USI CONSULTING GROUP

Message from the CEO

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As we reach the midpoint of 2025, it's clear that the pace of change in our industry—and the broader economy—remains as dynamic as ever. While businesses continue to navigate evolving market conditions, including persistent inflationary pressures, shifting interest rates and global uncertainty, USI Consulting Group (USICG) has remained focused, resilient and deeply committed to our clients' success. In this summer edition of our newsletter, I'm excited to share how things are heating up across USICG and our parent company, USI Insurance Services, as we continue to grow, innovate and deliver meaningful impact.

USICG 2025 HIGHLIGHTS (Q1-Q2)

Our national presence continues to expand with new team members located in California, Connecticut, Florida, Minnesota and New Jersey.

We are steadfast in our commitment to guiding clients through market uncertainty with clarity and confidence. In April, we published a Market Volatility Update, delivering timely, actionable insights into how evolving policy dynamics are shaping the economic landscape—empowering our clients to make informed decisions in a rapidly changing environment.

We're excited to share that we are currently developing a Tax-Advantaged Benefit Strategy (TABS) solution. Designed to help employers build more effective strategies around tax-advantaged accounts, TABS aims to increase employee enrollment in tax-deferred programs, reduce tax burdens for both employers and employees and enhance overall engagement with the full benefits package. Once launched, our dedicated TABS specialists will work closely with clients to seamlessly integrate these strategies into their broader financial wellness plans.

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

- New Year, New Rules: Set a SECURE 2.0 Strategy featured USICG experts providing valuable insights on SECURE 2.0 updates and what employers need to know to keep their retirement plan in compliance.
- The Hidden Cost of Delayed Retirement: How Employers Can Mitigate Risks discussed the complexities of the current retirement landscape, the impacts of delayed retirement and actionable strategies for employers to reduce costs and optimize retirement outcomes for their workforce.

Defined Benefit (DB) Consulting & Actuarial Services

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

Our DB consultants and actuaries remain committed to keeping clients informed on market trends and implications for retirement plans. The current environment continues to support pension de-risking strategies such as annuity placements and lump sum windows. These strategies can help reduce administrative costs, PBGC premiums for ERISA plans and financial statement impact, but employers should also consider potential effects on future contributions and settlement charges. Here are some notable updates from the first half of the year:

- **National webinar focused on Liability-Driven Investing (LDI) & Pension Risk Transfer (PRT).** In April, our actuarial and investment advisory teams hosted a webinar exploring the benefits of LDI and annuity strategies in today's shifting market. If you missed it, watch the replay here.
- **Church retirement plan expertise.** Our dedicated church plan practice continues to support religious organizations with tailored retirement solutions. In March, they presented at the Spirit of the South Conference (LaFayette, LA) and the Western Regional Conference (Tucson, AZ), highlighting the value of a Priest Benefit Adequacy Study. Read more in our article, Balancing Retirement Benefits and Costs.
- **Other Post-Employment Benefits (OPEB) strategies.** Our team offers targeted strategies to help reduce the financial impact of OPEB plans. Explore their latest insights on managing OPEB liabilities effectively in our article, Lessen the Impact of Your OPEB Plan on Your Financial Statements.

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DB Administration Services

Custom online plan administration solutions

Our Benefit Administration practice continues to invest in enhancing our service models and tools to better support our clients' evolving needs. Below are some of our latest developments that reflect this ongoing commitment.

- **NOW LIVE: Pension Administration Navigator.** This new tool will allow our consultants to evaluate an employer's DB plan and match it with an administration service delivery model. The tool compares four service models and recommends the two best fits based on their plan size, budget and needs.
- **COMING SOON: Enhanced pension plan participant website,** RetirementFocus.com. The redesigned site is scheduled to launch in Q3 with new options to save and compare estimate results, along with multiple self-service additions for participant requests.
- **Our Service Center continues to set the standard for outstanding customer support.** With over 7,000 post-call surveys completed, our team consistently earns satisfaction scores in the mid-90s across all service categories — including plan knowledge, friendliness and overall satisfaction. These results are a testament to the dedication, professionalism and care our team brings to every interaction.

Defined Contribution (DC) Consulting

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

The DC Consulting team supports clients in fulfilling their fiduciary obligations and managing the complexities and administration of 401(k), 403(b) and other DC plans. Here are a few key highlights from the first half of the year:

- **Preparing for Roth Catch-Up Contributions (Effective January 1, 2026).** We're actively helping clients prepare for the upcoming SECURE 2.0 requirement mandating Roth catch-up contributions for high-wage earners. Our relationship managers are working closely with retirement plan sponsors, recordkeepers and payroll providers to ensure plans are ready for this new requirement and other optional provisions. Read our summary of SECURE 2.0 Considerations for 2025.
- **Expanding employee education resources.** Our Employee Learning Station offers a growing library of educational tools for our clients' employees, including regularly updated content and invitations to quarterly pre-retirement planning seminars—empowering employees to make informed financial decisions.
- **National thought leadership.** Doug LaMendola, SVP & Practice Leader of DC Consulting, was a featured speaker in two national webinars covering 2025 compliance requirements (including SECURE Act 2.0 provisions) and retirement readiness strategies. Links to watch the recordings are available in the "USICG 2025 Highlights" section on page 1.

Direct Solutions®

Bundled DC plan services through a single provider

2025 has been a productive year for Direct Solutions. Here are a few ways we've enhanced our services to better support our clients and their employees:

- **Smarter student loan support.** We launched Savi, a new student loan repayment optimizer that helps participants find and apply for the best repayment strategies. The employer tools in Savi support SECURE 2.0 student loan matching requirements. Savi is empowering employees to improve their personal financial well-being.
- **Expanded employee education and enrollment tools.** We've enhanced our group presentations and one-on-one counseling to cover timely topics like market volatility and retirement income planning. Plus, our updated online enrollment portal makes it easier than ever for participants to join and start saving.
- **Continued support for SECURE 2.0 provisions.** We're actively developing tools to support new provisions, including new distribution options, self-certification rules, Long Term Part Time (LTPT) participation rules, Roth conversions for employer matches and the increased mandatory distribution limit of $7,000. In addition, clients received a tailored presentation from their dedicated service team with recommendations along with a checklist to help them implement optional provisions with confidence.

Emerging Plan DC Solutions (EPS)

Catering to the unique needs of small & midsize plans

Our EPS practice continues to expand, driven by increasing demand for innovative retirement solutions in emerging markets. We deliver comprehensive administration, compliance collaboration and strategic guidance—paired with dedicated relationship management and proactive service. Below is a snapshot of how we are partnering with clients to drive meaningful outcomes.

- **Navigating PEO exits.** Transitioning from a Professional Employer Organization (PEO) requires careful planning – especially when it comes to your retirement plan. Our team helps employers manage their fiduciary responsibilities and avoid compliance risks during the transition. Read our new Retirement Plan Implications of Exiting a PEO flyer to learn more.
- **Reducing excessive fees and expenses.** Hidden fees and expenses in a retirement plan can add up. Our team conducts periodic benchmarking reviews to uncover cost-saving opportunities and ensure compliance with DOL guidelines. If a recordkeeper change is needed, we'll guide you through it. Explore our new Benchmarking Retirement Plan Fees and Expenses and Sample Retirement Plan Transition Timeline flyers.
- **Customized plan design and management for Start-Ups (<$1M in plan assets).** We offer the highest level of fiduciary oversight and a 'hands on' approach for employers starting to navigate the retirement landscape. Our team utilizes several strategies for 401(k) and 403(b) plans in this market space and has access to customized solutions including a Group Plan Solution (GPS) & Pooled Employer Plan (PEP) to help small business compete for top talent.

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- **Proactive SECURE 2.0 and compliance support.** Our compliance consultants are actively engaging with existing and prospective clients to provide oversight on how key provisions may impact their retirement plan, including: self-certification of hardship withdrawals, increase in mandatory distributions, changes to RMD rules, super catch-up contributions for ages 60 to 63 and Roth catch-up contributions for high-wage earners. We're also expanding our team and investing in automation to deliver more personalized support as the regulatory environment continues to evolve.

Investment Advisory Services

Provided by our USI Advisors team

The Investment Advisory team has had a busy beginning to the year developing new educational content, expanding investment offerings and being actively engaged in industry events. Recent highlights include:

- **Developed a new investment education video series.** Our videos will cover various retirement consulting topics relevant to retirement plan committees. Check out the first video in the series: Governance Structure for Your Retirement Plan.
- **Continued to expand investment options available on the USICG platform.** Our clients can benefit from our expanded investment options and investment vehicles for 3(21) and 3(38) services with custom pricing.
- **Conducted an educational webinar with industry experts from DCIIA and S&P Dow Jones Indices.** Our team hosted an insightful "Fireside Chat: Global Markets and the Resilience of Retirement Plans, Post-Pandemic."
- **Demonstrated how we are driving innovation through data-driven plan design.** Shawn Heron, VP & Senior Investment Consultant, recently served as a panelist at the 2025 PLANSPONSOR National Conference and shared a compelling USICG success story—highlighting how we partnered with a client to harness data analytics for smarter plan design. This collaboration not only reshaped the client's retirement strategy but also demonstrated the power of data in driving meaningful outcomes for retirement plan sponsors and participants alike.

USI INSURANCE SERVICES 2025 HIGHLIGHTS (Q1-Q2)

Throughout the first half of the year, USI received several accolades for being a leading employer in the insurance industry and for its innovative developments in digital technology.

- In January, USI was honored by the **American Heart Association** for the seventh consecutive year for its initiatives promoting workforce well-being. Additionally, it received the **5-Star Diversity Program award** from Insurance Business America for the third straight year.
- In February, USI's proprietary PATH technology-enabled risk control platform was recognized as a **finalist in the "Best Digital Initiative in Global Insurance"** category in the 2025 Axco Global Insurance Awards.
- In May, USI was recognized as one of the nation's **"Best and Brightest Companies in Wellness"** by the National Association of Business Resources, earned certification as a **"Great Place to Work,"** and was recognized as a **finalist for Business Insurance's 2025 U.S. Insurance Awards** for both the PATH technology-enable risk control platform and annual USI Gives Back community investment campaign.

For a complete listing of USI's latest industry awards and recognitions, click here.

With the first half of the year behind us, I want to thank you again for your continued partnership. While you are in the capable hands of our USICG team, I am always available and would welcome your feedback, ideas or concerns.

Enjoy your summer and stay safe and healthy!

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