Introduction to the June 2026 edition of *Employee Benefits Handbook*

Employee Benefits Handbook, written by Michael B. Snyder, provides clear and thorough explanations of today's complex employee benefits statutes and regulations and illustrates what steps to take to keep a plan in compliance and the company out of court.

The June 2026 edition includes updated discussions of cases, statutes, and regulations. Updated in this edition are Chapters 11, 15, and 16; the updated materials include:

- **§ 11:4. Defined benefit pension plans—Cash balance and target benefit plans [Retitled]:** By 2025, cash balance plans had risen to nearly half of all defined benefit plans largely due to the predictability of employer costs compared to a traditional defined benefit plan.
- **§ 11:11. Defined benefit pension plans—Cost considerations—Effect of ERISA [Retitled]:** The American Rescue Plan Act (ARPA) of 2021 introduced critical measures to reduce the immediate financial burden on plan sponsors at a time when the remaining such plans were in desperate financial straits due to COVID-19.
- **§ 11:31. In-service distribution:** Under the SECURE Act and Bipartisan American Miners Act of 2019, defined benefit plans became permitted to allow in-service distributions to active employees at age 59½ or older, reduced from the previous age 62 requirement.
- **§ 11:66. Contributions to pension plans—Employer contributions [Retitled]:** A controversy regarding the differences between ERISA and SECURE 2.0 regarding funding notice requirements was resolved by the DOL in Field Assistance Bulletin 2025-02.
- **§ 11:69. De-risking frozen plans:** A common "de-risking solution" recommended by leading pension actuarial and investment consultants is to formulate a "glide path" investment strategy structured with the goal of having the plan "de-risked" within a timeframe specified by the employer plan sponsor, frequently associated with a frozen plan being terminated.
- **§ 11:70. Recent defined benefit plan litigation [New]:** In a landmark case, the U.S. Supreme Court, in an 8-0 ruling, vacated a Seventh Circuit decision that made it more difficult for plaintiffs to prevail on fiduciary claims alleging that the fees and choices of mutual funds were improper.
- **§ 15:10. Credited service during waiting period [New]:** Note that if a plan mandates a two-year waiting period, it must provide 100% immediate vesting of employer contributions.
- **§ 15:11. Part-time eligibility for 401(k) plans [New]:** The SECURE Act changed the law to allow part-time employees who

log more than 500 hours per year under certain conditions to participate in their employer's 401(k) plan.

- **§ 16:4. Exceptions to general rules under IRC § 403(b) Plans [New]:** Where a 403(b) plan is not subject to ERISA, such as certain governmental or church plans, or if the employer contributions are 100% vested immediately, the plan may require two years of service instead of one, generally combined with the age 21 requirement.
- **§ 16:5. Mandatory automatic enrollment for new 401(k) and 403(b) plans [New]:** Beginning in 2025, the SECURE 2.0 Act expanded automatic enrollment to require existing 401(k) and 403(b) plans to automatically enroll eligible participants, who will then be able to opt out of participation if desired.
- **§ 16:9. Time of admission [Renumbered, Retitled]:** The waiting period does not necessarily, and usually does not, count for vesting purposes.

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