CERITY PARTNERS®

Fourth Quarter 2026 Fiduciary Insights

Building *Healthy* Retirement Plans with a *Disciplined Approach*

Confidential & Proprietary

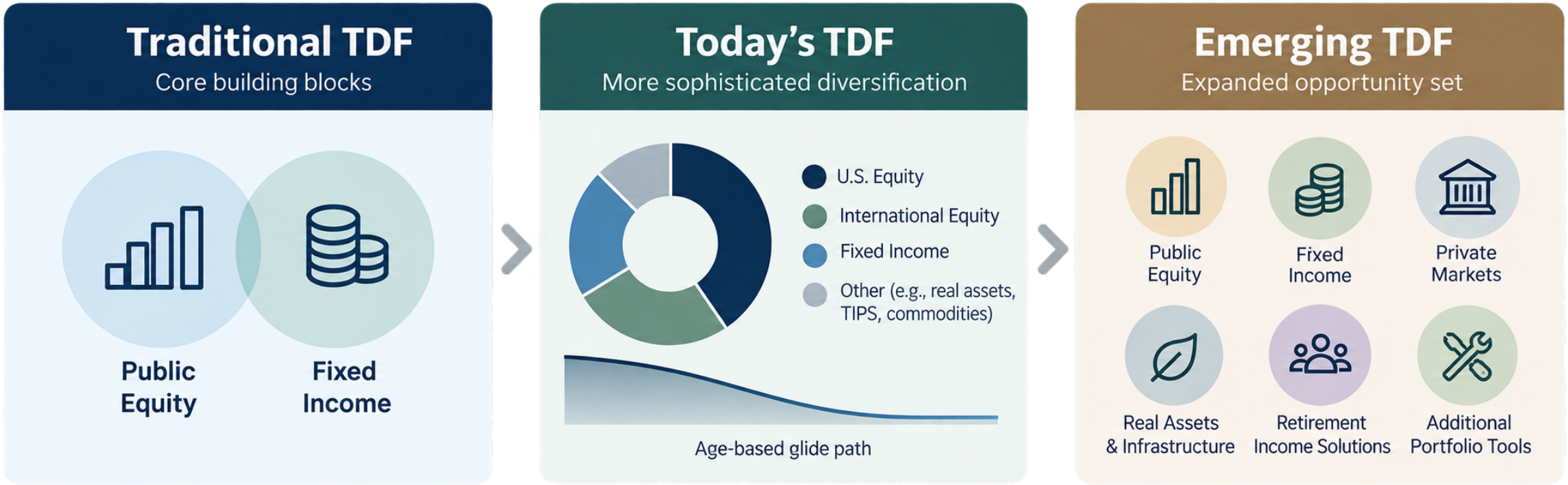
CERITY PARTNERS®

Hot Topics

Confidential & Proprietary

Target-Date Funds Are Evolving

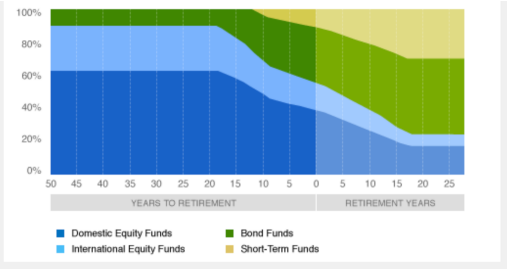
October – December 2026



Target-Date Funds Are Evolving: Retirement Income

October – December 2026

Target-date funds have traditionally focused on helping participants accumulate retirement savings. Newer approaches are exploring whether the default investment can also help participants **transition from accumulation to retirement income**.



From Accumulation to Income

Traditional TDF

- Diversified portfolio
- Age-based glide path
- Automatic asset allocation
- Focused primarily on accumulation

Evolving TDF

- Continues through retirement
- May incorporate lifetime-income features
- Can provide participants with an income option without requiring a separate investment decision
- Seeks to bridge the transition from saving to spending

DOL Guidance

DOL has addressed whether a lifetime-income strategy may be incorporated into a plan's **Qualified Default Investment Alternative (QDIA)**.

In Advisory Opinion 2025-04A, DOL concluded that the particular lifetime-income strategy presented could qualify as a QDIA, subject to satisfaction of the QDIA requirements and the fiduciary's prudent selection and monitoring responsibilities.

Why It Matters

For many participants, the target-date fund is their **primary—and sometimes only—retirement investment**. Incorporating retirement income into the TDF could allow the plan's default investment to help participants not only accumulate assets, but also address how those assets may support them in retirement.

Target-Date Funds Are Evolving: Private Assets

October – December 2026

Last quarter, we discussed the potential role of alternative investments in defined contribution plans. The next question is increasingly: **Where might participants actually encounter private assets?**

One potential answer is within a professionally managed target-date fund.

A Broader TDF Opportunity Set

Traditional Building Blocks
- Public equities
- Fixed income
- Cash / short-term investments

Potential Additional Exposures
- Private equity
- Private credit
- Real assets / infrastructure
- Other alternative strategies

Rather than offering private equity as a stand-alone participant option, private assets may be incorporated as **one component of a diversified, professionally managed asset-allocation strategy**.

Fiduciary Considerations
- **Liquidity** — Does the structure provide sufficient liquidity for participant transactions?
- **Valuation** — How are less-liquid holdings valued?
- **Fees** — What additional costs accompany the exposure?
- **Benchmarking** — How will performance and risk be evaluated?
- **Manager Expertise** — Does the manager have the capabilities necessary to oversee the strategy?

Why It Matters

Participants may ultimately gain exposure to private assets **without affirmatively selecting a private-market investment** if those assets become part of the plan's target-date fund or another professionally managed allocation strategy.
That makes the fiduciary evaluation of the **entire TDF structure** increasingly important.

Artificial Intelligence Is Changing the Participant Experience

October – December 2026

Digital Participant Experience

A more personalized, helpful and intuitive experience

Access
Participant logs in on the website or app

Personalize
Tailored information, insights and recommendations

Get Answers
Conversational search and guidance on plan questions

Take Action
Complete transactions, explore tools and access education resources



AI Working Together with People

A more informed, more supportive participant experience

Participant Service Experience

Technology that supports and enhances the human interaction

Connect
Participant calls with a question or need

Understand
AI helps identify the reason for contact and route to the right resources



Assist
AI helps the representative quickly find information and provide accurate, consistent support

Resolve
Participant receives personalized, helpful guidance from a knowledgeable representative

Follow Up
AI helps summarize the interaction, identify next steps and support ongoing service

Important Note: AI capabilities and participant-service processes vary by recordkeeper. Plan sponsors should consult their specific recordkeeper to understand how AI is currently used, which participant interactions it supports, and the controls and human oversight that apply.

Artificial Intelligence Is Changing the Participant Experience

October – December 2026

AI and advanced personalization are changing how participants may interact with retirement-plan websites and mobile applications—making the experience more individualized, conversational and responsive.

Personalized Experience
- More relevant information and prompts
- Account-specific education
- Personalized next steps

Digital Assistance
- Conversational search and assistance
- Answers to common plan questions
- Help navigating tools and transactions

Proactive Engagement
- Reminders and timely prompts
- Financial-wellness resources
- Retirement-readiness guidance

Suggested Plan Sponsor Action

Ask your recordkeeper how AI is currently being used—or is expected to be used—in the participant experience, including controls around participant data, accuracy and escalation to human assistance.

DOL's existing fiduciary guidance doesn't specifically prescribe an AI framework, but it does emphasize a plan fiduciary's responsibility to prudently select and monitor service providers. Its cybersecurity guidance also specifically addresses service providers that maintain participant data and recommends scrutiny of their information-security practices and third-party arrangements.

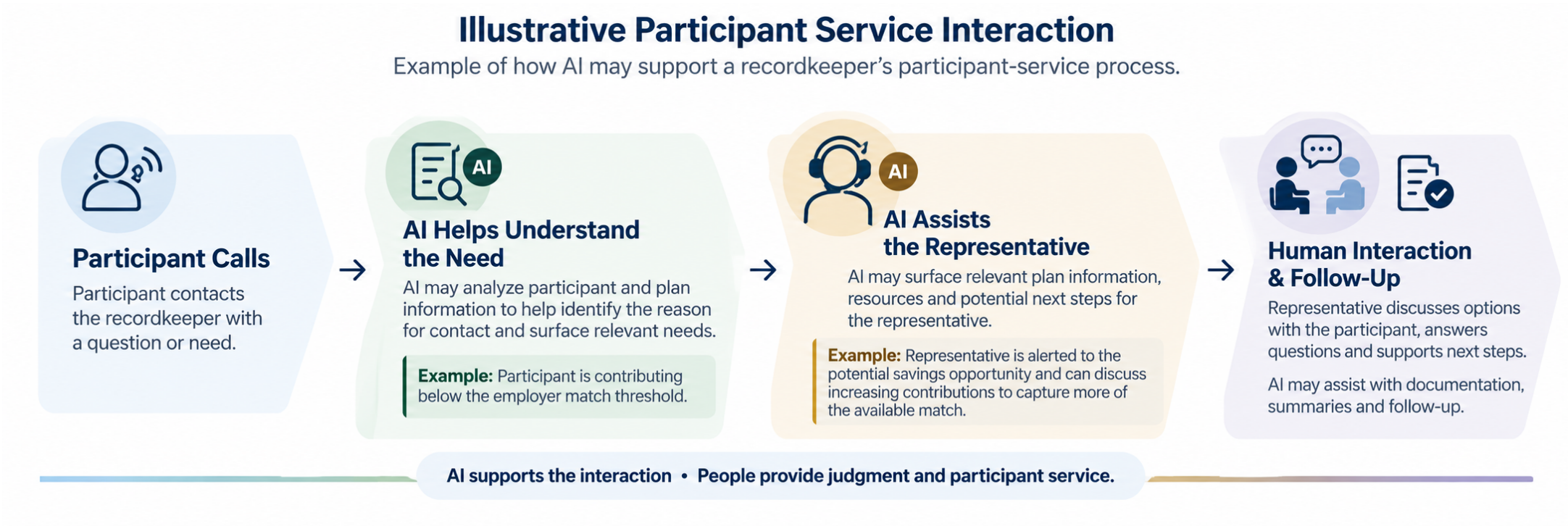
Why It Matters

As the digital participant experience becomes more personalized, plan sponsors should understand **how participant information is being used, what type of information or guidance is being provided, and when participants are directed to human assistance.**

Important Note: AI capabilities and participant-service processes vary by recordkeeper. Plan sponsors should consult their specific recordkeeper to understand how AI is currently used, which participant interactions it supports, and the controls and human oversight that apply.

When a Participant Calls: AI Behind the Conversation

July - September 2026



Why It Matters

Participants may not know when AI is supporting an interaction. Plan sponsors should understand the controls their service providers use to address **accuracy, privacy, human oversight, escalation and consistency of participant service**

Important Note: AI capabilities and participant-service processes vary by recordkeeper. Plan sponsors should consult their specific recordkeeper to understand how AI is currently used, which participant interactions it supports, and the controls and human oversight that apply.

CERITY PARTNERS®

REGULATORY AND LEGISLATIVE UPDATE Q4-2026

Confidential & Proprietary

SECURE 2.0: Don't Let Plan Amendments Become the Year-End Surprise

October – December 2026

As 2026 plan audits and Form 5500 filings wrap up, another year-end responsibility deserves attention: making sure the plan document is catching up with SECURE and SECURE 2.0 changes already put into operation.

December 31, 2026 — An Important Amendment Checkpoint

For many private-sector plans, **December 31, 2026 remains an important deadline for discretionary SECURE and SECURE 2.0 amendments** that have already been operationally implemented. However, the IRS recently clarified an important distinction:

- **Not every SECURE 2.0 amendment is due December 31, 2026.**
- **DISCRETIONARY CHANGES**
  Optional provisions the employer chose to implement may require amendment by **December 31, 2026**.
- **REQUIRED CHANGES**
  Mandatory statutory changes generally follow the applicable **IRS Required Amendments List** timetable.



Why It Matters

The plan may have been operating under SECURE 2.0 provisions for several years while the written document has not yet caught up.

SECURE 2.0: Required Changes

October – December 2026

Some SECURE and SECURE 2.0 provisions require changes in plan operation. The corresponding document amendment may follow a later IRS timetable.

Examples of Required Changes

Examples may include:

- **Required Minimum Distributions**
  Changes to required beginning dates, beneficiary distribution requirements and other RMD provisions.
- **Roth Catch-Up Contributions**
  SECURE 2.0 requires certain higher-paid participants making catch-up contributions to make those contributions on a Roth basis.
- **Automatic Enrollment**
  Certain newly established 401(k) and 403(b) plans are subject to automatic enrollment and automatic escalation requirements, subject to statutory exceptions.
- **Long-Term Part-Time Employees**
  SECURE and SECURE 2.0 expanded participation requirements for certain long-term part-time employees.

SECURE 2.0: Required Changes

October – December 2026

Some SECURE and SECURE 2.0 provisions require changes in plan operation. The corresponding document amendment may follow a later IRS timetable.

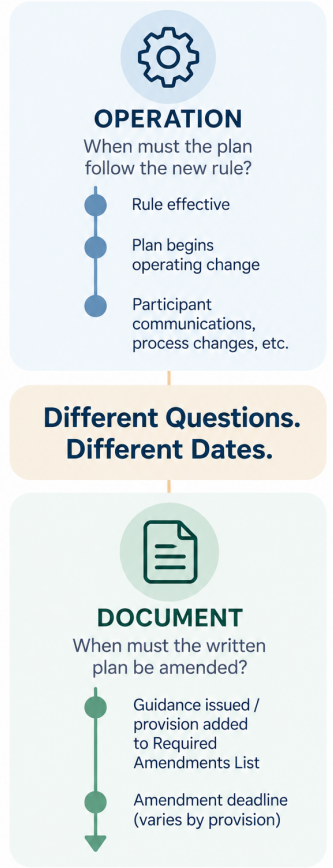
Examples of Required Changes

Important Distinction

Required operationally does not necessarily mean the plan amendment is due December 31, 2026.

Required amendments generally follow the applicable **IRS Required Amendments List** process.

For example, the IRS says the Roth catch-up requirement is expected to appear on the **2027 Required Amendments List**, with a general amendment deadline of **December 31, 2029**. The IRS also expects automatic enrollment, certain long-term part-time requirements and additional RMD requirements to appear on future lists after applicable final guidance.



Why It Matters

Compliance has two dimensions: operating the plan correctly today and amending the document by th
A later document deadline does **not** necessarily postpone an operational requirement.

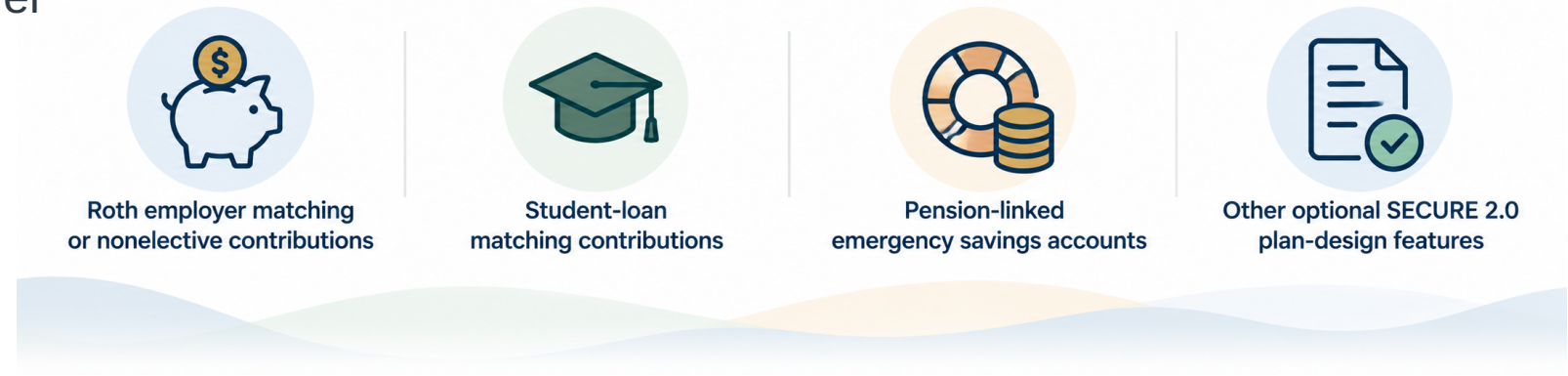
SECURE 2.0: Optional Changes the Plan Has Implemented

October – December 2026

SECURE 2.0 also created numerous optional plan features. If an employer chose to implement an optional feature, the plan document may need to be amended to reflect that decision.

Examples of Optional Features

- Roth employer matching or nonelective contributions
- Student-loan matching contributions
- Pension-linked emergency savings accounts
- Other optional SECURE/SECURE 2.0 plan-design features adopted by the employer



SECURE 2.0: Optional Changes the Plan Has Implemented

October – December 2026

SECURE 2.0 also created numerous optional plan features. If an employer chose to implement an optional feature, the plan document may need to be amended to reflect that decision.

Why December 31, 2026 Matters

The IRS has clarified that SECURE and SECURE 2.0 provisions that merely permit an optional feature **will not themselves appear on a Required Amendments List.**
Instead, Notice 2024-2 extended the amendment deadline for SECURE/SECURE 2.0 discretionary amendments to December 31, 2026 for many plans, with later deadlines applicable to certain collectively bargained, governmental and public-school 403(b) plans.

Example: Employer implemented Roth matching contributions in 2023
→ Plan began operating the optional feature
→ Written plan must reflect the employer's election
→ For the type of private-sector plan described in the IRS example, amendment is due **December 31, 2026**.



Why It Matters

This is where the 2026 deadline can create a year-end surprise.
An optional provision may have been implemented operationally years ago, but the formal amendment may still need to be completed.

SECURE 2.0: Your Year-End Document Checklist

October – December 2026

The goal is simple: make sure plan operations, employer elections and the written document are aligned—and that nothing requiring 2026 action gets overlooked.

Ask Your Plan Document Provider or ERISA Counsel



1. **WHAT HAVE WE IMPLEMENTED?**
   Which SECURE and SECURE 2.0 provisions are currently reflected in plan operations?
2. **WHAT REQUIRES AN AMENDMENT?**
   Which required or discretionary provisions require plan document action?
3. **WHAT IS DUE IN 2026?**
   What, if anything, must be adopted by **December 31, 2026**?
4. **WHAT COMES LATER?**
   Which required amendments will follow a future IRS Required Amendments List deadline?
5. **WHO OWNS THE NEXT STEP?**
   Who will prepare the amendment, who needs to review it and who must sign it?

Why It Matters

The biggest risk may be assuming someone else is handling it.
Plan sponsors should understand what their document provider will prepare automatically—and where an employer election, review or signature is still required.

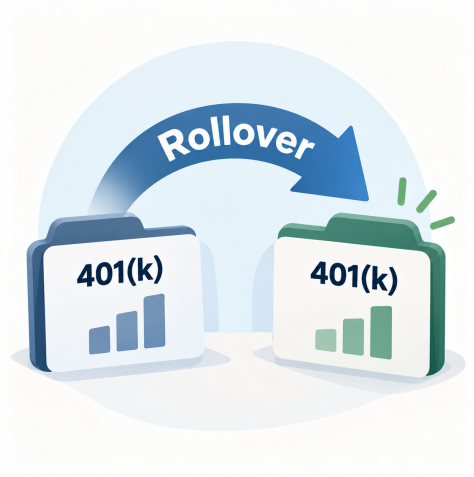
SECURE 2.0 Update: Simplifying the Rollover Process

October – December 2026

Section 324 of SECURE 2.0 directed Treasury to develop a more standardized rollover process. New IRS guidance provides sample forms and proposed procedures designed to make rollovers easier to complete.

What the Guidance Does

- Creates sample forms for **plan-to-plan and plan/IRA rollovers**
- Encourages more standardized information and **plan-to-plan communication**
- Emphasizes electronic processing, verification and protection of participant information
- **Use is optional**—and the IRS has not established a safe harbor based on the procedures



Why It Matters

No immediate plan sponsor action is required.
The guidance signals an effort to make rollovers **more standardized, electronic and easier for participants.** As recordkeepers evaluate the framework, sponsors may eventually see changes in how incoming and outgoing rollovers are processed.

.

CERITY PARTNERS®

LITIGATION TRENDS

Confidential & Proprietary

Meaningful Benchmarks: Same Words, Different Questions

October – December 2026

"Meaningful benchmark" is increasingly important in ERISA litigation—but that is not necessarily the same benchmark a fiduciary uses to monitor an investment under the plan's investment process.

IN LITIGATION

What comparison is relevant to evaluating an allegation of imprudence?

Courts have focused on whether comparisons are sufficiently relevant given differences in objectives, risks and potential rewards.

IN FIDUCIARY INVESTMENT REVIEW

What benchmark should the committee or advisor use to evaluate and monitor the investment?

The appropriate benchmark should reflect the investment, strategy and monitoring framework established for the plan.

Why It Matters

A litigation "meaningful benchmark" and the benchmark used in the plan's fiduciary investment process **serve different purposes**. Committees should understand the benchmark used to monitor each investment, why it is appropriate and whether it remains consistent with the plan's investment policy and monitoring process.

Forfeiture Litigation: The Plan Document Matters

October – December 2026

Many forfeiture challenges have struggled to advance where plan terms permit forfeitures to reduce employer contributions. Charter Communications presents a different fact pattern.

What Makes Charter Different?

- Plaintiffs contend the plan required forfeitures to be used for **plan administrative expenses before reducing employer contributions**
- Plaintiffs allege Charter instead used forfeitures to reduce employer contributions while participants continued to pay administrative expenses
- On September 14, the court allowed the principal **fiduciary-breach claims against Charter to proceed** based on the plan's language
- **The case has not been finally decided**; other claims were dismissed

PLAN DOCUMENT → ACTUAL PRACTICE
Do They Match?

The court specifically distinguished other forfeiture cases because those plans permitted or gave fiduciaries discretion to use forfeitures to offset employer contributions. In Charter, the court found the plan's language required administrative expenses to be addressed first.

Why It Matters

Whatever a plan's permitted uses of forfeitures may be, **forfeitures should be administered in accordance with the terms of the plan document.**

CERITY PARTNERS®

COMPLIANCE CALENDAR – Q4 2026

Building *Healthy* Retirement Plans with a *Disciplined Approach*

Confidential & Proprietary

Q4 Compliance Calendar – October 2026



Why It Matters

October 15 is the final major filing checkpoint for many calendar-year plans that extended their summer filing deadlines.

Q4 Compliance Calendar – November and December



Why It Matters

Year-end compliance involves more than notices. Sponsors should coordinate with their recordkeeper, TPA and document provider early enough to identify distributions, corrections and amendments that must be completed before December 31.

Important Notes

Cerity Partners Retirement Plan Advisors LLC, doing business as Retirement Plan Consultants ("RPA" or "RPC"), is an SEC-registered investment adviser with offices across the United States. Registration as an investment adviser does not imply any level of skill or training. RPA is a wholly-owned subsidiary of Cerity Partners LLC. RPA provides retirement plan consulting services only.

The information contained herein is not personalized investment, tax, or legal advice and is for informational purposes only. There is no guarantee that any views or opinions expressed will come to pass. This information is subject to change without notice and should not be considered an offer to sell or a solicitation to buy any security. **Past performance is not indicative of future results.** Before making any decision that may affect your retirement plan or finances, consult a qualified professional adviser.

For information about RPA's registration status, refer to the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. For additional information about RPA's services, fees, and conflicts of interest, please review our Form ADV Part 2, available at www.adviserinfo.sec.gov. Please read these documents carefully before engaging our services.

© 2026 Cerity Partners Retirement Plan Advisors LLC. All rights reserved.