

Retirement Plan Trends in Healthcare

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Introduction

The average age in the United States is increasing* and, along with it, the need for healthcare services. At the same time, a shrinking labor market may make it more challenging to attract new healthcare employees. In this increasingly competitive environment, innovative and meaningful benefits may give employers an edge in the race for talent.

Central to any benefits program is a retirement plan. A well-designed retirement plan, alongside robust financial wellness resources, can boost financial confidence, productivity, and long-term well-being. That's particularly important as caring, committed healthcare employees navigate ever-increasing costs and greater workplace demands.

We're pleased to share the 17th Retirement Plan Trends in Healthcare survey report. Along with questions that gather statistical data, the 2026 survey included open-ended questions designed to elicit feedback that goes beyond statistics. These questions ranged from the impact of artificial intelligence (AI) and administrative challenges to lifetime income options in retirement plans. More than a snapshot of current trends, this report delivers actionable insights and peer perspectives that can help healthcare plan sponsors make smarter decisions, adapt to a changing workforce, and create more meaningful retirement outcomes for employees.

*"United States life expectancy at birth by year," Georank.org/life-expectancy/united-states, accessed 09/30/2026

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Key takeaways

AI: Reshaping, more than reducing

Healthcare employers are still in the early stages of AI adoption, using it to automate routine tasks and boost productivity while remaining cautious about long-term workforce impact.

Access is good, action is challenging

Strong plan design can boost participation, but low default contribution rates and limited use of optimization features may be restricting better retirement outcomes.

Beyond accumulation to income

Healthcare employers continue relying on tried-and-true options while exploring new ways to help turn savings into retirement paychecks.

Managing today's financial demands and tomorrow's needs

Employers are responding to employees' diverse financial challenges with robust financial wellness programs, but success means helping them navigate competing goals.

One size doesn't fit all when it comes to retirement education

In spite of expanding education and planning resources, many organizations still struggle to communicate complex retirement concepts in a way that resonates with employees.

Advisors more essential as retirement plans get more complex

Growing reliance on advisors may reflect both increasing plan complexity and the limited time and resources available to internal benefits teams.


DOCTOR

AI: Reshaping work

Respondents generally see AI as an aid to productivity and efficiency, viewing it as positive for their work and staff. Most said they have not experienced AI-related workforce reductions. However, they accept that such reductions may be on the horizon.

Survey respondents told us:

- AI is driving efficiencies by automating routine reporting, reducing manual work, streamlining workflows, accelerating processes, and reducing overtime requirements.
- AI is changing how employees work by improving work processes and productivity, helping manage repetitive tasks, supporting decision making, and streamlining day-to-day operations.
- Organizations are still assessing AI's potential. Employees are learning new skills and being redeployed in new ways as routine tasks are handled through technology.
- Enthusiasm is tempered with concern. Streamlining of the workforce is anticipated, including workforce reductions or restructuring as AI's impact evolves.

Even with AI assistance, healthcare organizations cited high workloads, manual processes, and vendor coordination among their frustrations. Comments included:

"Technology has improved, but administrative processes are still time-consuming and manual."

"Biggest impact has been on the way people do their jobs, not on workforce size."

"I have seen improvement in productivity, alongside growing concerns about future job security."

Plan design: Strong features, limited follow-through

Auto features

Healthcare employers continue to adopt features that can support better retirement outcomes – but find it challenging to move participants from access to action.

Automatic features are a great example. Most plans in the healthcare sector include automatic enrollment, but they don't always get the desired results.

Access doesn't equal action... or outcome

While automatic enrollment may increase participation, it doesn't necessarily lead to better retirement outcomes. Employers may see the default contribution rate as a starting point, but a low default rate may "anchor" participant behavior.

77%

of plans use automatic enrollment in 2026

Up from 62% in 2024

82%

of these plans automatically enroll at 3% or less

Only 5%

automatically enroll at 6% or more

Just 1%

of plans annually re-enroll employees who opt out

64%

of plans do not align the automatic enrollment deferral to the contribution required to receive the full employer match

Eligibility and contributions

Encouraging employees to save early starts with enrolling them as soon as possible. Most survey respondents understand the connection between early eligibility and encouraging savings.

When are employees eligible to join the plan?

75% of healthcare organizations allow employees to join their retirement plan within the first three months of employment, including 54% that offer immediate eligibility.

Comments underscored challenges employers face in helping employees prioritize actions that may help them reach their retirement goals. Asked what frustrates them about motivating employees to save, respondents said:

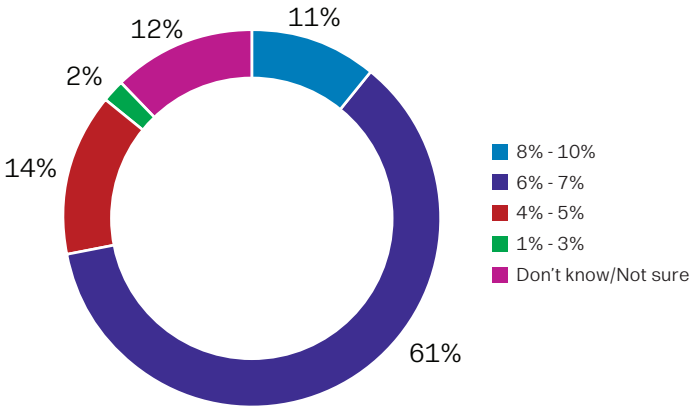
"Many employees delay engaging in retirement planning."

"The retirement plan is not a priority for many employees."

"Low retirement plan participation."

Many healthcare employees are saving for retirement, but relatively few contribute at levels above 7% of pay, underscoring the importance of plan design, education, and personalized support that can help participants save more over time.

How much are participants contributing?





Survey respondents suggest that plan complexity and jargon may discourage employee engagement, saying:

"The plan is sometimes overly complicated for employees."

"Plans can be difficult to understand due to complexity and difficult terminology."

"It's not always easy to explain the plan."

"Employees need more personalized support."

Investments: TDFs rule, interest in income options grows

Target date funds (TDFs) continue to dominate investment lineups and are often designated as the qualified default investment alternative (QDIA). Stable value investments and managed accounts are also prevalent on investment menus.

89%
of plans offer a TDF

88%
of plans offer stable value/fixed investments

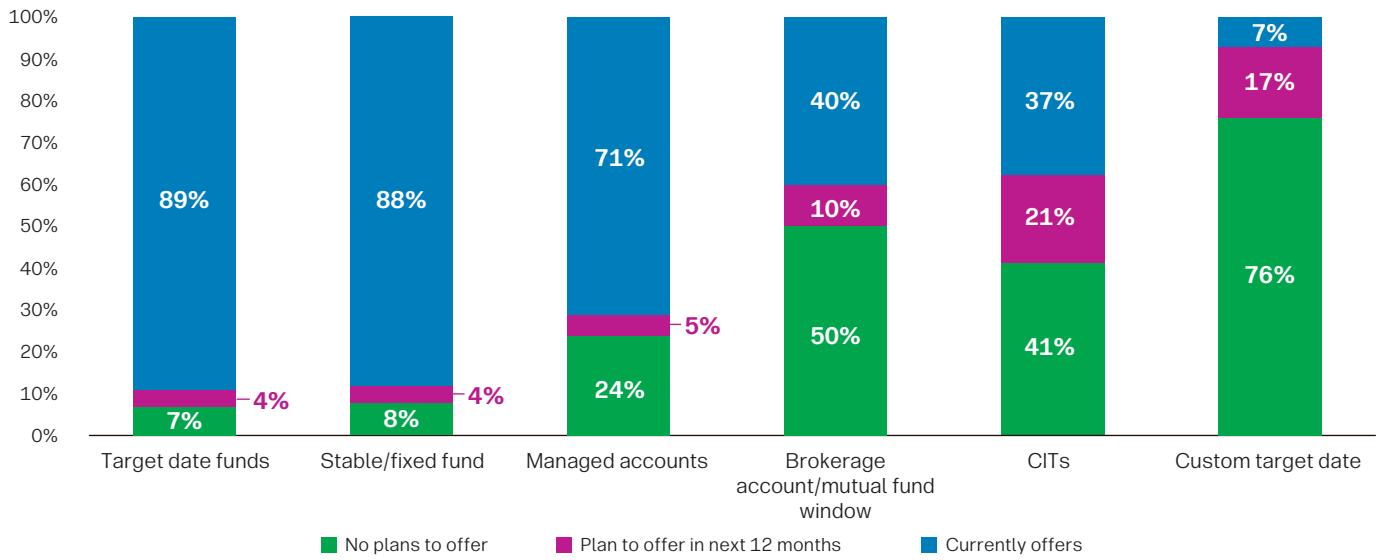
71%
offer managed accounts

58%
offer or plan to offer CITs





Investment options offered



Exploring lifetime income options

Many organizations are evaluating or exploring lifetime income options.

Their interest is rooted in three key considerations:

- Organizations prioritize the retirement security of their participants, which may include stable, predictable income
- Employee interest will determine whether or not some organizations will offer lifetime income options
- There is a strong need for simplicity, transparency, and education around income-oriented investment options

Survey respondents indicated their organizations are examining ways to offer a lifetime income option for retirees.

"We are exploring options that can give employees steady income after retirement."

"There is growing employee interest in this."

"Nothing concrete right now, but it's something we're starting to look at."

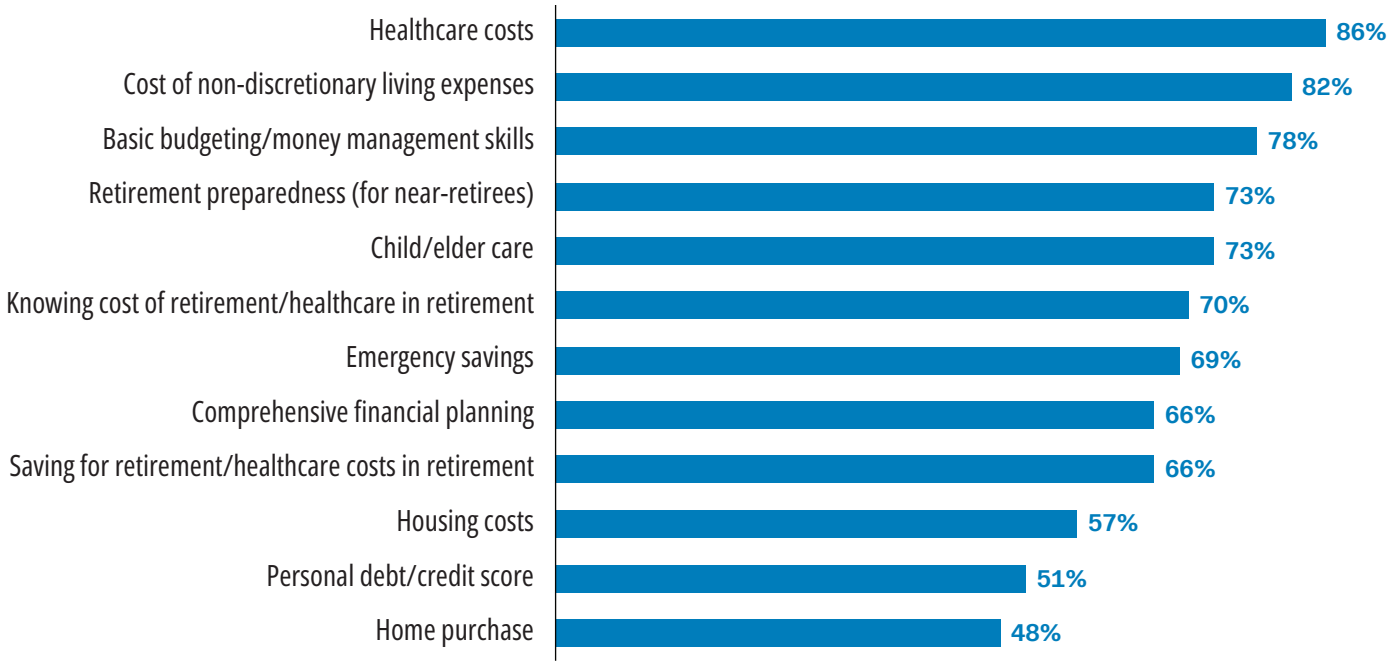


Financial wellness: Navigating competing priorities

Employees are grappling with long-term savings goals versus immediate financial needs, and healthcare employers continue to respond with robust financial wellness programs.

From the perspective of healthcare employers, the top three pressing financial wellness needs for participants are healthcare costs, the cost of living, and basic budgeting.

Most pressing participant financial wellness needs, according to employers



Financial wellness benefits at healthcare organizations help address these needs with targeted offerings:

Healthcare costs

96%
Health savings accounts

81%
Wellness discounts such as gym membership

41%
Retiree medical insurance

Cost of living

91%
Tuition reimbursement and/or assistance

87%
Employee discount programs

73%
Child or eldercare assistance

Basic budgeting and money management skills

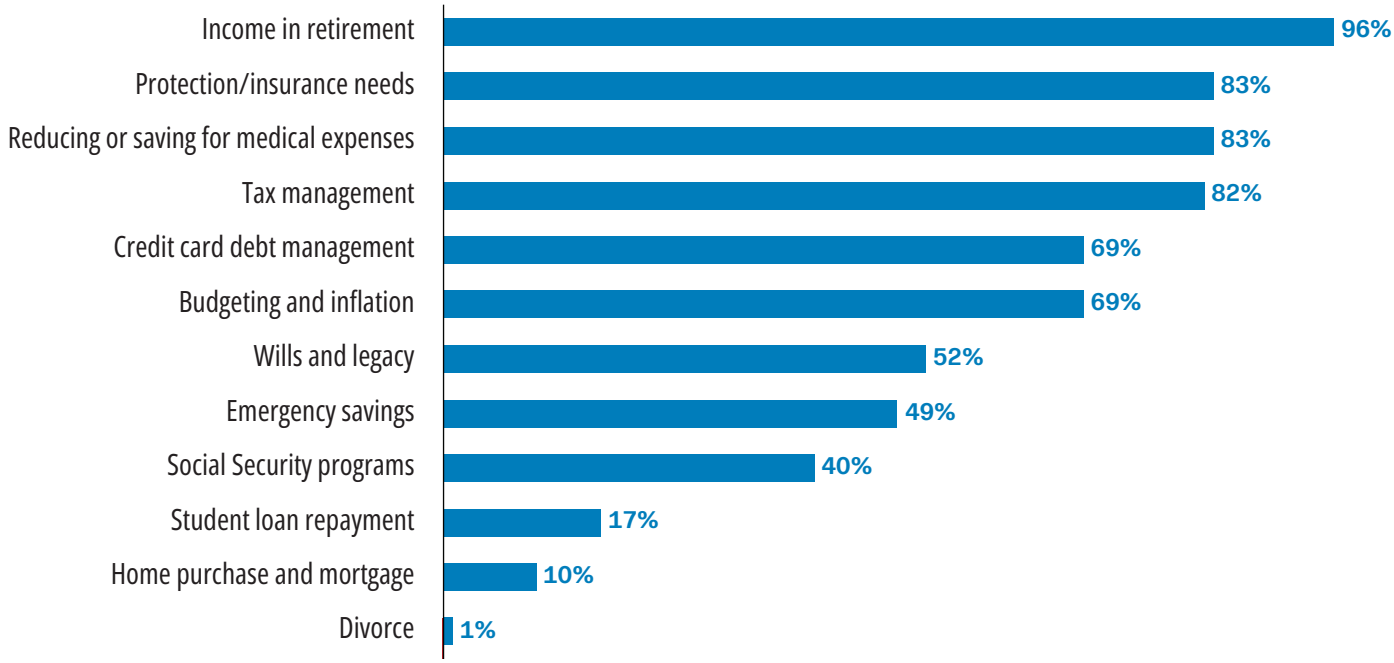
80%
Personalized financial counseling, coaching, or planning

45%
Help with household budgeting, spending, and saving levels

39%
Student loan debt assistance (counseling and education)

Financial wellness programs typically include live and pre-recorded webinars. Subject matter varies, with retirement income, insurance, and medical expenses topping the list.

Most common financial wellness program features



Educating and communicating: High-touch support

Healthcare employers often use one-on-one meetings to communicate with employees about retirement and financial wellness topics. Nearly all responding organizations offer meetings virtually, and a strong majority currently offer or plan to offer them in person.

One-on-one virtual meetings

90%	4%
Currently offer	Considering

One-on-one in-person meetings

66%	13%
Currently offer	Considering

Virtual group meetings

65%	14%
Currently offer	Considering

In-person group meetings

39%	19%
Currently offer	Considering

Employers also help employees plan for the future using:

Educational videos

61%	14%
Currently offer	Considering

Retirement forecasting/transition

42%	27%
Currently offer	Considering

Personalized investment advice

39%	19%
Currently offer	Considering

Tailored education for specific groups

27%	25%
Currently offer	Considering

Retirement asset consolidation support

24%	18%
Currently offer	Considering



Communicating complex topics with employees continues to be a challenge. Comments included:

"Keeping plan information updated and communicating changes effectively is challenging."

"Staff members regularly need additional information, education, and guidance."

"Employee communications need enhancements."

How financial professionals are helping

Nearly all healthcare employers work with an advisor, consultant, third party administrator (TPA), or a combination of these professionals to assist them in managing their retirement plans.

Advisors and consultants often help evaluate plan design, support fiduciary responsibilities and provider relationships, and deliver on participant engagement strategies. The roles they play have changed somewhat since the 2024 survey, with the biggest gains reflecting a growing focus on participant outcomes, as advisors play an increasingly active role in education, employee engagement, and provider accountability.

Plan sponsors rely heavily on advisors for duties related to plan investments, including reviewing investment options, explaining provider fees, and providing administrative and compliance services.





Percentage of healthcare employers who rely on advisors, consultants, or TPAs

More than 90%

- Review investment options

80%-90%:

- Explain provider fees
- Monitor fulfillment of provider services

70%-80%:

- Ensure participant access to education, etc.
- Meet one-on-one with employees
- Provide administrative and compliance services

60%-70%:

- Support due diligence reviews
- Examine compliance with laws, regulations, and policies
- Help formulate investment policy statement (IPS)

Reliance on professional assistance has increased in several categories since our 2024 survey, which may indicate plans are becoming more complex, that benefits staff have less available time, or a combination. The sharpest increases since 2024 point to a growing need for advisor support in monitoring provider services, explaining fees, and reviewing investments

Survey respondents see plan compliance and administration as their biggest operational challenges. Comments included:

"Frequent compliance changes make retirement plan administration challenging."

"Meeting compliance requirements is the biggest frustration."

"Managing multiple vendors is challenging."

Looking to the future

While the survey indicates that healthcare organizations are generally satisfied with their current retirement plans, comments show a strong, recurring theme: Employees need simpler, more personalized, and more accessible retirement planning support. Emerging trends such as AI, growing plan complexity, and interest in lifetime income solutions are reshaping the retirement landscape and creating new considerations for plan sponsors.

The unique challenges of demanding and unpredictable work schedules make it important for providers to offer proactive communication, flexible education options, user-friendly digital tools, and individualized guidance to support employees and help them understand and engage confidently with their retirement plan, helping lead them to a secure financial future.



"Overall, we want solutions and plans to be simple, personalized, and easy for clinicians and staff to access."

"The demanding nature of healthcare roles often leaves employees with limited time to focus on retirement plans available to them."

"We would like providers to provide proactive communication and guidance instead of waiting for employees to ask questions regarding the retirement plans."

About this research

The 2026 survey gathered input in June 2026 from 100 healthcare organizations ranging from individual to state, interstate, and regional healthcare facilities. A few (2%) were small, with less than 500 employees, but the majority (62%) represented healthcare organizations with more than 10,000 employees.

- Nearly nine in ten (88%) of respondents said their organization is tax-exempt
- Plan sponsors offer a variety of plan types, including 70% offering a 403(b) plan, 52% with a 401(k) plan, 28% with a nonqualified deferred compensation 457(b) plan, and 3% offering a nonqualified deferred compensation 457(f) plan. Twenty-two percent sponsor a 401(a) profit sharing or money purchase plan, and 25% sponsor a traditional defined benefit plan. Nine percent have a cash balance or other hybrid pension plan.



Contact Transamerica for more information about the survey. If you would like to learn more about our specialized support for healthcare organization retirement plans, contact Laura Gaynor, SVP, DC Practice Leader, Head of New Business Architecture.

Visit **transamerica.com**

Call **888-401-5826**

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