



September 2024

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.

IRS Increases 401(k) Limit to \$23,000 for 2024, IRA Limit to \$7,000 (8,000 if you're age 50 or older)

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

- [Keys to Guarding Retirement Plan Data Against Human Error](#)
- [Non Safe-Harbor Approvals: The Bleeding Heart](#)
- [Bill That Would Allow CITs in 403bs Before Senate](#)
- [IRS Addresses Matches for Qualified Student Loan Payments](#)
- [Guide for Retirement Plans: Transitioning from Balance Forward to Daily Recordkeeping](#)
- [The Rise of Collective Investment Trusts](#)
- [Alight Solutions 401k Index: August 2024 Observations](#)
- [Cyber Risk and Cybersecurity for Retirement Plan Sponsors](#)
- [What Are the Key Trends Affecting DC Plans?](#)
- [Long-Term Part-Time Eligibility Provisions - 2025 Edition](#)
- [It's Time to Rethink Retirement, Says T. Rowe Price](#)
- [Six Reasons to Consider Retirement Income](#)
- [Embracing 401k Auto-Enrollment With the Budget in Mind](#)
- [What You Need to Know About the New RMD Regulations](#)

[Keys to Guarding Retirement Plan Data Against Human Error](#)

As the digital age evolves, so too do the risks that threaten the security of employer-sponsored retirement plans and their data. Human error within organizations poses a significant risk, as hackers are adept at taking advantage of these vulnerabilities. Understanding and mitigating these risks is therefore crucial for plan sponsors, recordkeepers, and participants alike. Source: Planadviser.com

[Non Safe-Harbor Approvals: The Bleeding Heart](#)

[Cyber Risk and Cybersecurity for Retirement Plan Sponsors](#)

The digital nature of retirement plan administration makes plans tempting targets for cybercriminals. From phishing attacks to account takeovers, plan participants, recordkeepers, and sponsors are at risk of significant financial losses and brand damage. In this article, learn more about cyber risk management for retirement plans. Source: Captrust.com

[What Are the Key Trends Affecting DC Plans?](#)

Retirement income is at the center of trends discussed

The phrase bleeding heart is used to describe one who shows excessive sympathy for another's misfortune. But not every financial bind is a safe harbor hardship. They seem to be immediate and heavy financial needs, but not all of them are consistent with the spirit of a safe harbor hardship distributions. Care needs to be used. Source: Belfint.com

Bill That Would Allow CITs in 403bs Before Senate

Legislation that would allow 403b plans to invest in collective investment trusts has been introduced by several Senate Banking Committee members, including the ranking Republican, an indication of growing acceptance of the idea. The legislation originates in part from feedback Sen. Scott received concerning the capital formations framework he released almost a year ago, a roundtable he convened concerning ways to boost minority community access to capital. Source: Asppa-net.org

IRS Addresses Matches for Qualified Student Loan Payments

The SECURE 2.0 Act gave plan sponsors of certain DC plans the ability to make matching contributions when workers make qualified student loan payments on qualified educational loans. The IRS has issued interim guidance that applies to 401k, 403b, and governmental 457b plans as well as SIMPLE IRAs. The interim guidance is effective for plan years beginning after December 31, 2024. Source: Segalco.com

Guide for Retirement Plans: Transitioning from Balance Forward to Daily Recordkeeping

When managing retirement plans, the choice between daily and balance forward recordkeeping is an important consideration. Both methods have their advantages, but many modern-day plans are shifting towards daily recordkeeping for its distinct benefits. This article looks at the differences between the two, the potential advantages of daily recordkeeping, and what a transition process might look like. Source: Conradsiegel.com

The Rise of Collective Investment Trusts

Collective Investment Trusts, also known as CITs, have continued to make headlines in the retirement plan industry. In the evolving retirement plan landscape, CITs are gaining traction and are becoming increasingly popular among plan sponsors and participants due to their cost structure. This article takes a look at CITs, what they are, their advantages and disadvantages, and what plan sponsors need to know. Source: Conradsiegel.com

Alight Solutions 401k Index: August 2024 Observations

401k investors were active traders in early August when Wall Street had its worst day in nearly two years. Activity slowed significantly afterward with just three above-normal days, according to the Alight Solutions 401k Index. Investors favored fixed-income funds on 20 of 22 days in August. Stable value (43%) and bond (36%) funds saw the most inflows, while company stock (27%), large U.S. equity (25%), and target-date funds (16%) experienced the most outflows. Source: Alight.com

in a new study that evaluates the viewpoints of 35 leading consultant and advisory firms on key retirement and investment trends affecting DC plans and their sponsors. The study captures the latest perspectives from DC consultants and advisors on target-date solutions, retirement income, investment trends, and financial wellness programs. Additionally, this year's study explores respondents' thoughts on managed accounts, alternative investments, and the value of active versus passive management. Source: Psca.org

Long-Term Part-Time Eligibility Provisions -- 2025 Edition

Everyone is now an expert on how to apply the "long-term part-time employee" provisions of the SECURE Act which became effective at the beginning of this year. Unfortunately, it is now time to "adjust" that knowledge in anticipation of certain impending changes to the LTPT rules. This is because, while the SECURE Act established the LTPT rules that became required for most plan sponsors on January 1, 2024, subsequent retirement plan legislation commonly referred to as "SECURE 2.0" modified and expanded the LTPT rules. This article discusses those changes to the LTPT rules as imposed by SECURE 2.0. Source: Legacyrslc.com

It's Time to Rethink Retirement, Says T. Rowe Price

The conventional image of retirement -- in which workers stop working entirely at age 65 and exit the workforce for good -- is no longer the reality for most Americans. Yet decisions about employment, benefits, and savings often still assume this traditional path, says T. Rowe Price in their latest white paper. According to the white paper, employers should customize benefits for a "transitioning to retirement" workforce. Source: Planadviser.com

Six Reasons to Consider Retirement Income

People are living longer. And we're also, for the most part, not choosing to put off retirement. More years to enjoy retirement should be a good thing if we can afford them. From financial security to mental fitness, here's how guaranteed income can benefit workers as they enter that next chapter. Source: Blackrock.com

Embracing 401k Auto-Enrollment With the Budget in Mind

Data shows that automatic features, such as automatic enrollment, auto-increase, and re-enrollment can significantly improve participation rates and help employees save for retirement. This article explores cost-neutral ways of adding such auto features to your plan design. Source: Principal.com

What You Need to Know About the New RMD Regulations

In July, the IRS issued final regulations related to required minimum distributions from retirement accounts, clearing up some of the controversy and uncertainty surrounding changes made under the SECURE Act and the SECURE 2.0 Act. These regulations will bring significant changes to the landscape of retirement account distributions and tax planning. Here are some key developments to be aware

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.

-- Contact Us --



Michael Anderson

Financial Advisor & Executive Vice President, RIA

Phone: 310-432-7018

Fax: 310-432-7029

Email: manderson@lwarner.com

Securities offered through M Holdings Securities, Inc (member FINRA/SIPC). Advisory services provided by The L. Warner Companies, Inc., a registered investment adviser.

Links are being provided for information purposes only. The L. Warner Companies, Inc. is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. The L. Warner Companies, Inc. is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.

The L. Warner Companies, Inc does not render legal or tax advise." Please consult a financial, tax or legal professional for further information related to any of these articles.

Confidentiality Note: This e-mail transmission is intended for the exclusive use of the individual or entity to whom it is addressed and may contain confidential information that is covered by the Electronic Communications Privacy Act (18 USC Sections 2510-2521). If you are not the intended recipient (or an employee or agent responsible for delivering this e-mail to the intended recipient), you are hereby notified that any copying, disclosure or distribution of this information is strictly prohibited. If you have received this e-mail in error, please notify me by return e-mail immediately, delete the e-mail and all attachments, and destroy all hard copies of same. Thank you. The information on this newsletter does not purport to be a complete description of the securities, market, or developments referred to in this material, is not a complete summary or statement of all available data necessary for making an investment decision, and does not constitute a recommendation. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any opinions are those of The L. Warner Companies, Inc. and not necessarily those of M Holdings Securities, Inc.



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.

Thank you.

Copyright © 2024 The L. Warner Companies, All rights reserved.
You are receiving this email because you opted-in at our website.

Our mailing address is:

The L. Warner Companies
9690 Deereco Road, Suite 650
Timonium MD 21093

7077825.1