

Benefits Counselor – March 2026

RETIREMENT PLAN UPDATES

DOL Proposes Rule Amending Electronic Disclosure Safe Harbors and Requiring Plan Sponsors to Provide Paper Copies of Certain Pension Benefit Statements

On February 25, 2026, the U.S. Department of Labor (DOL) published a proposed rule that (if finalized) would amend existing electronic disclosure safe harbors to exclude pension benefit statements from electronic disclosure. For additional information, please see our recent article, [DOL Proposes to Require Paper Benefit Statements in Certain Circumstances](#).

IRS Again Postpones Effective Date for Required Minimum Distribution Regulations

The Internal Revenue Service (IRS) again postponed applicability dates for certain regulations regarding required minimum distributions (RMDs), in Notice 2026-7. In 2024, the IRS issued proposed regulations governing RMDs initially intended to apply for calendar years beginning on or after January 1, 2025. According to Notice 2026-7, the IRS now intends to issue final regulations in 2026, which will apply for distribution calendar years beginning at least six months after issuance. In the meantime, plan administrators should continue to apply a reasonable, good faith interpretation of the statutes and regulations governing RMDs.

Seventh Circuit Reinstates Former Spouse as Beneficiary Despite Attempted Removal

The former spouse of a deceased 401(k) plan participant is entitled to receive the decedent's entire 401(k) account balance, according to a U.S. Court of Appeals for the Seventh Circuit decision issued in *In Packaging Corp. of Am. Thrift Plan for Hourly Emps. v. Langdon* on February 2, 2026. The decedent had designated his then-wife as beneficiary. Following their divorce, he sent a fax to the plan's benefit center requesting her removal as beneficiary. The plan required participants to update beneficiary designations online and complete certain official plan paperwork. The Seventh Circuit ruled that the employee did not "substantially comply" with the plan when attempting to change his designation; the fax "did not even attempt to utilize the proper procedures." This underscores the importance

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of compliance with a plan's required procedures, even where actions may otherwise demonstrate an intent to change beneficiaries.

Second Circuit Rejects “Double Counting” in Withdrawal Liability Lawsuit

In a decision issued in *Mar-Can Transportation Co. Inc. v. Loc. 854 Pension Fund* on February 18, 2026, the U.S. Court of Appeals for the Second Circuit confirmed that a retirement plan may not “double count” transferred assets when calculating withdrawal liability. Section 1415(c) of the Employee Retirement Income Security Act of 1974 (ERISA) addresses withdrawal liability where an employer is withdrawing because of a change in bargaining representative. ERISA requires that such withdrawal liability be reduced by the amount that “unfunded vested benefits” allocable to the employer, which were transferred by the old plan to the new plan, exceed “the assets transferred.” According to the Second Circuit, “unfunded vested benefits” does not mean liabilities minus assets, which would essentially allow the plan to subtract transferred assets twice. Congress, according to the Second Circuit, did not intend to impose such a harsh penalty on employers withdrawing due to changed bargaining representative.

Texas District Court Rules Anti-ESG Bill Unconstitutional

On February 4, 2026, U.S. District Court for the Western District of Texas ruled Texas Senate Bill 13 (SB 13), which restricts consideration of certain environmental, social and governance (ESG) factors in investing, unconstitutional on First and Fourteenth Amendment grounds. SB 13 prohibited certain state entities from investing in companies that “boycott” fossil fuels, one of many similar state “anti-boycott” laws. This decision comes in the wake of significant discourse regarding consideration of ESG in public plan investments, as well as ERISA governed investment decisions. Public plans and ERISA fiduciaries should continue to monitor this rapidly evolving landscape for current best practices in permissible consideration of ESG and other “non-pecuniary” investment factors.

401(k) Forfeiture Lawsuit Survives Motion to Dismiss in District Court

In a rare departure from the trend in retirement plan forfeiture litigation, the U.S. District Court for the Northern District of Illinois denied the defendant plan's motion to dismiss in *Russell et al. v. Illinois Tool Works et al.* The District Court found ambiguity in the language of the plan document, which suggested that some, but not necessarily all, forfeitures could be used to offset employer



contributions. This case underscores the importance of clear, unambiguous plan language regarding permissible use of forfeitures.

HEALTH AND WELFARE PLAN UPDATES

Congress Expands Fee Disclosure Requirements for Group Health Plans

As of February 3, 2026, the Consolidated Appropriations Act, 2026 (CAA 2026) has expanded certain disclosure requirements for group health plans. ERISA generally requires group health plans to obtain a fee disclosure before entering, extending or renewing a contract with a “Covered Service Provider.” Pursuant to CAA 2026, the definition of “Covered Service Provider” is expanded to cover any group health plan service provider that expects to receive \$1,000 or more in direct or indirect compensation. For additional information, please see our recent article, [Proposed Regulations Would Require Extensive Disclosures from PBMs](#).

HHS Issues Updated Model Notice of Privacy Practices

The Department of Health and Human Services (HHS) has published an updated model Notice of Privacy Practices (NPP). The new model NPP reflects the guidance that went into effect on February 16, 2026, with respect to “Part 2” records pertaining to substance use disorder treatment. Health plan sponsors should work with service providers and legal counsel to confirm that NPPs comply with the guidance and updated model.

Missouri District Court Dismisses Tobacco Premium Surcharge Lawsuit

The U.S. District Court for the Eastern District of Missouri dismissed a tobacco premium surcharge lawsuit, *Plesha v. Ascension Health Alliance*, on February 3, 2026. This is the second ruling of its kind in recent months, amid the current increase in tobacco premium surcharge litigation. While HIPAA prevents group health plans from discriminating based on health status, including in the form of greater plan premiums, the District Court affirmed Congress’s intention of granting plan sponsors flexibility in establishing wellness programs and associated premium discounts.

GENERAL UPDATES

Fifth Circuit Finds ERISA Arbitration Clause Unenforceable

In a decision issued on February 10, 2026, the U.S. Court of Appeals for the Fifth Circuit joined seven of its sister federal appellate courts to hold an arbitration clause in an ERISA plan document unenforceable. In *Parrott v. Int'l Bancshares Corp.*, the Fifth Circuit held that the arbitration clause was at odds with ERISA and “prevented the plan participant from vindicating his statutory rights.” Plan sponsors should evaluate the enforceability of any existing or prospective arbitration clauses in their plan documents under this standard.

COMPLIANCE DEADLINES AND REMINDERS

Plan sponsors should be preparing to take action on the following upcoming deadlines. If you have any questions or need any assistance on these items, please reach out to your Reinhart attorney.

Retirement Plan Deadlines

- Form 1099-R: Plan administrators filing Form 1099-R electronically must file with the IRS by March 31, 2026.
- Form 15315: Defined benefit plan administrators must file Form 15315 with the IRS and provide it to trustees no later than the 90th day of each plan year, which is by April 1, 2026, for calendar year plans. Form 15315 provides the annual certification by the plan’s actuary of whether the plan is in endangered, seriously endangered or critical plan status.
- Annual Statement of Compliance for Defined Benefit Plans Receiving Special Financial Assistance: Any defined benefit plan administrator of a plan receiving special financial assistance must file the annual compliance statement with PBGC no later than 90 days following the end of each plan year, which is by April 1, 2026, for calendar year plans.
- Annual Funding Notice: Calendar year defined benefit plans with more than 100 participants must provide all participants, beneficiaries receiving benefits, participating employers and unions with the Annual Funding Notice by April 30, 2026.
- Required Minimum Distributions: Plan administrators must begin any initial Required Minimum Distribution (RMD) payments owed to participants by April 1, 2026.



Health and Welfare Plan Deadlines

- Information Reporting—Electronic Filing: Plan administrators electronically filing Forms 1095-C and 1094-C, or Forms 1095-B and 1094-B, must file with the IRS by March 31, 2026.
- Form 8928: Group health plan administrators may be subject to excise taxes for failure to comply with certain administrative requirements for health and welfare plans. To report such noncompliance and taxes due, Form 8928 must be filed on or before the plan administrator's federal income tax return due date.

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