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Partner | President & CEO


Message from the CEO

December 2024


2024 has been a year of continued growth and innovation. We have a lot to celebrate – enhanced tools and resources, new clients and continued expansion of our team. I would like to personally thank you for your partnership and confidence in USI Consulting Group (USICG). In our year-end newsletter, we would like to share a summary of recent developments at USICG and our parent company, USI Insurance Services (USI), from the second half of the year.

USICG 2024 HIGHLIGHTS (Q3-Q4)

 **Our national presence continues to expand with new team members** located in Connecticut, Massachusetts, Nebraska and Pennsylvania.

 **In October, we celebrated National Retirement Security Week to raise awareness and help individuals take concrete steps towards a secure retirement.** We promoted tips, stats and educational info on our [website](#) and [LinkedIn page](#) – encouraging everyone to revisit their retirement goals and make sure they're taking full advantage of their employer-sponsored retirement plan.

 **In case you missed it, the IRS announced the 2025 cost-of-living adjustments (COLA).**

 **We continue to host informative webinars discussing important trends and tips for employers, including:**

[Employee Financial Well-Being: It Matters to Your Business](#) featured industry experts discussing why it's important for employers to prioritize the holistic well-being of their workforce and how they can significantly reduce benefit costs by helping employees take control of their finances and save more for their future.

[The Perks of an Enhanced ESOP Exit Strategy](#) was hosted by our Employee Stock Ownership Plan (ESOP) team and national law firm Fox Rothschild to discuss the benefits and process of transitioning ownership to an enhanced ESOP for entrepreneurs thinking about a sale of their company.

Defined Benefit (DB) Consulting & Actuarial Services

Supporting pension plans, OPEB, cash balance plans, derisking, termination & annuity placements

The current interest rate environment continues to be favorable for de-risking activity such as [annuity placement](#) or a [lump sum window](#). Even though the Fed recently lowered interest rates, the bond markets that influence annuity pricing have maintained higher interest rates. This has resulted in a continuation of de-risking opportunities for employers at favorable prices, evident from the strong annuity market activity that has continued throughout 2024. While we don't know how long higher interest rates will last, most forecasts expect lower rates soon. Lump sum windows, as well as annuity placements, typically reduce Pension Benefit Guaranty Corporation (PBGC) premiums (for ERISA plans), administrative costs and 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 on your plan. Check out our latest insights:

- [Is Your Pension Plan's "Check Engine" Light On?](#) highlights how an independent review of your pension plan allows a different set of eyes to examine your plan, which often means valuable insight into the plan's health and management.
- New [Annuity Success Stories](#) demonstrate how our consultants have guided public and private organizations of all sizes and industries through the complex annuity process.
- In November, we co-hosted a webinar, [Liability Driven Investing: What You Need to Know Now](#), with Wagner Law. Our team of experts discussed the benefits of liability driven investing (LDI) from financial, fiduciary and legal perspectives. In addition, we presented a live demo of USICG's proprietary tool, Funded Status Risk Optimizer, to showcase how interest rates can affect a pension plan's funded status.

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DB Administration Services

Custom online plan administration solutions

Our Benefit Administration (BA) practice has had a busy 2024, and we are excited to see a strong pipeline of new implementations and recurring administration work for 2025. Below are some recent developments.

- **In October, our BA Co-Practice Leaders, Mike Coffey and Todd Strada, hosted a webinar to help answer the question “Is it time to simplify your pension administration?”** Learn how employers can save time and money, improve efficiency and stay compliant with regulations.
- **We continue to develop and enhance our administrative tools, including:**
 - **Additional multi-factor and validation security** for all of our outsourced call center and web clients.
 - **NOW LIVE: A new “Small Plan Solution” delivery model called Retirement Focus Baseline**, which offers smaller sized client’s access to many of our Retirement Focus web tools and call center within an activity-based fee structure.
 - **Two new strategic applications to aid employers** in analyzing the benefits of terminated vested buyouts and auto-rollover services.
 - **A fresh look for our Retirement Focus website** with additional functionality currently being tested for release.
 - **A new outsourcing application is in development** for release in early 2025. This new tool will allow employers to evaluate our service delivery models and match them to the best fit based on their plan size, budget and needs.

Defined Contribution (DC) Consulting

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

2024 was an exciting year for the DC Consulting team as new clients continue to engage us for our services. Key highlights from the second half of the year include:

- **Proactively identifying potential problems in our clients’ retirement plans through an independent comprehensive compliance review.** These reviews ensure that employers have proper processes and controls in place and may identify potential liabilities that exist with non-discrimination testing, the timing of employee contribution deposits or related entities that may need to be considered as part of a controlled group or affiliated service group of companies, for example. Conducting a compliance review ensures that employers have sufficient documentation in place to fulfill their obligations as plan fiduciaries and allows them to correct any defects in a cost-effective manner. In addition, we have assisted clients with resolving compliance issues that were discovered during the annual audit of their plan.
- **Continue to support clients implementing SECURE 2.0 provisions**, such as the new optional withdrawal provisions, which allow plan participants to withdraw funds from their retirement plans without penalty for federally declared disasters, domestic abuse and emergency expenses. Additionally, employers are preparing for the “super catch-up”
 - increased catch-up contributions limits for participants aged 60 – 63, in the amount of \$11,250 for 2025. Learn more about super catch-up contributions in our [November Market & Legal Update](#).

Direct Solutions®

Bundled DC plan services through a single provider

The Direct Solutions team has delivered the following enhancements for clients this year:

- **Rolled out our improved website capabilities for plan participants with the new “My Retirement Progress” tool.** This enhancement allows participants to track their progress toward retirement readiness, model different retirement scenarios and personalize their planning approach with helpful tools that are easy to use. Employees can develop a strategy that meets their needs for a successful retirement outcome and improves their own personal financial well-being.
- **Improved employee education services to include group presentations and individual counseling sessions** focused on investing in a volatile market and retirement income planning. We continue to update our presentations to include contemporary financial wellness topics.
- **Presented each client with our recommendations for new SECURE 2.0 Act provisions**, along with a checklist to help them codify the optional provisions they choose to implement.
- **Enhanced our USI Automatic Individual Distribution Solution (USI-AID) program** that provides automatic rollover IRA distributions of terminated vested amounts from \$1 to \$7,000 to assist employers dealing with smaller balances. This program automatically removes those smaller unclaimed accounts from the plan, eliminates problems with uncashed small checks and reduces risk for the organization.
- **Expanded our Employee Stock Ownership Plan (ESOP) capabilities regarding the IRS Code 1042 Exchange ESOP transactions** allowing owners of corporations to secure the sale of their business on a tax-free basis. 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 ESOP stock repurchase obligations.

Emerging Plan DC Solutions (EPS)

Catering to the unique needs of small & midsize plans

Recent examples of the support we have delivered to our clients includes:

- **Comprehensive retirement compliance guidance** on how plan design decisions impact effectiveness and help to solve compliance issues such as missed deferrals, complex control group situations and missing/late 5500s. We recently created a [Fiduciary Checklist](#), which is reviewed periodically with clients to help them meet their fiduciary obligations.
- **Customized plan design and management for start-up plans to \$1M in plan assets** to support employers just starting to navigate the retirement landscape. Many states now require companies of a certain size to start a retirement plan for their employees or face penalties. One example is California’s CalSavers Program. [Read our summary of the CA Retirement Plan Mandate](#) highlighting the overall impact and details on associated penalties for non-compliance.
- **Proactive support on new SECURE 2.0 provisions and updates to recordkeeping requirements.** We’ve built data automation efficiencies to strengthen our hands-on approach with employers as the regulatory environment continues to evolve.

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Investment Advisory Services

Provided by our highly qualified USI Advisors team

We continue to keep our pension plan clients informed of impacts due to the current market environment and enhancing our processes, while expanding investment offerings and building interactive tools. Features include:

- **Further expanded investment strategy vehicle offerings** available on the USICG platform for employers across multiple asset classes to take advantage of unique market opportunities.
- **Actively engaging with pension plan clients on appropriate risk management to reduce funded status volatility given the current movements in interest rates.** Our Investment Consultants are providing consulting oversight on how interest rate movements and equity market volatility may impact their plan. We continue to approach risk management in coordination with our Actuaries to not only capture efficiencies, but to also optimize the risk management approach from both angles, assets and liabilities.
- **Proactively benchmarking utilized asset classes and investment vehicles** to evaluate DC retirement plan's marketplace competitiveness to attract and retain talent, as well as optimize the available investments from a return and risk spectrum to enable plan participants to successfully save and invest for retirement.
- **Building out our inventory of interactive tools to help employers make prudent decisions.** Newly designed tools include an investment manager fee analysis, an asset allocation risk management optimizer and a portfolio comparison tool.

USI 2024 HIGHLIGHTS (Q3-Q4)

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.

- USI was recognized by Business Insurance as a **Best Place to Work in Insurance** for the fifth year in a row, as a **Top Insurance Employer** by Insurance Business America for the seventh consecutive year, a **2024 Best Agency to Work For** by Insurance Journal and one of the **Nation's Best and Brightest Companies to Work** for two years in a row.
- For the first time in company history, USI was named to three of Fortune and Great Place to Work's recognition lists for 2024, including **Best Workplaces in Financial Services & Insurance, Best Workplaces for Women, and Best Workplaces for Parents lists.**
- USI was also honored to win Business Insurance's **Diversity, Equity & Inclusion Initiative of the Year** award for its 2023-2024 Career Track Early Career Recruiting Initiative, designed to attract and retain the next generation of diverse industry talent at USI.

As part of its year-long 30th anniversary celebration in 2024, USI reaffirmed its ongoing commitment to supporting local communities and the environment.

- **USI's 11th annual USI Gives Back campaign** was extended for three months (June-August). Team members supported **1,100 community volunteer events nationwide, totaling over 24,000 hours of volunteerism.** Since its inception in 2014, the program has positively impacted over three million lives.
- **USI also expanded its ongoing support of the nonprofit organization One Tree Planted to assist in planting over 30,000 trees** in the U.S. in 2024 – representing three trees planted for each of its more than 10,000 team members. Since 2020, USI has proudly contributed to One Tree's mission by helping to plant more than 60,000 trees across the U.S.

As we look forward to a new year, we remain committed with unwavering dedication to you and your employees. While you are in the capable hands of our team, I am always available if you would like to reach out to me directly with feedback, ideas or concerns.

Wishing you a wonderful, healthy holiday season!



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