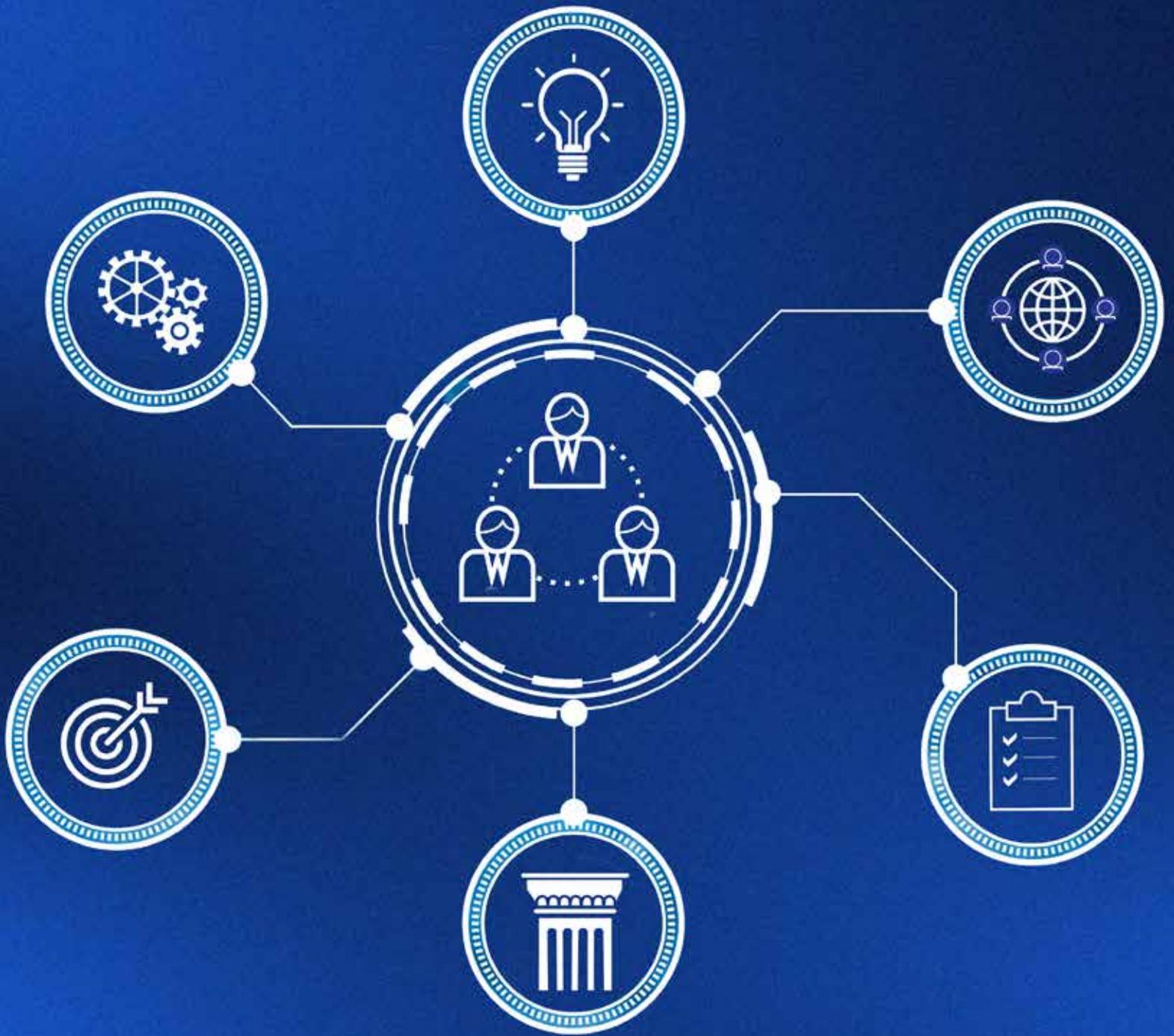


Pentegra 2026 Study on Advisor Attitudes Toward 3(16) Fiduciary Outsourcing



Why Advisors Are Leaning Into 3(16) Fiduciary Outsourcing

A Market Shift Driven by Risk, Demand, and the Evolution of the Advisor Role

Pentegra 2026 Advisor Survey

Retirement plan advising has entered a new phase—one defined by heightened fiduciary scrutiny, expanding regulatory complexity, and rising expectations from plan sponsors. For advisors, this environment has created both a challenge and an opportunity: how to help clients manage growing administrative and fiduciary burdens without absorbing additional risk or operational strain themselves.

Our survey results increasingly confirm what many advisors are experiencing firsthand. More advisors are seeing the value of using a professional ERISA 3(16) fiduciary. More clients are asking for this type of support. And more plans are actively using 3(16) fiduciary services as part of a broader risk management and governance strategy.

This shift is not theoretical. It is practical, data-driven, and rooted in the realities of today's retirement plan landscape.

The Changing Nature of Fiduciary Risk—and the Advisor's Role

It is often assumed that retirement plan fiduciary risk centers primarily on investments. In practice, however, the majority of regulatory actions, corrections, and enforcement activity stem from administrative failures—missed amendments, eligibility errors, late filings, loan mistakes, and operational breakdowns.

As regulations continue to evolve and enforcement activity remains strong, plan sponsors are finding it increasingly difficult to manage these responsibilities internally. At the same time, advisors are being pulled deeper into conversations around compliance, operations, and fiduciary process—areas that extend well beyond traditional advisory services.

Survey data reflects this reality. A significant majority of advisors report that administrative burden and fiduciary risk are now among their clients' top concerns. This aligns with what advisors see every day: plan sponsors want to offer competitive retirement benefits, but they do not want retirement plan administration to become a source of personal liability or operational distraction.

For advisors, this has created a clear inflection point. The role is no longer limited to helping clients select investments or benchmark fees. Increasingly, advisors are expected to help clients solve for administrative fiduciary risk as well.

Setting the Stage for the Data

The survey findings that follow reinforce a clear message: advisors are adapting to a changing fiduciary landscape, clients are demanding better risk management solutions, and 3(16) fiduciary outsourcing is increasingly viewed as a foundational component of a well-governed retirement plan.

The data illustrates not only how widespread this shift has become, but also why advisors who embrace it are better positioned to protect their clients, differentiate their practices, and deliver measurable value in an increasingly complex retirement environment.

Why More Advisors Are Seeing the Value of 3(16) Fiduciary Services

As administrative fiduciary complexity grows, advisors are recognizing that outsourcing certain responsibilities to a professional 3(16) fiduciary is not a concession—it is a best practice.

Survey findings show that more than 80% of advisors now view 3(16) fiduciary outsourcing as a retirement plan best practice. This perspective reflects several converging realities:

- Administrative fiduciary duties are time-consuming and high-risk functions
- Plan sponsors lack the internal expertise or resources to manage them effectively
- Advisors themselves should not be assuming responsibilities that expose them or their clients to unnecessary liability



A true 3(16) fiduciary assumes legal responsibility for plan administration. This includes overseeing day-to-day operations, ensuring compliance with ERISA requirements, managing filings and notices, signing the Form 5500, and supporting audits and regulatory inquiries.



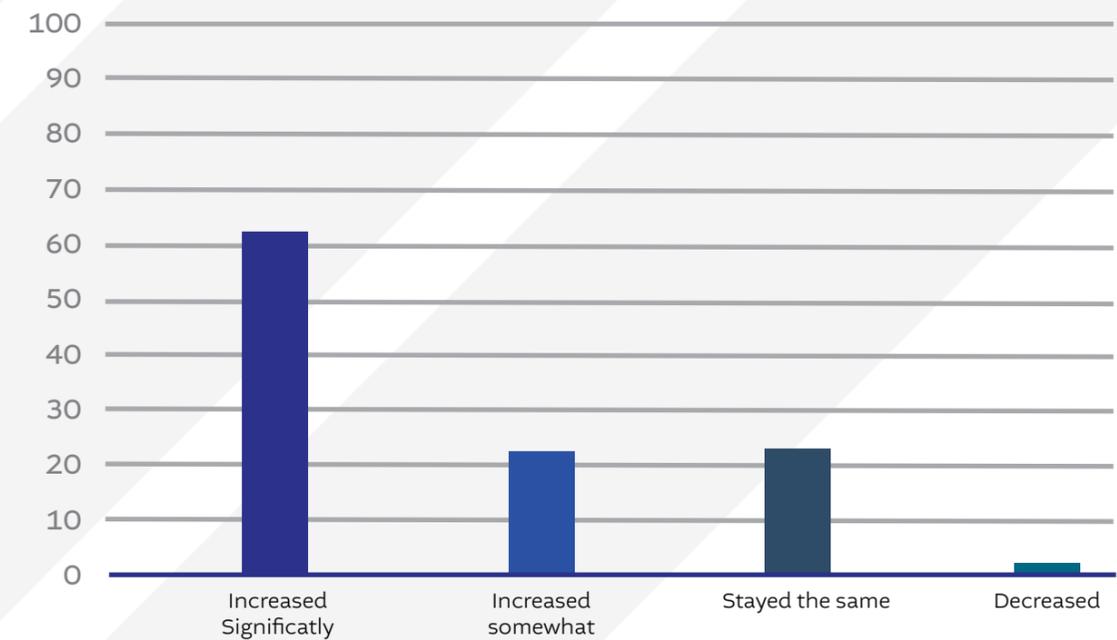
For advisors, this structure creates clarity. Responsibilities are properly aligned. Liability is appropriately transferred. And the advisor remains in a strategic, consultative role—focused on outcomes rather than troubleshooting administrative errors.



Survey responses reinforce that advisors are increasingly viewing 3(16) fiduciaries as partners who enhance their service model.

More Advisors are Recommending 3(16) Fiduciary Services

In the last year, how has your use or recommendation of 3(16) fiduciary services changed?





Client Demand Is Driving Adoption

Importantly, this shift is not advisor-driven alone. Clients are actively asking for solutions that reduce fiduciary exposure and administrative strain.

Survey data indicates that plan sponsors are more open than ever to outsourcing administrative fiduciary responsibilities, with many indicating plans to do so in the near future. This demand is especially strong among employers that view their retirement plan as a valuable benefit—but not a core business function.

From the client's perspective, the rationale is straightforward:

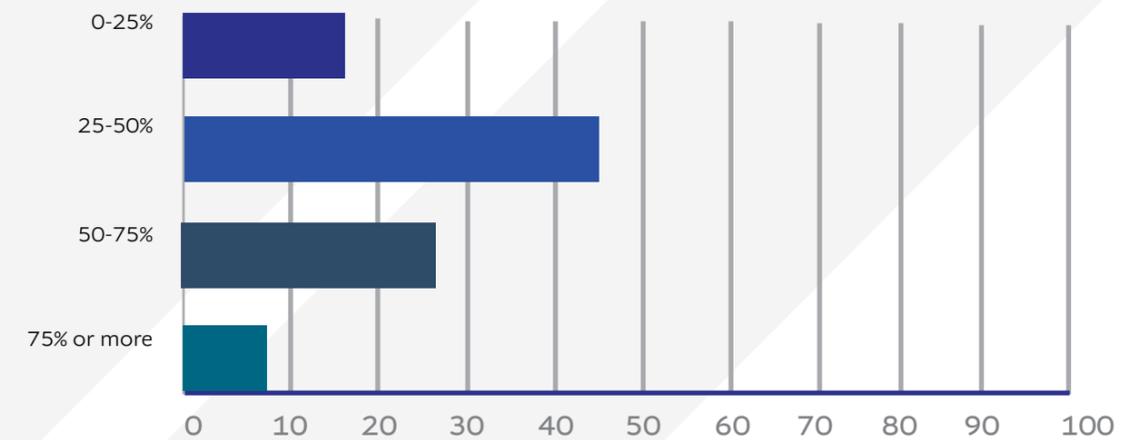
- They want confidence that their plan is compliant
- They want protection from personal liability
- They want fewer errors, fewer surprises, and fewer disruptions
- They want to reclaim time and focus on running their business



Advisors who can introduce a 3(16) fiduciary solution are responding directly to these needs. The survey data confirms that clients are not only receptive—they increasingly expect advisors to bring this option to the table.

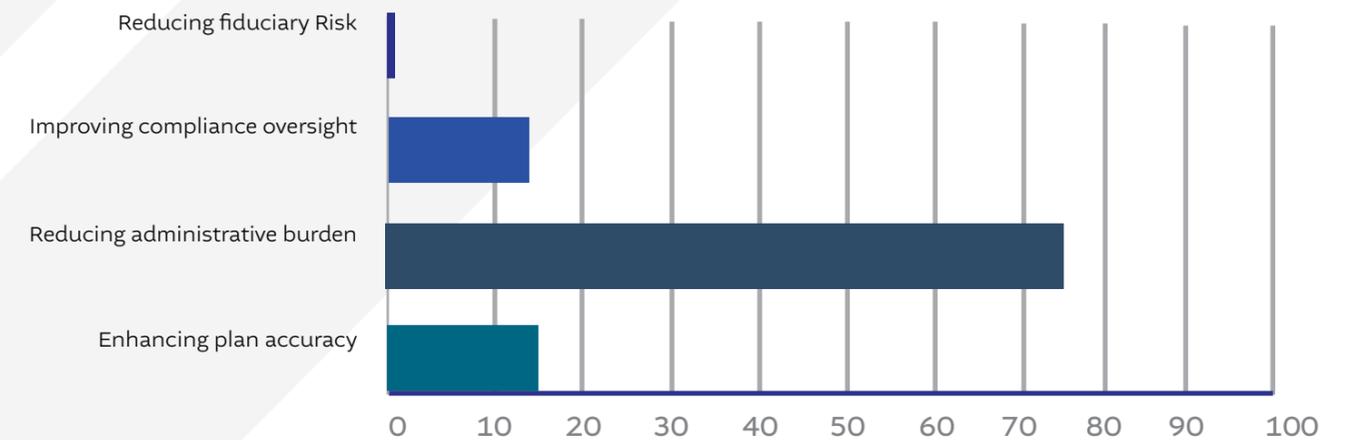
A Greater Percentage of Clients are Adopting 3(16) Fiduciary Services

What percentage of your new retirement plan clients have adopted 3(16) fiduciary services in the last year?



Reducing Administrative Burdens is a Chief Reason Driving Client Adoption

What factors do you feel drive a client's decision to outsource 3(16) fiduciary responsibilities?





From Optional to Expected: 3(16) as a Governance Standard

What emerges clearly from the survey results is that 3(16) fiduciary outsourcing is moving from “nice to have” to “expected.”

Advisors report that clients who use professional administrative fiduciaries experience:

- Fewer operational issues
- Greater confidence during audits
- Stronger documentation and fiduciary process
- Improved participant experiences

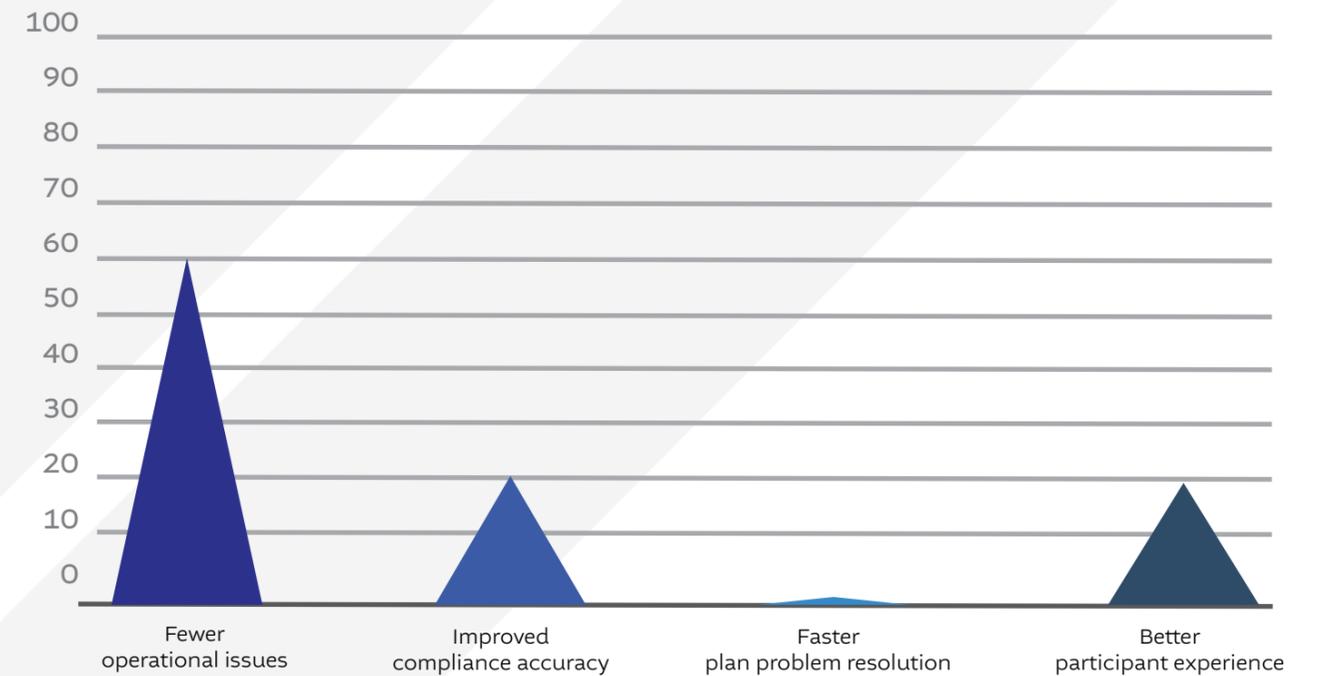
As a result, advisors are increasingly positioning 3(16) fiduciary services as part of a broader governance framework rather than a reactive fix for problem plans.



This reflects a maturation of the market. Just as investment benchmarking and fee transparency became standard expectations over time, administrative fiduciary outsourcing is now following a similar trajectory—supported by data, reinforced by regulation, and validated by real-world outcomes.

Advisors See Fewer Operational Issues and Greater Compliance Accuracy

For clients that implemented 3(16) services, what improvements have you observed?





Strategic Benefits for Advisors

Survey results also highlight the benefits advisors themselves experience when 3(16) fiduciary services are incorporated into the plan structure.

Advisors report that using a professional 3(16) fiduciary:

- Strengthens their value proposition
- Positions them as proactive problem-solvers
- Reduces time spent on non-revenue-generating administrative issues
- Creates “stickier” client relationships
- Improves long-term retention

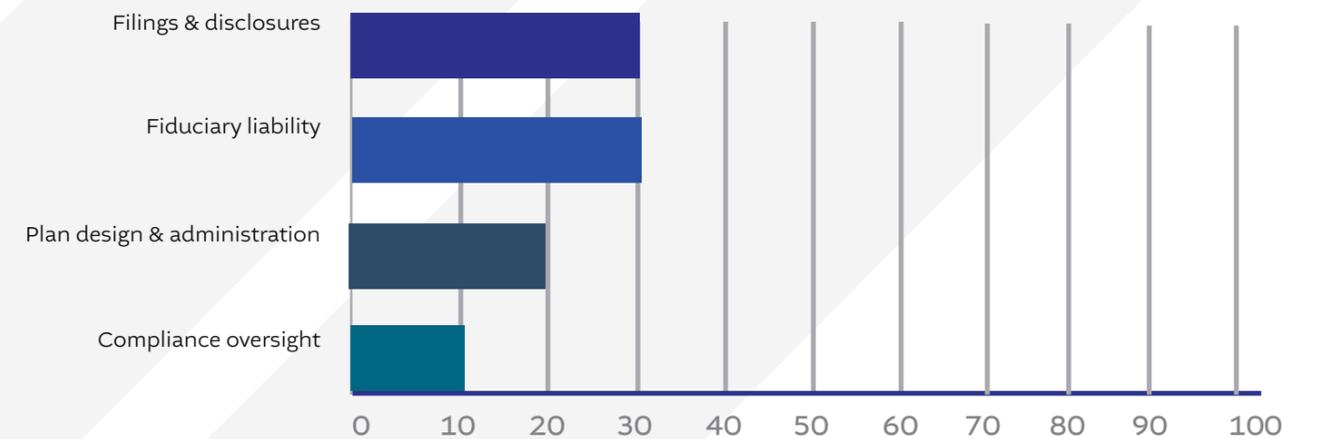
Rather than increasing complexity, 3(16) outsourcing simplifies the advisor-client relationship by ensuring that each party is operating within clearly defined roles—supported by specialists whose sole focus is administrative fiduciary compliance.



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

Retirement Plan Administrative and Compliance Responsibilities Continue to Create Challenges for Advisors and Clients

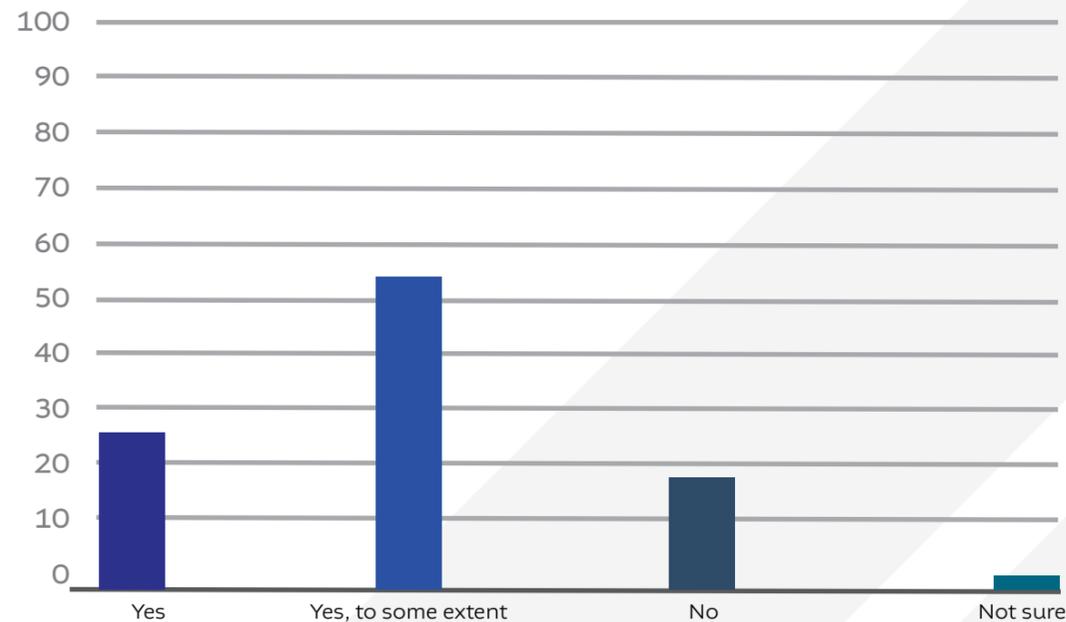
Which aspects of managing a retirement plan create the most challenges for your clients?





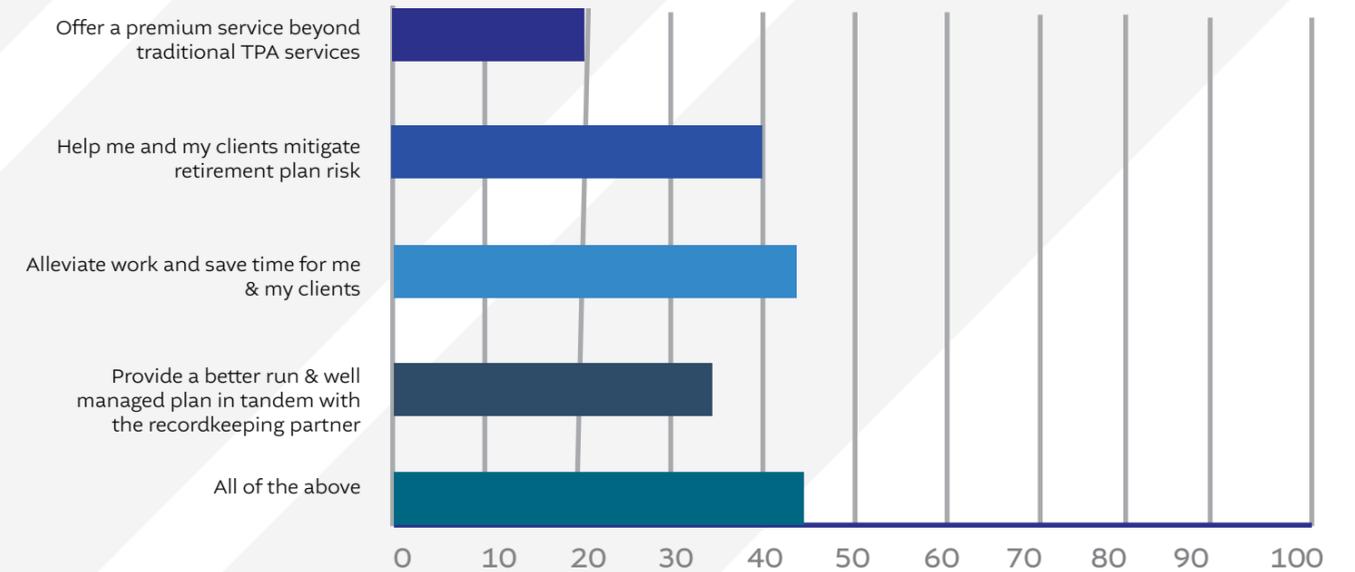
More than 80% of advisors view 3(16) fiduciary outsourcing as a retirement plan best practice

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



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?



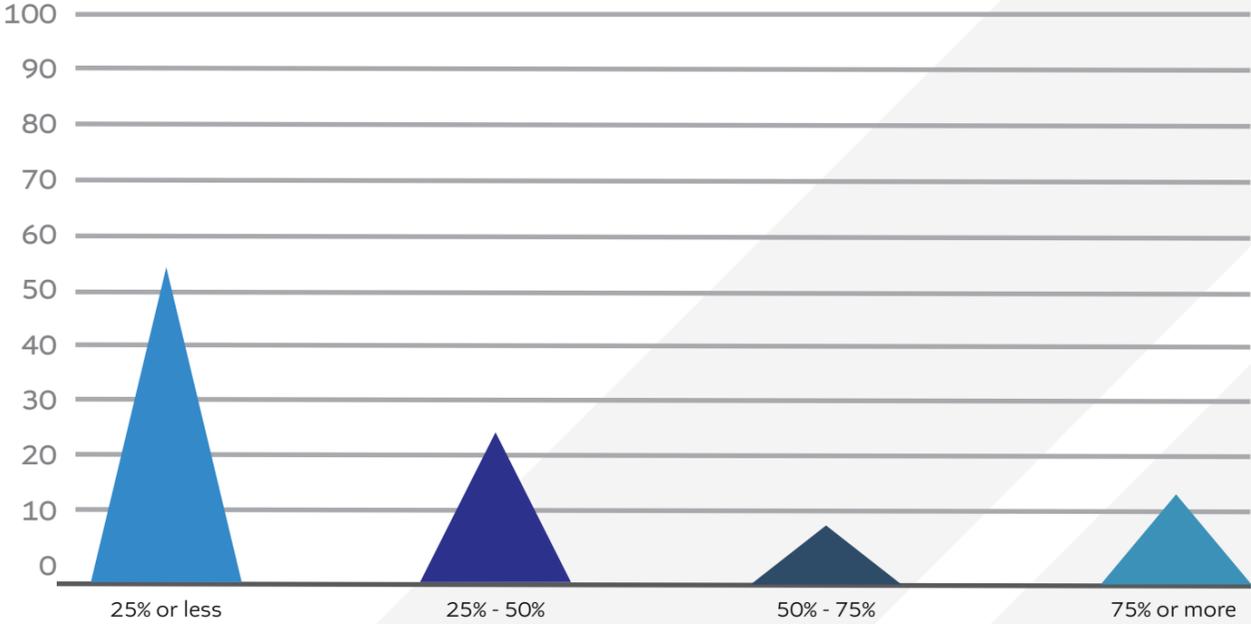
Access to expert oversight ensures plans remain compliant with evolving retirement plan regulations, reducing risk exposure for advisors and their clients.

By intro
them



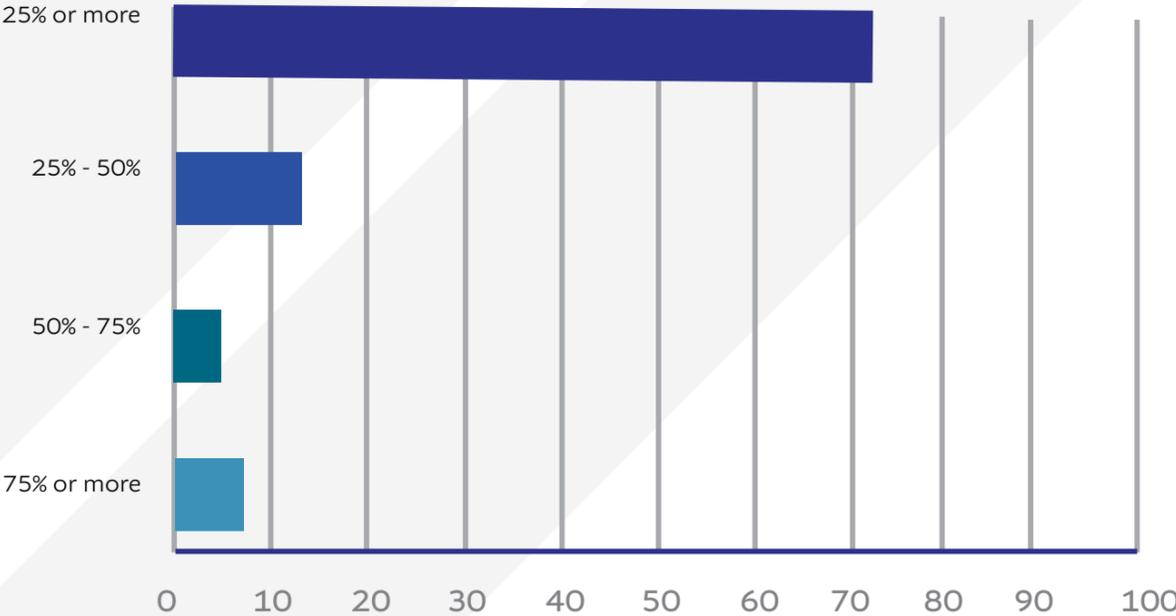
Less than half of clients outsource 3(16) fiduciary responsibilities today, representing an opportunity to offer a value-added service

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.

Why Partner with a Professional Fiduciary?

Outsourcing 3(16) fiduciary duties isn't just about ticking boxes—it's a strategic move that benefits both plan sponsors and financial advisors. By handing off these responsibilities to seasoned professionals, advisors can reduce risk, streamline operations, and supercharge the effectiveness of retirement plans.

For advisors looking to cut down on administrative headaches, lighten their workload, and ramp up client compliance confidence, teaming up with a trusted 3(16) fiduciary is a smart, forward-thinking 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.

Compliance Confidence



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.

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.

CEFEX Certified for a Higher Standard of Care



Pentegra is one of an elite group of CEFEX certified Third Party Administrators, demonstrating a standard of excellence, industry best practices and elevated governance and oversight.

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

www.pentegra.com



The Pentegra 2026 Advisor Study on Attitudes Toward 3(16) Fiduciary Outsourcing was conducted from January 2, 2026 through January 29, 2026. The study included responses from 45 respondents nationwide.



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