiencing a noticeable shift in the marketplace.

Over the past several months, many TPAs have reported receiving more opportunities to work with larger retirement plans—plans that historically defaulted to bundled service providers.

This trend reflects a growing recognition among larger employers that independent expertise matters, especially in a regulatory environment that grows more complex every year.

Larger plan sponsors are beginning to understand what smaller and mid-sized clients have known for years: a highquality TPA brings strategic value, deep technical knowledge, and a level of personalized service that bundled providers can't match.

As the landscape evolves, TPAs have a unique opportunity to position themselves "up market" and demonstrate why their model is essential.

TPAs have traditionally been left out of large plans that have used bundled solutions. Part of this reasoning is that large employers often felt that having a single service provider for both TPA and recordkeeping was "easier" than having separate providers.

But in the current retirement plan landscape, plan sponsors face challenges from regulatory changes, increased fiduciary scrutiny, and complex plan design requirements. These larger employers want to be more strategic in the guidance and oversight they need to run their

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retirement plans, which the TPA is well able to provide.

The TPA has always been known for the quality of service they provide to plan sponsors. But when we want to move "up market", we must increase the service we provide even further.

The larger plans want the TPA partner to be an expert not only in compliance but also in how the new and upcoming regulations may apply to their circumstances (their employee base, industry, etc.). So, how do TPAs make a difference to help land these larger plans?

- They invest in their people. They provide their employees with industry designations and continuing education to ensure they stay up to date on the latest developments regarding both new regulations and plan design options.
- They are strategic in building their team. They want a strong team with the technical knowledge that is important to all plan sponsors, especially those with larger plans.

TPAs need to know how to translate the complex rules into practical guidance, helping plan sponsors make informed decisions that support both compliance and plan goals.

Compared with bundled providers, they can really offer the "hands-on" consulting that plan sponsors need. They want to remain proactive rather than reactive to issues, so they don't become problems. The guidance that TPAs can provide to their plan sponsors can also be tailored to the employer's structure, workforce, and objectives. It then becomes a true partnership between the TPA and the plan sponsor.

Another area where TPAs have "stepped up" is in the services they are offering to their retirement plan clients. This is important to TPAs for many reasons, but broadening the services that we provide will help all our clients and give us opportunities we may not have had with the larger employers.

Services such as 3(16) fiduciary administration have become increasingly important as employers look to reduce administrative burden and mitigate risk. TPAs offering these services have increased over the past several years and continue to support our plan sponsors even more than in the past.

They have the expertise to provide these services that employers do not have (nor do they want to figure out how to do themselves).

All employers are also looking for increased communication services that help the plan participants. Larger employers are looking for communication tools such as automated notices, participant education, and customized reporting.

TPAs can work with service providers and the recordkeeper to deliver these services, now expected in the marketplace.

They are also well-versed in advanced plan design capabilities, but it is becoming increasingly clear to large employers that no longer want just a "plain vanilla" retirement plan. They want a more advanced design, maybe using a more complex matching formula or something similar, to better align with the business's goals, attract employees, and help them become retirement ready.

TPAs have continued to embrace technology and must maintain this path to move upmarket. They continually work with service providers to integrate with payroll and recordkeepers, streamlining and improving the data received to reduce errors and enhance the client experience.

In addition, TPAs have taken the cybersecurity rules to heart and made the necessary investments in secure portals, encrypted communication, and robust cybersecurity protocols to enable clients to feel secure about data transfer between them. This has also strengthened the position of the now remote workforce that TPAs employ.

They have always been at the forefront of regulatory interpretation and implementation. As new rules continue to emerge, TPAs play a critical role in helping plan sponsors understand the implications for their specific plans.

They are well-versed in analyzing the rules, explaining the options, helping employers make informed decisions, and implementing the changes necessary for their retirement plan, rather than using a "one-size-fits-all" plan sponsor approach.

One final point about moving upmarket is not about TPA's technical expertise but about the relationships they have. Plan sponsors want trust and loyalty from TPAs that are truly capable of earning it. Larger plans often have committees, multiple executives, and a formal review process. TPAs that communicate clearly, provide timely updates, and demonstrate reliability become true partners.

Financial Advisors remain a key referral source for TPAs. Those that support financial advisors with education, plan design expertise, and regulatory insights will continue to strengthen the partnership. A strong relationship with recordkeepers and technology partners will continue to allow TPAs to expand their capabilities and offer clients a more seamless experience.

What's the TPA's future, especially as it moves into the large plan market? It's uniquely positioned to lead growth in this area as we expand our services, expertise, technology, offerings, and partnerships. The TPA will continue to grow and become increasingly attractive to plan sponsors. My best advice is for TPAs to embrace this change to shape the future of this industry! PC

TAILORED TPA SERVICES REQUIRE THE RIGHT FIT

It protects your team, strengthens your culture, and allows you to deliver the level of service your best clients deserve. **By Shannon Edwards**

In our industry, we pride ourselves on being problem solvers. Retirement plan compliance administrators—third-party administrators—are wired to help, educate, fix, and guide plan sponsors through an increasingly complex regulatory landscape. That instinct to serve is one of our greatest strengths. But if we are honest with ourselves, it can also be one of our greatest vulnerabilities.

Not every client is the right client. And saying "yes" to the wrong one can quietly erode your culture, your team's morale, and the quality of service you provide to the clients who truly value what you do.

Over the years, I have learned, sometimes the hard way, that choosing the right clients is just as important as providing excellent technical expertise. In fact, it is inseparable from it.

The clients we want value our services and understand that good service is not free. They are willing to pay for expertise, experience, and thoughtful consulting, just as they do for their business attorneys and tax advisors.

They respect our team members. They understand that every interaction matters and that professionalism goes both ways. They know that a kind word, patience, and mutual respect are not optional; they are foundational.

They respond to requests promptly. When we ask for information, they provide it because they understand that compliance work depends on accurate, complete, and timely data. They answer our questions. They return our calls and emails. They communicate regularly, not just when something has gone wrong.

These clients tell us about changes in their business. They loop us in before buying or starting a new company. They ask questions before making decisions they do not fully understand. They see us as part of their trusted advisory team, not as an after-the-fact clean-up crew.

They listen. They follow guidance. They make employee deferrals timely. They care about their retirement plan and recognize it as both a benefit to their employees and a meaningful part of their overall tax and business strategy.

Most importantly, they value collaboration. Their tax advisors and financial advisors welcome our input and respect our role. We work together to help the plan sponsor get the most out of their retirement plan, strategically, compliantly, and sustainably.

These are the clients we love. These are the clients we gladly "hold hands" with and walk through every step of plan administration. And these are the clients who allow us to do our best work.

Just as important is being clear about the clients we should not take on.

We do not want clients who believe they are too busy to pay attention to their retirement plan. If a plan sponsor does not have time to talk to us, respond to us, or think about their plan, that is not a capacity issue; it is a values mismatch.

We do not want clients who ignore emails, requests, or correspondence. When we ask questions, we need answers. We cannot do our jobs without the plan sponsor's engagement.

We do not want clients who do not value our knowledge, our consulting, or our experience. If a client consistently dismisses advice, second-guesses expertise, or only calls when something breaks, the relationship is not built on trust.

We do not want clients who are rude or disrespectful to our team. Full stop. No amount of revenue justifies creating an environment where team members feel unappreciated, blamed, or mistreated.

We do not want clients who pay bills late or view compliance services as a commodity. Nor do we want clients who repeatedly make mistakes, such as making late deposits or unreported corporate changes, and then blame their administrator for consequences they were warned about.

Mistakes happen. We all make them. The right clients can acknowledge that, work collaboratively to correct them, and move forward. The wrong clients look for someone else to blame or continue making the same mistakes over and over, even after we discuss the challenges with them and correct their mistakes.

As business leaders, it is our responsibility to understand not just whether we can service a plan, but whether *we should*. If it is not a good fit, there are often warning signs that should not be ignored as the relationship begins. It requires that you ask hard questions about complexity, communication style, expectations, and engagement. No single solution is the perfect fit for every plan sponsor.

It also means recognizing that sometimes you won't know a relationship is the wrong fit until after it begins. And that is okay.

You are not required to keep a client who is not aligned with your service model, your values, or your culture. Letting a client find another service provider can be the healthiest decision for everyone involved, including the client.

You do not have to say yes to every request for a proposal. You do not have to be everything to everyone. Strong firms are built not just by the clients they take on, but by the clients they thoughtfully decline.

Choosing the right clients protects your team, strengthens your culture, and allows you to deliver the level of service your best clients deserve. In the long run, it makes you a better consultant, a better leader, and a better steward of the retirement plans entrusted to your care.

And that is a standard worth protecting. **PC**

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RISE AND SHINE: A RECAP OF AN EXTRAORDINARY EVENT

Thank you for feeding my soul, preparing me for a year of consulting on my favorite topics, leading by example, and advocating for my industry. **By Mickie Murphy**

I've attended the Women in Retirement Conference (WiRC) since it was created to combine the NAPA and ASPPA women's conferences. It is where my business friendships have forged and where my people are!

The interaction with colleagues, new and old, is as important as the content, in my mind, and I make sure I'm scheduled for this conference each year.

For the 2026 women's conference, the American Retirement Association and the conference committee took a step back, refocused on the intended conference attendees, and rebranded the former WiRC to RISE, The Women in Retirement Leadership Forum.

With an eye toward the importance of community within our industry, the committee led by co-chairs Regina Lewis, CPFA, and Marta Hurst, BCF, QKA, put together a fresh and impactful program designed for women in leadership and rising leaders at the beautiful Don CeSar resort in St. Pete Beach, Florida. The content did not disappoint.

Wednesday evening began with an introduction for those new to the women's conference, with time to meet others and get a sneak peek at the agenda. First-time attendees are introduced to committee members and each other and encouraged to meet others to make the rest of the conference a little more comfortable.

As the sun set over the water, the rest of the conference attendees joined the welcome reception. The food was delicious, but the conversation among old friends and new set the tone for the next two days of content.

A contingent of energetic souls gathered early Thursday morning for a walk along the beach in the fog as the sun rose before breakfast! The photos were fabulous, and participants raved about waking early to a vigorous walk on a beautiful morning.

After breakfast and opening remarks by Regina Lewis, the day began with a panel called Powerhouse Women in Retirement: Stories of Resilience & Leadership, featuring leaders who shared their experiences. I had the honor of joining Nicole Corning, CFP®, CRPC®, AIF®, Kate Clark, AIF®, CFP®, CPFA, and Jenny Kiesewetter, moderated by Lisa (Garcia) Drake, CPFA, AIF®, on a panel where each

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"THE INTERACTION WITH COLLEAGUES, NEW AND OLD, IS AS IMPORTANT AS THE CONTENT, IN MY MIND, AND I MAKE SURE I'M SCHEDULED FOR THIS CONFERENCE EACH YEAR."

shared their zigzag journey into leadership. Wow!! Some amazing stories not only about leaping over business hurdles but also about health issues that were surmounted, and personal stories for each that demonstrate that resilience is part determination, part grit, and part community, with a double serving of hope. It was an encouragement to all who are reaching for a goal and find that the road is bumpier than anticipated. I was delighted to be part of the panel, learn from my colleagues, and make a couple of new friends in the process!

Keynote and workshop speakers this year did not disappoint! Barb Betts spoke on what "authentic" means when we're told to be our authentic selves. She spoke about reframing our comparisons to others, to curiosity about what is in someone else's success that you want to achieve.

Libby Gill, author of "Hope Driven Leader," spoke about hope and action. Studies show that leaders can instill hope in others and help them achieve more by fostering a higher sense of hope, which allows one to set higher goals and feel greater achievement and satisfaction. Libby also talked about setting your vision, quarter by quarter, in a great discussion about setting and achieving goals.

Our final speaker on Thursday was Raeanne Lacatena, LCSW-R, CPC, who taught us about flipping the lid on our lizard brain, the magic of tapping, recognizing emotions, and resetting with physical cues.

To end the day, we met for dinner outdoors in perfect weather, along the beach, followed by fun music and dancing. And there is nothing more fun than a bunch of friends dancing to good music, even if it's just enjoying from the sidelines!

On Friday morning, after some of the intrepid attendees once again traipsed the sandy shores before breakfast, we began the morning's sessions with our own Kelsey N.H. Mayo speaking about advocacy for retirement plans, keeping us engaged and ready to jump into action!

To wrap up the day, a great leadership interactive discussion was led by Theresa Conti, QKA, APR, ERPA, CPFA, where attendees had the opportunity to discuss and perhaps vent about topics that affect leaders across all businesses and those specific to advisors and TPAs.

Thank you all for feeding my soul, preparing me for a year of consulting on my favorite topics, leading by example, and advocating for my industry! Regina Lewis, Marta Hurst, Pam Basse, Lisa Drake, Dawn Genz, Michelle LeCates, Apryl Pope, Tianna Schulz, your efforts were obvious. Great job and great content, ladies.

And Regina, you rocked the emcee in a boot!! I look forward to seeing you all at RISE 2027! PC

HOW 2026 COULD SHAPE RETIREMENT POLICY FOR THE NEXT DECADE

Retirement policy may not always move quickly, but when it does, it has the power to transform the financial futures of millions. **By Josh Oppenheimer**

Washington, D.C. is no stranger to drama, but rarely does retirement policy sit so squarely front and center.

As we move through 2026, advisors, plan sponsors, and consultants are witnessing a rare moment where political upheaval, legislative momentum, and regulatory change are converging in ways that could shape the retirement system for a generation.

Over the past year at the American Retirement Association, I've been in the room with lawmakers, regulators, and industry stakeholders on your behalf. What I've seen firsthand is both surprising and encouraging: even in a deeply divided Washington where the stakes for our industry have never been higher, retirement policy remains one of the few areas where real bipartisan progress is still possible.

A TURBULENT — BUT TELLING — YEAR IN 2025

To understand what lies ahead, we must first reflect on the extraordinary events of 2025.

Unified Republican control of Congress and the White House created both momentum and tension. That tension culminated in the longest government shutdown in U.S. history, with significant implications for the industry.

During the shutdown, key agencies like the Internal Revenue Service (IRS) and the Department of Labor's Employee Benefits Security Administration (EBSA) operated with severely reduced staffing, delaying guidance, audits, and regulatory activity. In many cases, retirement policy functions effectively ground to a halt.

At the same time, Congress passed sweeping tax legislation known as the "One Big Beautiful Bill." From a retirement policy perspective, the most notable outcome was what did not happen. Proposals that could have fundamentally altered the employer-sponsored retirement system — such as forcing retirement contributions into Roth accounts — were ultimately excluded.

This outcome reflects the sustained advocacy of industry groups and policymakers who recognize the strength and effectiveness of the current employer-sponsored system.

That success reinforces an important lesson: retirement policy remains a priority in Washington, but its future depends on continued engagement from the plan sponsor and advisor communities.

THE PUSH FOR PARITY: 403(B) PLANS AND COLLECTIVE INVESTMENT TRUSTS

One of the most significant legislative developments of the past year was the House's passage of the Retirement Fairness for Charities and Educational Institutions Act. This legislation would allow 403(b) plans to invest in collective investment trusts (CITs), bringing long-overdue parity between nonprofit and corporate retirement plans.

For plan consultants and advisors, the implications are substantial. CITs often provide lower costs, greater flexibility, and enhanced customization compared with mutual funds.

Josh Oppenheimer is the American Retirement Association's Senior Director of Federal Legislative Affairs.

Allowing 403(b) plans access to these vehicles could significantly improve retirement outcomes for millions of teachers, healthcare workers, and nonprofit employees.

The bill now awaits action in the Senate, where it will likely move as part of a broader capital markets package. There is a strong reason for optimism, and your ARA Government Affairs team remains actively engaged with Senate offices to ensure this important legislation advances at the earliest opportunity.

LITIGATION REFORM MOVES TO THE FOREFRONT

If there is one issue dominating conversations with plan sponsors today, it is litigation risk.

Over the past decade, retirement plans have faced an unprecedented wave of lawsuits alleging fiduciary breaches related to fees, investments, and plan governance.

While accountability is essential, many of these lawsuits follow identical templates, creating significant costs even when claims lack merit.

To address this trend, Congress has begun considering targeted reforms. One recently introduced bill, the ERISA Litigation Reform Act, would raise pleading standards and limit costly discovery until courts determine whether a case should proceed.

These reforms are designed to discourage opportunistic litigation while preserving participants' rights to bring legitimate claims.

At the same time, the regulatory agencies are moving forward on their own. Under new leadership, the Department of Labor has become more active in filing amicus ("friend of the court") briefs in ERISA cases, advocating for clearer legal standards and a more balanced interpretation of fiduciary duties.

For plan consultants and advisors, these developments could meaningfully alter the litigation environment, resulting in greater innovation among plan offerings.

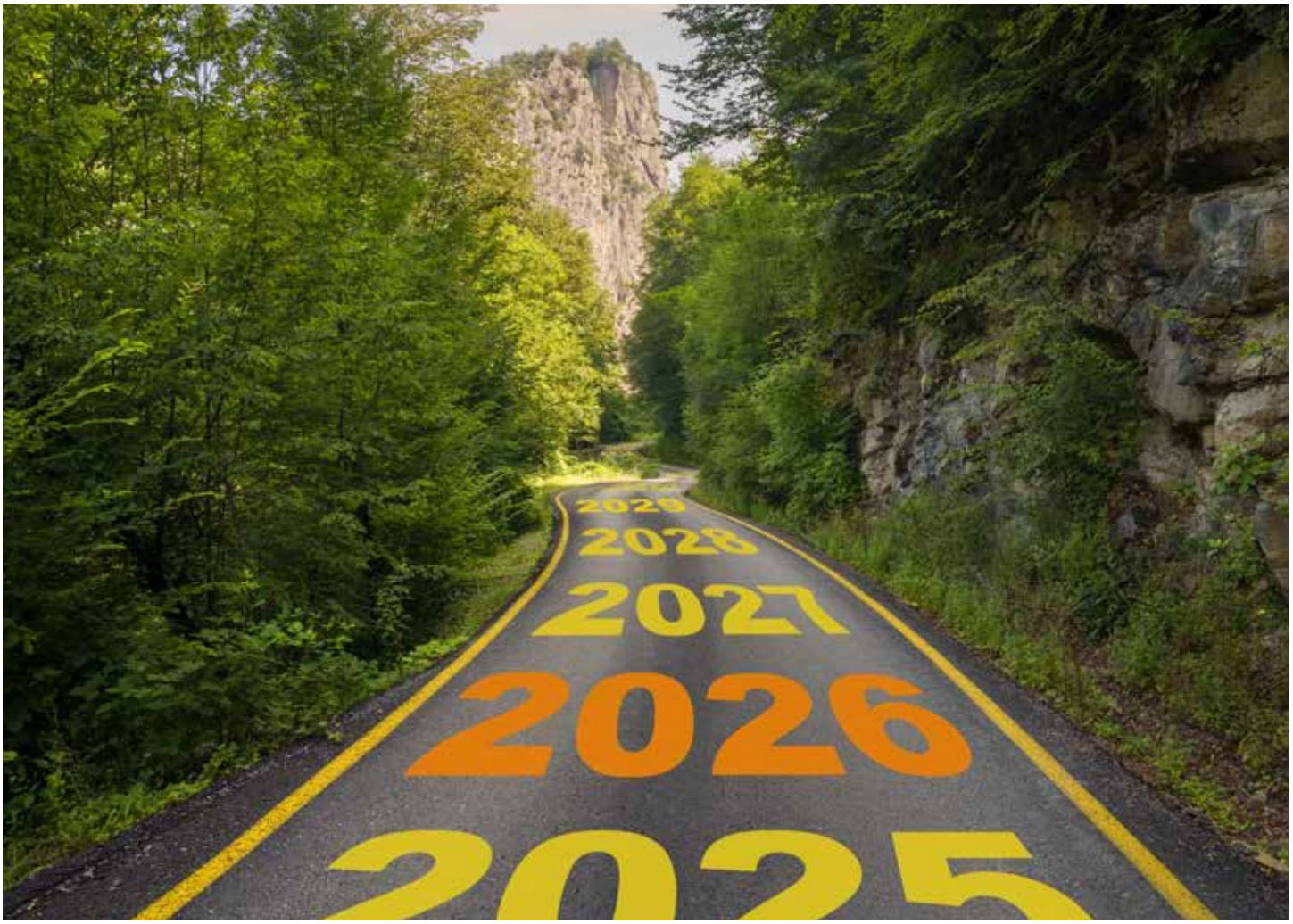
EXPANDING ACCESS REMAINS WASHINGTON'S TOP PRIORITY

Beyond litigation, one issue unites policymakers across party lines: expanding access to retirement savings.

Several legislative proposals introduced over the past year reflect this shared goal. These include efforts to improve retirement coverage for gig workers, create federally facilitated savings programs, mandate employer participation in retirement plans or state auto-IRA programs, and extend retirement plan tax incentives to nonprofits.

Each of these proposals approaches the access challenge from a different angle. But the underlying objective is the same: ensuring that more Americans — particularly those in small businesses, nonprofits, and alternative employment models — have access to workplace retirement savings.

For plan consultants and advisors, expanding access represents both a policy objective and a business opportunity. As more employers adopt retirement plans, advisors will play an increasingly central role in plan design, implementation, and fiduciary guidance.



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THE HOUSING DEBATE HIGHLIGHTS RETIREMENT POLICY'S BROADER ROLE

One of the more surprising policy debates this year involved the potential use of retirement savings to support homeownership.

A senior advisor in the Trump administration briefly floated a proposal that would allow individuals to use retirement plan assets to purchase equity in their homes.

The idea was ultimately abandoned (for now) when President Trump dismissed the idea during a media scrum aboard Air Force One: "I'm not a huge fan of it…Other people like it. They're talking about taking money out to put a deposit down on a home. And one of the reasons I don't like it is that their 401(k)s are doing so well. I like keeping their 401(k)s in great shape."

Even though the proposal itself is unlikely to move forward, the broader debate is instructive. Policymakers are increasingly focused on the interaction between retirement savings and other financial priorities, including housing, healthcare, and education.

This trend will likely shape future legislation, reinforcing the importance of preserving retirement savings while recognizing participants' evolving financial needs.

THE REGULATORY LANDSCAPE IS DEVELOPING RAPIDLY

Legislation is only part of the story. Regulatory agencies are also reshaping the retirement landscape.

The Department of Labor has already updated its Voluntary Fiduciary Correction Program, expanded its opinion letter process, and issued new guidance addressing missing participants and unclaimed benefits.

Perhaps most importantly, regulators are reevaluating prior guidance related to alternative investments. A proposed rule addressing fiduciary prudence standards could clarify how plan fiduciaries evaluate private equity and other alternative assets within defined contribution plans.

This development could open up new investment opportunities, while also reinforcing the importance of prudent fiduciary decision-making. For consultants advising plan sponsors, staying ahead of these regulatory changes will be critical.

SECURE 3.0: THE NEXT MAJOR LEGISLATIVE FRONTIER

Even as the industry continues to implement SECURE 2.0, attention in Washington is already turning to the next phase of retirement reform.

SECURE 3.0 is unlikely to pass in 2026, particularly given the approaching midterm elections. But the groundwork is being laid now. Key areas of focus include expanding retirement plan access, improving incentives for both defined contribution and defined benefit plans, reducing administrative complexity, and addressing retirement plan leakage.

These reforms build on the success of prior legislation and address emerging challenges in the retirement system.

Importantly, retirement policy remains one of the few areas where bipartisan cooperation is possible. As political gridlock continues in other areas, retirement legislation may represent one of Congress's most viable opportunities for meaningful policy achievement.

WHAT PLAN CONSULTANTS AND ADVISORS SHOULD EXPECT

Looking ahead, several themes will define retirement policy over the next 12 to 24 months:

- Continued legislative focus on expanding retirement coverage
- Increased scrutiny—and potential reform—of ERISA litigation
- Greater regulatory clarity around fiduciary standards and investment options
- Ongoing discussions about the role of retirement savings in broader financial security
- Early positioning for comprehensive retirement legislation in the form of SECURE 3.0

These developments reinforce the importance of staying engaged — not just with clients, but with policymakers.

The retirement system's strength is not accidental. It reflects decades of collaboration among policymakers, industry professionals, and advisors. Continued engagement will ensure that the system evolves in ways that protect participants while supporting innovation and growth.

THE PATH FORWARD

Despite political uncertainty, the outlook for retirement policy is encouraging.

Washington may remain volatile, but the momentum behind improving the retirement system is real. Policymakers across party lines recognize the critical role employer-sponsored retirement plans play in ensuring financial security for millions of Americans.

For plan consultants, this moment presents both challenges and opportunities. Regulatory changes will require adaptation, legislative reforms will create new possibilities, and evolving participant needs will demand continued innovation.

But one thing remains certain: the plan advisor community will continue to play a central role in shaping the future of retirement.

And if the past year has taught us anything, it is this: retirement policy may not always move quickly, but when it does, it has the power to transform the financial futures of millions. PC

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