

Key Business Takeaways from the NAPA 401(k) Summit & Their Potential Impact

June 11, 2025



PRI + FLC

ERISA Expertise.
Trusted Results.

Today's Speakers



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Today's Agenda

1

Convergence and Managed Accounts

2

Practice Management, M&A, and
Succession Planning

3

Governance, Prudence & Litigation

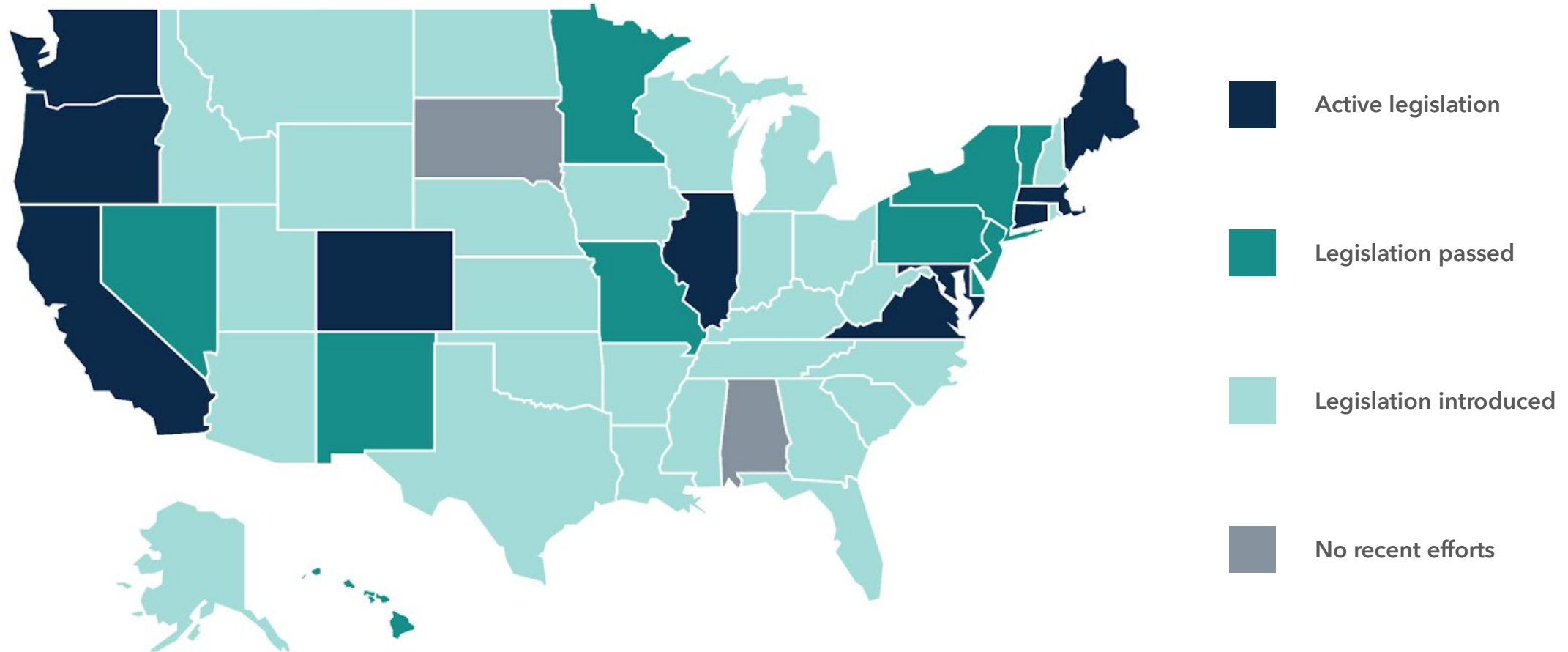
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PEPs

5

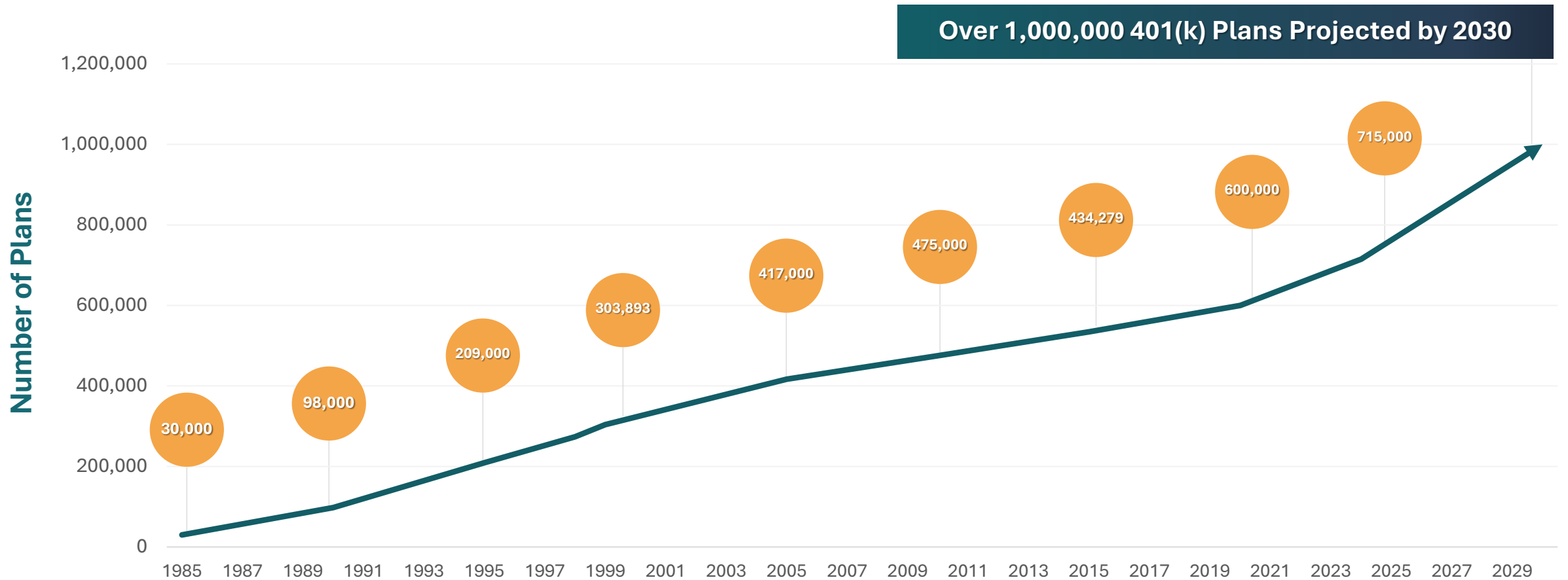
Retirement Income

State Mandated Retirement Plans



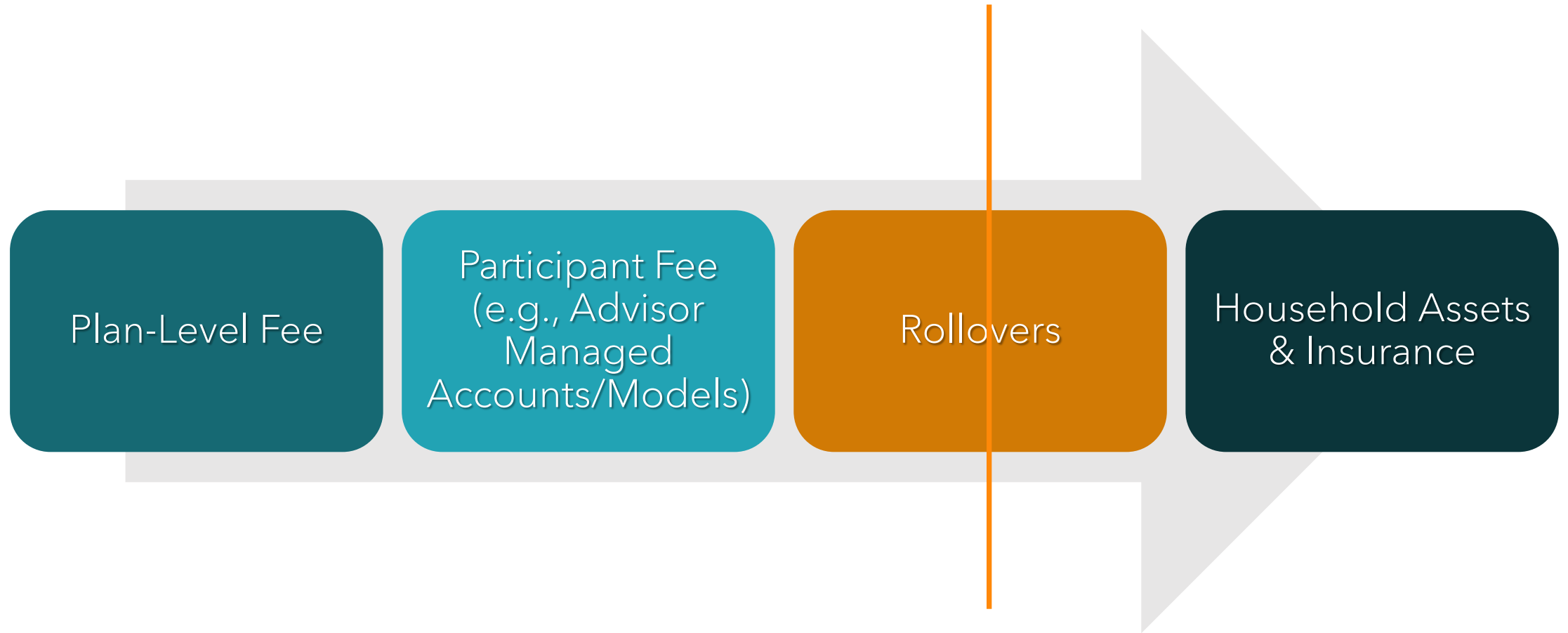
Source: <https://humaninterest.com/state-mandates/>

The Rise of New 401(k) Plans



Multiple Revenue Streams

In-plan Services + Outside Services



Convergence and Managed Accounts

- Building the Bridge Between Wealth and Retirement
- Creating Processes for Crossing the Bridge . . . From Both Directions
- Increasing Revenue Streams
- Managed Account Considerations

Practice Management, M&A, and Succession Planning

- Tracking and Measuring Convergence Success
- Diversifying Revenue Sources
- Integrating Acquired Practices
- Preparing to Be Acquired & Navigating an Acquisition
- Planning Ahead

Governance, Prudence & Litigation

- Trending Topics: Service Provider Fees, Share Classes, & Forfeitures
- Governance, Process, & Plan Language Remain Paramount
- Pleading Standards Developments
- Shifting Tone of Litigation

Governance, Prudence, & Litigation

SERVICE PROVIDERS

- Assist with identifying needs, services and products
- Evaluate proposed services and fees in light of needs
- Document relevant considerations

ADMINISTRATION & REPORTING

- Explain reporting and disclosure requirements
- Monitor fulfillment of service provider commitments
- Document prudent administration

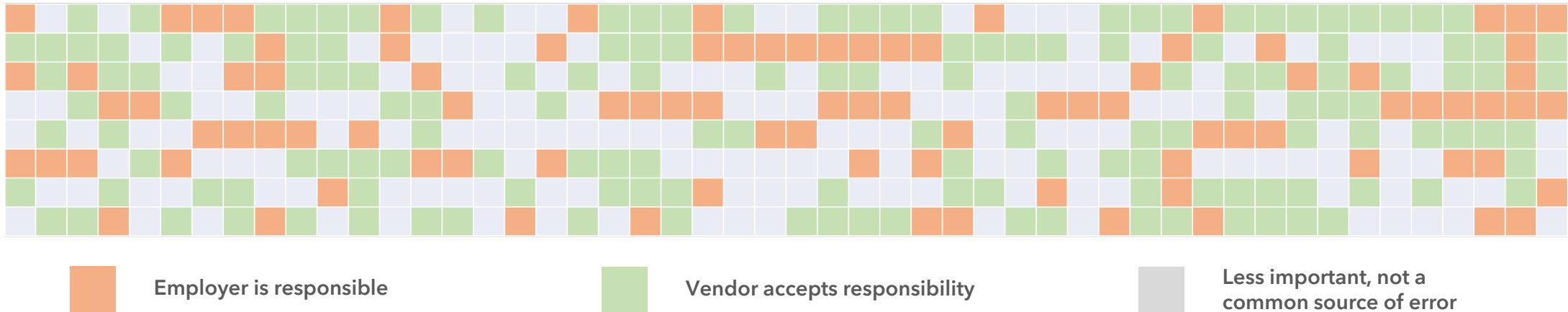
INVESTMENTS

- Role depends on scope of engagement
- Assist with review of IPS, investments and service provider fulfillment
- Document prudent selection and monitoring

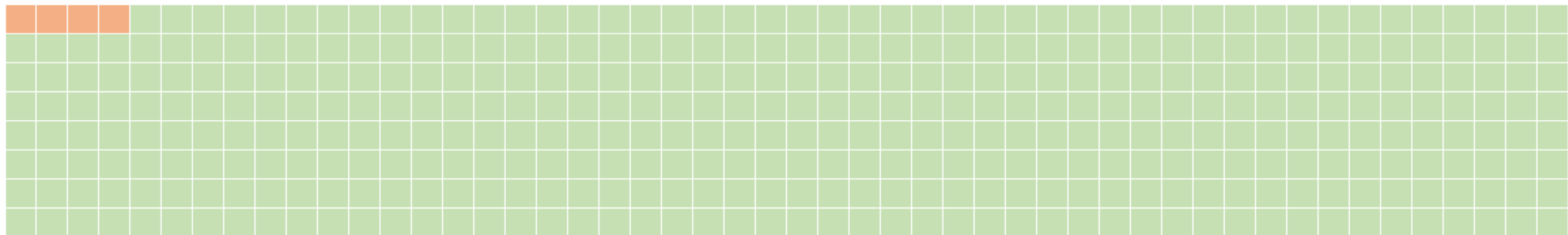
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400+ Plan Sponsor Duties

An Unrealistic Task for Most Employers



Greater Clarity + Less Complexity for Advisors



PEPs

- Bundled vs. Unbundled
- RIA: 3(38) only vs. 3(38) + local service vs. local only
- Target Market & Audit “Hurdle”
- Risk vs. Responsibility

Retirement Income

- Increased Understanding of SECURE Act Safe Harbor
- Product Innovation + Platform Availability Continuing
- Need for Review, Analysis, and Selection Procedures

Retirement Income

Why say “no” . . .



. . . when it feels so good to say “yes.”

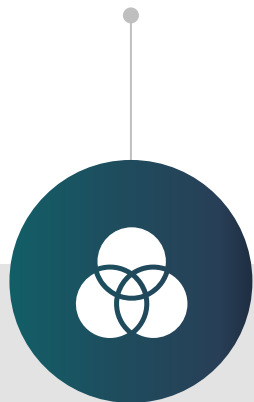
SECURE Act Annuity Selection Safe Harbor

- 1 Engage in an **objective, thorough**, and **analytical** search
- 2 Consider the **financial capability** of the insurer to satisfy its obligations under the contract
- 3 Consider the cost in relation to the **benefits, features, and administrative services** to be provided under the contract
- 4 On that basis of that information, conclude:
 - * At the time of the selection, the insurer is **financially capable of satisfying its obligations**, and
 - * The relative cost **is reasonable**

ERISA 404(e)(3)

“(3) NO REQUIREMENT TO SELECT LOWEST COST. Nothing in this subsection shall be construed to require a fiduciary to select the lowest cost contract. A fiduciary may consider the value of a contract, including features and benefits of the contract and attributes of the insurer (including, without limitation, the insurer’s financial strength) in conjunction with the cost of the contract.

Convergence



**Managed
Accounts**



**Practice
Management,
M&A, and
Succession
Planning**



**Governance,
Prudence,
and Litigation**



PEPs



**Retirement
Income**



Where's Your Untapped Potential?

Interested in Learning More?

**Schedule a Strategy Call For Your
Organization's Stakeholders**



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