

## ADVISOR PLAYBOOK

# Creating a bridge from Wealth to Retirement

What wealth advisors should know about building a successful retirement plan practice

## EXECUTIVE SUMMARY

The convergence of wealth management and retirement planning remains a hot topic across the industry. As we march forward into 2026, trade publications and industry conferences continue to invite experts to unpack the opportunity for advisors. And with a host of legislative tailwinds at their backs, wealth advisors are in a position to open their pipeline by expanding into retirement plan management.

By working with growing companies on their retirement plans and benefits packages, advisors put themselves in a position to frictionlessly reach potential clients who are often growing into the peaks of their earning potential—and looking for guidance on how to navigate their futures.

And while every advisor has some level of literacy when it comes to retirement planning, feeling confident knowing the ins and outs of defined contribution plans can be daunting.

So we invited Fred Barstein, Founder and CEO of The Retirement Advisor University ([TRAU](#)), to lay out the who, what, when, where, and why of tackling this opportunity. In this guide, you'll find an explanation of the key terms, market conditions, and vehicles you'll need to understand, so you can build a retirement practice that aligns with your ethos as an advisor.

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# Table of Contents

SECTION 1

## Wealth to Retirement 101

- 1 How legislation has led to an explosion of small plans ..... 04
- 2 Taking a strategic approach to building your client pipeline..... 05
- 3 The difference between education, guidance, and advice..... 06
- 4 Why business managers don't like 401(k) or 403(b) plans..... 06

SECTION 2

## Deconstructing Defined Contribution (DC) Plans

- 1 Types of retirement plans..... 09
- 2 Fees..... 11
- 3 Investments..... 11
- 4 ERISA fiduciaries ..... 13

SECTION 3

## Looking Ahead

- 1 What to outsource..... 15
- 2 How the IRA rollover market is changing..... 16
- 3 How to approach marketing and engagement..... 16
- 4 How to create a win-win with recordkeepers..... 17
- 5 Harnessing the potential role of AI..... 17

## SECTION 1

# Wealth to Retirement 101

# How legislation has led to an explosion of small plans

Over the past decade, states like California, Illinois, and Oregon have led the initiative to increase access to retirement plans at work. As of June 2025, [Georgetown Center for Retirement Initiatives reports](#) that 20 states have enacted state-facilitated retirement savings programs, with 17 requiring employers without existing retirement plans to automatically enroll their employees into individual retirement accounts (auto-IRAs). And this trend shows no signs of slowing down.

[As of 2025](#), 70% of full-time private industry workers had access to an employer-sponsored defined contribution (DC) plan (most commonly, 401(k)s). However, among employees at businesses with fewer than 100 workers, that figure drops to 59%.

This leaves tens of millions of workers—especially those at small businesses—without access to a workplace retirement plan. [Research from the American Retirement Association](#) shows that people are over 15 times more likely to save for retirement when part of a payroll deducted plan than when saving on their own. And if the law changes (as speculated) to make all workers 18 years or older eligible for a retirement plan under the Employee Retirement Income Security Act, the makeup of this market will again shift significantly.

As a result, [Cerulli reports](#) that it expects there will be more than one million 401(k) plans alone by 2030, which is a 36% growth rate over the next five years. [The Pew Research Center reports](#) that in states that have a mandate, a significant percentage of businesses will opt for a 401(k) or 403(b) plan rather than a state-run auto IRA, which has much lower limits and no match.

## Tax credits and PEPs

As one of the few bipartisan issues in Washington, SECURE 2.0 provides tax credits to smaller entities without a plan, making them basically cost-free for organizations with fewer than 50 employees and substantially less for those with 50–100 employees.

SECURE 1.0 allowed financial institutions to offer pooled employer plans for unaffiliated entities, leading to the creation of almost 1,000 PEPs. These group plans, like professional employer organizations, allow a group of employers to pool resources and outsource most of the administration and liability.

The PEP structure also helps reduce costs once these businesses achieve scale, with a single entity called a pooled plan provider (or PPP) acting as the de facto plan sponsor. This arrangement, again, removes obstacles to businesses creating and running a DC plan on their own.

## The opportunity

Considering these incentives and mandates, wealth advisors are poised to enter a growing market at precisely the moment more small business leaders will be looking for guidance and advice. And working with these business clients is also a way to build a pipeline of new wealth clients.

Many wealth advisor clients own or run a business. If they are forced to start a plan or have one that requires assistance, their wealth advisor feels like a natural resource to whom they'll go for help.

In this case, wealth advisors are being called on to expand their scopes beyond asset allocation, investment selection, and financial planning—including tax and estate planning—to make guidance on clients' DC plans a formal part of their offering.

There were \$13 trillion assets in DC plans as of Q3 2024, [according to ICI](#). However, the majority of plan participants [do not work with an outside advisor](#). While many participants have relatively limited assets, and therefore may not be attractive to most wealth advisors, there is a meaningful segment with high account values or additional “hidden wealth” from sources such as property sales, settlements, or inheritances. In addition, retirement plan participation may be a valuable pipeline for forming relationships with “high earners, not rich yet” (HENRYs), who are likely to become attractive wealth management clients over time.

In short, the workplace is emerging as one of the most important sources of new assets for financial advisors.



# Taking a strategic approach to building your client pipeline

Plan advisors have a distinct advantage over other advisors because they have access to plan participants and are already involved in their finances. But plan participants can come in many shapes and sizes. As you think about building a pipeline, think about how to prioritize and segment prospective clients.

### High net worth (HNW)

Generally considered those that have more than \$1 million in investable assets, many HNW participants may already use an outside advisor.

However, recent data point to rising discontent: In one [2024 study](#), 36% of affluent millennial investors with over \$1 million said they are likely to switch firms in the coming year. Other [industry research](#) suggests a strong preference among affluent clients for a single, integrated provider that consolidates services beyond traditional investing.

For those HNW participants who run or own a business, the dynamic is even more powerful. An advisor who helps manage their company’s retirement plan will also have a direct hand in employee attraction and retention—a value that outside advisors cannot match.

### Mass affluent

These investors generally have between \$100,000 and \$1 million in investable assets and should be treated like HNW participants.

### HENRYs

HENRYs will likely not have an outside advisor but are high earners. Though they may not have accumulated substantial assets yet, forming relations with them will have long-term benefits as they mature. For example, advisors may recommend the use of the triple tax HSAs as well as use of a Roth plan along with basic financial plan and advising on life events.

### Hidden wealth

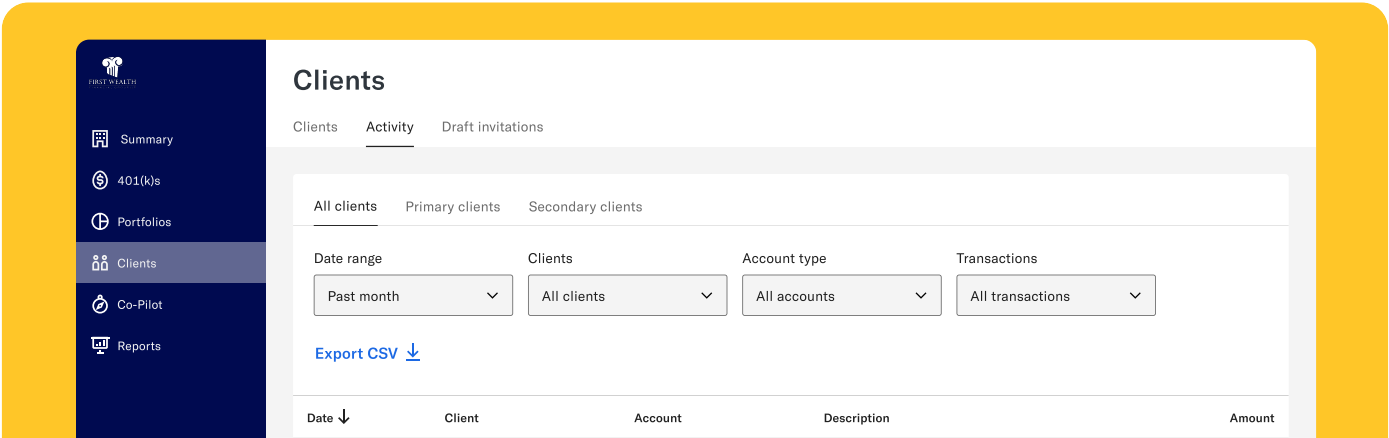
The workplace is a great place to uncover hidden wealth. Many wealthy participants may not want to hire an advisor, but as assets grow they may be more open to it. Some have accumulated significant assets in their retirement plan, while others may have sold property, received an inheritance, or gotten money from a settlement or injury case.

### Less affluent

The challenge, of course, is working with less-affluent participants who cannot afford personalized financial planning. Though plan sponsors may want an advisor to work with all employees, many do not have the resources or technology to feasibly work with less-affluent participants on an individual basis.

To that end, many financial service tools are available through recordkeepers or the home office to engage these employees. Over time, AI-enabled services may also make it easier to provide advice at scale, allowing advisors to serve a broader client base profitably.

Advisors with a high volume of plan participants might consider hiring noncommissioned virtual advisors to screen and work with these less-affluent participants. They can also develop educational programs, such as hosting webinar-style sessions focused on money management essentials. Supporting participants in this way not only strengthens the business relationship, but also helps you reveal mass-affluent, HNW, or HENRY clients in the process.



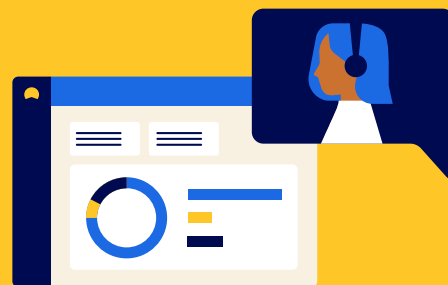
# The difference between education, guidance, and advice

As you think about building your client base with these plan participants, remember there is a spectrum of services you can offer, depending on the target client:

- **Education** provides tools to help individuals make informed decisions independently.
- **Guidance** offers options without recommending a specific choice.
- **Advice** is fiduciary in nature and involves making a recommendation that is tailored to an individual's best interest. Whether a professional is deemed to be giving advice, and thus acting as an investment advice fiduciary, depends on the applicable regulatory framework (e.g., the Department of Labor's five-part test or other governing standards), which distinguishes advice from education or guidance.

Then you can deploy a variety of tactics to provide value to these participants or eligible employees and attract them as long-term clients. Some examples of wealth services at the workplace that advisors can provide include:

- ✓ Advice on IRA rollovers and tax-deferred investment options
- ✓ Financial planning
- ✓ Retirement income planning
- ✓ Estate planning
- ✓ Budget creation
- ✓ Managed accounts
- ✓ Debt management
- ✓ Health savings accounts
- ✓ Benefits selection
- ✓ Retirement account consolidation
- ✓ Maximizing employer matches
- ✓ Building good credit



As you offer services, you should be considering to what extent the services you provide are fiduciary in nature, and closely review your regulatory obligations accordingly.

## Why business managers don't like 401(k) or 403(b) plans

As an advisor entering this space, it's important for you to understand the common pitfalls or concerns that often plague business leaders when offering retirement plans to their employees.

### Cost

There are many reasons that employers—especially smaller ones with limited capital coupled with limited HR capacity, benefits, or financial resources—are reluctant to start and run a DC plan. High initial start-up and ongoing compliance costs are among the main concerns.

Be prepared to educate clients on how they can manage these expenses. It's also important to reiterate that the business benefits of offering a retirement plan to employees likely outweigh the disadvantages.

Workers now expect their employer to provide a retirement plan, amid a decline in defined benefit plans and growing skepticism among young workers about the future of Social Security. As a result, employers that do not offer a DC plan can be at a disadvantage when recruiting and retaining talent—much like businesses that struggle to compete without a comprehensive health-care benefit offering.

The advantage of DC plans, however, is that many, if not all, of the expenses can be paid by participants. By outsourcing fiduciary duties, like benchmarking fees and investment management, and by taking advantage of group plans and available tax credits, businesses are in an increasingly favorable position to manage plan costs effectively.

With tax credits and participants covering the majority of costs, DC plans are becoming more viable for small employers. Additionally, ongoing innovation and competition, particularly among recordkeepers, payroll providers, and fintechs like Betterment, have helped make plan administration more efficient.

### Liability

Fiduciary liability under ERISA is the “highest known to the law.”<sup>1</sup> For egregious offenses, plan fiduciaries can be held personally liable. The DOL’s Employee Benefits Securities Administration division recovered nearly \$1.4 billion [2024](#) through investigations. ERISA-related lawsuits remain prevalent, with some of the latest litigation focused on fees, conflicts of interest, self-dealing, and underperforming investments.

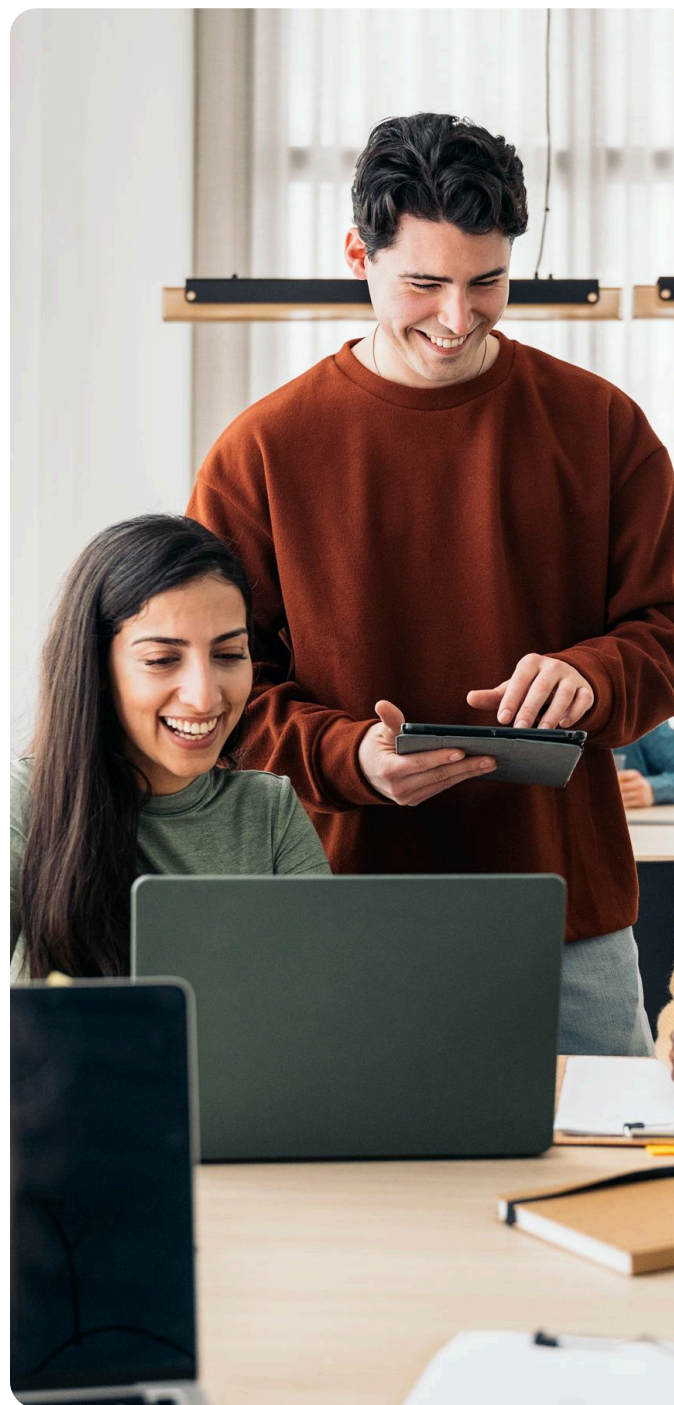
Against that backdrop, it is no wonder that employers are reluctant to assume ERISA fiduciary status. Even when sponsors outsource many investment tasks to third parties, advisors, and group plans, certain fiduciary responsibilities remain nontransferable.

### Work

DC plans are complicated, with many reports to pull and participant notifications required. In addition, plan administrators have to interface between payroll providers and recordkeepers, while keeping track of separated employees who still have a balance in the plan. Plan sponsors who meet a certain threshold of employees (generally, over 100) are required to run third-party audits with CPAs which, along with added cost, creates more work.

Though outsourcing is increasingly used to alleviate much of the work, a DC plan still requires significant time and resources, both of which are often limited, particularly for small organizations.

Advisors can help by partnering with providers that assume certain fiduciary and administrative responsibilities, such as a 3(16) fiduciary. A 3(16) provider can take much of the administrative burden off the plan sponsor by managing key compliance and reporting tasks. A strong recordkeeper relationship can help ensure timely filings and participant communications, while more tech-forward solutions can automate many of the ongoing notifications and processes.



## SECTION 2

# Deconstructing Defined Contribution (DC) Plans

So you’re convinced to dive in, and you know how to talk and think about the opportunity ahead of you. Next up comes the vocabulary. The retirement landscape is complex, and it's important to understand things like the account types or fiduciary roles that you’ll need to decide how to deploy. Below we offer a cheat sheet on the basics.

# Types of retirement plans

## Defined benefit (DB) plans

DB plans, commonly known as pensions, promise participants a specified benefit, like lifetime payments based on salary after a set number of years of service. These plans are managed by actuaries and investment professionals who focus on risk management, often using liability-driven strategies instead of aiming for maximum returns. At their peak, DB plans covered 18% of U.S., employees across 48% of employers, but now they are largely limited to public and government entities.

## Defined contribution (DC) plans

Initially intended as a supplement to DB plans, DC plans like 401(k)s and 403(b)s allow participants to manage their own savings, investment choices, and longevity planning. Employers act as fiduciaries, ensuring the plan is run in the participant’s best interests, with reasonable fees and a range of quality investment options.



## U.S. total retirement market assets in trillions

	2007	2007%	2024 Q1	2024%	Increase	Q Decrease
State DB	\$4.6	26%	\$8.7	22%	89%	-9%
Priv DB	\$2.6	14%	\$3.3	8%	27%	9%
IRA	\$4.7	26%	\$14.3	36%	204%	-8%
DC	\$4.4	24%	\$11.1	28%	152%	-6%
Annuities	\$1.7	9%	\$2.4	6%	41%	0%
	\$18.0		\$39.8	100%	121%	-6%

Source: [https://www.ici.org/statistical-report/ret\\_24\\_q3](https://www.ici.org/statistical-report/ret_24_q3)



### Nonqualified or deferred compensation plans

Nonqualified or deferred compensation plans reward and retain high-level employees without contribution limits, unlike DC plans. These plans offer tax deferral but are not secured, guaranteed, or protected from an employer's bankruptcy.

### Cash-balance plans

A cash-balance plan is a defined benefit plan structured like a DC plan, with benefits defined by a stated account balance. Participants receive annual pay credits and investment credits, with interest rates not tied to investments. These plans offer a lump-sum or annuity conversion. Once popular with large firms, cash-balance plans are now common among small employers seeking higher savings than DC plans allow. They're protected by the Pension Benefit Guaranty Corporation under ERISA.

This type of plan may appeal to business owners and highly compensated employees. It offers greater opportunities for tax deferrals than DC plans, but also warrants much higher advisor fees.

### Service models

There are two basic service models in the advisor-sold DC market:

1. Bundled: The recordkeeper provides all administrative services, including compliance and plan nondiscrimination testing.
2. Unbundled: The recordkeeper works with independent third-party administrators (TPAs) that provide compliance and plan design services.

Smaller plans have historically used TPAs, but there are additional associated costs. Newer fintech entrants have deployed a bundled service at a reasonable fee because of the technological improvements in their operations.

### Plan design

There are various types of plan designs. Some, like safe harbor 401(k) plans, are structured so that required employer contributions automatically satisfy IRS nondiscrimination rules, allowing highly compensated employees to maximize deferrals without annual testing limits.

The standard new plan required by regulations, such as the SECURE 2.0 Act, includes the following plan design features:

- Auto enrollment and reenrollment for existing employees
- Deferrals starting at 6% to 7%
- Auto escalation of 1% annually when raises are given up to 10% to 12%
- Target date funds or managed accounts as the default

This is a valuable plan design approach because, per the SECURE 2.0 Act, plans formed after January 1, 2025, must include auto enrollment and escalation. These plan design features can reduce administrative work, especially when 360° payroll integration is in place, because employer contributions and updates are automated through the recordkeeper. Auto-enrollment does not increase fiduciary liability for the employer; however, plans that offer matching contributions may see higher costs as participation rises.

Employers with high turnover may want to delay auto-enrollment.

### Investment policy statements (IPSs)

An ERISA IPS is a written guide for managing investments within a retirement plan. It outlines the plan's investment goals, risk tolerance, asset allocation, and procedures for selecting and monitoring investments and managers.

IPSs are not required by law but are considered best practice, and the DOL often requests them.





## Fees

Fee pressure in DC plans has increased because of litigation, DOL investigations, fiduciary oversight, and growing demands for greater transparency. Plan administrators now face pressure both to lower fees and to disclose them more clearly under ERISA's 404(a)(5) disclosure requirements, outlining plan- and investment-level fees, so employees can make informed decisions.

### **Advisory fees**

Advisory fees for large retirement plans are disclosed in IRS Form 5500. The industry has largely shifted from commission-based compensation to asset-based and flat-fee structures, with many advisors now using a mix of flat fees and service charges. Fiduciaries may be paid from plan assets only if the fees are reasonable and compensation is level.

### **Recordkeeper fees**

Industry research indicates that recordkeeper fees have generally declined since the 2010s, influenced by factors such as increased disclosure, litigation, and advisor benchmarking. This trend has coincided with market consolidation, with large firms often better positioned to remain competitive. Many recordkeepers now use pricing models that combine flat administrative fees or AUM-based fees with participant-based charges, and may apply additional fees for specific services such as distributions and loans.

### **Asset-management fees**

Asset-management fees have declined as a result of the shift to indexing and increased disclosure. Active managers have reduced fees within collective investment trusts because of pressure from larger advisory groups and broker-dealers leveraging their scale.

## Investments

Plans only include investments or designated investment alternatives (DIAs) with a performance history. While the average DC plan menu includes more than 20 investments (including one or more target-date funds), the trend is to limit options, rather than expand the roster. In fact, some lawsuits have argued that offering hundreds of funds increased fees because plan assets were too fragmented to leverage scale.

Many plans use a combination of passive and active funds across various asset classes, in addition to target-date funds and managed accounts.

Behavioral [research](#) shows that at some point too much choice hinders decision-making. These studies [suggest](#) that 90% of DC participants select professionally managed accounts or “do it for me” solutions, whereas 9% will create and try to manage their own portfolios from the plan’s menu. Only around 1% seek greater choice through a brokerage window.

### **Qualified default investment alternatives (QDIAs)**

QDIAs are essential when a plan implements automatic enrollment, and they may include balanced or professionally managed investments, such as target-date funds (TDFs) and managed accounts. However, they typically do not include stable-value, money-market, or fixed-income investments, with some exceptions.

Risk-based funds are rarely selected as the QDIA because they maintain a static allocation that may not remain appropriate as participants age. Some plans are adopting managed accounts as the QDIA, though their associated costs increase fiduciary oversight obligations and potential liability. Managed accounts rely on data from the recordkeeper, and ideally other sources, to tailor investment allocations to each participant.

### Target-date funds (TDFs)

TDFs are the most widely used default investment option, accounting for more than **\$4 trillion** in assets as of the end of 2024—up from a few hundred billion prior to the 2006 Pension Protection Act. TDF managers automatically adjust allocations to become more conservative as participants approach retirement, based on the age or target retirement date selected at enrollment.

TDFs are typically offered in five-year increments, each aligned with a participant's expected retirement year. They can be either passively managed or actively managed, with allocations that gradually become more conservative as the target date approaches.

Participants can select any vintage on their own. However, when TDFs are used as the plan's QDIA, participants who don't make an election are automatically defaulted into the vintage aligned with their age and projected retirement year.

TDFs can be categorized as follows:

- To retirement: The fund reaches its most conservative allocation at the target retirement date (typically age 65) and maintains that allocation thereafter.
- Through retirement: The fund continues to glide and de-risk beyond the target date, gradually becoming more conservative through the retirement years.

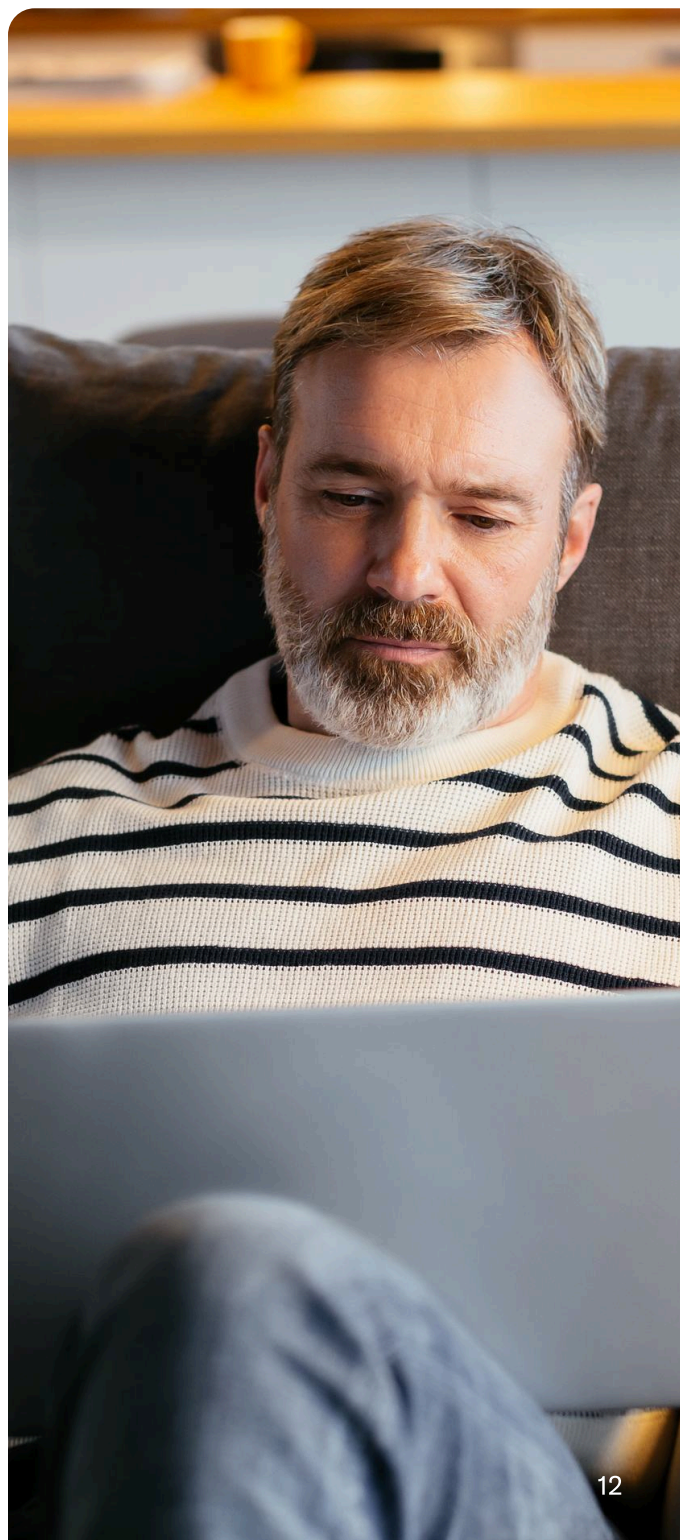
Passive TDFs are growing faster than active ones, with some hybrid funds combining both. Most TDF managers use proprietary investments, whereas a few have open architecture. Larger plans can create custom TDFs that are either more cost-effective or incorporate the plan's DIAs. In many cases, TDFs are selected to serve as the plan's QDIA. Some managers even offer personalized TDFs, tailoring allocations based on individual data like salary, account balance, and contribution rate.

### Managed accounts

An increasing number of DC plans offer managed accounts, led by firms such as Edelman Financial Engines and Betterment. These services allow participants to tailor investments to their specific needs, with updates available regularly.

As demand for personalization grows, so does the need for managed accounts. While some providers rely primarily on age to determine allocations, others are integrating with recordkeepers and drawing on broader participant data from both internal and external sources.

Challenges include low engagement, high costs, education, limited or hard-to-access participant data, and difficulty benchmarking performance.





### Capital preservation

In 401(k) plans, common capital preservation funds include stable-value funds and money-market funds. Both prioritize principal protection by investing in low-risk assets like short-term government bonds. Stable-value funds offer additional guarantees via insurance contracts, whereas money market funds aim to maintain a stable net asset value near \$1 per share. Some plans may also offer fixed annuities or guaranteed investment contracts, providing similar capital preservation features with varying terms based on the insurance provider.

### Alternative investments

Interest in alternative investments has been growing, especially as DB plans have used them for diversification. However, asset classes like private equity and real estate present liquidity challenges that make direct participant access difficult. While most DC plans do not currently offer direct alternatives, some industry discussions have centered on whether professionally managed accounts could incorporate limited exposure to certain alternatives in the future. Similar conversations have touched on asset classes such as commodities, hedge funds, venture capital, and derivatives.

### Retirement income

Offering guaranteed retirement income (e.g., annuities), similar to defined benefit plans, is gaining interest but faces slow adoption for a few reasons.

#### Opportunities

With many DC participants nearing retirement, there's demand for retirement income solutions. In-plan options may offer lower-cost alternatives to high-fee annuities, benefiting from the plan's scale and fiduciary oversight. These options can also generate additional revenue for recordkeepers and advisors.

#### Challenges

Plan sponsors and advisors face key questions when evaluating in-plan retirement income options, such as whether the retirement income option should be guaranteed, offered within or outside of the plan, or embedded in vehicles like TDFs or managed accounts.

*Common challenges includes the following:*

- High implementation and maintenance costs
- Negative perception of annuities
- Limited flexibility and transferability
- Complexity in plan design and administration

- Low participant engagement
- Insufficient data for customization
- Balancing fair compensation for recordkeepers and advisors without raising costs

While obstacles remain, continued innovation and scale could make in-plan retirement income a more practical and attractive option for both sponsors and participants.

## ERISA fiduciaries

### 3(16)

The 3(16) administrative fiduciary can vary in scope, from handling most plan sponsor administrative duties to simply signing the 5500 form. Typically, a TPA or recordkeeper performs these duties, including hiring, evaluating, and monitoring vendors.

### 3(21)

Under a 3(21) arrangement, the advisor provides ongoing investment recommendations and helps monitor the plan's lineup, including the default option or QDIA. However, the plan sponsor makes and retains the fiduciary responsibility over final decisions on the plan's available investments for participants.

### 3(38)

Under ERISA 3(38), an investment manager is a specific type of fiduciary—usually a bank, insurance company, or registered investment advisor—that has been appointed by the plan sponsor. A 3(38) investment manager not only reviews and monitors plan investments, but also has the full discretion to select and remove them. Unlike a 3(21) advisor, who makes recommendations but leaves final decisions to the sponsor, the 3(38) serves as the sole fiduciary for these ultimate investment decisions, which correspondingly reduces fiduciary liability for the sponsor. This role is often compared to an outsourced chief investment officer (OCIO).

### Group plans

Group plans, such as multiple employer plans (MEPs) and PEPs, include a PPP, who serves as the plan sponsor and generally acts as a 3(16) fiduciary. Only one IRS Form 5500 has to be filed with one plan audit. Groups of Plans pool assets to get better pricing. Some administrative work is shared, but each plan has to file their own 5500 form and must conduct an individual audit if they qualify.

## SECTION 3

# Looking Ahead

To conclude, we wanted to share a few notes and thought starters on potential challenges and opportunities you may encounter as you embark on this new endeavor. You've now got the basics down, but preparation for the next stage will set you up for success.

# What to outsource

There's clearly a lot to navigate as you enter this market. But there are ways to outsource or bring on partners to assist with certain aspects of executing a line of business aimed at serving employers and their retirement plans, while you stay focused on growing your practice.

## Fiduciary

Many advisors, even experienced ones, will outsource 3(38) fiduciary services at some point through their recordkeeper. This is especially common with smaller plans.

Investment fiduciary services, once a differentiator, is now expected. Using third parties with deeper pockets as a designated fiduciary may provide a high level of protection and sense of security for plan sponsors.

## Service: Recordkeepers and TPAs

Servicing small plans can be challenging for advisors

who are not experienced in DC plans or who do not have internal resources. Advisors initially assess potential recordkeepers through a request for proposal process, or pricing and services comparison. Advisors should also consider whether the plan should be bundled or unbundled, as well as plan design features.

Onboarding a plan once providers are selected may involve many forms, some of which are still paper-based for some recordkeepers.

Once a plan is onboarded, key documents must be prepared, such as the Plan Document, Investment Policy Statement, and Summary Plan Description. Required filings, like Form 5500, and participant notices, such as QDIA or fee disclosures, are usually handled by the recordkeeper or a 3(16) fiduciary. Advisors rely on these providers to do most of the heavy lifting but need to be available if issues arise or if the plan sponsor cannot resolve matters with their providers.

As discussed, 3(16) fiduciary status, which comes in many forms, may elevate the level of service but may also cost more.

## Investment selection and monitoring

There are many third parties that provide tools to help advisors monitor and select investments, such as fi360 or Retirement Plan Advisory Group, which also create reports that plan sponsors can easily understand and review.



# How the IRA rollover market is changing

The opportunity doesn't stop at DC plans. IRA rollovers are also a significant business for wealth advisors, with over \$1 trillion expected to leave DC plans annually by 2030, [according to LIMRA](#). While some retirement plan advisors focus on rollovers, many view them as missed revenue opportunities.

The challenge for retirement plan advisors is whether they can leverage their positions to build relationships with participants, especially those that are higher net worth, and be present when rollover events occur.

## Roll-ins and consolidating accounts

Most DC participants have multiple accounts across DC plans and IRAs. Under SECURE 2.0, plan sponsors may automatically force out accounts with less than \$7,000 after a participant separates, often rolling them into an IRA. While IRAs can provide portability, keeping assets in a workplace plan may offer advantages such as lower fees and institutional pricing. Consolidating accounts also makes it easier for participants to manage all of their tax-deferred savings in one place.

Advisors can work with their recordkeeper to help consolidate accounts when that service is available, or they can engage third parties such as Retirement Clearing House, Inspira, and Penchecks. Additionally, under SECURE 2.0, the DOL is required to create a “lost and found” database for DC participants, drawing on data from plan sponsors and the Social Security Administration. This tool is expected to become a valuable resource in the years ahead.

Together, these developments create an opportunity for advisors to add value—helping participants keep track of their retirement savings, strengthening relationships, and ultimately increasing both plan assets and assets under advisement.



# How to approach marketing and engagement

If you want to provide financial services to participants, start by building awareness through group meetings—whether in person or virtually—along with marketing content that highlights your thought leadership and insights.

You also need to perfect your pitch. Think about what unique value you can provide to potential clients, and be ready with a clear, consistent message.

Many advisors struggle with marketing because they lack internal resources, training, or experience. As a result, many rely on third parties like 401kMarketing.com or their recordkeepers for support.

One practical approach is to host webinars for plan sponsors or participants on financial literacy topics. Invite attendees to share their email addresses in exchange for a helpful resource after the session. You can use this list for ongoing email outreach, keeping yourself top of mind when participants need financial guidance or leave their employers.



# How to create a win-win with recordkeepers

Because some recordkeepers aspire to capture rollovers themselves and offer financial services directly to participants, advisors can find themselves competing for the same opportunities—and may not always receive data or event notifications.

Advisors who aspire to provide these services themselves should look for recordkeepers that are open to partnering. By establishing clear rules of engagement, advisors can create referral arrangements that benefit both sides—helping recordkeepers serve participants while giving advisors greater access and credibility over time to grow their businesses.

## Data hurdles

Most DC recordkeepers are reluctant to share participant data with advisors because of privacy concerns, as well as their potential interest in providing financial planning and rollover services alone. Recordkeepers may know when meaningful participant events like separation occur and can either reach out themselves or share that information with the plan advisor.

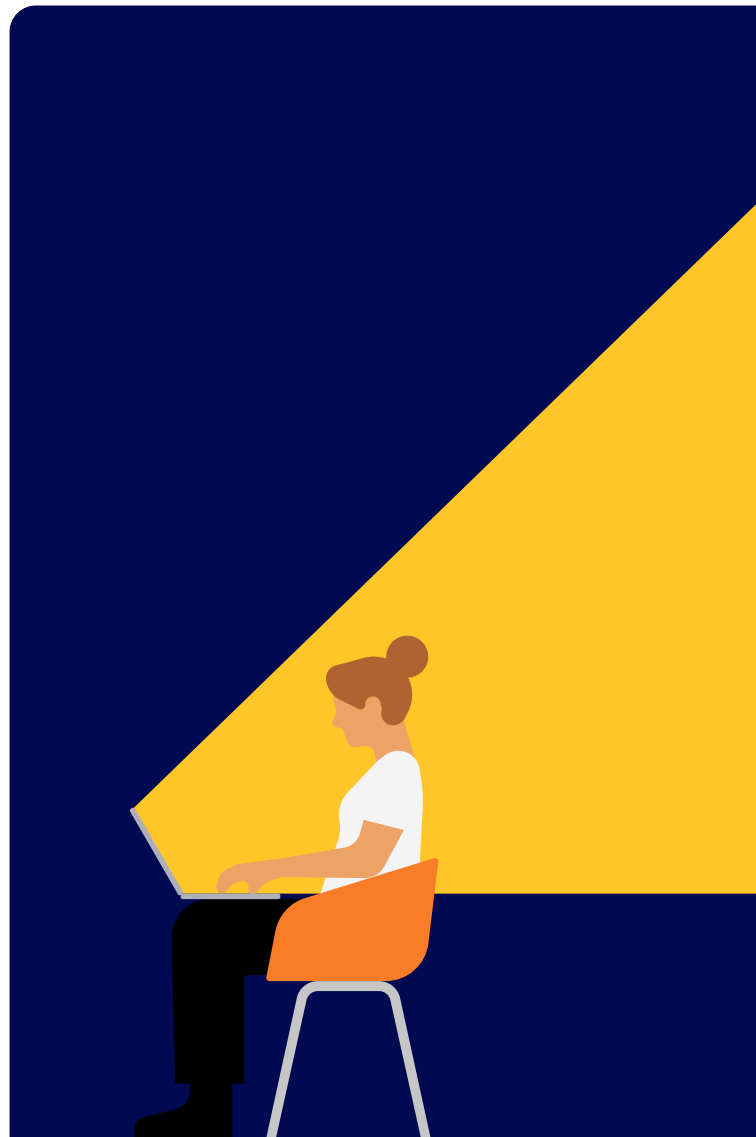
Because recordkeepers are often more visible to participants through their digital platforms, communications, and control of first-party data, they may be better positioned than many advisors to service participants' financial needs.

Identifying potential wealth clients within a DC plan can be challenging. Advisors should look for participants who demonstrate high income, large account balances, or broad financial engagement, such as contributing to HSAs, using Roth features, contributing at or near plan limits, or holding multiple account types. Accessing this information typically requires cooperation from the recordkeeper and, in some cases, the payroll provider or other benefit administrators.

# Harnessing the potential role of AI

AI can enhance efficiency by automating routine tasks, saving time for all parties, and supporting employees rather than replacing them. Beyond administrative tasks, AI could help identify optimal strategies for employers and employees, such as utilizing HSAs, PEPs, and managed accounts, while helping customize retirement plans and retirement income strategies.

Recordkeepers, TPAs, and advisors can use AI to amplify their expertise, overcome staffing challenges, and address behavioral barriers.





## Betterment Advisor Solutions

Ready to take the next step? [Learn more.](#)

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