



Retirement Plan

News and Information for Employers

PROACTIVE FINANCIAL LEADERSHIP



Q2

**3 Creative Ways to
Unlock Company
Savings**

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3 Creative Ways to Unlock Company Savings

Explore high-impact, low-disruption strategies to reduce costs while keeping your benefits competitive.

We are often asked how companies can reduce overhead without sacrificing employee satisfaction. Did you know that your retirement plan, healthcare strategy, and employee retention initiatives may be hiding thousands of dollars in easily achievable savings?

If you haven't revisited these areas in a while, now's the time. With a few adjustments, you may be able to uncover retirement plan cost savings, improve employee engagement, and reduce taxes for your organization.

Here are three creative ways to unlock potential cost savings without compromising your employees' experience or benefits package.

1. Review your investment menu

One opportunity for retirement plan cost savings is your investment lineup. If your plan includes high-cost mutual funds or an outdated, overly complex investment menu, there's a good chance you could be paying more than necessary.

A streamlined menu built around collective investment trusts (CITs), exchange-traded funds (ETFs), and low-cost index funds could reduce total plan costs significantly – often without impacting performance or participant choice.

Beyond fund selection, this could also be a good time to conduct a retirement plan review to make sure that your plan is following fiduciary best practices and you're not overpaying for services, technologies, tools, or resources as compared to what's typical for plans like yours.

2. Audit your healthcare plan

It's easy to renew your group healthcare plan each year without giving it much thought. But small plan design changes, like adjusting deductibles, re-evaluating network structure, or adding supplemental options, can create measurable savings without reducing coverage.

"Most companies assume their healthcare plan is competitive, but our reviews often find outdated pricing models, misaligned contribution strategies, or missed opportunities for bundling," said Joshua Jefferies, Co-Founder of [HealthPlanIQ](#). "Benchmarking your health plan against your peers annually can unlock real savings, improve designs, all while ensuring ERISA compliance of a prudent Fiduciary process."

3. Invest in retention instead of rehiring

Turnover is expensive. Depending on an employee's role and seniority, replacement could cost anywhere from 50% to 200% of their salary. That adds up quickly, particularly in today's low-hire, low-fire labor market.

However, one of the simplest employee retention strategies is to strengthen your benefits offering. When you invest in retention through education, engagement, and family-friendly perks, you may be able to reduce turnover and improve culture. Even better, strategic retention efforts may qualify you for expanded tax savings for employers.

Passed in 2025, the One Big Beautiful Bill Act (OBBBA) includes several new or enhanced tax provisions employers should be aware of, including:

- **The R&D tax credit:** Available to businesses investing in training, process improvement, or innovation, not just traditional research. Many employers qualify without realizing it.

- **Childcare credit:** A tax break for employers who provide on-site childcare, partner with local providers, or reimburse dependent care costs.
- **Qualified Business Income (QBI) deduction:** Now made permanent, this allows eligible pass-through entities to deduct up to 20% of qualified income.
- **Section 179 deduction:** Allows businesses to deduct the full cost of qualifying equipment or software in the year they're purchased, instead of depreciating over time.
- **No payroll taxes on tips and overtime:** Select roles and industries may be eligible to exclude tips and overtime from taxable wages under new provisions.

These credits and deductions reward companies that invest in people and productivity. They may not apply to every business, but a simple review with your tax professional could help to determine where you might qualify.

Review, rethink, save

Yes, reviewing your retirement plan, benefit offering, and tax strategy takes time. But imagine what you could do with the potential annual savings? These aren't extreme cuts. They're thoughtful, strategic changes that reduce budget leaks and help you maintain competitive, high-impact benefits that support employee satisfaction and long-term loyalty.

If you'd like help reviewing your plan or exploring potential savings opportunities, let's talk.

It's worth taking a closer look. Because sometimes, the biggest savings opportunities are hiding in plain sight.



Employee Burnout Solutions That Work

Taking your company from Bare-Minimum Monday to Everyday Excellence

You may be familiar with Bare-Minimum Mondays, Take-It-Easy Tuesdays, Let's-Not-Work-Too-Hard Wednesdays, and No-Think Thursdays. Social media has given a humorous twist to online discussions of work avoidance techniques. Beneath the jokes, it's clear that many employees are feeling overwhelmed and burned out.

For employers, disengagement is no longer a soft culture issue. It's a measurable business risk that affects productivity, morale, and retention. The good news is there are solutions to help companies overcome employee burnout and improve engagement.

Workplace disengagement is all too common

Before talking about the solutions, it helps to understand the scope of the issue.

Many employees feel fulfilled at work, but 31% feel stressed because of their job.¹ They are showing up, but not all are fully engaged.

Burnout has many causes, including heavy workloads, poor communication, unclear expectations, a lack of work-life balance, and fear of change. It can drain employees' desire to learn and grow. When people are burned out, most of their energy goes toward getting through the day. Two common outcomes of burnout are quiet quitting and quiet cracking.

- **Quiet quitting** happens when employees are present but disengaged. When employees' needs are not met, they put in time without energy or passion.
- **Quiet cracking** describes employees who are unhappy and feel stuck. They want to leave but can't afford it. Financial stress takes a physical toll, while employees continuously calculate the cost of walking away.

¹ "SHRM 2025 Insights: Workplace Mental Health," SHRM, 6 May 2025.

The cost of employee disengagement

Employee burnout is expensive. Employee disengagement, overextension, ineffectiveness, and burnout cost employers about \$4,000 per non-managerial employee each year, approximately \$10,000 per manager, and roughly \$20,000 per executive.²

These numbers don't tell the whole story. Burnout also affects company culture, morale, creativity, and reputation. When unhappy employees leave, companies lose institutional knowledge and may suffer reputational damage (for example, think about star ratings on job boards, Reddit threads, Google Business reviews, and word-of-mouth).

Leaders can help address disengagement by creating environments that support meaningful work, financial security, and well-being, along with opportunities to learn and grow professionally.

Employee burnout solutions that work

McKinsey reports that companies can improve employee engagement by addressing six primary causes of dissatisfaction:³

1. inadequate compensation
2. lack of meaningful work
3. insufficient workplace flexibility
4. limited learning and advancement opportunities
5. unsupportive colleagues
6. unsafe work environments

Some of these issues, such as improving pay or training managers, require company-wide action. Others can be addressed by managers through one-to-one and team interactions.

Well-trained managers can:

- Recognize warning signs such as missed deadlines, absenteeism, cynicism, and a drop in work quality.
- Ask questions and listen: Initiating conversations can help uncover sources of frustration and stress.
- Collaborate with employees to find solutions by offering attention, empathy, encouragement, and reasonable workload adjustments.
- Clearly set expectations so employees understand what success looks like, have the tools they need to succeed, and feel safe asking questions.
- Encourage teamwork to foster trust, reduce stress, improve problem-solving, and build confidence.
- Explain the value of benefits, helping employees understand how retirement plans, healthcare, and other benefits support financial wellness and personal well-being.

Moving your company forward

High-performing organizations create a reinforcing cycle. Strong leaders understand the people on their teams. That understanding leads to meaningful support and recognition. Recognition builds trust. Trust fuels engagement. In short, engagement drives performance.

Long-term benefits, such as retirement plans, healthcare, and financial wellness programs, strengthen the cycle. They can improve employee financial stability and demonstrate to employees that employers are invested in the relationship.

Employees don't aspire to Bare-Minimum Monday mastery. They want adequate compensation, meaningful work, learning and advancement opportunities, and a safe and supportive work environment. While disengagement is unlikely to ever fully disappear, it can become less prevalent when employees feel supported and confident about the future they're building at your company.

² Martinez, Marie, and colleagues. "The Health and Economic Burden of Employee Burnout to U.S. Employers." *American Journal of Preventive Medicine*. Volume 68, Issue 4, April 2025, pages 645-655.

³ De Smet, Aaron, and colleagues. "Some employees are destroying value. Others are building it. Do you know the difference?" 11 Sep. 2023.

Every 0.01% Impacts Participant Outcomes

How can 401(k) benchmarking help plan sponsors manage plan fees, meet fiduciary responsibilities, and improve retirement outcomes?



When managing a workplace retirement plan, attention is often placed on total plan assets, average account balances, and investment performance. Yet, plan fees can have a meaningful impact on participant outcomes, especially when compounded over time.

This is where 401(k) benchmarking comes in. Benchmarking your plan's fees and services is more than a best practice; it's a fiduciary responsibility. Let's take a look at why it matters and how even a few basis points can influence long-term retirement readiness.

Why 401(k) benchmarking matters

Simply put, 401(k) benchmarking is about accountability. It is not about chasing the lowest possible fees. It entails making sure that the 401(k) plan fees being paid are reasonable for the services delivered and in line with what similar plans pay in today's market.

Regulators have made it clear: fiduciaries are expected to understand plan fees, compare them to market standards, and take action when costs exceed those of comparable plans. Beyond compliance, benchmarking can help participants pay less in fees, keeping more of their money invested and growing toward retirement.

The power of basis points

One basis point, or 0.01%, doesn't sound like much. But over time, that small difference can have a big impact. If your plan has \$25 million in assets, 10 extra basis points in fees adds up to \$25,000 per year, every year. Over a 30-year period, those dollars and their lost compounding potential can significantly erode participants' savings.

What to look for in a retirement plan cost review

A thorough retirement plan cost review should examine:

- **Investment fees:** Are lower-cost share classes or CITs (Collective Investment Trusts) available?
- **Recordkeeping and admin fees:** Are they competitive as compared to plans of similar size and structure?
- **Advisory or consulting fees:** Are the services clearly defined and aligned with the fees being charged?
- **Revenue sharing:** Is it happening, and if so, is it easy to understand and fairly structured?

How to ask and where to find fee information

A great place to start is the required annual fee disclosure from your service providers, commonly known as the 408(b)(2) disclosure. It outlines all direct and indirect compensation being paid from plan assets. That becomes your starting point.

Ask your providers:

- What services are included in the fees?
- How do these fees compare to plans of similar size and complexity?
- Are there lower-cost investment options to consider?

If answers are vague or incomplete, it's a red flag. A good provider will be transparent and proactive in helping you assess the value being delivered.

How often should you benchmark your plan?

Many plans will benchmark annually. But to stay current and meet compliance expectations, a deep-dive benchmarking review should be conducted at least every three years. If your plan sees significant growth, changes providers, or updates the investment menu, it's wise to review sooner.

Your retirement plan is not a set-it-and-forget-it benefit. As your company and the industry evolve, benchmarking helps support cost management, market comparisons, accountability, and participant outcomes.

Investment modernization: A natural outcome of benchmarking

Benchmarking can help align your plan with the market and evolving participant needs. As part of the process, plan sponsors could:

- Consider CITs, ETFs, or index funds as a lower-cost alternative to traditional mutual funds.
- Re-evaluate target date funds for glide path design and income strategy.
- Add managed accounts to give participants access to personalized advice, private equity, and/or custom portfolio creation.
- Offer retirement income solutions to help participants turn savings into sustainable income.

These updates may lead to stronger engagement, better decision-making, and improved participant outcomes over the long term.

Better benchmarking, better participant outcomes

When benchmarking is done right, participants keep more of their savings, pay only for services that add value, and gain access to the tools and investments that can help them retire with greater confidence. Let's make your next retirement plan cost review count. Contact us to get a second opinion on your current 401(k) plan fees and uncover opportunities to optimize costs and outcomes for your participants.



For more
information on how
we support
retirement plan
sponsors and
participants, **visit
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