

Pension Industry Outlook 2026

The Convergence of Regulation,
Technology, and Financial Wellness.

Strategic insights for **Plan Sponsors**,
Recordkeepers, and **Industry Fiduciaries**
navigating the post-SECURE 2.0 landscape.



2026 Market Pulse: The Executive Dashboard

The Readiness Gap

31% of employers believe participants are not on track for retirement.

40% of employees live **paycheck-to-paycheck**.

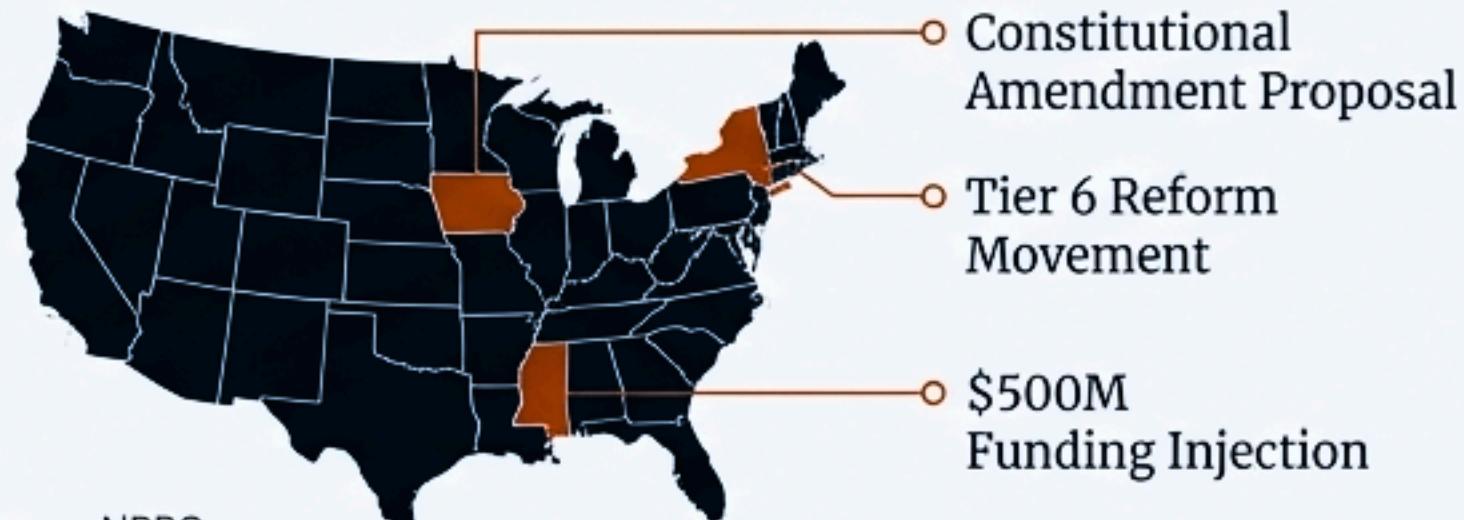
Source: ADP

The Regulatory Driver

- ⚠ Critical Deadline: IRS extends SECURE 2.0 amendment deadline to **Dec 31, 2027** (Notice 2026-9).
- ⚠ Immediate Action: Mandatory Roth Catch-Up effective **Jan 1, 2026**.

Sources: GlobalData, Human Interest

Public Sector Tension



Source: NPPC

Tech Adoption

39%

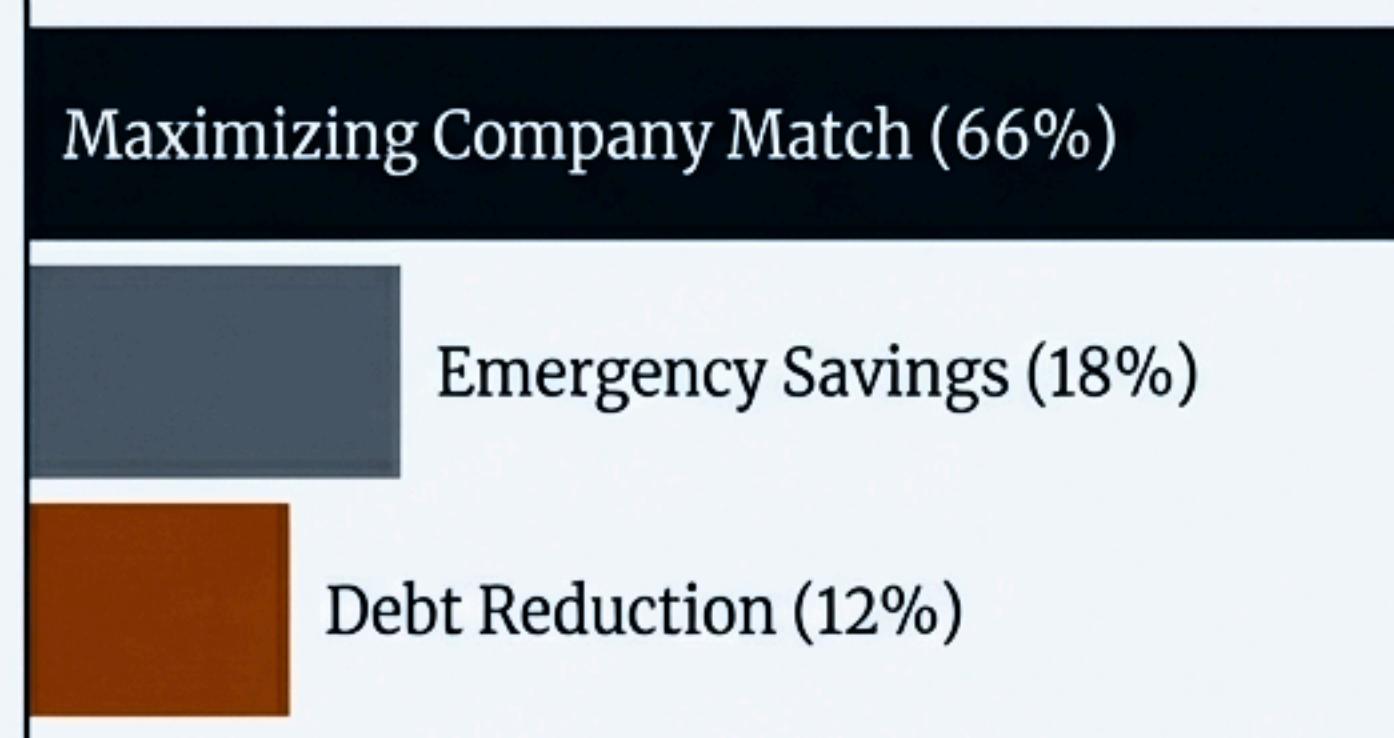
Effectiveness rate for mobile enrollment apps in driving participation.

Source: ADP

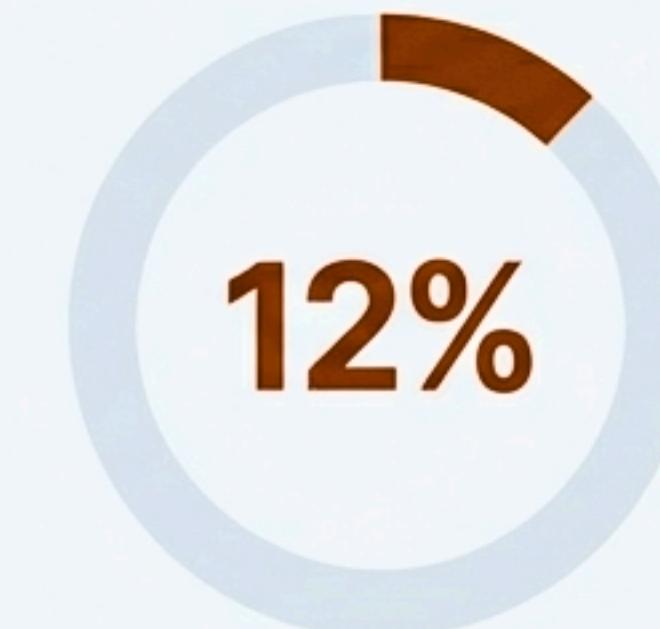
The Economic Backdrop: Designing for a Financially Fragile Workforce

Retirement is no longer a standalone goal. With 1 in 4 workers describing their finances negatively, sponsors are prioritizing liquidity.

Employer Priorities for 2026



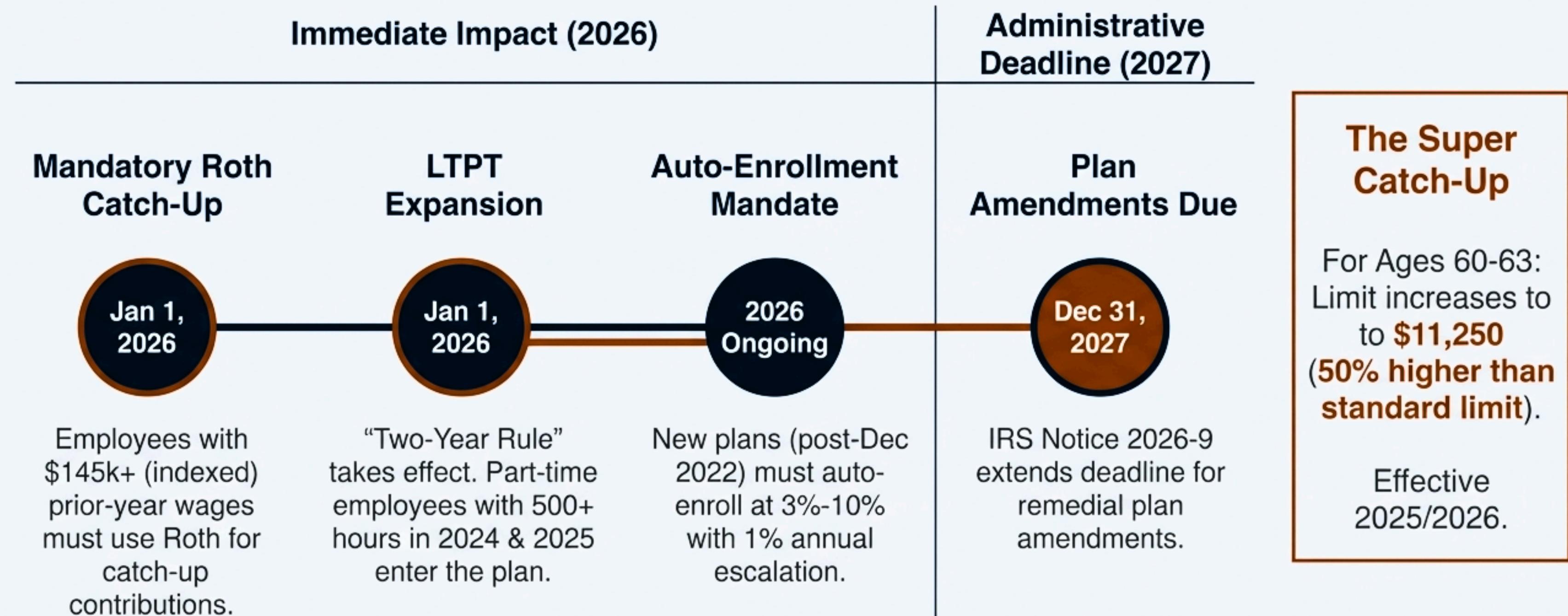
Worker Confidence (Ages 25-35)



Only 12% of workers aged 25-35 feel confident in their financial situation.

Trend Note: 15% of employers are considering increasing company match specifically as an enrollment driver.

Regulatory Landscape: Navigating SECURE 2.0 Implementation



Operational Efficiency: The Push for Automation and Outsourcing

Front-End: Digital Experience



+39%

Increase in plan participation via mobile enrollment apps.

- National online database established for lost retirement accounts.

Back-End: Compliance Burden



Paper Statements Return:
Plans must provide one paper benefit statement annually unless participants opt-out electronically.

Outsourcing Trend: Sponsors increasingly outsourcing fiduciary responsibilities to mitigate risk.

Audience Segmentation: Designing for Inclusion

The Female Professional



55% of women report feeling overwhelmed or worried about finances.

Behavior:

Spending more on living expenses, saving less for the future.

Strategy:

Targeted wellness education on Social Security maximization and compounding interest.

The LTPT Worker (Long-Term Part-Time)



Context:

New Eligibility Rule (2026): Employees with 500 hours/year for two consecutive years (2024, 2025) must be allowed to contribute.

Compliance Note:

Separate Top-Heavy testing is now allowed for excludable employees to protect plan sponsors.

Sources: ADP, Human Interest

2026 Compliance & Administration Checklist



Update Safe Harbor Notices (Sec 402(f))

Adopt IRS Notice 2026-13 updates. Distribute two distinct notices: one for Non-Roth, one for Roth accounts.



Audit Payroll for Roth Catch-Up

Verify systems flag employees with **>\$145k** (indexed) prior-year wages to enforce mandatory Roth catch-up.



Review Top-Heavy Testing

Utilize new provisions to separate excludable (LTPT) employees from the main testing group.



Prepare Plan Amendments

Draft retroactive amendments for discretionary changes. Final deadline extended to **Dec 31, 2027**.
