RETIREMENT INSIGHT

2ND QUARTER 2026

Getting Personal

Targeted Plan Communications Can Help Improve Employee Engagement and Retirement Outcomes

Retirement plan communications have never mattered more. With diverse workforces and heightened employee responsibility for retirement readiness, one-size-fits-all messaging simply isn't effective. Research shows that tailored outreach helps sponsors connect with employees more effectively, improves engagement and can even strengthen retention.

Know Your Audience

The foundation of effective personalization is knowing your employee base. Demographics, job roles, financial literacy levels and communication preferences differ widely across workforces. Younger employees may prefer bite-sized digital content delivered via mobile devices, whereas pre-retirees often value in-depth webinars or one-on-one conversations about catch-up contributions and retirement income strategies. Segmenting your audience into meaningful groups — by age, savings behavior or plan engagement — allows you to tailor both the channel and message.

Leverage Multiple Channels

Not all employees consume information the same way. Use a mix of email, intranet posts, printed handouts, short videos and in-person or virtual group sessions to reach people where they are. Test and iterate: what resonates with field staff may not align with office-based workers. Consistent, repeated touches — ideally four to six per year — keep retirement planning top of mind without overwhelming your audience.

Drive Action Using Personalized Content

Generic plan updates may inform, but personalized content compels action. Targeted nudges — like messaging about maximizing an employer match, reminders about beneficiary designations or outreach around age-specific features such as catch-up contributions — help employees see relevance in their own lives. Using data from your recordkeeper (with appropriate privacy safeguards) can elevate cohort messaging into individualized tips and calls to action.

Lean on Your Plan Advisor

A plan advisor is instrumental in creating a successful personalization strategy. Advisors bring expertise on segmentation strategies, assist in developing messaging calendars and help interpret survey or behavior data to shape effective communication campaigns. For smaller sponsors with limited human resource capacity, advisors often drive content selection, recommend delivery channels and coordinate with recordkeepers to implement multitouch engagement plans.

Personalized communications are not just good practice — they're essential for meaningful participant engagement and better retirement outcomes. An advisor can be your partner in translating insights into targeted, effective communications.

Informational Resources: PLANSPONSOR: "How to Best Personalize Plan Communications" (December 1, 2025); Capital Group: "A Blueprint For Effective Participant Communications" (accessed January 7, 2026).

ASSET STRATEGY CONSULTANTS

410.528.8282 | www.assetstrategyconsultants.com

Committee Meeting Best Practices

Ensuring Effective Governance, Fiduciary Compliance and Clear Documentation

Strong retirement plan governance doesn't happen by accident — it requires intentional structure, consistent execution and clear documentation. For plan sponsors, committee meetings are one of the most important venues for fulfilling fiduciary duties, making informed decisions and creating a defensible record of how those decisions were reached.



Structure and Consistency Are Your Foundations for Success

A well-run plan committee starts with a clear charter that defines roles, responsibilities, membership and meeting cadence. Committees should meet on a regular basis (e.g., quarterly) with a defined agenda that covers both investment oversight and administrative issues. Regular fiduciary training is also a best practice to ensure committee members understand their duties and liability exposures under the Employee Retirement Income Security Act of 1974 (ERISA). Other structural best practices include:

- Establishing and following an investment policy statement that guides investment selection and monitoring
- Clarifying delegation to service providers while retaining ultimate oversight.
- Ensuring committee composition reflects appropriate expertise and diverse perspectives.

Fiduciary Process: How You Decide Matters

Under ERISA, fiduciaries must act prudently and solely in the interest of plan participants and beneficiaries. That means regularly reviewing investment performance, fees, service agreements and compliance with plan terms. It's not enough to make thoughtful decisions — you need to demonstrate that you followed a prudent, deliberate process each time.

Why Meeting Minutes Are So Important

Meeting minutes are more than just administrative paperwork — they're the evidence of your fiduciary process. Without them, auditors, regulators or plaintiffs may assume your committee didn't meet, consider key issues, or act in a prudent manner. Here are the key things to record (and how much):

- **Basic facts:** date, time, location and attendees
- **Agenda topics and key discussion points:** summarize the gist without transcribing every word
- **Decisions and rationale:** what was decided and why, linking back to plan goals, the investment policy statement or fiduciary standards
- **Action items and owners:** who is responsible for next steps and their deadlines
- **Consultant or advisor input:** note who presented and any pivotal recommendations
- **Dissent or concerns:** a record that all viewpoints were considered.

Plan committees that operate with clear governance practices, disciplined process and accurate documentation are better positioned to manage risk and demonstrate fiduciary care.

Pension Plan Limitations for 2026

401(k) Maximum Elective Deferral ($32,500 for those age 50 or older, $35,750 for those age 60-63 — if plan permits)*	$24,500
Defined Contribution Maximum Annual Addition	$72,000
Highly Compensated Employee Threshold	$160,000
Annual Compensation Limit	$360,000

* For 2026, the catch-up contribution is $8,000 for those age 50 or older. Under a change made in SECURE ACT 2.0, a higher catch-up contribution limit applies for employees aged 60–63. For 2026, this higher catch-up contribution limit is $11,250.

Informational Sources: Mercer: "A Guide to Defined Contribution Fiduciary Committee Governance" (May 22, 2025); 401ktv: "Key Role of Meeting Minutes in Retirement Plan Compliance & Audits" (July 18, 2024); American Society of Pension Professionals & Actuaries: "Retirement Plan Committees: Crucial Failsafe" (February 23, 2024).

Plan Sponsors Ask...

Q: We are considering hiring a plan advisory firm to provide ERISA 3(38) investment management services. Do you have any current information on the popularity of this service with plan sponsors?

A: You are not alone in considering the services of an ERISA 3(38) investment manager. According to *PLANSPONSOR'S* 2025 3(38) Investment Manager Survey, nearly 48% of defined contribution plan sponsors reported that they currently use a 3(38) investment manager, and another third reported that they are considering hiring one. Among those that use a 3(38), the primary reasons are to reduce fiduciary liability (73.77%), ensure compliance with ERISA (59.02%) and improve investment performance (55.74%). Factors that count most when selecting a 3(38) provider are: "experience and track record;" "cost of services" and "reputation in the industry."

Q: Our investment committee is trying to get comprehensive information on alternative investments to better understand how they work, how they might fit within a 401(k) plan and the potential risks involved – for both our employees as investors and for us as fiduciaries. Can you provide any resources that would give us a thorough perspective?

A: You might consider reviewing a recently published white paper from the Wagner Law Group titled, "Alternative Investments in 401(k) Plans: Executive Order Implications and Key Fiduciary Considerations." The paper examines the evolving regulatory landscape in this area and discusses the key considerations for plan fiduciaries who are interested in giving their plan participants access to alternative investments through the plan's investment lineup.

Q: Our recent annual plan review revealed a significant increase in contributions to our Roth 401(k) account option among our younger workers. How does this compare to industry data?

A: Fidelity's Q3 Retirement Trends analysis found that Roth savings vehicles are increasing in interest among retirement savers — particularly among younger generations — likely due to their tax efficiency over the long term. Third-quarter data show 20% of Gen Z 401(k) participants are choosing to contribute to a Roth 401(k), up from 16% in 2024. The data shows 19% of Millennials contribute to a Roth 401(k).



Web Resources for Plan Sponsors

Internal Revenue Service, Retirement Plans
www.irs.gov/ep

U.S. Department of Labor,
Employee Benefits Security Administration
www.dol.gov/ebsa

401(k) Help Center
www.401khelpcenter.com

PLANSPONSOR Magazine
www.plansponsor.com

BenefitsLink
www.benefitslink.com

Plan Sponsor Council of America
www.psca.org

Employee Benefit Research Institute
www.ebri.org

Plan Sponsor's Quarterly Calendar

APRIL

- If a plan audit is required in connection with the Form 5500, make arrangements with an independent accountant/auditor for the audit to be completed before the Form 5500 due date (calendar-year plans).
- Audit first quarter payroll and plan deposit dates to ensure compliance with the DOL's rules regarding timely deposit of participant contributions and loan repayments.
- Verify that employees who became eligible for the plan between January 1 and March 31 received and returned an enrollment form. Follow up on forms that were not returned.

MAY

- Monitor the status of the completion of Form 5500, and, if required, conduct a plan audit (calendar-year plans).
- Issue a reminder memo or email to all employees to encourage them to review and update, if necessary, their beneficiary designations for all benefit plans in which they are covered.
- Perform a thorough annual review of the summary plan description and other enrollment and plan materials to verify that all information is accurate and current, and identify cases in which revisions are necessary.
- Provide the quarterly benefit/disclosure statement and statement of plan fees and expenses charged to individual plan accounts during the prior quarter, within 45 days of the end of the last quarter.
- By May 15 (or 45 days after the end of the quarter) participant-directed defined contribution plans must supply participants with a quarterly benefit/disclosure statement and a statement of plan fees and expenses charged to individual plan accounts during the first quarter.

JUNE

- Begin planning an internal audit of participant loans granted during the first six months of the year. Check for delinquent payments and verify that repayment terms and amounts borrowed do not violate legal limits.
- Confirm that Form 5500, and a plan audit if required, will be completed prior to the filing deadline or that an extension of time to file will be necessary (calendar-year plans).
- Review plan operations to determine if any qualification failures or operational violations occurred during the first half of the calendar year. If a failure or violation is found, consider using an Internal Revenue Service or DOL self-correction program to resolve it.
- Check for any actual deferral percentage/actual contribution percentage refunds due to highly compensated employees for eligible automatic contribution arrangement plans to avoid an employer excise tax.

Consult your plan's financial, legal or tax advisor regarding these and other items that may apply to your plan.

Kmotion, Inc., 12336 SE Scherrer Street, Happy Valley, OR 97086; 877-306-5055; www.kmotion.com

©2026 Kmotion, Inc. This newsletter is a publication of Kmotion, Inc., whose role is solely that of publisher. The articles and opinions in this publication are for general information only and are not intended to provide tax or legal advice or recommendations for any particular situation or type of retirement plan. Nothing in this publication should be construed as legal or tax guidance, nor as the sole authority on any regulation, law, or ruling as it applies to a specific plan or situation. Plan sponsors should always consult the plan's legal counsel or tax advisor for advice regarding plan-specific issues.

This material is intended to provide general financial education and is not written or intended as tax or legal advice and may not be relied upon for purposes of avoiding any Federal tax penalties. Individuals are encouraged to seek advice from their own tax or legal counsel. Individuals involved in the estate planning process should work with an estate planning team, including their own personal legal or tax counsel.