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Welcome to *Fiduciary Insights*, our monthly newsletter that keeps you in touch with issues, trends, events, and insights of significance to individuals connected with the retirement plan industry. The articles have been carefully selected from a variety of high-quality sources.

2026 IRS Limits for Retirement Plans have been Released, Please See Link Below

"2026 IRS Limits for Retirement Plans"

Reminder:

Please contact us to schedule enrollment/update meetings and plan level review meetings. Also, we would like to schedule retirement planning sessions with your near retiree employees.

-- In This Month's Issue --

Quick Links

- [Double-Digit Growth Again for 401\(k\), 403\(b\) Balances](#)
- [401\(k\) Balances, Hardship Withdrawals Both Increase in 2025](#)
- [3\(16\) Fiduciary Services Increasingly Seen as Best Practice](#)
- [Developing a Prudent Cybersecurity Policy](#)
- [Alts May Come to 401\(k\)s Faster Than You Realize](#)
- [How the 401\(k\) Industry Needs to Adjust to Phased Retirement](#)
- [Cash Balance Plans Outpace Traditional DB Plans](#)

- [Trump Accounts vs. 529s for College Saving](#)
- ['How America Saves 2026' Preview: Strong Market, Auto Features Power Record 401\(k\) Balances](#)
- [Employer backing for 401\(k\)s hits new high as plan costs continue to fall](#)
- [Vanguard, Fidelity data show new record highs in 401\(k\) savings](#)
- [SIMPLE IRAs vs 401\(k\) Safe Harbor Plans: What are the differences? - 2026](#)
- [How Plan Sponsors Can Support Gen Z's Entry Into the Workforce](#)
- [State Auto-IRA Programs Show No Signs of Slowing Down](#)

[Double-Digit Growth Again for 401\(k\), 403\(b\) Balances](#)

401(k) balances increased by more than 11% and 403(b) balances rose 13%, according to Fidelity, the

[Trump Accounts vs. 529s for College Saving](#)

Trump accounts, created in July 2025, are a new tax-advantaged account for children. Investors saving for college should know how they compare to 529

third consecutive year topping 10%. Average 401(k) and 403(b) balances increased by double-digit percentages in 2025, marking the third straight year of strong growth, according to Fidelity Investments' "Q4 2025 Retirement Analysis" report, released Wednesday. The average 401(k) balance went up more than 11% in 2025 to \$146,400, while the average 403(b) balance rose 13%, reaching \$133,500 by the end of the year. Source: plansponsor.com

[401\(k\) Balances, Hardship Withdrawals Both Increase in 2025](#)

Retirement account balances are up by over 10%, according to a recent report from Fidelity Investments. Balances in 401(k)s are up by 11% from Q4 2024 to Q4 2025, and 403(b) balances are up by 13%. IRAs grew more modestly at 7%. Stock market performance was a key driver of this growth, but increased use of automatic enrollment has also driven growth. Use of automatic enrollment grew to 44.9% at the end of 2025, up from 36.5% at the end of 2020, according to Fidelity. Source: psca.org

[3\(16\) Fiduciary Services Increasingly Seen as Best Practice](#)

Plan advisers increasingly see retaining a 3(16) fiduciary as an industry best practice that can improve operations and reduce compliance risks, according to a survey of advisers conducted by Pentegra in January. A 3(16) fiduciary is a service provider and ERISA fiduciary that assumes responsibility for administrative and legal tasks for an ERISA-governed plan. The survey explains that "a true 3(16) fiduciary assumes legal responsibility for plan administration. Source: psca.org

[Developing a Prudent Cybersecurity Policy](#)

Under ERISA, fiduciary prudence and loyalty don't stop at selecting investments. The Department of Labor has made it clear that cybersecurity is part of prudent plan administration. Protecting plan assets includes safeguarding the systems and processes that hold them. Source: psca.org

[Alts May Come to 401\(k\)s Faster Than You Realize](#)

The most important shift in defined contribution today is not alternatives in isolation. It is the growing emphasis on income and personalization and the pressure those priorities place on traditional portfolio design. The easiest prediction in defined contribution (DC) is that tomorrow will look a lot like today.

Sometimes, there are good reasons for that instinct. The DC system rightfully prioritizes participant protection and strong governance, allowing new products and solutions to earn their place over time. Source: psca.org

accounts. Trump accounts will go live in July 2026. A Trump account is an account that a family member can choose to create for a child. Annual contributions to the account can reach up to \$5,000 annually from taxable sources, such as a parent or an employer. Source: psca.org

['How America Saves 2026' Preview: Strong Market, Auto Features Power Record 401\(k\) Balances](#)

Early look at Vanguard's annual overview of retirement saving behavior shows automatic enrollment and escalation driving higher savings rates. More proof that automatic features in 401(k)s are working today in the form of a "preview" from Vanguard of its annual "How America Saves" report—now in its 25th year. Data released as part of the preview show how plan design is driving outcomes in coordination with participant behavior (and a strong stock market), leading to record-high account balances at the end of 2025. Source: 401kspecialistmag.com

[Employer backing for 401\(k\)s hits new high as plan costs continue to fall](#)

Record employer contributions and wider auto-enrollment signal stronger workplace retirement support. Employer funding of workplace retirement plans has climbed to its highest level on record, reflecting a sustained shift among large US companies toward more robust savings support for workers. Data from a new industry analysis shows that employers made contributions to 91% of large private-sector 401(k) plans in 2023, up from 85% in 2007. Over the same period, the share of participants covered by employer contributions rose from 91% to 94%. Source: investmentnews.com

[Vanguard, Fidelity data show new record highs in 401\(k\) savings](#)

Strong markets and disciplined saving lifted balances across generations, but rising withdrawals and financial stress hint at a K-shaped retirement reality. Strong markets and steady savings habits are pushing more American workers into 401(k) millionaire status, even as a growing share taps those same accounts to cover financial emergencies – a tension that could test clients' resolve as geopolitical risks rise. Source: investmentnews.com

[SIMPLE IRAs vs 401\(k\) Safe Harbor Plans: What are the differences?](#)

Savings Incentive Match Plans for Employees (SIMPLEs) are frequently mentioned as a low cost alternative to 401(k) Safe Harbor Plans for providing employees the opportunity to save for retirement. In particular, SIMPLE IRAs carry a lower administrative burden than 401(k) Safe Harbor Plans, due to simplified

[How the 401\(k\) Industry Needs to Adjust to Phased Retirement](#)

Plan sponsors are pushing for phased retirement support and broader financial education as they view benefits as key tools to recruit and retain talent. Change happens slowly in the defined contribution world, but it does happen—eventually. No dramatic changes have occurred since auto features were heralded by the 2006 Pension Protection Act. Twenty years later, many plans are still slow to adopt them. All of which could change as plan sponsors wake up and demand changes as well as the economic realities for providers and advisors. Source:wealthmanagement.com

[Cash Balance Plans Outpace Traditional DB Plans](#)

Of all accruing plans today, 69% are cash balance and only 31% comprise of traditional DB. Cash balance plans largely make up all defined benefit (DB) plans, finds new research from October Three. The 2026 Cash Balance Plan Report shows that cash balance plans comprise of 65% of all DB plans in the U.S, at 24,898 compared to 13,571 traditional DB plans. Source: 401kspecialistmag.com

plan documents, and no annual compliance testing or 5500 government reporting requirements. Given these factors, we are frequently asked whether a small business should even bother with a qualified plan, such as a 401(k) plan. The purpose of this outline is to compare a SIMPLE IRA with a safe harbor 401(k) plan -- especially for employers who must cover participants other than just the owners. Source: consultrms.com

[How Plan Sponsors Can Support Gen Z's Entry Into the Workforce](#)

Many plan sponsors are discovering that traditional benefit programs are no longer resonating with younger employees. Low retirement plan participation, rising turnover, and disengagement can signal a disconnect between what employers offer and what Generation Z actually needs. As members of Gen Z (born between 1997 and 2012) enter the workforce, they bring different financial pressures, expectations, and digital habits. Source: planpilot.com

[State Auto-IRA Programs Show No Signs of Slowing Down](#)

Winter is a time in which a lot of Nature takes a breather. But not so for state auto IRAs this winter, at least if the experience of the first ones to be put in place is any indication. Source: napa-net.org

Western Benefits & Pension Council

Please visit westernpension.org for all current and upcoming programs.

Small Business Council of America

Please visit the Small Business Council of America (SBCA) website at SBCA.net. The SBCA is the only national organization whose sole purpose is to represent the interests of privately held businesses in the areas of federal income and estate tax, retirement, pension, healthcare, and other employee benefits concerns.

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Online Resources

Our company website is filled with resources for your financial planning needs. Please visit: lwarner.com.

WPBC

Please find all the upcoming panel and speaking events for Western Pension and Benefits Council at: westernpension.org.

Editor

This newsletter is compiled and edited by Ala Smochinsky. Please direct any comments to the Editor: asmochinsky@lwarner.com.

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