October 2025

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

401k Plan Document Retention

A 401k plan generates a large volume of documents that must be preserved under ERISA

SECURE 2.0 Roth Deadline Tops Year-End Action Item List

regulations. Developing a simple filing system with three file types can help plan sponsors efficiently manage their documents, ensuring they can easily review, update, maintain, and dispose of records. Having ready access to plan documentation is crucial, as it can lead to quick and cost-free dispute resolutions rather than drawn-out battles. Although civil penalties for not retaining required records are minimal, missing documents can hinder an employer's ability to defend the plan against challenges from the IRS, DOL, or participants. It's essential to understand and comply with retention rules to avoid potential issues. Some of the most common 401k plan records that must be retained to meet ERISA standards are listed here. Source: Consultrms.com

Crypto and Retirement Plans: Fiduciary Considerations

Cryptocurrency has gained attention as a high-return but volatile investment, prompting debate about its place in retirement plans. Although the DOL has withdrawn previous guidance, leaving no active rules on crypto in benefit plans, fiduciaries under ERISA must still adhere to standards of prudence, diversification, and loyalty to participants when considering such investments. Source: Cshco.com

Preparing for the Roth Catch-up Contribution Mandate: A Series

The IRS has released final regulations for a new mandate requiring Roth catch-up contributions. These rules are complex and demand that plan sponsors make strategic decisions, especially with the January 1, 2026 deadline approaching. While 2026 allows for good faith compliance, full adherence is expected by 2027. Sponsors must begin planning now, considering factors like payroll provider and recordkeeper capabilities. This article is the first in a series aimed at helping sponsors navigate these decisions.
Source: Wtwco.com

More Than a Third of Gen X Plans to Delay Retirement

Generation X (ages 45–60) is facing significant retirement challenges. They've endured eight recessions, carry student loan debt, and face high healthcare and housing costs, all of which have limited their ability to save during peak earning years. Traditional pensions have largely disappeared -- only 14% of Gen X has one -- making them the first generation relying almost entirely on 401k plans. Additionally, 24% of Gen X supports both aging parents and children, adding financial strain. These factors contribute to Gen X being the least confident and least financially prepared for retirement. A recent paper from the

Plan sponsors always have a full plate, but 2025 brings heightened importance, according to Mike Webb of CAPTRUST. As the fourth quarter progresses, experts emphasize key year-end actions for maintaining retirement plan compliance and health. The top priority this year: deciding how to implement the mandatory Roth catch-up contribution rule under the SECURE 2.0 Act of 2022. Source: Plansponsor.com

The $1,000 Boost and the 2026 Catch-Up Curveball

Looking ahead to 2026, upcoming changes to 401k contribution rules are more than minor updates -- they're significant structural reforms. Every plan sponsor, fiduciary, and committed saver should take note. Ignoring these changes could have serious consequences.
Source: Therosenbaumlawfirm.com

When Do Retirement Plans Need a Financial Statement Audit?

Renee Mrosowski from Summit Group Retirement Planners provided a thorough summary of plan audit requirement rules. Her clear and methodical approach is impressive and can be very helpful. If you're uncertain about whether your client's plan requires an audit, refer to her step-by-step summary here, which will help clarify the situation.
Source: Belfint.com

Why 401k Sponsors Must Prioritize Cybersecurity

Retirement plans are increasingly vulnerable to cyberattacks targeting sensitive personal data and substantial retirement assets. As a result, cybersecurity has become a critical fiduciary duty for plan sponsors, rather than just an IT issue. Therefore, plan sponsors must not only secure their own systems but also ensure that all vendors involved, including recordkeepers and advisors, implement strong cybersecurity measures. In a recent interview, Robert Massa from Prime Capital Financial highlighted common mistakes made by plan sponsors, emphasizing the need for greater attention to fiduciary responsibilities and cybersecurity practices.
Source: Primefinancial.com

401k 2.0--Retirement Income: Building the Next-Gen Retirement Plan

Retirement plans, particularly 401ks, are evolving from mere savings tools into vehicles for generating retirement income. Employers face a crucial transition in addressing the need for in-plan retirement income solutions. To support participants' long-term financial security, it's essential for plan

Alliance's Retirement Income Institute explores these issues in depth.
Source: 401kspecialistmag.com

Roth Compliance Tops Advisers' Q4 To-Do List

In 2025, retirement plan advisers face especially important responsibilities, with the fourth quarter bringing critical compliance tasks. The most significant issue is addressing the mandatory Roth catch-up contribution requirement introduced by the SECURE 2.0 Act of 2022, which affects plan health and participant readiness. Source: Planadviser.com

Resources for Tracking State and Local Retirement Initiatives

This article provides an overview of state-level retirement programs designed for private-sector employees. It also includes a collection of related resources from Mercer and other third-party sources. Please note that this list is updated periodically and may not always reflect the most recent changes in every state. Source: Mercer.com

Retirement Throughout the Ages: The American Middle Class

"Retirement Throughout the Ages: The American Middle Class" is a joint report by the Transamerica Center for Retirement Studies and Transamerica Institute that examines the priorities, health, finances, and retirement outlook of middle-class Americans aged 18 and older. It compares different age groups -- 20s through 70s+ -- and offers insights into their work and caregiving experiences. The report also includes recommendations for individuals, employers, and policymakers, along with a curated reading list for further exploration.
Source: Transamericainstitute.org

sponsors to consider design changes, focusing on incorporating retirement income options into these plans. Three key insights reviewed here highlight the necessity for these adjustments to meet the shifting needs of retirement planning. Source: Principal.com

Millennials Torn Between Homeownership and Saving for Retirement

Millennials are facing a tough financial dilemma due to stabilized yet high housing prices. Many feel forced to choose between buying a home and saving for retirement. A study by Nationwide Retirement Institute reveals that 58% believe they can't do both. Rising housing costs are seen as major obstacles to retirement savings, with 35% calling them the biggest hurdle and 46% viewing mortgages and home equity loans as the greatest threat to a secure retirement. Since early 2025, 60% have adjusted their retirement plans in response to these financial pressures, leading to growing frustration over the lack of affordability and difficulty in building wealth through property ownership. Source: 401kspecialistmag.com

What Employers Need to Know About Trump Accounts

The One Big Beautiful Bill Act, signed into law on July 4, 2025, establishes "Trump Accounts," a new tax-preferred savings option for children aimed at promoting early investing. The law provides an initial $1,000 government contribution to these accounts for newborns from 2025 to 2028. Individuals, including parents and grandparents, can contribute up to $5,000 annually, and employers may also contribute to support employee recruitment and retention. The article outlines key considerations for employers regarding contributions, account eligibility, plan document requirements, investment options, and nondiscrimination rules, while noting that further guidance from the IRS will be needed on some issues. Source: Ifebp.org

-- Contact Us --

Michael Anderson
Financial Advisor & Executive Vice President, RIA
Phone: 310-432-7018
Fax: 310-432-7029
Email: **manderson@lwarner.com**

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.