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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

[401\(k\) and profit-sharing plan contribution limits](#)

Employee benefits limits for 2024 have been released. View this overview from the IRS for important highlights.

Read the full article at [IRS.gov](#).

[IBM Shifts Employees From 401k to Hybrid Pension](#)

Under the new retirement plan scheme, employees can still contribute to a 401k plan and direct their investments. However, employees cannot invest funds that they contribute to the RBA. Instead, investments will grow at a fixed rate. IBM will guarantee a 6% return on investments through 2026 and the 10-year Treasury yield through 2034, which is currently about 4.5%.

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

[IRS Extends Amendment Deadline for Recent New Laws](#)

The IRS announced in Notice 2024-2 that the amendment deadline for most qualified retirement plans, including 401k plans, for several recent pieces of federal legislation generally has been extended by up to one year. This comes on the heels of its November 8, 2023 announcement that the 2023 required amendments list would necessitate no year-end amendments for 401k plans.

Read the full article at [Compliance Dashboard](#).

[ERISA Fiduciary Concerns Relating to Cybersecurity: Theft of Plan Assets](#)

Since a cyber breach is not a matter of "if," but a matter of "when," fiduciaries of retirement plans should be addressing this risk. This 4-page article discusses the DOL's authority over cybercrimes, litigation involving cyber theft of participants' accounts, and risk mitigation techniques for plan fiduciaries.

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

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

[Retirement Plan Correction Solution: Life After Late Deposits](#)

Late deposit of elective deferrals is considered a breach of fiduciary duty because the moment the elective deferrals are withheld from employee pay, they become plan assets. Keeping plan assets commingled with employer assets is considered by the DOL to be a loan of those assets to the employer, which is a prohibited transaction under ERISA. This is a review of the correction process.

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

[Fiduciary Rule: The Timeline for the Final Regulation and Exemptions](#)

The DOL published its proposed fiduciary regulation and prohibited transaction exemptions in the Federal Register on November 3, 2023. That was the beginning of a process that will end with the final rules and their effective and applicability dates. This article is Fred Reish's best guess about the timing of the process to complete the DOL's work.

Read the full article at [Fred Reish](#).

[Are Target-Date Funds a Recipe for Manager Abuse?](#)

Innovation in the retirement plan space is revolutionizing saving and investing, leading to better outcomes and better participant behavior. Target-date funds are no exception, making it easy for workers to stay the course through market shocks, in particular. But are some fund companies -- and their managers -- taking advantage of investor apathy for their benefit?

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

[New Form 5500 Released](#)

The Department of Labor released on Monday changes to Form 5500 for plan year 2023 reporting. Form 5500 is updated annually to account for statutory and regulatory changes affecting pension and retirement plan disclosure. The new form contains modifications for both SECURE Acts.

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

INSIGHTS; STUDIES, RESEARCH AND WHITE PAPERS

[How Firms Are Closing the Gender Gap in Retirement Savings](#)

The battle to close the economic gender gap extends beyond workplace wages to retirement savings. According to T. Rowe Price, women are making lower contributions to their retirement accounts and have lower balances overall, with the median 401k balance for women being a whopping 65% less than their male counterparts.

Read the full article at [Corporate Insight](#).

[2024 U.S. Retirement Market Outlook](#)

Looking into 2024, retirement income, personalization, and diversification will be the key themes for DC plan sponsors and their consultants and advisors. This 2024 U.S. Retirement Market Outlook explores why these topics are expected to shape the retirement landscape in the coming years and outlines the underlying factors that are creating both challenges and opportunities for the retirement industry.

Read the full article at [T. Rowe Price](#).

[Summary of 2023 401k Excess Fee and Performance Litigation](#)

In all, 2023 was a year of significant activity in pending cases, with a record forty-two settlements, a record number of motions to dismiss, summary judgment, and appellate rulings, and at least five cases being tried, including one before a jury. With new plaintiff firms entering the fray, all signs point to a continued high volume of excess fee cases and heightened risk exposure for sponsors of America's large retirement plans, especially jumbo-sized plans. Here is a summary of the 2023 case filings, trends, and reported settlements in ERISA excess fee and performance litigation.

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

[Provisions That Make Your 401k Plan a Bigger Employee Benefit](#)

Your 401k plan is an employee benefit and you need to treat it as such. You need a cost-effective plan that engages your employees so they will participate and some features are nicer than others. This article is all about plan provisions that could make your 401k plan more attractive to employees and potential employees.

Read the full article at [JD Supra](#).

COMPLIANCE AND REGULATORY RELATED

[SECURE 2.0 in 2024: One Change Lowers Plan Costs, Offsetting Potential Costs of Other Changes](#)

One key change -- the increased force-out threshold -- can help lower plan costs and improve operational efficiency. This is good news, because other SECURE 2.0 provisions, both required and discretionary, may result in increased plan costs and additional burdens on plan administration. Knowing what changes are in store and how they may impact costs as well as plan design or benefits allows you to implement an effective plan strategy and coordinate participant communications.

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

[Intuit Files to Dismiss Forfeiture Fiduciary Breach Suit](#)

"If this is the law, then that would be news to Congress and the regulatory agencies, which have declared for decades that forfeitures can be used in this manner," says a motion to dismiss a lawsuit alleging a fiduciary breach in offsetting employer contributions with forfeitures.

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

[Mandatory Auto-Enrollment is Coming for Some Plans: What to Know](#)

Studies show that auto-enrollment increases plan participation, and soon it will not be optional for some plans. Among the many changes enacted in SECURE 2.0 is a requirement that new 401k and 403b plans have auto-enrollment and auto-escalation beginning in 2025. As with most of the SECURE 2.0 changes, there were many questions about how the rules would work in practice.

Read the full article at [Cohen & Buckmann](#).

[DOL Successfully Sues Employer for Misuse of Forfeitures](#)

Several lawsuits have recently been filed regarding the alleged misuse of forfeitures, but just a couple of months ago a plan was sued and lost a case brought by the DOL for not following the plan document's forfeiture provisions. Details of the case here.

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

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