



## Quarterly Industry Insights: Hospitals & Healthcare Systems (Webinar Recording)

Topics covered will include:

- Current economic trends and issues impacting retirement plans;
- Strategies to enhance benefits for physicians, nurses, and staff; and
- Peer perspectives for industry challenges and overall goals for 2024.

Whether or not your organization currently has a retirement plan advisor, this roundtable discussion provides an executive summary of the top issues a plan sponsor should be considering, plus an in-depth comparison of what other hospitals and healthcare systems are doing for their retirement programs and strategies.

## **Quarterly Pulse Check—How Hospitals & Health-Care Systems Are Tweaking Retirement Benefits in 2024**

Senior CAPTRUST advisers Ellen Sher, Danny Lowe, Earl Allen, Jan Resler, and Mike Pratico distilled the top themes that surfaced during fourth-quarter reviews with more than 200 hospital and health-system clients (? \$24 billion in retirement assets). Here's the executive summary:

### **1. Market backdrop 2023 ? early 2024**

2023 delivered a banner +26 % S&P 500 return—but almost all of it came from the “Magnificent Seven.” Active U.S. managers and target-date funds with heavy foreign-stock tilts lagged.

International equities trailed once again; small-caps only caught up in Q4 as 10-year yields fell from 5 % to 3.9 %.

Committees entered 2024 expecting seven Fed cuts; by April the market is bracing for two (or fewer) as inflation proves sticky.

## **2. Governance & litigation defenses**

Plaintiff firms that targeted higher-ed plans have pivoted to hospital systems; even sub-\$1 billion plans are now benchmarking record-keeping fees every year, purging revenue-sharing, and documenting watch-list actions more tightly.

Many boards are upgrading to ERISA §3(38) investment-manager mandates to shift lineup discretion—and courtroom discovery files—to an outside fiduciary. Independent ERISA counsel now sits in most large-system committee meetings.

## **3. Plan-design moves to attract and keep staff**

Automatic features 2.0: higher default deferral rates, annual auto-escalation, and periodic re-enrollments so exhausted nurses don't have to act.

Student-loan matching (SECURE 2.0): high interest as a nurse-recruitment perk, but record-keeper build-outs remain patchy.

Emergency-savings sleeves: on radar, though most providers are still busy with mandatory SECURE 2.0 items.

Cash-out threshold lifted to \$7 k: nearly all sponsors adopted it to shrink missing-participant risk and lower per-capita admin costs.

Retirement-income options: committees are vetting in-plan annuities or managed-payout CITs so long-tenured clinicians can replicate DB-like paychecks.

## **4. Investment-menu architecture**

Three-tier structure dominates:

Target-date series as QDIA (90 % of clients).

Low-cost index core for do-it-yourselfers.

Best-in-class active funds—plus self-directed brokerage to satisfy physicians who want specialty assets.

Stable-value vs. money-market debate has re-ignited; some systems now offer both, while others embed a GIC inside custom target-date funds.

## **5. Cyber & fraud protection steps**

Committees demand annual SOC 1/SOC 2 reviews, incident-response walk-throughs, and participant-loss indemnification language.

CAPTRUST's independent cyber-scorecard—mapped to the DOL's 12-point guidance—helps document prudence for future DOL exams.

## **6. Looking ahead**

Headwinds: rich U.S. valuations, fewer-than-hoped-for Fed cuts, geopolitical flashpoints.

Tailwinds: election-year fiscal support, AI-driven productivity stories, and a still-resilient labor market that keeps contribution flows healthy.

Bottom line: hospitals and health-care systems are tightening fiduciary process (fees, forfeitures, cyber) while layering SECURE 2.0 tools and discretionary 3(38) mandates to stay competitive in a brutal talent market—and to keep plaintiffs' attorneys at bay.

To download a copy of the transcript, [click here](#).

### **Additional Resources**

[Webinar Presentation Deck](#)

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