

# Year-end compliance issues for single-employer defined benefit and defined contribution retirement plans

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By the end of 2025, sponsors of calendar-year single-employer retirement plans must adopt necessary and discretionary plan amendments to ensure compliance with statutory and regulatory requirements of the tax code and the Employee Retirement Income Security Act of 1974 (ERISA). This Client Action Bulletin looks at key areas—including administrative compliance—that defined benefit (DB) and defined contribution (DC) plan sponsors should address during the last quarter of 2025.

## Qualified plan amendments to DB and DC plans

**Amendments for discretionary plan provision changes.** Employers that sponsor retirement plans should review their plan documents before the end of 2025 to ensure that discretionary or operational features comply with ERISA and the Internal Revenue Code (IRC). *Except as noted below, qualified plan sponsors that made discretionary plan changes during 2025 must formally adopt plan amendments by **December 31, 2025**.* In addition, a review of whether required or discretionary amendments relating to plan years prior to 2025 have been timely adopted and executed should be considered as part of any year-end plan review.

**Required amendments for legislative and regulatory changes.** Although several changes related to the Setting Every Community Up for Retirement Enhancement (SECURE) Act and the SECURE 2.0 Act are already required to be in place operationally, and plans that opted to offer the coronavirus-related relief afforded in 2020 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act operated accordingly during the period of relief, the deadline for adopting plan amendments to comply with these three laws is December 31, 2026.<sup>1</sup> The deadlines are different for collectively bargained plans (December 31, 2028) and all governmental plan types (governmental qualified plans, public school 403(b) plans, and governmental 457(b) plans—December 31, 2029). However, if a plan is terminating and the plan termination date precedes these deadlines, any required amendments must be adopted by the time of the plan termination.

Sponsors of non-governmental tax-exempt entity 457(b) deferred compensation plans should note that the required plan amendments to comply with the SECURE Act and SECURE 2.0 Act apply to them as well. However, an earlier adoption deadline of the end of the 2025 plan year applies (i.e., by December 31, 2025, for calendar plan years).

Plan sponsors of certain individually designed plans should check to see if any plan amendments are required in order to comply with the Internal Revenue Service (IRS) [Required Amendments List](#) (RAL). The RAL is the annual list of all the amendments necessary for individually designed plans to retain their tax-qualified status. Generally, plan sponsors must adopt any item placed on the RAL by the end of the second calendar year following the year the RAL is published. For amendments in the 2023 RAL ([Notice 2023-79](#)), the deadline is December 31, 2025.

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1. Please refer to our [Client Action Bulletin about IRS Notice 2024-2](#) for more details on the amendment deadlines. Note that the extended amendment deadlines provided in IRS Notice 2024-2 that apply to most other plan types do not apply to non-governmental tax-exempt entity 457(b) deferred compensation plans, as explained above.

The 2023 RAL is divided into two parts, as the text indicates:

- “Part A covers changes in requirements that generally would require an amendment to most plans or to most plans of the type affected by the change.”
- “Part B includes changes in requirements that the Treasury Department and the IRS anticipate will not require amendments to most plans but might require an amendment because of an unusual plan provision in a particular plan. For example, if a change affects a particular requirement that most plans incorporate by reference, Part B would include that change because a particular plan might not incorporate the requirement by reference and, thus, might include language inconsistent with the change.”

The 2023 RAL did not include any changes that require amendments to individually designed DB or DC plans by December 31, 2025.

**Correcting failures to amend a retirement plan on time.** If a plan sponsor discovers a failure to adopt either a required or discretionary plan amendment, it should consider correcting the mistake through the IRS’s Employee Plans Compliance Resolution System (EPCRS). See [IRS Revenue Procedure 2021-30](#).<sup>2</sup> The IRS has also issued interim guidance on the expansion of EPCRS:

- IRS Notice 2023-43 provides [interim guidance](#) allowing plans to self-correct certain eligible inadvertent failures (EIFs) under section 305 of the SECURE 2.0 Act. Plan sponsors may be able to self-correct EIFs without contacting the IRS or paying a fee, provided the corrective action is taken in a timely manner.
- IRS Notice 2024-77 provides [interim guidance](#) on section 301(b) of the SECURE 2.0 Act regarding inadvertent benefit overpayments and the correction of inadvertent benefit overpayments.

If an EPCRS filing is required to correct a plan amendment failure under the IRS Voluntary Correction Program (VCP), the filing fee (user fee) ranges from \$1,500 to \$3,500, based on the amount of plan assets, and can be substantially less than the monetary sanctions that may be assessed if the IRS audits the plan and discovers a late amendment or a failure to adopt an amendment.

## SECURE 2.0–related year-end action items for DC plans

### **Prepare for required Roth catch-up contributions for certain higher-income participants beginning in 2026.**

Beginning January 1, 2026, changes made by Section 603 of the SECURE 2.0 Act will require any catch-up contributions made by certain higher-income participants to 401(k), 403(b), and governmental 457(b) plans to be made on a Roth after-tax basis. This requirement will apply to catch-up eligible participants (i.e., those who are age 50 or older during the taxable year) whose Federal Insurance Contributions Act (FICA) wages (as reported in box 3 of Form W-2) from the employer sponsoring the plan exceed \$145,000 in the prior calendar year, adjusted for inflation. Our [latest estimate](#) for the 2025 wage threshold triggering Roth catch-up contributions in 2026 is \$150,000. We will post the [final limits](#) when they become available.

Plan sponsors of 401(k), 403(b), and governmental 457(b) plans that permit Roth catch-up contributions should prepare now to have a process in place to timely identify which participants will be affected by this requirement in 2026 (based on their 2025 Form W-2 box 3 FICA wages) and work with their plan service provider(s) and payroll provider to ensure compliance and inform affected participants.

### **Provide annual reminder notice to unenrolled participants in lieu of other required annual notices (optional).**

Section 320 of the SECURE 2.0 Act permits DC plans, including 401(k) and 403(b) plans, to forego providing otherwise required annual notices to unenrolled participants, and instead provide to them an easy-to-understand annual reminder notice explaining their eligibility to participate in the plan, any applicable deadlines for doing so, and the plan’s key benefits and rights, in particular, those relating to any employer contributions and vesting, as well as any other document specifically requested by the participant that they are entitled to receive.

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2. SECURE 2.0 directed the Secretary of the Treasury to revise IRS Revenue Procedure 2021-30 by December 29, 2024. As of this writing, the revised procedure has not yet been issued.

For this purpose, unenrolled participants are generally those employees who:

- Have become eligible to participate in the plan but are not participating (e.g., have not begun making salary deferral contributions to the plan, either due to opting out of automatic enrollment before automatic salary deferrals begin or not affirmatively making a salary deferral election)
- Have been furnished the Summary Plan Description (SPD) and any other required notices in connection with initial eligibility to participate in the plan

For DC plans that choose to use this simplified alternative annual notice approach for unenrolled participants, the annual reminder notice should be furnished to them either during the “annual open season election period” for the plan or within a “reasonable period” before the beginning of the next plan year.

## Annual participant notices, disclosures, and benefit statements for calendar year plans

Plan sponsors of single-employer plans should ensure they make available or distribute certain information to participants by the following dates.

DUE DATE <sup>3</sup>	ACTION	DB PLANS	DC PLANS
10/3/2025	Earliest date (i.e., from 90 to 30 days prior to the beginning of the new plan year) to provide 2026 calendar plan year annual notices to participants, including: 401(k) or 403(b) safe harbor; automatic enrollment (plans with automatic contribution arrangements (ACAs) or eligible automatic contribution arrangements (EACAs)); qualified automatic contribution arrangement (QACA) safe harbor; and qualified default investment alternative (QDIA).		Yes
10/15/2025	Last day to provide a notice to terminated vested participants describing deferred vested retirement benefits (in conjunction with a 2024 calendar plan year Form 8955-SSA).	Yes	Yes
10/15/2025	Small DB plans (i.e., those covering 100 or fewer participants) covered by the Pension Benefit Guaranty Corporation (PBGC) generally must distribute their 2024 calendar plan year Annual Funding Notice by the Form 5500 due date. However, if IRS Form 5558 was filed to extend the Form 5500 due date, this 10/15 deadline applies.	Yes, if covered by the PBGC	
10/31/2025	Provide a notice of IRC Section 436 benefit restrictions to plan participants if the September 30, 2025, certified or deemed adjusted funding target attained percentage (AFTAP) is less than 80% and the notice was not previously provided.	Yes	
11/14/2025	For DC plans that offer participants the right to direct their investments: Provide participants with third-quarter 2025 benefit statements.		Yes
11/15/2025	The Summary Annual Report (SAR) requirement applies to DC plans and <b>DB plans not covered by the PBGC</b> (e.g., professional service employers with fewer than 26 employees, electing church groups, etc.).  Plans of partnership employers must distribute the 2024 calendar plan year SAR to participants if no IRS Form 5558 was filed to extend the 2024 Form 5500 due date, but an extension request (IRS Form 7004) was filed on time for the employer's income tax return (IRS Form 1065–U.S. Return of Partnership Income).	Yes, if not covered by the PBGC	Yes
12/2/2025	Latest date (i.e., at least 30 days prior to the beginning of the new plan year) to provide 2026 calendar plan year annual notices to participants, including 401(k) or 403(b) safe harbor, ACAs, EACAs, QACA safe harbor, and QDIAs.		Yes
12/2/2025	Employee stock ownership plans (ESOPs) must provide a diversification notice to participants first eligible to divest publicly traded employer securities on January 1, 2026.		Yes

3. Plan sponsors affected by FEMA-declared disasters may have an approved delayed filing date. See <https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>.

DUE DATE <sup>3</sup>	ACTION	DB PLANS	DC PLANS
12/15/2025	Plans must distribute the 2024 calendar plan year SAR to participants if the 2024 Form 5500 due date was extended by an IRS Form 5558 filed on time.  Plans of corporate employers must distribute the 2024 calendar plan year SAR to participants if no IRS Form 5558 was filed to extend the 2024 Form 5500 due date, but an extension request (IRS Form 7004) was filed on time for the employer's income tax return (IRS Form 1120–U.S. Corporation Income Tax Return).  Plans of tax-exempt employers must distribute the 2024 calendar plan year SAR to participants if no IRS Form 5558 was filed to extend the 2024 Form 5500 due date, but an extension request (IRS Form 8868) was filed on time for the employer's information return (IRS Form 990–Return of Organization Exempt From Income Tax).	Yes, if not covered by the PBGC	Yes
12/31/2025	DB plans subject to ERISA must provide benefit statements every three years or an annual notice explaining how participants may obtain statements.	Yes	
1/13/2026	DB plans subject to ERISA and the tax code must post on the sponsor's existing intranet site Parts I and II of the 2024 Form 5500 and the Schedule SB within 90 days after the date the Form 5500 is filed (by January 13, 2026, if the 2024 plan year Form 5500 was filed on October 15, 2025).	Yes	

## Other operational action items affecting single-employer retirement plans

Other items that are required or that may apply during the last quarter of 2025 are shown below.

DUE DATE <sup>3</sup>	ACTION	DB PLANS	DC PLANS
10/1/2025	Certify the DB plan's 2025 plan-year adjusted funding target attained percentage (AFTAP), if the plan used a "range" certification. (Note: A failure to meet this deadline will result in the AFTAP for the plan year being deemed less than 60% retroactively to October 1, 2025.)	Yes	
10/15/2025	IRS deadline to adopt a retroactive plan amendment to correct an IRC Section 410(b) coverage or Section 401(a)(4) nondiscrimination failure for a 2024 calendar plan year.	Yes	Yes
10/15/2025	Deadline for third 2025 minimum funding quarterly installment payment for DB plans that had a funding shortfall in 2024 (i.e., due 15 days after the last plan year quarter-end).	Yes	
10/15/2025	For ERISA-covered plans: deadline for filing 2024 calendar plan year Form 5500 after a plan files Form 5558 to request an extension.	Yes	Yes
10/15/2025	Deadline to file Form 5310-A with the IRS to provide notice of the establishment of a qualified separate line of business (QSLOB) if the 2024 calendar year is the initial QSLOB testing year.	Yes	Yes
10/15/2025	Extended deadline to (a) file IRS Form 1120 (U.S. Corporation Income Tax Return); (b) deposit tax deductible contributions for qualified plans for sponsors that filed a corporate tax extension (Form 7004); and (c) deduct contributions for 2024 plan year.	Yes	Yes
10/15/2025	For ERISA-covered plans: deadline for filing 2024 calendar plan year Form 8955-SSA (with extension). (2½ month extension if Form 5558 was filed timely).	Yes	Yes
10/15/2025	File PBGC Form 10 if the September 15, 2025, final contribution for plan year 2024 was missed, unless PBGC Form 200 was already filed or a waiver applies.	Yes, if covered by the PBGC	
10/27/2025 <sup>4</sup>	File PBGC Form 200, if plan sponsor failed to make an October 15, 2025, required contribution on time that resulted in more than \$1 million in cumulative unpaid contributions.	Yes, if covered by the PBGC	
11/14/2025	File PBGC Form 10 if October 15, 2025, required quarterly contribution was missed, unless PBGC Form 200 was already filed or a waiver applies.	Yes, if covered by the PBGC	
11/17/2025 <sup>4</sup>	File IRS 2024 tax-exempt organization information return if the Form 990 (Return of Organization Exempt From Income Tax) filing date was extended by Form 8868.	Yes	Yes

4. The date reflected is either the business day prior to or following a filing date of an IRS, DOL, or PBGC form that otherwise would fall on a Saturday, Sunday, or legal holiday.

DUE DATE <sup>3</sup>	ACTION	DB PLANS	DC PLANS
12/2/2025	Deadline to elect safe harbor status for the current plan year with nonelective contributions if the nonelective contribution is less than 4% of compensation.		Yes
12/31/2025	Recurring required minimum distributions (RMDs) are due to RMD age participants (may be contingent upon separation from service based on the terms of the plan document). <sup>5</sup>	Yes	Yes
12/31/2025	Deadline for correcting a failed 2024 calendar plan year actual deferral percentage (ADP) test or actual contribution percentage (ACP) test. To maintain a 401(k) plan's qualified status due to a failed 2024 calendar plan year ADP or ACP test, (1) pay to all affected highly compensated employee (HCE) participants any ADP/ACP distributions needed to correct the failure; or (2) make a qualified nonelective contribution (QNEC) to non-highly compensated employees (NHCEs) if the plan uses the "current year testing method" for the ADP/ACP test.		Yes
12/31/2025	Deadline to adopt calendar plan year discretionary amendments to the plan, subject to certain exceptions (e.g., anti-cutbacks).	Yes	Yes
12/31/2025	Deadline for a calendar plan year safe harbor plan to remove its safe harbor status for the following year or for an existing DC plan to convert to a safe harbor plan.		Yes
12/31/2025	Deadline to elect safe harbor status for the prior plan year with a nonelective contribution of 4% or more of compensation.		Yes
12/31/2025	Deadline for use of forfeitures for DC plans under which the plan provides for use of a forfeiture account (according to the timing specified in the plan document, but no later than 12 months after the close of the plan year in which the forfeitures are incurred).		Yes
12/31/2025	Deadline to certify 2025 AFTAP if plan used a "range" certification. Failure to certify AFTAP by December 31, 2025, will result in AFTAP for plan year 2025 being deemed under 60% retroactively to October 1, 2025.	Yes	
12/31/2025	Deadline to elect to reduce plan's carryover and/or prefunding balance as of January 1, 2025, by providing an irrevocable written notification to the plan's enrolled actuary and the plan administrator.	Yes	
12/31/2025	Deadline to revoke a prior election to use a carryover and/or prefunding balance to meet minimum funding requirements for 2025, by providing written notification to the plan's enrolled actuary and the plan administrator.	Yes	

A full list of 2025 key administrative dates and deadlines for DB and DC plans can be found [here](#). The 2026 calendars will be published soon.

For assistance with year-end compliance reviews, plan amendments, or preapproved plan availability, please contact your Milliman consultant.

5. RMD age is age 70½ if born before July 1, 1949; age 72 if born on or after July 1, 1949, and before January 1, 1951; age 73 if born on or after January 1, 1951 and before January 1, 1960; and age 75 if born on or after January 1, 1960.

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