








Message from the CEO

December 2023

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Partner | President & CEO

As 2023 comes to a close, I would like to send heartfelt appreciation for your continued business and wish you a wondrous holiday season. In this year-end newsletter, I am pleased to share an update on key developments at **USI Consulting Group (USICG)**, as well as our parent company, **USI Insurance Services (USI)**.

USI CONSULTING GROUP

-  USICG's national presence continues to expand with new consultants in Nevada, Texas and Utah.
-  We value your opinion and recognize the importance of measuring customer satisfaction to continuously improve the customer experience and evolve our service offerings. [Please take our 2023 Client Satisfaction Survey and share what is important to you.](#)
-  The Internal Revenue Service announced the cost-of-living adjustments effective January 1, 2024, applicable to retirement plans and other employer related plans. [Check out our COLA summary](#), including an increase to the 401(k) limit to \$23,000 for tax year 2024.
-  In September, we hosted a successful national webinar to discuss fiduciary best practices and protection solutions to help employers navigate responsibilities and mitigate risk for themselves and their organizations. If you weren't able to attend the webinar, you can learn how to address complex fiduciary responsibilities and protect yourself and your organization from potential liability by [watching the webinar recording here](#).
-  In October, we celebrated National Retirement Security Week (NRSW) to raise awareness and help individuals take concrete steps towards a secure retirement. Throughout the week of October 15-21, we promoted tips, stats and educational info encouraging everyone to revisit their retirement goals and make sure they're taking full advantage of their employer-sponsored retirement plan. NRSW provides employers an opportunity for them to focus on ways they can help their employees achieve retirement readiness. [Visit our dedicated web page with valuable resources.](#)

Defined Benefit (DB) Pension Plan Consulting & Actuarial Services

The current interest rate environment continues to be favorable for de-risking activity such as a lump sum window or an annuity placement. Lump sum windows, as well as annuity placements, typically reduce PBGC premiums (ERISA plans), administrative costs and shrink the impact of the plan on the balance sheet and income statement going forward. But employers should also consider the impact on future minimum required contributions and any one-time accounting charges ("settlement charges").

USICG is committed to supporting our clients and keeping them updated on current market trends and the impact to your plan. Check out our latest insights:

- In October, we teamed up with The Wagner Law Group to host a webinar series, "An employers guide to successful pension plan termination," to help employers understand the pension plan termination process and steps to prepare and develop a successful strategy. If you missed the series, you can access the webinar recordings by clicking on the following links:
 - **Session 1:** Understanding and preparing for distress, involuntary and standard plan terminations
 - **Session 2:** A step-by-step guide to implementing a plan termination
- If you've been contemplating de-risking your defined benefit pension plan, check out our [Readiness Guide to Pension Plan Termination](#) to learn about the types of termination and detailed steps to make the process as predictable and smooth as possible.
- Learn how a [Direct Recognition Variable Investment Plan \(DR-VIP\)](#) can help companies looking for larger tax-deductible contributions and boosted retirement savings for their owners and professionals. As an integrated defined contribution and defined benefit plan, a DR-VIP is designed to optimize benefits, mitigate risk, increase tax-deductible contributions and minimize costs.
- Watch our [On-demand webinar focused on the key SECURE 2.0 Act provisions impacting defined benefit pension plans](#) and what it means for your organization and employees.

DB Pension Plan Administration Services

Our Benefit Administration (BA) practice continues to implement new clients on all of our service delivery models. In addition:

- **2023 was a year highlighted by major pension plan termination projects.** The BA team helped our clients through that critical final step by managing the entire process from the termination notice through the placement of the final annuity. Clients enjoy leveraging our experts in a fully bundled solution as it takes all the work off of their plates.
- **We grew our client list and bench strength** with the acquisition of Hooker & Holcombe now providing service for over 650,000 plan participants.
- **Learn more about outsourcing and the confidence it provides** in knowing your plan is being administered accurately, efficiently and cost-effectively.

Defined Contribution (DC) Consulting |

401(k), 403(b), 457, money purchase & profit-sharing plans

The DC Consulting Group team provides investment advisory and consulting services for 401(k), 403(b) and other defined contribution plans. Throughout 2023, our practice has continued to grow, adding new clients across the country. Key highlights from the second half of the year include:

- **We launched new client websites centered around participant education and compliance resources.** These websites are updated with new content on a regular basis and support our clients in fulfilling their fiduciary obligations for their retirement plan.
- **Participants are sharing excellent feedback on our expanded pre-retiree webinar series.** These webinars are targeted for individuals age 50 and older and educate attendees on Retirement Income, Social Security, Long-Term Care, Medicare and The Psychology of Retirement. One client provided us with the following feedback: "First and foremost, I want to thank you for these sessions. The ones I have been able to attend have been VERY informative. I hope that USI continues these offerings. I plan to encourage our employees to participate if/when possible." In 2024, we are planning to add more topics to the series, targeting additional participant segments.
- **Our team has helped an increased number of clients establish nonqualified retirement plans.** This is a next step that can be taken to enhance benefits for high earning employees beyond what can be offered in a qualified plan. We work with clients on the design, implementation and investment aspects of a newly established nonqualified plan. Please reach out to your Account Manager if you are interested in ways to help your highly compensated employees bridge the gap between pre- and post-retirement incomes on a pre-tax basis.
- **Once the moratorium on student loan payments and interest ended, we published a [Student Loan Payments Resuming flyer](#)** to provide guidance to employers and highlight the opportunities (thanks to SECURE 2.0) for them to help their employees.
- **We also created a new flyer focused on the mandatory SECURE 2.0 provision for Roth catch-up contribution requirements,** which provides details on the two-year administrative transition period from the month IRS announcement.

Direct Solutions® DC Bundled Services

Direct Solutions (DS), our bundled offering for total DC plan services through a single source, has delivered the following enhancements for 401(k), 403(b) and other DC clients:

- **Continue to develop enhancements that will accommodate new SECURE 2.0 provisions for retirement plans,** including hardship withdrawal self-certification rules, Long-term part-time (LTPT) employee participation rules, withdrawals for qualified disaster relief, domestic abuse withdrawal rules, birth and adoption withdrawal rules and certain qualifying emergency withdrawals. As well as, preparing for qualified student loan matching contributions.
- **Increased investment offerings for the DS platform with new fund options available** for retirement plan sponsors to add to their retirement program, including funds with new Environment, Social and Governance (ESG) standards and protocols as outlined by the Department of Labor. We also expanded the number of funds available in the Stable Value investment category that provide "buy-out" options for legacy contract market value adjustments.
- **Improved our Employee Stock Ownership Plan (ESOP) capabilities** regarding online ESOP balance inquiries for participants. In addition, we expanded our capabilities for customized ESOP Repurchase Liability Studies to create a financial "dashboard" that will allow greater financial management and planning for stock repurchase obligations.
- **Expanded participant education services to include group presentations and individual counseling sessions** to help participants with investing in a volatile market and retirement income planning.
- **Enhanced our USIRA program that provides for automatic rollover IRA distributions** of terminated vested amounts from \$1 to \$5,000 to assist plan sponsors deal with smaller balances. This program removes those smaller unclaimed accounts from the plan, eliminates problems with uncashed small checks and reduces risk for the plan sponsor. We also developed an enhancement to accommodate the new SECURE 2.0 higher mandatory distribution limit of \$7,000 starting in 2024.
- **Revamped our Direct Solutions and ESOP website pages** to bring to life the value of these solutions in helping employers address the challenges and numerous priorities they face.

Emerging Plan DC Solutions

Our Emerging Plan Solutions (EPS) practice has continued to grow by welcoming new team members located in Nevada, Texas and Utah. We are also continuing to hire additional team members in other states such as California, Ohio, Mississippi, Washington and Wisconsin as we look to expand our sales and service teams even further. Our robust model includes administration and compliance collaboration/guidance, along with relationship management and proactive service to support our clients in the emerging market retirement space. Our **core services** include:

- **Benchmarking to evaluate a retirement plan's marketplace competitiveness** with specific retirement recordkeepers that we identify as providing a strong offering for the employer's size. Ultimately helping the plan improve their overall pricing, product, technology, investment and service offering to their employees.

- Plan design consulting as an Administrator, providing guidance on how design decisions impact effectiveness and help solve compliance issues.
- Customized product offering specifically designed for start-up plans to \$1M in plan assets. This service provides the highest level of fiduciary oversight and a 'hands on' approach that is needed for an employer just starting to navigate the retirement landscape.

With the enactment of the Secure 2.0 Act in December 2022, our team has actively been engaging clients and prospects on these provisions and updates to recordkeeping requirements, while providing consulting oversight on how these new provisions may impact their plan. One example of this is our new [Small Business Tax Credit brochure](#) which summarizes the tax incentives and other enhancements for small business offering retirement plans. The brochure also features calculators for employers to generate an estimate of their potential tax credits.

Investment Advisory Services |

USI Advisors (USIA)

The Investment Advisory team has had a busy second half of the year being actively engaged in industry events, keeping our pension plan clients informed of impact due to the current market environment and enhancing our processes.

- Hosted a national webinar titled "Fireside chat – Paradigm shift in fixed income for pension plans" featuring an esteemed panel of industry experts from our asset management partners, PIMCO, Wellington Management and Western Asset Management, where we discussed the evolution of fixed income allocations in pensions plans, as well as highlighted opportunities and risks for employers. The webinar was attended by over 120 DB pension plan sponsors. If you weren't able to attend the webinar, [you can watch the recording here](#).
- Expanded investment strategy vehicle offerings available on the USICG platform for retirement plan sponsors across multiple asset classes to take advantage of unique market opportunities.
- Conducted educational sessions with pension plan sponsors to evaluate prudent de-risking measures resulting from the changing interest rate environment.
- Participated as speaker and moderator at the Institutional Investor conference in Chicago hosted by *Institutional Investor Magazine*. We were part of the "Think Tank" industry expert panel to discuss the optimal retirement plan infrastructure of the future.

USI INSURANCE SERVICES

- Throughout the summer and fall, USI earned multiple industry recognitions as a leading insurance employer. These recognition programs are based on employee satisfaction metrics and anonymous survey feedback across various categories such as benefits, compensation, culture, employee development, diversity, and more.
 - In August, USI was recognized as a **Top Insurance Employer** for the sixth consecutive year by Insurance Business America.
 - In September, USI was named to Business Insurance's annual list of the **Best Places to Work in Insurance** for the fourth year in a row.
 - Also in September, USI was recognized as one of the nation's **Best and Brightest Companies to Work For** by the National Association for Business Resources.
 - In November, USI was also named one of the nation's **Best and Brightest in Wellness**.

For a complete listing of USI's latest industry awards and recognitions, click [here](#).

- In September, existing shareholder **KKR announced a new equity investment** of more than \$1 billion in USI by purchasing additional shares from certain institutional shareholders, including CDPQ. Commenting on the investment and partnership with KKR, Michael Sicard, USI's chairman and CEO, shared: "When we embarked on our journey with KKR and CDPQ, we shared a vision about the forces impacting our industry and a plan for USI to be a leading innovator in that transformation, combining world-class sponsorship and investment with our team of experts, differentiated solutions and technology. The power of this strategic partnership has exceeded our expectations, and we are thrilled to be continuing our journey with the support of our long-term shareholders."
- In October, USI announced the impact of its 10th annual **USI Gives Back** campaign, an award-winning social responsibility program focused on supporting positive change in local communities. Throughout August and September, USI team members participated in 308 volunteer events, supporting local communities across the country. The combined impact of these volunteer initiatives positively impacted more than 204,000 lives, totaling over 14,500 hours of volunteerism. Additionally, 73% of this year's events supported one or more diverse or underrepresented groups. For additional information on USI Gives Back, visit usi.com/community.

Thank you again for your partnership. Please feel to reach out to me directly. I am always open to hearing your feedback, ideas or concerns.

Happy holidays!



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