

## 2019: The Five Trends for which Retirement Plan Sponsors Should Look

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With the holiday season upon us and the New Year fast approaching, it is time to consider what 2019 may bring for retirement plan sponsors. Below are five trends that we predict will be popular with plan sponsors in the New Year:

### 1. INCREASED FOCUS ON NON-SAVERS

As it becomes increasingly difficult to “move the needle” with regards to voluntary participation rates (and opt-out rates in auto-enrollment plans), plan sponsors will look to move past traditional communication with non-participating employees and attempt to engage them by addressing the root causes of their failure to save. By providing student loan assistance, debt management support, budgeting assistance, and other financial wellness services, plan sponsors can help address the affordability issue of retirement plan savings.

### 2. LOCATING “MISSING” PARTICIPANTS

This was a significant trend in 2018 and will continue to be a hot topic in 2019 as well. Due to the recent Department of Labor (DOL) crackdown in this area, participants with bad addresses will be high on the radar screens of plan sponsors. And, thanks to the magic of the Internet, we predict that many “missing” participants will be located in 2019

(perhaps so many that this will no longer be a major issue).

### 3. THE REEMERGENCE OF MEPS

Multiple-Employer Plans (MEPs) allow multiple employers, typically in a similar industry, to participate in a common retirement plan, sharing a core plan administrator or lead employer. MEPs returned to the radar screen courtesy of an executive order from the President. Even entities previously not associated with MEPs, [such as a group of private colleges](#), joined the MEPs club in 2018. With the potential for some legislative clarity on the horizon, look for a potential surge in MEPs in 2019.

### 4. FOCUS ON RECORDKEEPER VALUE VS. COST

The majority of plan sponsors have “been there and done that” with respect to plan fees; therefore, we predict that the focus in 2019 will shift from recordkeeper cost to value. Plan sponsors should consider whether their recordkeeper is providing measurable “bang for the buck” by increasing variables such as plan assets, median account balances, voluntary participation rates (particularly among younger employees, where savings is critical), and retirement readiness.

#### 4. RE-ACQUAINTANCE WITH HARDSHIP DISTRIBUTIONS

Until recently, hardship distributions were often a forgotten retirement plan transaction, since the rules in place made them a relatively rare event. All of that has changed with the arrival of the proposed hardship distribution regulations, which are expected to be finalized in 2019. Plan sponsors will need to reacquaint themselves with this often administratively burdensome transaction in order to decide whether they wish to increase the number of hardship distributions in their plan, stay the course (with possible employee relations consequences), or eliminate hardship distributions entirely.

#### CONCLUSION

With the escalation of past trends and some new developments, 2019 should be an exciting year in the retirement plan arena! What do you predict will be the most significant retirement trend for 2019? Let us know at [info@cammackretirement.com](mailto:info@cammackretirement.com)!

From all of us at Cammack Retirement Group, we wish you a happy and healthy holiday season and a wonderful New Year!

#### ABOUT CAMMACK RETIREMENT GROUP

Cammack Retirement Group has been helping retirement plan sponsors meet their goals for half a century. Solely focused on serving retirement plan sponsors, we provide a tailored approach to investment advisory and consulting services. We work with some of the nation's leading academic and research institutions, healthcare providers, corporations, non-profit organizations and public sector employers to help them manage fiduciary risk.

For more information on our services, please contact **Mike Volo**, Senior Partner, at **781.997.1426** or **[mvolo@cammackretirement.com](mailto:mvolo@cammackretirement.com)**.

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