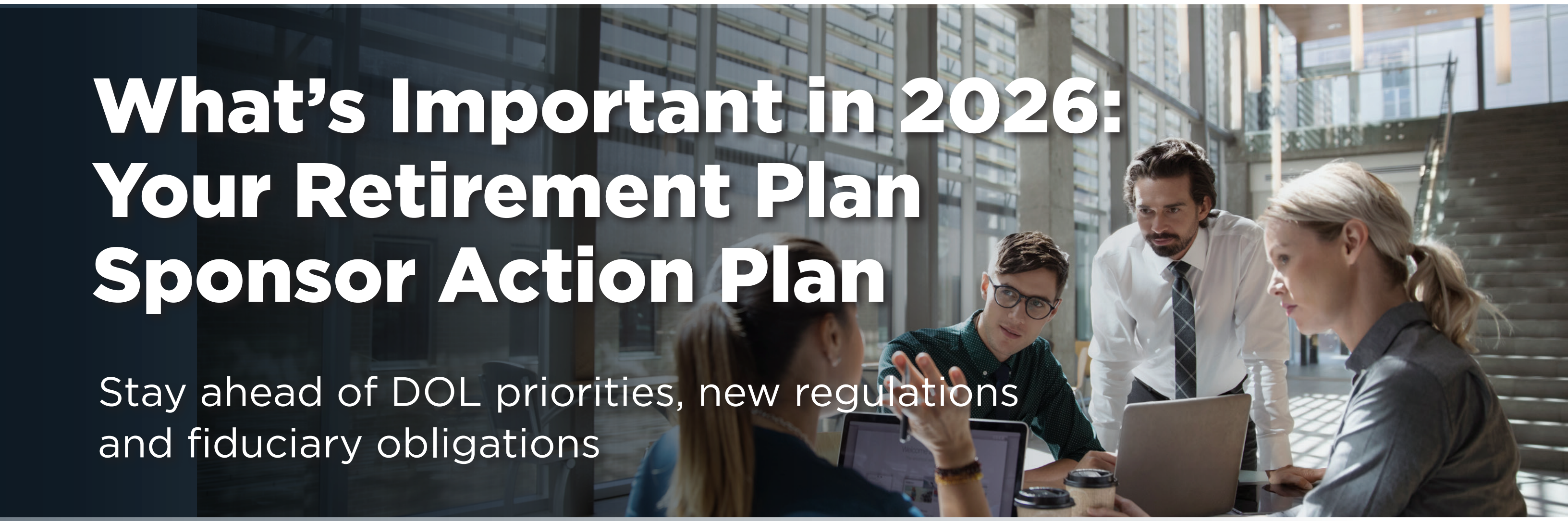

What's Important in 2026: Your Retirement Plan Sponsor Action Plan

Stay ahead of DOL priorities, new regulations and fiduciary obligations

2026 brings significant changes to retirement plan compliance. With new DOL enforcement priorities, evolving ERISA litigation, and legislative updates from the One Big Beautiful Bill Act, plan sponsors face a shifting landscape. This checklist provides the essential action items you need to address now, the fiduciary responsibilities DOL is prioritizing and strategic opportunities to make your plan more effective for employees.

Immediate Priorities

- **Verify Roth catch-up compliance:** Employees who earned $150,000 or more last year can only make catch-up contributions through Roth. This requirement is in effect now, even though the IRS regulation doesn't apply until 2027. Confirm your payroll and record keeper systems are set up correctly.
- **Review forfeiture accounts by asking three questions:** (1) What does your plan document say? (2) What are you actually doing? (3) Do you want to make a change? Remember that forfeitures must be used annually, and the IRS has confirmed that using forfeitures to offset employer contributions is permissible.
- **Audit contribution timing:** Confirm that participant contributions reach the plan trust within the required timeframe. Plans with fewer than 100 participants have a seven business day safe harbor, while larger plans must justify their timing and demonstrate consistency.
- **Address missing participants:** Conduct your annual missing participants review, and for accounts under $7,000, consider using the safe harbor IRA rollover. Complete this before year-end if you're near the 100-participant audit threshold.

Fiduciary Compliance

- **Ask about cybersecurity:** Data protection should be included in all vendor RFPs. Document each vendor's cybersecurity practices in your files since DOL considers cybersecurity a core fiduciary duty.
- **Create or update your IPS:** Your Investment Policy Statement (IPS) should demonstrate a prudent, well-documented process, ensuring it provides flexibility for fiduciary discretion rather than mandating automatic actions.
- **Verify that your plan meets 404(c) compliance requirements:** Minimum 3 investment options allowing broad diversification, at least quarterly trading, and proper 5500 assertion.
- **Review your advisor service agreements:** This is especially important if you've adopted managed accounts or other new fee structures in light of the DOL's focus on 3(21) advisors and 3(38) investment managers.

Strategic Plan Design Review

- **Evaluate auto-enrollment:** Consider whether to adopt automatic enrollment and escalation features, which typically increase participation from 67% to over 90%. Grandfathered plans should still consider adoption, and approaches can be customized by age or income level.
- **Review QDIA selection:** Review your QDIA selection to ensure you're using an appropriate default investment. You can use different QDIAs for different employee groups, and you should avoid stable value or cash defaults.
- **Explore creative plan design:** Ask your HUB advisor about creative plan design options you may not know exist, such as customized matching formulas, cohort-based auto-enrollment, or after-tax contribution features.
- **Remember the annual compliance essentials:** Conduct your annual reviews of fees, investment performance, and service providers, and hold retirement plan committee meetings with documented minutes.

What to Watch in 2026

- **Monitor the DOL's alternative assets regulation** (*expected within weeks*): Regulations will address how target date funds and other diversified funds can include allocations to private equity, private credit and real estate.
- **Prepare for employee questions about Trump Accounts:** Launching July 4, 2026, employers can contribute up to $2,500 per year with a tax deduction. Additional IRS guidance is expected in the next few months.
- **Stay informed on the ESG investment rule:** Updates are expected in May 2026. The current guidance allows ESG factors to break ties between equally prudent investments.

Bottom Line

Don't wait until the last minute. Build your 2026 compliance calendar now. DOL enforcement is becoming more efficient and focused—these deadlines are real.
Ask questions. If you think something would benefit your organization and employees, ask your advisor or attorney. Many creative plan design options exist that you may not know about.

While this Checklist is not a complete list of all responsibilities for fiduciaries, it can help with many of the most important responsibilities.

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