2025

Hot Topics in Retirement and Financial Wellbeing

alight

About Alight

Alight is a leading cloud-based human capital technology and services provider for many of the world's largest organizations and over 35 million people and dependents. Through the administration of employee benefits, Alight helps clients gain a benefits advantage while building a healthy and financially secure workforce by unifying the benefits ecosystem across health, wealth, wellbeing, absence management and navigation. Our Alight Worklife® platform empowers employers to gain a deeper understanding of their workforce and engage them throughout life's most important moments with personalized benefits management and data-driven insights, leading to increased employee wellbeing, engagement and productivity. Learn more about the Alight Benefits Advantage™ at **alight.com**.

CONTACT INFORMATION

Rob Austin
Head of Thought Leadership
rob.austin@alight.com

Mariana Fischbach
Senior Manager of Public Relations
mariana.fischbach@alight.com

ABOUT THIS REPORT

The **Hot Topics in Retirement** report presents the findings of Alight Solutions' annual survey, capturing the changes employers plan to make to their retirement and financial wellbeing plans in the upcoming year. Now in its 21st edition, the report features responses from 121 organizations employing nearly four million workers. The survey was conducted in the fall of 2024.

This year's report offers insights on several key topics, including:

— The growing interest in lifetime income options within DC plans
— The latest adoption of the optional provisions under SECURE 2.0
— Employer efforts in cybersecurity communication

Thank you for your interest in these key findings. We hope you find value in our data and insights. Alight sincerely appreciates the many plan sponsors who participated in this survey and commends them for their dedication to enhancing financial wellbeing during these dynamic times.

TABLE OF CONTENTS

Executive summary 2
Financial wellbeing 3
DC plans 10
DB plans 18
Appendix 19

Executive summary

Employer-provided retirement plans are at a critical juncture. With only about 25% of employers offering ongoing DB pension plans, most workers depend on defined contribution plans like 401(k)s for retirement savings. However, SECURE 2.0 has made pre-retirement withdrawals more accessible, delaying retirement for some. Others are grappling with how to convert their balances into retirement income.

Considering this, Alight surveyed over 120 employers to understand current trends in retirement and financial wellbeing. The Hot Topics in Retirement report highlights three main themes for employers in 2025:

1. **Financial wellness programs keep growing.**

   Nearly all (92%) employers plan to broaden their financial wellbeing programs beyond retirement plans. They mainly emphasize budgeting and debt management, with some extending to estate planning and Social Security optimization. Despite high employee interest, student loan assistance does not seem to be a primary focus for employers.

2. **Employers have been selectively adopting optional provisions of SECURE 2.0.**

   Many plan sponsors have already adopted hardship self-certification and raised the IRA force-out limit to $7,000. There is also significant interest from others in incorporating these changes in 2025. Conversely, there is minimal interest among employers in the $2,500 sidecar emergency savings option.

3. **Interest in lifetime income is slowly increasing.**

   Employers are showing a growing interest in lifetime income, particularly preferring annuities over non-guaranteed alternatives. However, the present adoption rate remains low. The primary obstacles include fiduciary worries and operational difficulties.

In this report, we contrast the latest data with numbers from our previous Hot Topics reports to highlight the extent of change over an extended period.

Employers continue to focus on expanding their financial wellbeing programs.

Employers have been consistently developing comprehensive financial wellbeing programs, and this trend is set to continue. Nearly 60% of employers said they are planning to enhance financial wellbeing beyond retirement plans in 2025. Moreover, 63% of employers said the importance of financial wellbeing has received more importance at their organization vs. only 3% that said the importance has decreased.

57% of plan sponsors say the threat of lawsuits hampers their ability to be more innovative

Employer initiatives in 2025

	Very likely	Moderately likely	Not at all likely
Create or focus on financial wellbeing of employees (plan features, planning resources, communication, mobile apps or online tools) that expands beyond reirement decisions	56%	35%	8%
Measure the competitive position of the retirement program	35%	45%	19%
Expand inclusion and diversity efforts in the retirement and financial wellbeing plans	22%	51%	27%
Measure/project the expected retirement income adequacy of your employee population	21%	50%	28%
Evaluate phased retirement alternatives	6%	25%	68%
Enhance retirement programs to focus on asset decumulation stage	5%	30%	65%
Offer an early retirement window	3%	10%	87%

Financial wellbeing is broad and growing.

In the last decade, financial wellbeing has shifted from optional to essential, with tools and services now widespread. Ten years ago, only about 25% of employers offered resources for budgeting or financial planning. Today, such offerings are the norm, not the exception.

Financial tool or service	2025	2020	2015
Basics of financial markets, simple investing, etc.	64%	62%	41%
Budgeting	59%	47%	26%
Financial planning	54%	43%	29%
Debt management	48%	36%	25%
Healthcare education and planning	48%	45%	32%
Prioritizing savings	42%	37%	—
Help saving for specific life stages	38%	28%	22%
Assistance post-retirement for programs	30%	24%	—
Assistance with establishing emergency savings	27%	—	—

Most employers believe they should offer tools or training to employees on a broad range of financial topics.

Employers believe they should offer tools or education on many financial topics but are less inclined to assist with advanced issues like estate planning. Notably, 59% of employers prioritize foundational stages such as setting savings goals and understanding investments and insurance.

Alight's 2024 International Workforce and Wellbeing Survey reveals:

59% of workers seek employer support to help manage debt

54% want their employer to assist with creating an emergency fund

Topic	Employers should provide a tool to help employees with this topic	Employers should provide only education to help employees with this topic	It would be nice for employers to help employees, but it is not necessary	Employees do not need help from their employers on this topic
Establishing savings goals	38%	35%	28%	—
Maximizing asset growth	34%	42%	23%	1%
Budgeting	29%	36%	30%	6%
Understanding insurance	27%	52%	20%	1%
Saving for an emergency expense	26%	38%	33%	3%
Understanding investment vehicles	25%	49%	24%	2%
Managing debt	24%	43%	27%	6%
Understanding income and expenses	19%	44%	29%	8%
Understanding Social Security options	14%	46%	34%	6%
Estate planning	14%	38%	44%	4%

Employers are providing financial wellbeing programs for altruistic purposes.

Nearly 80% of employers offer a financial wellbeing program because they believe it's the right thing to do. Although only about a third do so due to employee requests, we anticipate this number will rise as workers come to expect such resources from their employers.

Why are you creating or expanding your financial wellbeing program?

	Percent of employers
We believe it is the right thing to do	79%
Enhance the overall employee experience	77%
Increase employee engagement	71%
To increase attractiveness and/or differentiate ourselves as an employer	49%
Improve retirement statistics (e.g., improved adequacy, decreased leakage, higher participation rate)	40%
Decrease employee time spent addressing financial issues (either on the job or through absenteeism)	37%
Employees are asking for these types of benefits	35%
In response to the current economic environment	33%
Decrease medical costs (e.g., healthcare, disability, workers compensation)	20%

The most common way employers are evaluating financial wellbeing programs is by looking at the usage levels.

Financial wellbeing tools and services hold value only when employees use them, which is why their usage ranked as the top reason. On average, across various employers, about 10% of employees use these tools and services. One way to increase awareness of the program is by having communications that are uniquely tailored to workers.

27% of employers say their communications are the same to all employees

What is the approximate utilization of the different financial wellbeing services or tools you provide to workers?

	Average	Median
Assistance post-retirement for programs	16%	6%
Assistance with establishing emergency savings	13%	5%
Basics of financial markets, simple investing, etc.	18%	10%
Budgeting	12%	5%
Debt management	13%	10%
Financial planning	15%	10%
Healthcare education and planning	27%	20%
Help savings for specific life stages	19%	10%
Prioritizing savings	23%	10%

How do you intend to measure the results of your financial wellbeing program(s)?

	Percent of employers
Employee usage of benefits	88%
Employee engagement	63%
Retirement statistics (e.g., decreased leakage, higher participation rate)	59%
Medical costs (e.g., healthcare, disability, workers compensation)	10%
Absenteeism	4%
We do not intend to measure the results of our program	3%

What statement best describes your organization's approach to communicating to workers about the defined contribution plan?

	Percent of employers
Communications are the same to all workers	27%
Some of our communications are tailored to individuals	68%
Most communications are personalized	5%

Employers are helping workers with linking financial stability and overall wellness.

Seven out of every ten workers say they have high or moderate stress levels, and more than half say their personal financial situation causes stress.[1] Employers understand this and are integrating retirement planning with health and welfare decisions.

How likely is your organization to address the following initiatives related to integrating retirement planning with health and welfare decisions?

Communicate the link between financial stress and health and wellbeing	Percent of employers
Very likely	45%
Moderately likely	42%
Not at all likely	14%

Incorporate defined contribution plan elections in annual healthcare enrollment	
Very likely	20%
Moderately likely	17%
Not at all likely	63%

Include healthcare education and plan choices in the retirement commencement process	
Very likely	21%
Moderately likely	30%
Not at all likely	49%

Show projected healthcare costs in retirement projections	
Very likely	7%
Moderately likely	36%
Not at all likely	57%

Provide employees with help on prioritizing and optimizing their health and retirement decisions	Percent of employers
Very likely	26%
Moderately likely	46%
Not at all likely	28%

Incorporate reminders and education about the savings program into annual enrollment communications	
Very likely	50%
Moderately likely	29%
Not at all likely	21%

Provide information to help employees decide how to use the HSA as a long-term savings vehicle	
Very likely	49%
Moderately likely	40%
Not at all likely	11%

[1] *Alight Solutions, 2024 International Workforce and Wellbeing Mindset Study*

Workers want help with their student loans, but not many employers have resources to provide.

Almost three-quarters of workers say that they want help from their employer to help reduce student loan debt or refinance at lower rates.[2] However, only a handful of employers are offering tools to help. SECURE 2.0 allows employers to allocate matching dollars to the 401(k) plan for people who repay student loans. Currently 5% of employers allow this, but prevalence is expected to increase in 2025.

Does your organization already offer or how likely is it to offer the following benefits related to student loans and college savings?

Student loan consolidation	Percent of employers
Already offer	28%
Very likely	3%
Moderately likely	17%
Not at all likely	51%

Student loan repayment assistance	
Already offer	13%
Very likely	4%
Moderately likely	17%
Not at all likely	67%

College savings facilitation	
Already offer	14%
Very likely	2%
Moderately likely	26%
Not at all likely	58%

College savings assistance	Percent of employers
Already offer	1%
Very likely	1%
Moderately likely	12%
Not at all likely	86%

Employer money to defined contribution plan	
Already offer	5%
Very likely	12%
Moderately likely	29%
Not at all likely	55%

[2] *Alight Solutions, 2024 International Workforce and Wellbeing Mindset Study*

Employers have been carefully incorporating some optional provisions of SECURE 2.0.

Employers are starting to implement various optional provisions from SECURE 2.0. Currently, about 30% have incorporated hardship self-certification, while another 15% said they are definitely adding it. On the other hand, the $2,500 emergency savings sidecar has gained minimal traction; merely 1% of employers have adopted it, and none have committed to adding it.

Interest in PEPs is very low

93% of employers said they are not at all interested and nobody said they were very interested in joining one in 2025

What is your interest in the various optional provisions of SECURE 2.0?

Hardship self-certification	Percent of employers
Definitely adding	15%
Likely adding	13%
Unsure	10%
Unlikely to add	11%
Definitely not adding	9%
Already added	42%

Increased force-out limit for vested balances up to $7K in DC plan	Percent of employers
Definitely adding	14%
Likely adding	12%
Unsure	12%
Unlikely to add	9%
Definitely not adding	13%
Already added	39%

Employer match to Roth	Percent of employers
Definitely adding	8%
Likely adding	16%
Unsure	32%
Unlikely to add	15%
Definitely not adding	14%
Already added	13%

Non-elective employer contribution to Roth	Percent of employers
Definitely adding	1%
Likely adding	6%
Unsure	37%
Unlikely to add	34%
Definitely not adding	20%
Already added	2%

$2,500 Roth sidecar emergency savings	Percent of employers
Definitely adding	0%
Likely adding	5%
Unsure	24%
Unlikely to add	36%
Definitely not adding	33%
Already added	1%

Disaster relief allowing for up to $100K	Percent of employers
Definitely adding	6%
Likely adding	10%
Unsure	40%
Unlikely to add	19%
Definitely not adding	19%
Already added	5%

What is your interest in the various optional provisions of SECURE 2.0?

Allowing for loan repayment extension for disasters	Percent of employers
Definitely adding	8%
Likely adding	15%
Unsure	42%
Unlikely to add	18%
Definitely not adding	13%
Already added	4%

$22,000 withdrawal for disasters	
Definitely adding	7%
Likely adding	15%
Unsure	38%
Unlikely to add	16%
Definitely not adding	14%
Already added	8%

$1,000 emergency withdrawal	
Definitely adding	12%
Likely adding	13%
Unsure	28%
Unlikely to add	20%
Definitely not adding	22%
Already added	5%

$10,000 domestic abuse withdrawal	Percent of employers
Definitely adding	15%
Likely adding	19%
Unsure	28%
Unlikely to add	16%
Definitely not adding	9%
Already added	12%

Saver's match contribution	
Definitely adding	1%
Likely adding	10%
Unsure	45%
Unlikely to add	21%
Definitely not adding	22%
Already added	1%

Legal uncertainty is keeping some SECURE 2.0 optional provisions from being implemented.

Many plan sponsors planning to adopt SECURE 2.0 optional provisions aim for a 2025 implementation. However, some provisions require additional legal clarity before setting a timeline. Nearly half of employers specifically seek more legal guidance on the Saver's Match contribution before proceeding.[3]

Of those "definitely adding" or "likely adding", what statement best describes your urgency with adding the provision?

Hardship self-certification	Percent of employers
Plan to add in 2025	59%
Plan to add in 2026 or later	18%
Need more legal clarity before adding	24%

Employer match to Roth	
Plan to add in 2025	14%
Plan to add in 2026 or later	43%
Need more legal clarity before adding	43%

Non-elective employer contribution to Roth	
Plan to add in 2025	25%
Plan to add in 2026 or later	25%
Need more legal clarity before adding	50%

$2,500 Roth sidecar emergency savings	
Plan to add in 2025	—
Plan to add in 2026 or later	60%
Need more legal clarity before adding	40%

Disaster relief allowing for up to $100K	
Plan to add in 2025	33%
Plan to add in 2026 or later	33%
Need more legal clarity before adding	33%

$22,000 withdrawal for disasters	
Plan to add in 2025	56%
Plan to add in 2026 or later	19%
Need more legal clarity before adding	25%

$1,000 emergency withdrawal	Percent of employers
Plan to add in 2025	78%
Plan to add in 2026 or later	11%
Need more legal clarity before adding	11%

$10,000 domestic abuse withdrawal	
Plan to add in 2025	68%
Plan to add in 2026 or later	16%
Need more legal clarity before adding	16%

Saver's Match contribution	
Plan to add in 2025	14%
Plan to add in 2026 or later	43%
Need more legal clarity before adding	43%

Increased force-out limit for vested balances up to $7K in DC plan	
Plan to add in 2025	58%
Plan to add in 2026 or later	26%
Need more legal clarity before adding	16%

Allowing for loan repayment extension for disasters	
Plan to add in 2025	20%
Plan to add in 2026 or later	40%
Need more legal clarity before adding	40%

[3] *The Hot Topics in Retirement survey was administered in September 2024 and reflects employer attitudes based on the legal guidance at that time. Any subsequent clarity from regulatory agencies could impact these results.*

Employers generally have greater concerns about cybersecurity than their employees do.

More than a third of employers worry about cybersecurity in DC plans and have prompted employees to protect their retirement funds. However, many participants have not acted; just 40% have set up a long, unique password, and less than half have implemented two-factor authentication.[4]

What is your level of concern about DC plan cybersecurity?

	Percent of employers
Very concerned	37%
Somewhat concerned	39%
A little concerned	18%
Not at all concerned	6%

How concerned are you that hackers can access your retirement account?

	Percent of employees
Very concerned	25%
Somewhat concerned	25%
A little concerned	23%
Not at all concerned	27%

What have you communicated to participants regarding DC plan cybersecurity?

	Percent of employers
The importance of monitoring their account often	79%
Encouragement to create a long, unique password	57%
How to establish two-factor authentication	68%
The process to lock an account preventing withdrawals	36%

What have you done to protect your retirement account?

	Percent of employees
Routinely monitoring account	44%
Created a long, unique password	40%
Established two-factor authentication	44%
Accepted all the extra security offered by the company servicing my 401(k)	40%
None of these	12%

[4] *Participant viewpoints are from Alight's 2024 International Workforce and Wellbeing Mindset Study*

Most employers do not have a preference whether terminated employees keep their funds in the plan or transfer them to another qualified account.

Slightly over one-third of employers want former employees to remain in the plan, though some stipulate this for only those with a minimum balance. Conversely, nearly 10% prefer that departing employees move their money to another qualified vehicle. Meanwhile, almost 60% of employers have no specific preference.

75% of employers don't benchmark IRA amounts and destinations

Does your organization have any preference on terminated employees leaving money in your defined contribution plan versus rolling over to another qualified vehicle?

	Percent of employers
We prefer that all terminated employees remain in our plan	13%
We prefer that terminated employees with a minimum balance remain in our plan	21%
We prefer that terminated employees leave our plan	9%
We have no preference	57%

Interest in lifetime income is gradually increasing.

Fifteen percent of employers report having or wanting to add a non-guaranteed lifetime income option this year. Interest in annuities is also slowly rising, with nearly 10% of employers keen on adding them to plans in 2025, up from 5% in 2024.

92% of employers said that the lifetime income disclosures did not influence their interest in lifetime income

How interested are you in having non-guaranteed lifetime income option(s) in your DC plan?

	Percent of employers
Already have non-guaranteed lifetime income option(s) in DC plan	11%
Very interested in non-guaranteed lifetime income option(s) in DC plan	4%
Moderately interested in non-guaranteed lifetime income option(s) in DC plan	32%
Not at all interested in non-guaranteed lifetime income option(s) in DC plan	53%

What are the reasons your organization does not plan on adding non-guaranteed lifetime income option(s)?

Cost barriers	Percent of employers
Major reason	26%
Minor reason	23%
Not a reason	51%
Difficulty with participant communication	
Major reason	40%
Minor reason	22%
Not a reason	38%
Fiduciary concerns	
Major reason	49%
Minor reason	26%
Not a reason	26%
Operational or administrative concerns	
Major reason	48%
Minor reason	30%
Not a reason	22%

Participant utilization concerns	Percent of employers
Major reason	33%
Minor reason	26%
Not a reason	41%
Preference for participants leaving the plan at termination	
Major reason	7%
Minor reason	11%
Not a reason	82%
Waiting to see the market evolve more	
Major reason	37%
Minor reason	26%
Not a reason	37%
We are not interested in making plan enhancements for terminated participants	
Major reason	25%
Minor reason	20%
Not a reason	55%

How interested are you in having annuities in your DC plan option(s)?

	Percent of employers
Already have annuities in DC plan	14%
Very interested in annuities in DC plan	9%
Moderately interested in annuities in DC plan	34%
Not at all interested in annuities in DC plan	43%

What are the reasons your organization does not plan on adding annuities?

Cost barriers	Percent of employers
Major reason	25%
Minor reason	20%
Not a reason	55%

Difficulty with participant communication	
Major reason	46%
Minor reason	18%
Not a reason	36%

Fiduciary concerns	
Major reason	48%
Minor reason	31%
Not a reason	21%

Operational or administrative concerns	
Major reason	51%
Minor reason	29%
Not a reason	20%

Participant utilization concerns	Percent of employers
Major reason	48%
Minor reason	30%
Not a reason	23%

Preference for participants leaving the plan at termination	
Major reason	8%
Minor reason	8%
Not a reason	85%

Waiting to see the market evolve more	
Major reason	44%
Minor reason	23%
Not a reason	33%

We are not interested in making plan enhancements for terminated participants	
Major reason	18%
Minor reason	20%
Not a reason	63%

Most employers want a rollover clearinghouse to assist employees with balance transfers when they switch jobs.

A majority of employers (58%) express at least moderate interest in a clearinghouse service that would seamlessly transfer balances from one employer's retirement plan to another. The percentage of employers who currently have a clearinghouse increased from 1% in 2024 to 6% at the beginning of 2025.

How interested are you in a clearinghouse service that will automatically roll balances from one employer's DC plan to another employer's plan when individuals change jobs?

	Percent of employers
We already have a clearinghouse service	6%
Very interested in clearinghouse service	12%
Moderately interested in clearinghouse service	40%
Not interested in clearinghouse service	43%

Twenty percent of employers review only overall DC plan statistics. Eighty percent dive into deeper demographics.

Nearly 75% of employers consider age when assessing retirement behaviors. Less than half evaluate savings and investment habits based on gender, and only about a quarter take race and ethnicity into account.

By which segments do you measure and analyze retirement plan behavior?

	Percent of employers
We look at plan statistics in the aggregate only	20%
Age	73%
Tenure	61%
Compensation	55%
Gender	42%
Race/ethnicity	26%
Employment status (e.g., full-time vs. part-time)	21%
Business unit	39%

There are no significant changes anticipated for DB plans.

Nearly 70% of employers say they have no interest in terminating their defined benefit plan, while almost 30% are somewhat interested in buying annuities for certain participants. There is minimal interest in offering a lump sum window in 2025.

Which statement best reflects your organization's attitude on terminating your pension plan?

	Percent of employers
We are not interested in terminating the plan	69%
We are interested in terminating the plan once the funded status improves	22%
We are in the process of terminating the plan	9%

What actions are your organization likely to take with respect to the defined benefit plan design in 2025?

Close participation and no longer allow new employees to enter your defined benefit plan	Percent of employers
Very likely	5%
Moderately likely	—
Not at all likely	95%

Freeze benefit accruals for all or a portion of participants	Percent of employers
Very likely	5%
Moderately likely	5%
Not at all likely	89%

Purchase annuities for some participants	Percent of employers
Very likely	14%
Moderately likely	14%
Not at all likely	72%

Terminate the plan (remove all employer liability through lump-sum payout to participants and/or third-party annuity purchase)	Percent of employers
Very likely	9%
Moderately likely	3%
Not at all likely	88%

Reduce future benefits but continue to offer a defined benefit plan	Percent of employers
Very likely	3%
Moderately likely	3%
Not at all likely	95%

Have a temporary lump-sum window for terminated vested participants and/or retirees	Percent of employers
Very likely	5%
Moderately likely	22%
Not at all likely	74%

Add or liberalize a lump-sum feature as an ongoing optional form of payment	Percent of employers
Very likely	3%
Moderately likely	11%
Not at all likely	86%

Appendix

Respondent demographics

122
survey respondents

11M
total number of U.S. people employed by respondents

Employee size

	Percent of employers
Under 1,000 employees	7%
1,000 - 4,999 employees	15%
5,000 - 9,999 employees	19%
10,000 - 24,999 employees	26%
25,000 or more employees	32%

DB plan status

	Percent of employers
No DB plan	34%
Ongoing plan	23%
Closed plan	16%
Frozen plan	28%