

THE BUZZ FROM WASHINGTON

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INTRODUCTION

There's no shortage of major policy priorities competing for attention in Washington right now, many of them well outside the retirement space. But even amid that broader activity, retirement policy has quietly begun to move from signaling to substance. Several initiatives that generated buzz last year are now entering a more concrete phase, with agencies starting to put pen to paper and translate earlier directives into actual regulatory proposals.

At the same time, Washington remains a forum for big ideas, and not every retirement-related headline represents imminent change. The release of proposed regulations on investment alternatives in DC plans, along with continued activity on Trump Accounts, litigation posture, and disclosure rules, stands in contrast to other concepts that are still being discussed at a high level. This quarter's challenge—and opportunity—is distinguishing between what is becoming real policy and what remains more exploratory.

TOP FIVE BUZZIEST RETIREMENT UPDATES

1. A Proposed Safe Harbor for “Alternative Investments” Broadens Out

The Department of Labor (DOL) has released proposed regulations clarifying how ERISA fiduciaries should evaluate and select Designated Investment Alternatives (DIAs) in defined contribution plans. While the proposal follows last year's Executive Order aimed at expanding access to alternative investments, it is not limited to alternatives. Instead, it applies broadly to the selection and monitoring of all investment options on a DC plan menu, including public market options, managed accounts, and retirement income solutions.

At its core, the proposal emphasizes a prudent fiduciary process, outlining a safe-harbor-style framework built around six considerations, including risk-adjusted performance, fees relative to value, liquidity, valuation, benchmarking, and overall complexity. For each factor, the DOL provides examples illustrating what may—or may not—constitute a prudent approach. Significant feedback is expected during the public comment period, which runs through June 1, with a final rule likely later this year.

Ultimately, the impact will depend on how fiduciaries and their counsel apply the framework—and how courts incorporate it into future litigation. Speaking of litigation...

2. Litigation Reform & Amicus Briefs – Pushing Back on “Regulation by Litigation”

While legislative action on ERISA litigation reform remains a longer-term prospect, the DOL is clearly trying to shift the tone. Officials have criticized what they call “regulation by litigation,” arguing that an overreliance on court rulings has left fiduciaries overly cautious and slowed innovation. To counter this, the department is increasing its use of amicus briefs, often supporting plan sponsors in class action lawsuits, including in the areas of pension risk transfer and usage of forfeiture assets. They are also promising more proactive guidance and compliance assistance.

3. President Trump’s State of the Union – Big Themes, Limited Detail

In the State of the Union address, President Trump proposed expanding retirement plan access for the roughly 56 million workers who lack an employer-sponsored plan, outlining a government-matched savings option modeled on the federal Thrift Savings Plan. He highlighted a \$1,000 federal match, though this largely aligns with the already enacted Savers Match under SECURE 2.0. The comments in the speech were brief and several core elements remain unclear, including whether any form of mandate would apply to workers or employers. It’s also unclear whether the proposal would create a new type of account outside the current IRA/401(k) framework and whether the federal government will look to be one of those providers. Lastly, will Congress need to legislate any aspects of this program? Another ball in the air that we will need to track.

4. Trump Accounts – Now Law, With Early Buzz Growing

Trump Accounts became law under the 2025 One Big Beautiful Bill Act, creating a new type of IRA for children. In March 2026, Treasury and the IRS issued proposed regulations addressing key implementation mechanics, including eligibility rules, the process for opening an account (and electing the \$1,000 pilot contribution), and roles for parents or other authorized individuals. Early industry buzz remains strong, driven by the federal seed contribution and growing interest from employers and nonprofits in the accounts’ unique contribution structure. Legislators are also considering follow-up refinements, signaling that this area will continue to evolve.

5. DOL Enforcement Priorities – More Focused, Less Procedural

The DOL is shifting toward more targeted enforcement, focusing on areas with direct participant impact—such as contribution timing, data security, and oversight of managed accounts and advice programs. At the same time, the agency has said it will de-emphasize several longstanding, process-heavy reviews, including certain ESOP investigations and broad procedural audits that have historically created administrative burden without clear participant benefit. The result is a more streamlined, substance-focused enforcement approach.

OTHER TOPICS CREATING A BUZZ

Roth Catch-Up Contributions – Implementation Required This Year

The Roth catch-up requirement for high earners takes effect this year, with no further delays expected.

CITs in 403(b)s – Renewed Interest on the Hill

Lawmakers continue exploring bipartisan legislation that would allow CITs in 403(b) plans. The House has moved. Will the Senate follow?

Paper Statements – Ongoing Debate Continues

Under recently proposed DOL rules implementing SECURE 2.0, defined contribution plans must provide at least one annual paper benefit statement, even as electronic delivery remains the default under existing safe-harbor rules.

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