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## 3Q | 2025 The 457(b) Plan Fiduciary Advisor Newsletter

### Final Catch-Up Contribution Regulations for Government Plans

The IRS has issued final regulations implementing the Roth catch-up provision under the SECURE 2.0 Act of 2022. Key points include:

- Certain catch-up contributions by higher-income participants must be designated as Roth contributions.
- Regulations provide guidance for plan administrators on implementation, corrections, and deemed Roth elections.
- Governmental plans and plans under collective bargaining agreements have a later applicability date, with flexibility for early “good faith” implementation. [Read more here.](#)<sup>1</sup>

### House GOP Bill to ‘Codify’ Trump Executive Order on Private Investments in DC Plans

“House Republicans proposed on Tuesday (October 14, 2025) legislation that would expand defined contribution plans’ access to alternative investments.

The Retirement Investment Choice Act, introduced by Representative Troy Downing, R-Montana, would codify the executive order signed by President Donald Trump in August that directs the Department of Labor and the Securities and Exchange Commission to provide regulatory guidance to allow alternative investments like private equity and digital assets to be eligible for inclusion on the investment menus of 401(k) and other DC retirement plans.” [Read more here.](#)<sup>2</sup>

### DOL Issues Advisory Opinion on When Lifetime Income Investment Options Can Be Considered QDIAs

“When can lifetime income investment options be considered qualified default investment alternatives (QDIAs) under federal law? The Department of Labor’s Employee Benefits Security Administration (EBSA) offers some insight in Advisory Opinion 2025-04A, which it issued on Sept. 23.

The DOL says the advisory opinion is part of its ongoing effort to clarify retirement investment options in defined contribution plans. It concludes that the requestor’s lifetime income strategy program meets the department’s requirements to be a QDIA under ERISA Section 404(c)(5) and the implementing regulation at 29 CFR 2550.404c-5(e).” [Read more here.](#)<sup>3</sup>

## **House Bill Would Allow Transfers of Unclaimed Retirement Distributions to States**

“A bill introduced in the House of Representatives would direct the Department of Labor to allow retirement fiduciaries to transfer unclaimed retirement distributions to a given state’s unclaimed property program.

The Unclaimed Retirement Rescue Plan, introduced by Representative Seth Magaziner, D-Rhode Island, and co-sponsored by Representative Ron Estes, R-Kansas, would permit retirement plan administrators, on a voluntary basis, to transfer unclaimed retirement distributions valued between \$50 and \$5,000 into state unclaimed property programs.

This would occur through the SURCH [States’ Unclaimed Retirement Clearing House] program proposed by the National Association of State Treasurers, for which Magaziner and Estes claimed to have commitments from 47 states.”

[Read more here.](#)<sup>4</sup>

## **Beware of DOL Cybersecurity Audits**

“The Department of Labor ("DOL") continues to focus on cybersecurity in its audits and investigations – often asking questions that extend beyond the set of best practices and tips it published in 2021 (the “Best Practice Tips”) that apply to health and welfare and retirement plans (see our alert here)... Plan sponsors can take the following steps to evaluate their preparedness for a DOL audit – 1. Review Service Provider Agreements...”

[Read more here.](#)<sup>5</sup>

## **2025 EBRI/Greenwald Retirement Confidence Survey**

The RCS is the longest-running survey of its kind, measuring worker and retiree confidence about retirement, and is conducted jointly by the Employee Benefit Research Institute (EBRI) and Greenwald Research. The most recent survey is the 35th annual Retirement Confidence Survey (RCS). Several of the key findings in the report are:

- Americans are concerned about changes to the retirement system, specifically reduction of Social Security and Medicare benefits.
- Social Security remains the top source of actual and expected income for Americans in retirement.
- Workers expect to retire later and plan to work during retirement.
- Health care expenses remain a concern for retirees. Workers also find the cost of health care hinders their ability to save.

- Workers would like help saving for emergencies through their retirement plan.  
[Read more here.](#)<sup>6</sup>

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<sup>1</sup> Source: September 15, 2025, NAGDCA: "Final Catch-Up Contribution Regulations for Government Plans"

<sup>2</sup> Source: October 14, 2025, PLANADVISER: "House GOP Bill to 'Codify' Trump Executive Order on Private Investments in DC Plans"

<sup>3</sup> Source: September 23, 2025, ASPPA: "DOL Issues Advisory Opinion on When Lifetime Income Investment Options Can Be Considered QDIAs"

<sup>4</sup> Source: September 16, 2025, PLANADVISER: "House Bill Would Allow Transfers of Unclaimed Retirement Distributions to States"

<sup>5</sup> Source: September 10, 2025, Groom Law Group: "Beware of DOL Cybersecurity Audits"

<sup>6</sup> Source: April 24, 2025, Employee Benefit Research Institute/Greenwald Research: "2025 EBRI/Greenwald Retirement Confidence Survey Summary Report,"

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