

# Pentegra 2025 Study on Advisor Attitudes Toward 3(16) Fiduciary Outsourcing



## Pentegra 2025 Survey on Advisor Attitudes Toward 3(16) Fiduciary Outsourcing

In January, 2025, Pentegra conducted a survey of more than 50 advisors nationwide on attitudes toward 3(16) fiduciary outsourcing and the benefits it can offer their clients and practices. The survey measured how advisors are using fiduciary outsourcing to help clients better manage their retirement plans. It also captured their perspectives on what outsourcing does to help them better position their services and manage their practices.

### Survey Highlights



**Nearly 70%**

cite administrative burdens and fiduciary risk as chief concerns among clients in managing their retirement plans.



**More than 70%**

cite administrative issues as the leading retirement plan issue that takes up most of their time.



**Advisors cite reducing time spent**

on plan problems and ensuring plans are optimized for success as key goals for their retirement plan business.



**Advisors cite lack of sponsor knowledge**

of fiduciary responsibilities and retirement plan regulations as the greatest obstacles to retirement plan success



**More than 80%** of advisors view 3(16) fiduciary outsourcing as a retirement plan best practice.



**Outsourcing 3(16) fiduciary services is a growing trend.**

Professional, independent fiduciary administration can lead to better efficiency, fewer errors, and a smoother participant experience.



**Less than half**

of clients outsource 3(16) fiduciary responsibilities today, representing an opportunity to offer a value-added service.

## Outsourcing 3(16) Fiduciary Responsibilities Presents a Strategic Advantage for Advisors

Managing retirement plans is increasingly complex, requiring plan sponsors to balance multiple responsibilities with limited resources. As a financial advisor, you are often the first line of defense when clients face administrative challenges and compliance risks.

### Advisors Increasingly Burdened with Administrative Responsibilities



Our study shows that advisors are increasingly burdened with administrative responsibilities. A 3(16) fiduciary brings expertise in best practices, ensuring accurate and timely execution of administrative duties. This reduces errors, improves operational efficiency, and ultimately leads to a smoother participant experience.



By introducing a 3(16) fiduciary solution, advisors position themselves as proactive, knowledgeable partners who help clients navigate plan complexities. This added service enhances the advisor's value proposition, strengthening client relationships and fostering long-term retention.

### The Strategic Advantage a 3(16) Plan Administrator Delivers

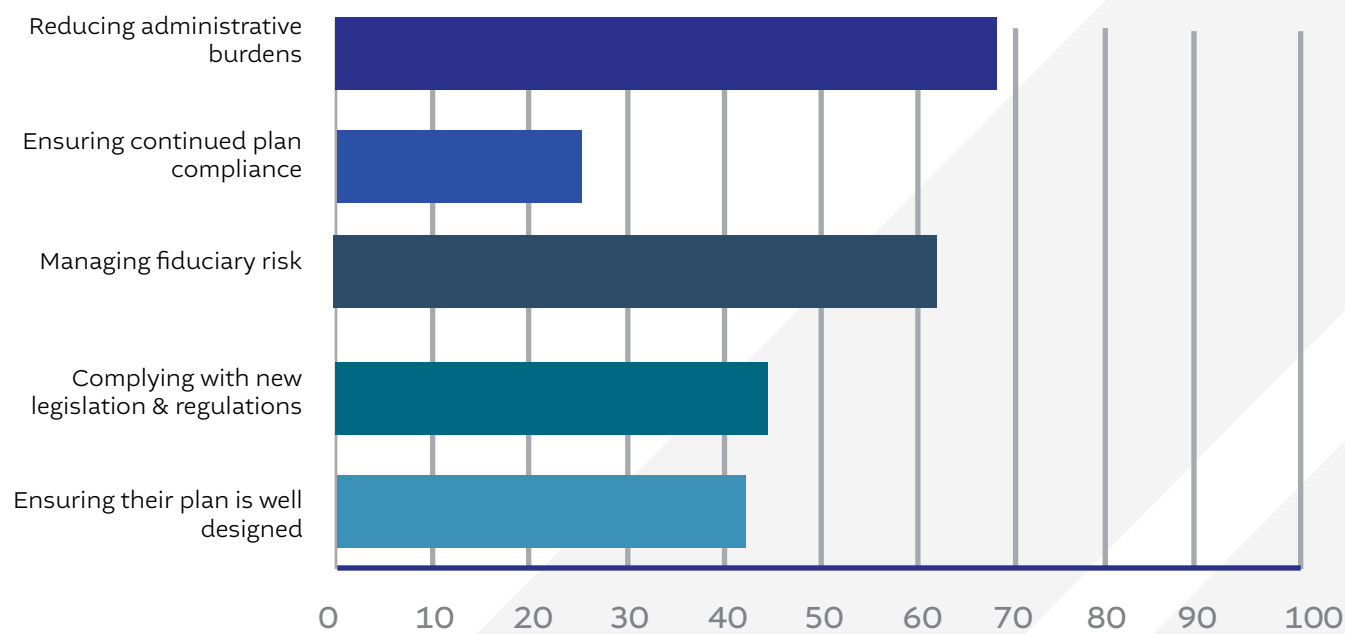


One of the most demanding roles under ERISA is that of the 3(16) Plan Administrator, responsible for overseeing plan operations, regulatory compliance, and participant communications. A 3(16) fiduciary brings expertise in handling the complex administrative tasks associated with managing a retirement plan, ensuring the plan runs smoothly. Outsourcing 3(16) fiduciary responsibilities to a professional provider can be a strategic decision that delivers significant benefits to both you and your clients. By shifting these burdens to a dedicated expert, you help clients mitigate risks associated with non-compliance, penalties, and potential litigation—while freeing yourself to focus on core competencies and business growth.



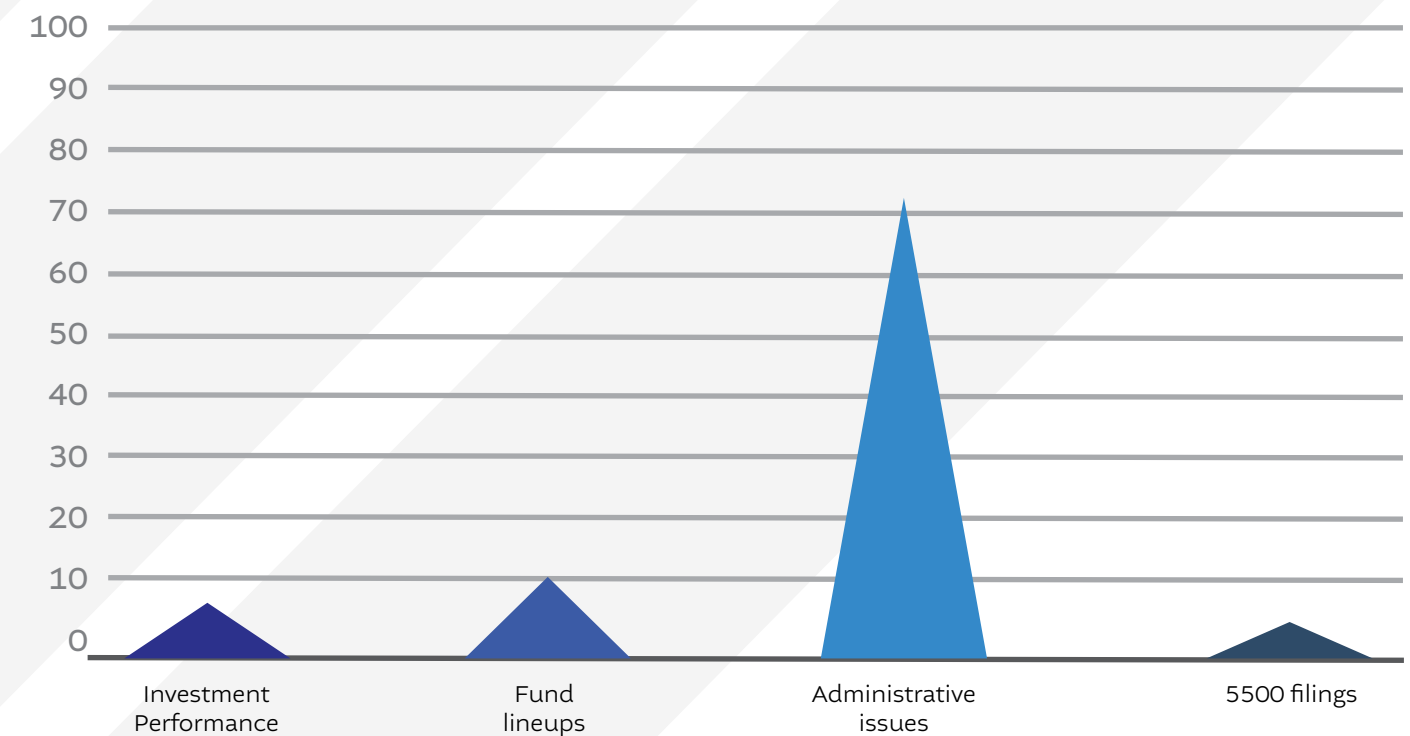
## Advisors cite administrative burdens and fiduciary risk as chief concerns among clients in managing their retirement plans

What are your clients' main concerns in managing their retirement plans?



## More than 70% of advisors surveyed cite administrative issues as the leading retirement plan issue that takes up most of their time

Often advisors are a client's first call when there is a plan problem. Which plan issues take up most of your time?

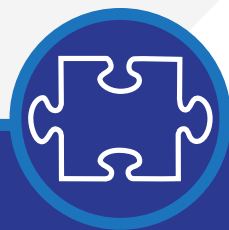
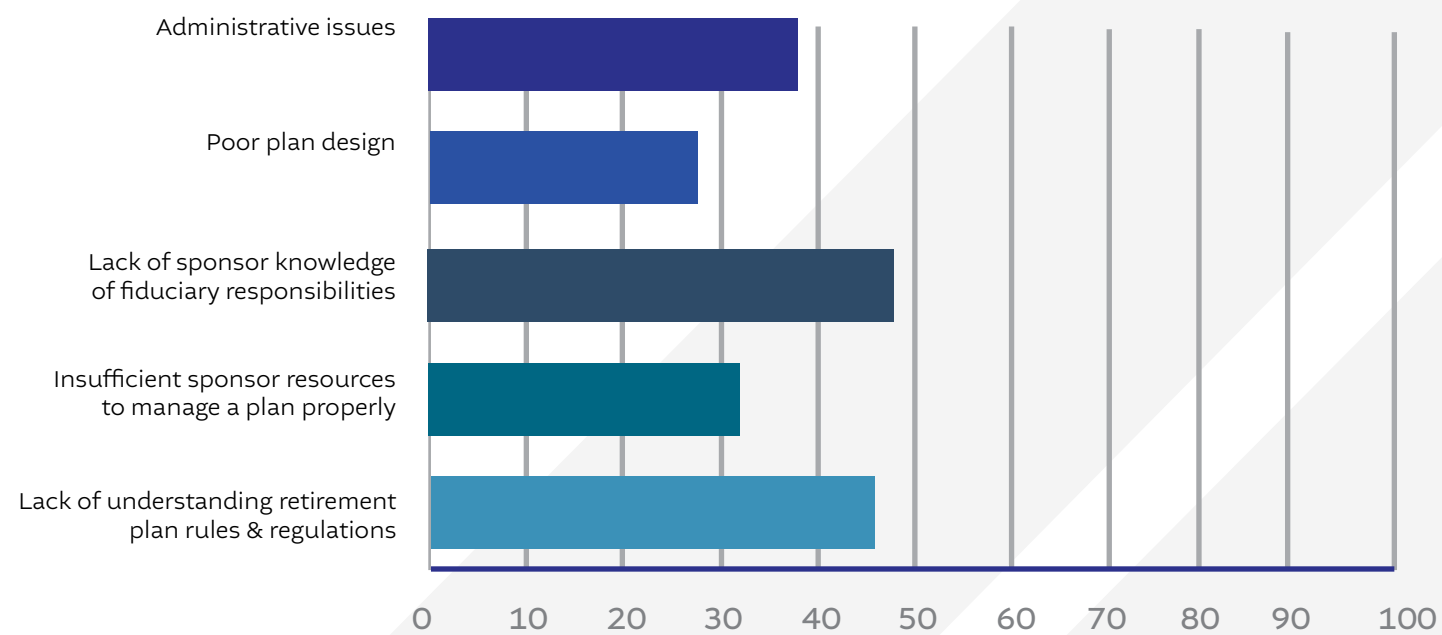


With fewer administrative issues to troubleshoot, advisors can focus on more strategic advisory services and scaling their practice.



### Advisors cite lack of understanding of fiduciary responsibilities and retirement plan regulations as the greatest obstacles to retirement plan success

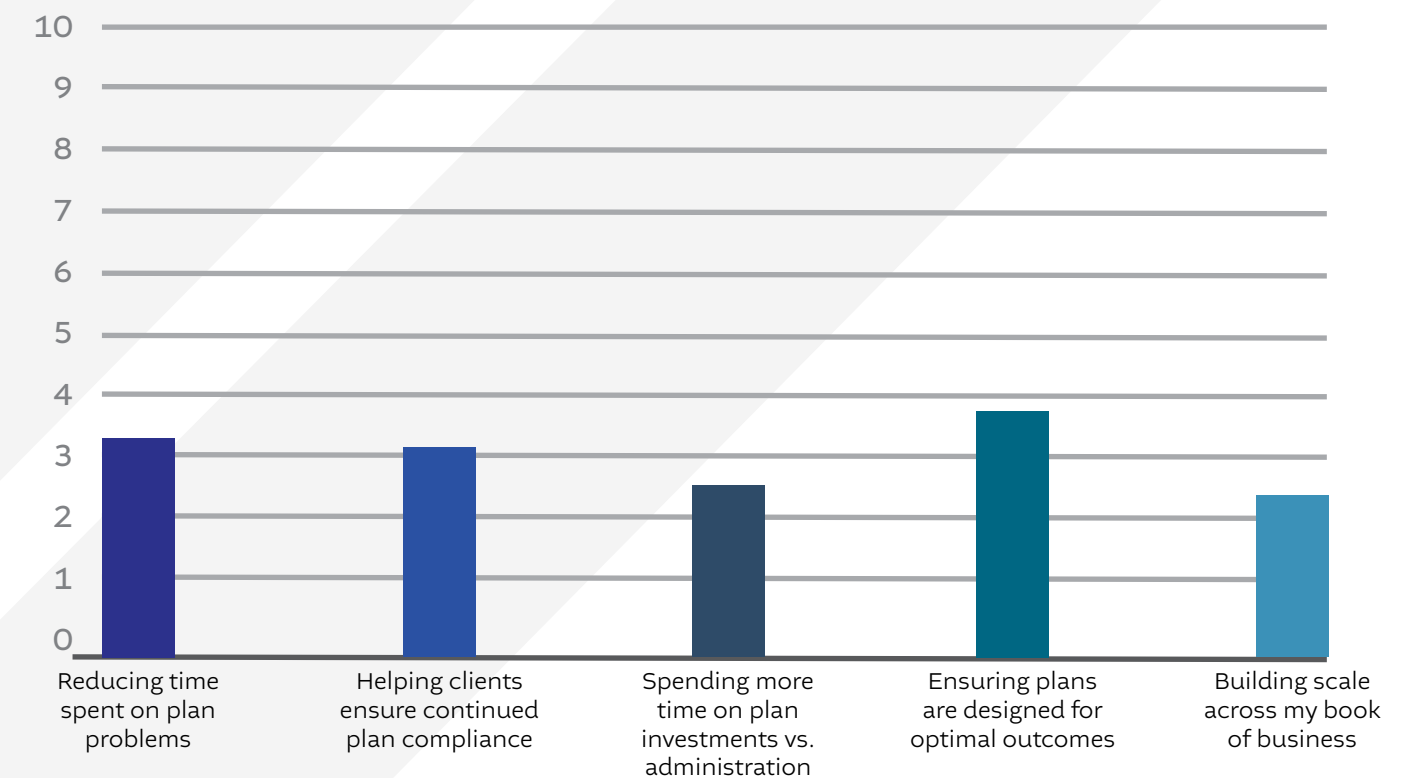
Which of the following do you believe are the biggest obstacles to retirement plan success?



A 3(16) fiduciary provides expertise in retirement plan best practices, ensuring accurate and timely execution of administrative duties, reducing plan errors and improving operational efficiencies to drive better retirement plan outcomes.

### Advisors cite reducing time spent on plan problems and ensuring plans are optimized for success as key goals

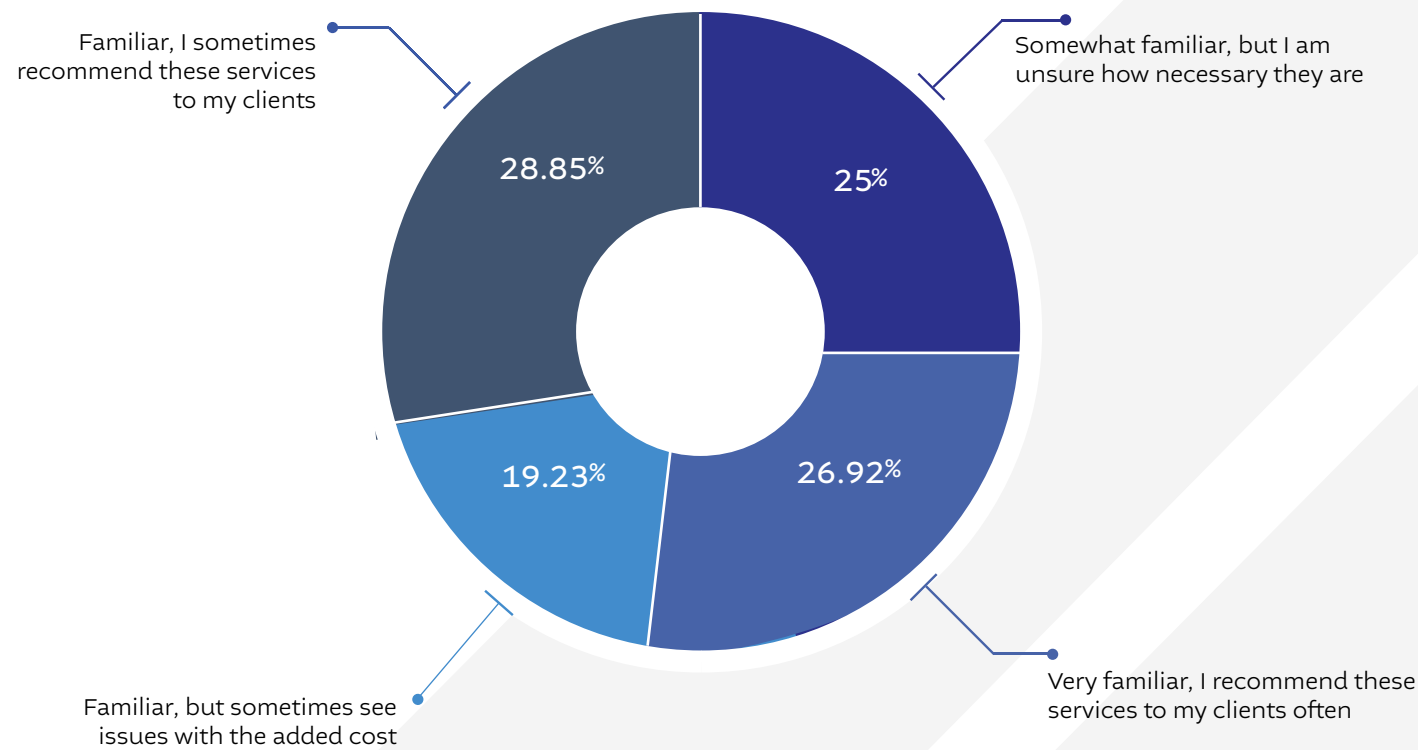
What are your goals for your retirement plan business? (rank in order of importance: 1 being the most important)





## A majority of advisors are familiar with 3(16) fiduciary outsourcing

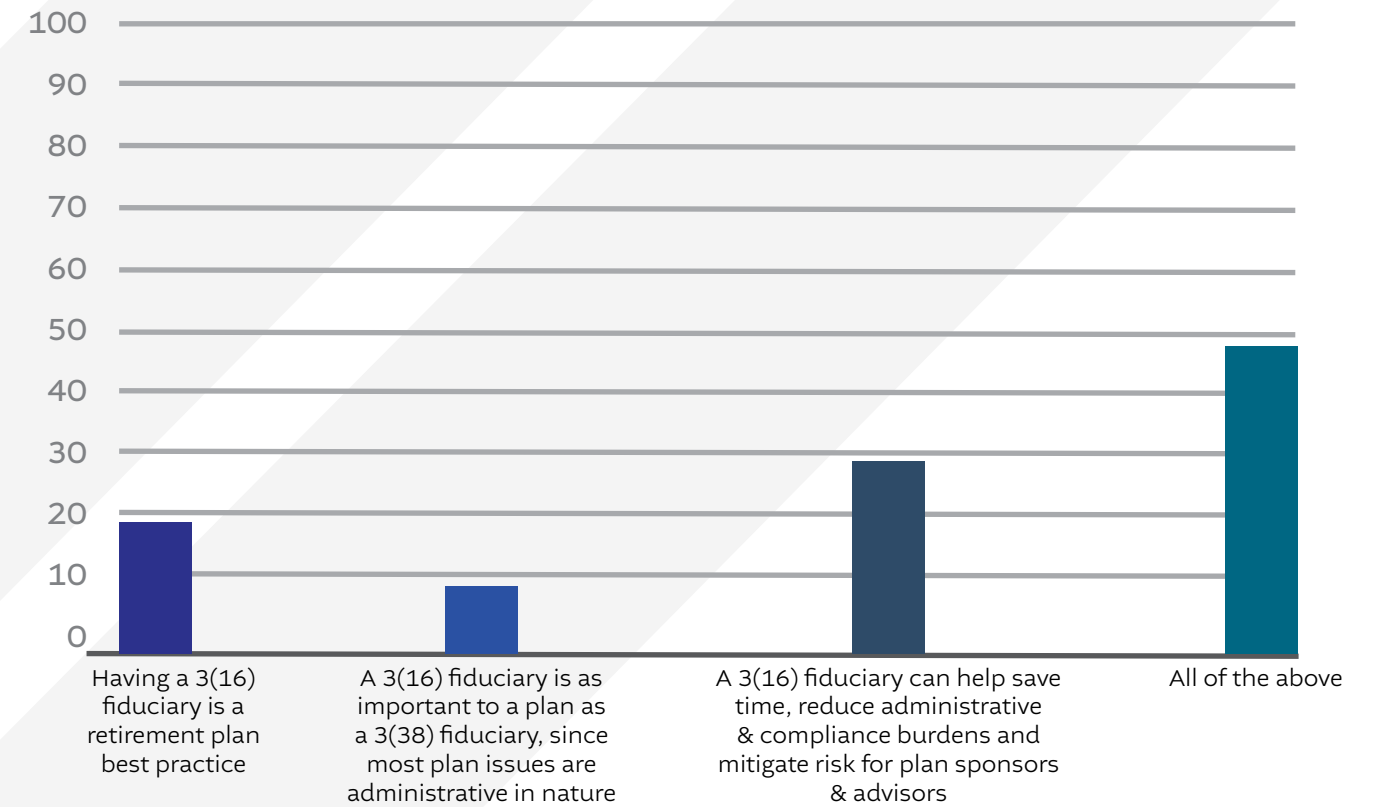
How familiar are you with 3(16) fiduciary outsourcing?



Professional administrative fiduciaries have the infrastructure and expertise to handle plans of all sizes. This scalability makes it easier for advisors to cater to clients with varying plan sizes and needs.

## Advisors see 3(16) fiduciary outsourcing as a way to help save time and reduce administrative and compliance burdens

Which of these statements best describe your view of 3(16) fiduciary outsourcing?

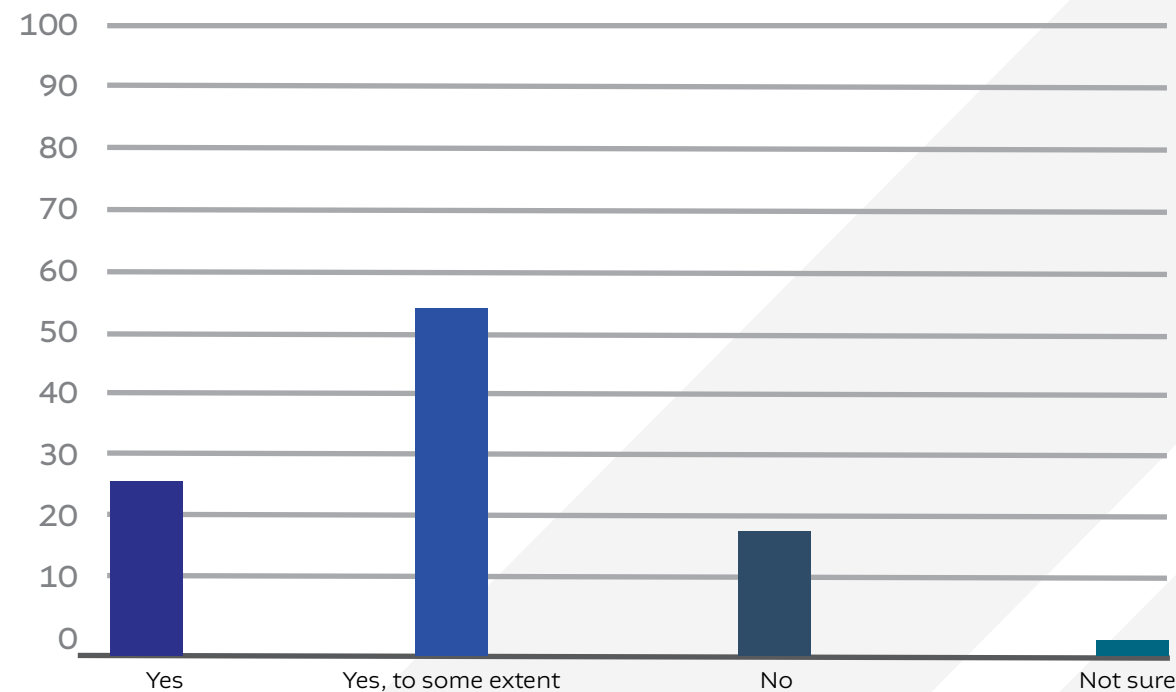


By partnering with a trusted 3(16) fiduciary provider, advisors can offer clients a valuable, high-quality service that enhances the overall effectiveness of a retirement plan, and positions them as trusted partner in their clients long-term success.



### More than 80% of advisors view 3(16) fiduciary outsourcing as a retirement plan best practice

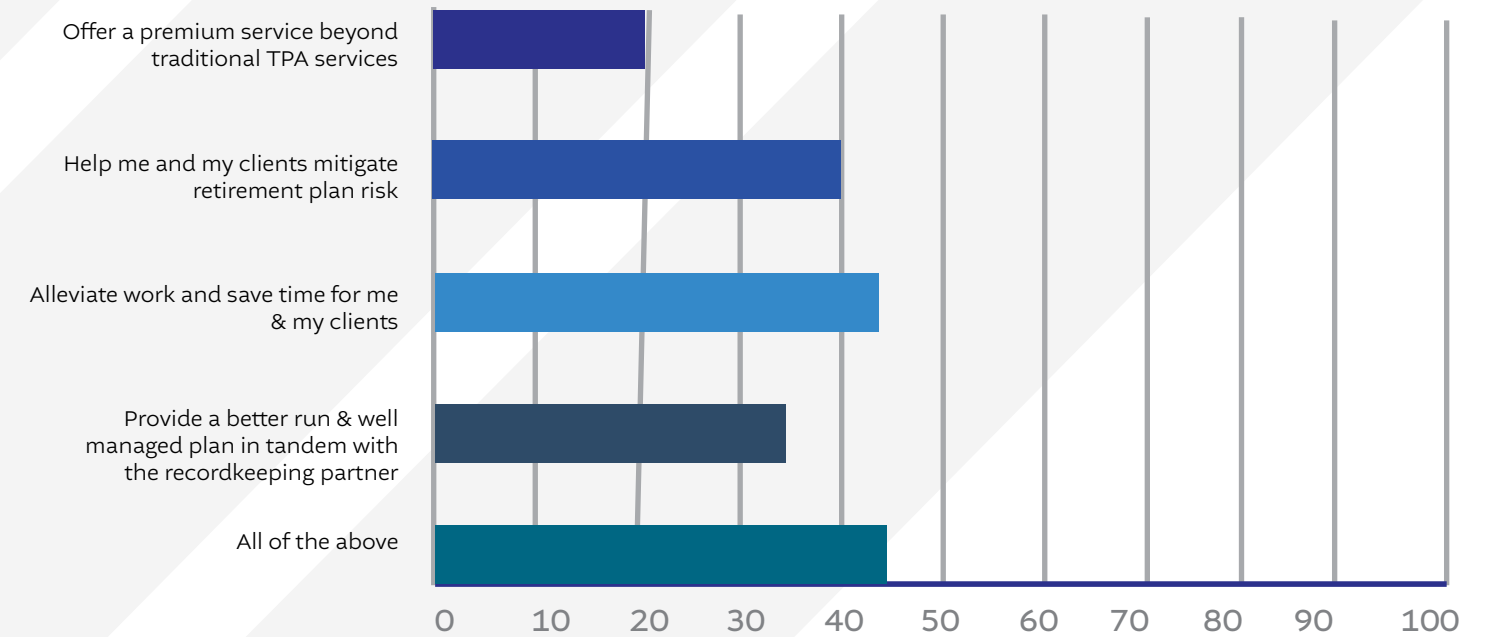
Do you think of 3(16) fiduciary outsourcing as a retirement plan best practice, similar to 3(38) fiduciary services?



Access to expert oversight ensures plans remain compliant with evolving retirement plan regulations, reducing risk exposure for advisors and their clients.

### Advisors see the value that 3(16) fiduciary outsourcing can offer their practice

What advantages do you feel 3(16) fiduciary outsourcing can offer your practice?

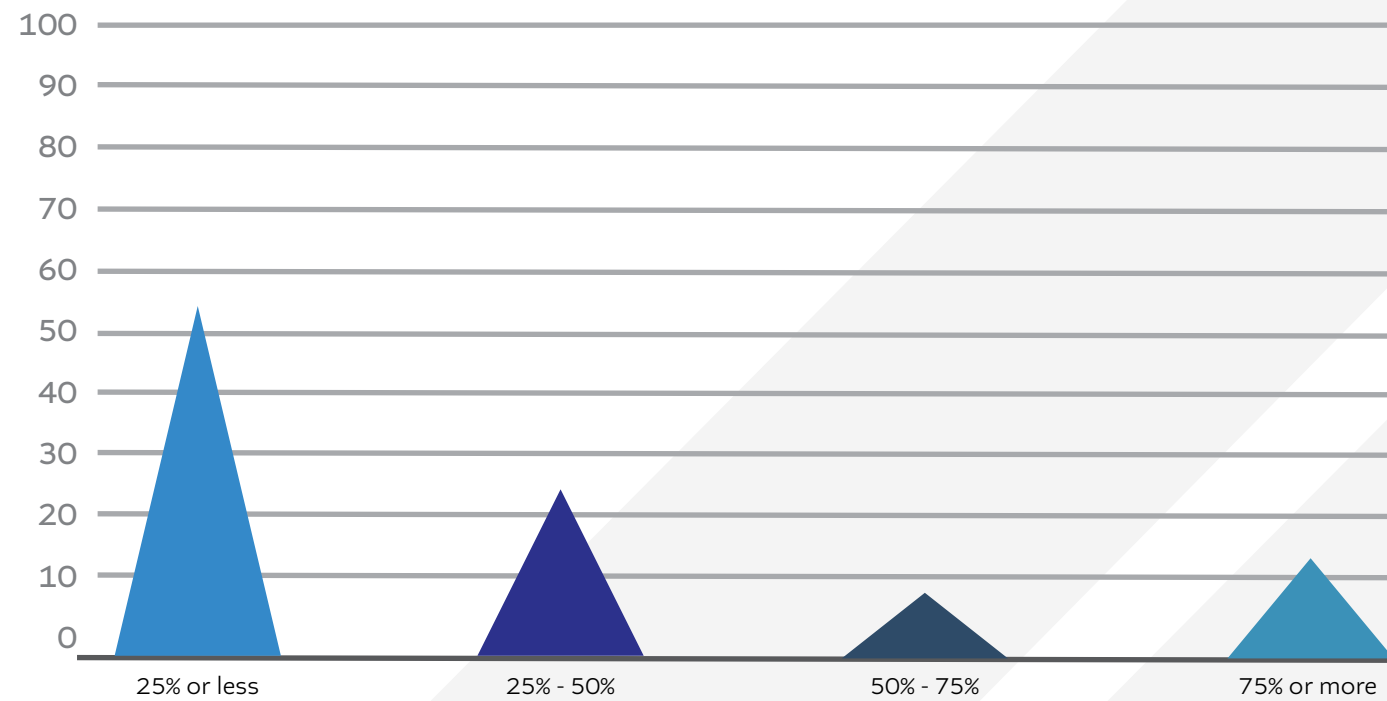


By introducing a 3(16) fiduciary solution, advisors can position themselves as proactive, knowledgeable partners who help clients navigate plan complexities.



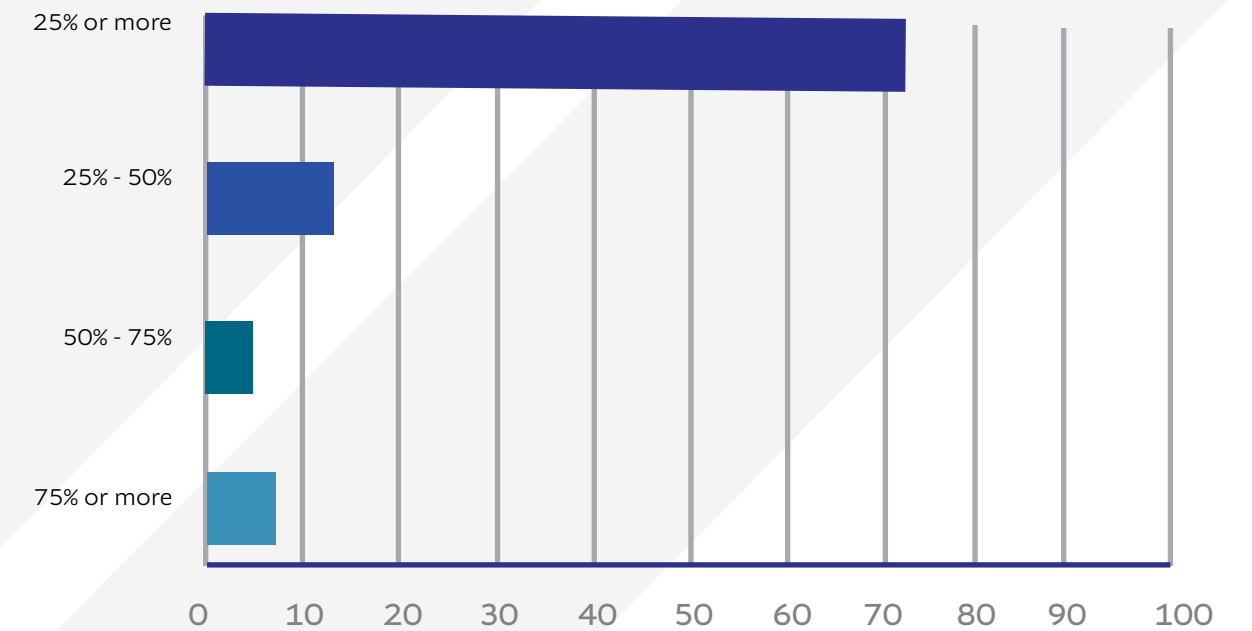
Less than half of clients outsource 3(16) fiduciary responsibilities today, representing an opportunity to offer a value-added service

What percentage of your clients currently outsource fiduciary responsibility for 3(16) retirement plan administration?



A growing percentage of clients plan to offer 3(16) fiduciary services this year

What percentage of your clients plan to add 3(16) fiduciary administrator services this year?



Adding 3(16) fiduciary services can significantly elevate an advisor's value proposition, aligning their interests with the best outcomes for their clients, and showcasing a commitment to putting client interests first, fostering greater client retention and satisfaction.



## The benefits of working with a professional fiduciary

Today, outsourcing 3(16) administrative fiduciary duties isn't just about compliance—it is a strategic decision that benefits both plan sponsors and financial advisors. By shifting these responsibilities to experienced professionals, advisors can help clients mitigate risk, streamline operations, and improve the overall effectiveness of their retirement plans.

For advisors seeking to minimize administrative challenges, reduce workloads, and enhance compliance confidence for their clients, partnering with a trusted 3(16) fiduciary provider is a smart investment.



3(16) fiduciary outsourcing is not only a value-added solutions for clients, but also a strategic advantage for advisors—elevating their service offering and enhancing their role as a trusted plan partner.

## About Pentegra

Pentegra is a leading provider of retirement plan and fiduciary outsourcing solutions to clients nationwide. With every opportunity, our goal is to create retirement plans that run with less risk, greater efficiency and improved outcomes.

### A Fiduciary First



We were founded more than 80 years ago as a Named Plan fiduciary—long before the role formally existed under ERISA.

### An Independent Approach



We always put your best interests first and avoid conflicts of interest at all costs. Administering your retirement plan is our priority.

### Uncompromised Oversight



As one of America's oldest independent fiduciaries, our clients enjoy the confidence that comes from uncompromised and objective oversight.

### A Higher Level of Responsibility



As a fiduciary, we provide expert oversight and in-depth knowledge, shouldering much of the work and legal responsibility for managing a retirement plan.



Clients have the assurance of knowing their plan is well designed, well managed, and compliant—and enjoy the confidence the peace of mind that having a professional on board delivers.

**Learn more about the Pentegra 3(16) Fiduciary Outsourcing Advantage.  
Contact the Pentegra Solutions Center at [solutions@pentegra.com](mailto:solutions@pentegra.com) or 855-549-6689.**

[www.pentegra.com](http://www.pentegra.com)

<http://316fiduciaryday.com>



The Pentegra 2025 Advisor Study on Attitudes Toward 3(16) Fiduciary Outsourcing was conducted from January 2, 2025 through February 7, 2025. The study included responses from 52 advisors nationwide.



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