May 2026

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

• New IRS Guidance Addresses SECURE 2.0 Long-Term Care Distributions
• Larger 401(k) Plans Embrace Auto Portability as Due Diligence Drives Confidence
• New Bill Would Permit Deductible Charitable Donations from 401(k)s
• More Retirement Income Evaluation Frameworks Emerge
• PEPs or MEPs? A Practical Advisor Framework for 2026
• Q1 401(k) Savings Rate Climbs to Record 14.4%
• How Will the Industry Handle the Explosion of New 401(k) Plans?
• How Plan Sponsors Can Manage AI Opportunities, Risks
• Mergers and Acquisitions: How They Impact Retirement Plans
• Raising Retirement Coverage With Access and Auto-Enrollment
• Adoption of Target Dates with Annuities Expected to Accelerate
• Most Americans are at risk of outliving their retirement savings
• Tips for Plan Fiduciaries on Managing Cybersecurity Risk
• Retirement Savers Hold Steady as Savings Rates Hit Record Highs

New IRS Guidance Addresses SECURE 2.0 Long-Term Care Distributions

The Internal Revenue Service (IRS) on Wednesday issued guidance, Notice 2026-33, that clarified the disclosures required for qualified long-term care distributions from defined contribution (DC) plans. It also extended the deadline for plan amendments for plans permitting distributions for long-term care premiums. The Notice speaks to Section 334 of SECURE 2.0 which permits participants to make distributions from their DC plan account to pay premiums for a qualified long-term care insurance contract. Participants may make annual distributions totaling the lesser of the cost of the premiums, 10% of their vested benefit, or $2,600 for 2026 (indexed). Source:napa-net.org

Larger 401(k) Plans Embrace Auto Portability as Due Diligence Drives Confidence

Since late 2023, the new plan feature has been steadily working its way from an innovative concept into a core best practice for addressing the chronic problem of retirement plan cashout leakage. What's becoming increasingly clear — and frankly, increasingly inevitable — is that larger 401(k) plans are now joining the movement in meaningful numbers. That shift represents an important inflection point: one where cautious, scale-focused plan sponsors are completing their due diligence and becoming confident that auto portability delivers real, measurable value to participants without introducing unnecessary risk. Source:napa-net.org

New Bill Would Permit Deductible Charitable Donations from 401(k)s

Legislation supported by the American Retirement Association (ARA) to allow qualified charitable distributions (QCDs) from employer-sponsored defined contribution retirement plans has been introduced in both the House and Senate on a bipartisan basis. Among other things, the legislation seeks to provide parity between IRAs and employer-sponsored retirement plans. Source:psca.org

More Retirement Income Evaluation Frameworks Emerge

Equitable introduced criteria to compare guaranteed and nonguaranteed offerings, while IRIC and Manifest made the case for linking account consolidation to investment for retirement income. With the pending retirement of the first generation to have most of their retirement savings—if they have saved—in defined contribution plans that have focused on accumulation, attention is increasingly

How Plan Sponsors Can Manage AI Opportunities, Risks

Experts recommend not prohibiting the use of artificial intelligence—but controlling its dangers. As the range of threats employers face from artificial intelligence continues to evolve—eliciting responses from public officials—plan sponsors have options to tame the beast. Experts recommended not prohibiting the use of AI within an organization, but instead controlling the risks it poses. Source: plansponsor.com

Mergers and Acquisitions: How They Impact Retirement Plans

A merger or acquisition can create significant retirement plan issues, even when the business transaction itself seems straightforward. The buyer, seller, and their advisors should address retirement plans early, because the deal structure may determine whether a plan is maintained, merged, terminated, spun off, or left behind. Source:fiduciarynews.com

Raising Retirement Coverage With Access and Auto-Enrollment

In light of the new federal individual retirement account (IRA) program initiated in President Donald Trump's executive order, a Morningstar analysis examined how a federally managed automatic enrollment retirement plan could help workers without access to workplace benefits. The research, led by Morningstar's Retirement Studies' Associate Director Spencer Look and Director Jack VanDerhei, observed that while offering a federally administered auto-enrollment program helps narrow the retirement coverage gap, the program's structure is just as important for policymakers to consider. Source:401kspecialistmag.com

Adoption of Target Dates with Annuities Expected to Accelerate

While target dates with annuities are still a small fraction of target-date assets, there are signs that more plans are adopting these strategies and reasons to believe the growth will accelerate, according to a new report from Morningstar. In fact, assets in target dates with annuities totaled $42 billion across 13 target-date series at the end of March, up almost 70% from the same time last year. Meanwhile, non-ERISA plans, like 403(b)s, have long served as a "proving ground" for in-plan annuities. For example, TIAA's RetirePlus, a managed account program that functions similarly to a target-date series with an annuity component, held approximately $75 billion in assets as of March 2026, mostly in 403(b) plans. Source:napa-net.org

turning toward decumulation and sources of guaranteed income. Source: plansponsor.com

PEPs or MEPs? A Practical Advisor Framework for 2026

Retirement plan advisors are no longer evaluating PEPs (pooled employer plans) as a new concept. They are working in a market where adoption is rising, assets continue to grow and employers have shifted the conversation from whether pooled plans work to which structure is right for their business.That shift changes what retirement plan advisors need to know and what clients expect from them. Source:napa-net.org

Q1 401(k) Savings Rate Climbs to Record 14.4%

Despite market volatility in the first quarter of the year, both 401(k) and 403(b) saving rates for plans recordkept by Fidelity reached record levels in the period, according to Fidelity's "Q1 2026 Retirement Analysis" report, released Thursday. The average total 401(k) saving rate increased to 14.4% in Q1, up 0.2 percentage points from a steady 14.2% in the previous three quarters, Fidelity reported. The average employee contribution rate reached a record high of 9.6%, and the average employer contribution rate was 4.8%. For 403(b) plans, the average total saving rate increased to 12% over the quarter, up from 11.7% in Q4 2025. Source:planadviser.com

How Will the Industry Handle the Explosion of New 401(k) Plans?

Just as the convergence of wealth and retirement at the workplace is stressing the defined contribution industry, forcing massive technological and strategic changes, so is the explosion of new plans, driven primarily by government mandates. There are not enough retirement plan advisors to handle the expected surge, from 830,000 plans in 2025 to over 1 million by 2030, as most are not interested in smaller plans. Similarly, even record keepers serving this market struggle to make money in the first three years, when many of these small businesses either go out of business or get sold. Source:wealthmanagement.com

Most Americans are at risk of outliving their retirement savings

Retirement savings may have hit record levels, but a mere 12% of retirement savers in the U.S. have enough funds set aside to last more than 10 years, a new survey warns. The survey of 1,000 U.S. retirement savers by IRA provider PensionBee also found that just 13% of respondents could not survive one month on their funds. Increasing lifespans are also adding to the retirement savings pressure. Life expectancy for the U.S. population was 79 years in 2024, according to CDC data, an increase of 0.6 year from 2023. Source:investmentnews.com

Tips for Plan Fiduciaries on Managing Cybersecurity Risk

Retirement plans have "high balances and low engagement," which can make them vulnerable to cyber-attacks. So said David Ogg, a business information security officer at Principal in remarks he made at the PSCA National Conference in St. Louis, MO. The Employee Benefit Security Administration (EBSA) flagged cybersecurity as key enforcement priority for this year. Panelists discussed how sponsors can reduce risk for their participants. When polled during the session, 64% of attendees responded that participants' behavior was the greatest source of cybersecurity risk for their company, with lower values for internal processes and vendor relationships. Source:asppa-net.org

Retirement Savers Hold Steady as Savings Rates Hit Record Highs

Despite ongoing market volatility, 401(k) and 403(b) plan participants apparently kept their focus on saving for retirement, as new research shows savings rates reached record levels during the first quarter of 2026. Even though average account balances decreased, data from Fidelity Investments' Q1 2026 retirement analysis shows that the total savings rate for 401(k) participants (which includes both employer and employee contributions) reached 14.4%, nearing Fidelity's suggested combined savings rate of 15%. Source:napa-net.org

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 as 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 refer 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 © 2026 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

5559563