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Welcome to Fiduciary Insights, the 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.

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GENERAL ITEMS

The Language of Longevity: How Understanding Prompts Action

Financial literacy, financial wellness, and now longevity literacy. It's the latest phrase in the fight to raise awareness of -- and preparation for -- later-in-life issues, financial, medical, and otherwise, and an idea the TIAA Institute hit upon during its research.

Read the full article at [ASPPA](#).

Labor Tightness Drives More Immediate Eligibility for Retirement Deferrals

New Vanguard data shows that 72% of employers allowed for immediate eligibility of retirement saving deferrals in 2021, an increase over the past decade from 58% in 2012, according to its research paper, "The Changing Workforce."

Read the full article at [Planadviser](#).

Plan Sponsors Need Help Communicating Benefits to Employees

Plan sponsors should be aware of the financial literacy levels of their employees and make sure messaging is clear and understandable, according to experts.

Read the full article at [Planadviser](#).

Five Key Themes in J.P. Morgan Asset Management's 2023 Guide to Retirement

New research released today explores top trends in the defined contribution space, including SECURE 2.0 and market uncertainty. J.P. Morgan Asset Management released its annual Guide to Retirement, examining five key retirement themes expected to impact financial advisors, defined contribution plan participants, and clients throughout 2023.

Read the full article at [401K Specialist](#).

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

Secure Act 2.0 Encourages Employee Participation in Retirement Savings

At the very end of 2022, Congress passed the Securing a Strong Retirement Act of 2022 as part of the omnibus spending bill. The provisions have a broad effect on a range of retirement and other benefit issues with the basic overall goal of increasing access and encouraging employee participation in retirement savings. The various changes will take effect between now and 2025. Here is what the Secure Act 2.0 does.

Read the full article at [HR Daily](#).

Defined Contribution Plan Participants' Activities, 2022

To measure participant-directed changes in DC plans, ICI has been tracking participant activity through recordkeeper surveys since 2008. This report updates results from ICI's survey of a cross section of recordkeeping firms representing a broad range of DC plans and covering more than 40 million employer-based DC retirement plan participant accounts as of December 2022. The broad scope of the recordkeeper survey provides valuable insights about recent withdrawal, contribution, asset allocation, and loan decisions of participants in these plans.

Read the full article at [ICI.org](#).

Plan Sponsors Spending Half Their 401k Time on Admin Work That Could Be Outsourced

Nearly 89% of advisors in a new survey said that plan sponsor clients are spending up to 50% of their time on retirement plan administrative work that could be outsourced. That's a key finding from a new study on "Advisor Attitudes Toward 3(16) Fiduciary Outsourcing" released this week by Pentegra.

Read the full article at [401K Specialist](#).

The SECURE 2.0 Act of 2022

The Act strives to increase retirement savings, improve retirement plan operation and correction rules, and decrease the cost of setting up a retirement plan. This is a summary of some of the significant provisions that are most likely to affect plans.

Read the full article at [Belfint Lyons Schuman](#).

INSIGHTS; STUDIES, RESEARCH AND WHITE PAPERS

Court Overturns DOL Guidance on Rollover Advice

A federal court has vacated part of the 2021 DOL rollover guidance for investment advice fiduciaries. In one of those FAQs, DOL said a recommendation to roll over a participant's retirement plan account to an individual retirement account may be fiduciary investment advice when the advisor expects to give ongoing advice after the rollover. According to the court, this guidance contradicts the agency's current regulation.

Read the full article at [Mercer](#).

Self-Directed 401ks Also Fell 20% in 2022, Schwab Report Shows

Yet another report shows 401k accounts generally took a 20% hit in 2022, although it could have been worse if not for a subtle recovery in Q4.

Read the full article at [401k Specialist](#).

American Views on Defined Contribution Plan Saving, 2022

This survey polled respondents about their views on defined contribution retirement account saving and their confidence in 401k and other DC plan accounts. Survey responses indicated that Americans value the discipline and investment opportunity that 401k plans represent and that individuals were largely opposed to changing the tax preferences or investment control in those accounts. A majority of respondents also affirmed a preference for control of their retirement accounts and opposed proposals to require a portion of retirement accounts to be converted into a fair contract promising them income for life from either the government or an insurance company.

Read the full article at [ICI.org](#).

Nerding Out on Secure 2.0: Long-Term Part-Time and 403b Plans

SECURE 2.0 reduced this eligibility period to only 2 consecutive years of service, starting in 2025. SECURE 2.0 also included language to subject ERISA 403b plans to the LTPT fun, starting in 2025. Questions have arisen as to whether the LTPT rules will override a class exclusion in a 403b for employees working fewer than 20 hours and/or student employees. Some practitioners have opined that the LTPT requirements will not override the exclusion rules.

Read the full article at [Ferenczy Benefits Law Center](#).

COMPLIANCE AND REGULATORY RELATED

IRS Proposed Regulation Addresses Rules Relating to Plan Forfeitures

Historically, the topic of forfeitures has raised many questions for qualified plan administrators- specifically, how and when they can be used. But there has been little formal guidance regarding requirements relating to the use of, and timing to use such forfeitures. Treasury took a step toward addressing some of those questions by issuing proposed regulations on February 27, 2023.

Read the full article at [Groom Law Group](#).

DOL Finalizes Significant Form 5500 Changes for 2023 Year

The Final Rule addresses many of the outstanding reporting issues from the September 2021 proposal. These Form 5500 changes are effective for the 2023 reporting year. Most notably, this package of Form 5500 changes includes reporting rules related to defined contribution "groups of plans" or DCGs, changes to Schedules MB, SB, and R for defined benefit plans, the addition of IRS compliance questions, and a change to the counting method for determining whether a defined contribution plan is subject to audit. The changes are summarized here.

Read the full article at [Groom Law Group](#).

Grocery Chain's Excessive Fee Suit Sacked

An excessive fee suit targeting a \$5.9 billion 401k plan has been dismissed, with prejudice. Fending off this particular lawsuit were Kroger and the fiduciaries of the Kroger 401k Retirement Savings Account Plan.

Read the full article at [NAPA](#).

LinkedIn Will Pay Out \$6.75 Million for 401k Participant Complaint

LinkedIn Corp. settled for \$6.75 million in a 401k excessive fee complaint made in August 2020, according to court filings. The social media company settled over allegations made by participants of its 401k profit-sharing plan and trust that it did not try to reduce plan expenses or scrutinize investment options closely enough within the plan, according to a settlement agreement filed on March 3 in the U.S. District Court for the Northern District of California.

Read the full article at [Planadviser](#).

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