

Antidote.

THE RETIREMENT TPA SERIES • REPORT 1: MARKET DYNAMICS

More plans than ever, *and more on the way.*

A ground-up look at America's expanding retirement market, what's driving growth, and where it is headed.

1

THIS REPORT



Market dynamics

How the market is growing, where new plans are coming from, and why clients leave.

2

COMING NEXT



Automation and AI

How technology is changing and what is being adopted in a TPA's day-to-day work.

3

COMING LATER



Supply and consolidation

TPAs entering and exiting, capacity vs. demand, and who buys the firms that sell.

Why this report exists?

Any TPA operator knows their own book in detail, but the wider market mostly by anecdote. Questions like how many plans exist, which kinds are growing, where new ones are forming and why clients leave come up at every ASPPA or NIPA conference, but the reply is always the same: nobody publishes the full picture.

This gap matters more now than it has in years. Many founders are thinking about succession, outside capital keeps flowing in, technology is changing how the work gets done, and state mandates, along record levels of new business formation, are pushing a new wave of small employers into plans. Every decision on hiring, pricing, investing or selling depends on knowing where the market is headed.

The good news is that the raw data exists. Every retirement plan with employees files a Form 5500 with the Department of Labor, and those filings are public (if not exactly light reading). The analysis behind this report works through nearly five million of them across plan years 2019 to 2024, and pairs them with insights we gathered from hundreds of conversations we personally had with TPA owners, operators and industry veterans.

Antidote works closely with TPA firms, so knowing this market well is part of the job. This analysis started as internal homework while we were digging into the space, but it quietly grew well beyond that (for the better), so sharing it felt more useful than leaving it in a folder. For operators in the industry, it's a benchmark for where new clients will come from, which plan types to build around, and what the next few years may hold.

This report is the first in a three-part series, which we're excited to share with you all. The next two cover how automation/AI is changing a TPA's day-to-day work, and consolidation across the industry. We love speaking with retirement TPA founders and operators, so if you want to dig further into these results, see how your firm stacks up, or just chat about everything retirement industry, reach out at akash@antidote-holdings.com.

Akash, Karo, and Jusung

Founders, Antidote

~861k plans, growing by ~30k plans/year

The number of retirement plans has risen every year since 2019, by ~127k in total. Growth stalled in 2020, but then bounced back and has run close to 4% a year since the pandemic.

860,937*

plans, 2024

+127,366

plans since 2019

3.25%

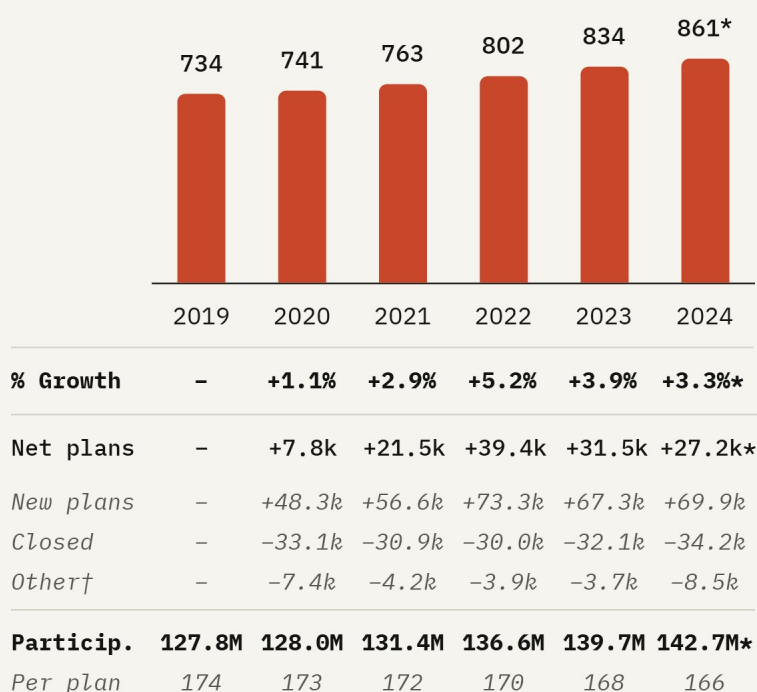
annual growth, 2019–24

143M*

participants, 2024

of ERISA retirement plans

By plan year, thousands. Based on Form 5500 filings.



Key takeaways

- Plans have grown every year since 2019, even in 2020 when the pandemic slowed growth to ~1%.
- Growth picked up from 2021: peaked at 5.2% in 2022, held near 4% since (*note: 2024 will likely tick up as late filings come in*).
- However, net growth hides a lot of churn: in 2024, ~70k new plans started while ~34k closed.
- Participants grew slower than plans (~2% vs. ~3% YoY); average plan is getting smaller (but requires same amount of work admin-wise).

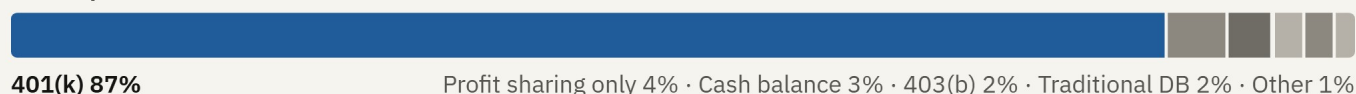
WHAT IT MEANS FOR A TPA OPERATOR

- Flat means falling behind:** just holding client count steady means losing share vs. market.
- Churn sets your real target:** ~5% of plans in the average book close every year (sponsor shuts down or sells); even standing still requires new plan wins (*requires investing in GTM*).
- Demand isn't the bottleneck to grow:** the market adds ~70k new plans/year (~30k net).

Legacy plans fade as specialist ones hold

Nearly 9 in 10 plans in 2024 are 401(k)s, vs. 8 in 10 plans in 2019; older designs lose ground annually, while plans that depend on specialist expertise are growing in line with the market.

Mix of plans, 2024



Plans by main type, 2019 and 2024, with growth a year

Each plan is counted once, under its main type.

Plan type	2019	2024	Growth a year, 2019–2024
401(k)	600,171	749,891	+4.6%
Cash balance	21,817	27,097	+4.4%
ESOP / stock bonus	6,582	6,719	+0.4%
403(b)	18,435	17,666	-0.9%
Profit sharing only	51,831	37,027	-6.5%
Traditional DB	24,001	17,058	-6.6%
Money purchase / target	4,614	2,702	-10.2%
Other	6,120	2,777	small and mixed; not charted
All plans	733,571	860,937*	+3.3% a year

Legacy designs (profit sharing only, traditional DB, money purchase)

80.4k → 56.8k

–6.7% a year, closing or converting to standard 401(k)s

Employers running a cash balance plan and a 401(k) together

20.4k → 25.3k

+4.5% a year, classic pairing for owner-heavy firms

401(k)s using a cross-tested design to tilt contributions to owners

About 3 in 10

roughly 217,000 plans in 2024, versus about 187,000 in 2019

WHAT IT MEANS FOR A TPA OPERATOR

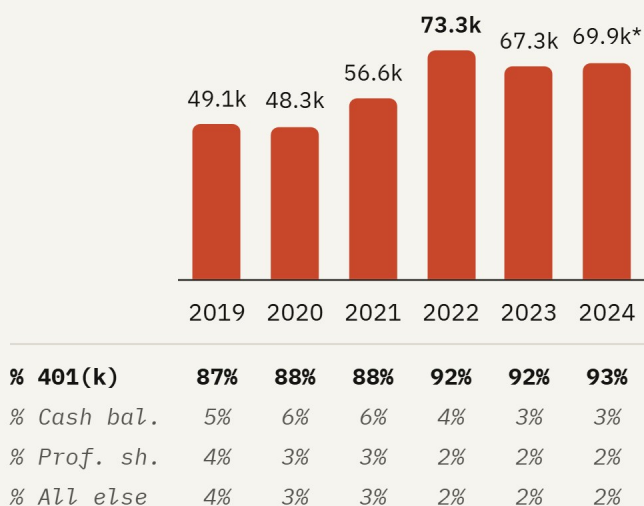
- **Legacy-heavy book shrinks on its own:** older designs lose 6-10% of plans a year; offsetting that to maintain overall book means winning more 401(k) and specialist plans.
- **Cash balance growth starts in your 401(k) book:** >90% of sponsors with cash balance also run a 401(k); existing clients are potential upsell, if you have an in-house or partner actuary.

Most new plans are auto-enrolled 401(k)s

About 70,000 plans now start every year. More than nine in ten are 401(k)s, almost all are on pre-approved plan documents, and three in four sign employees up automatically.

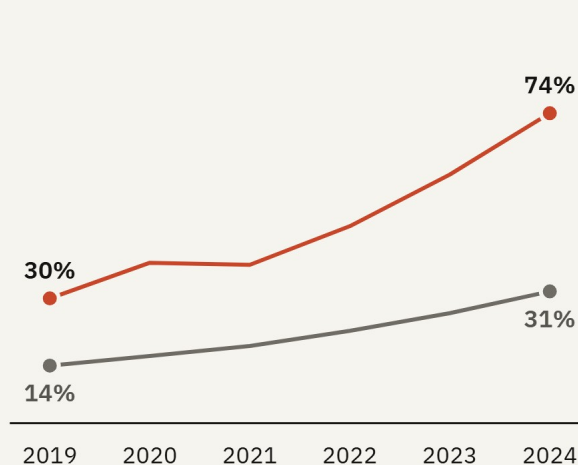
New plans started each year

All plan types; split by type below



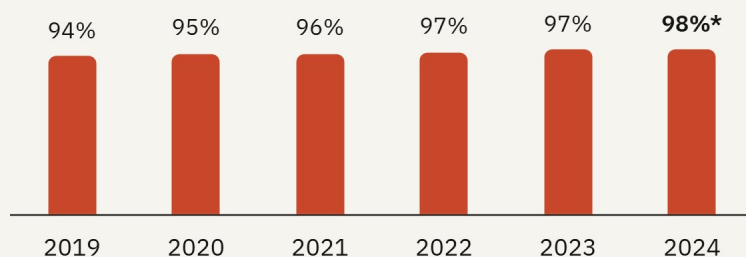
401(k)s with automatic enrollment

— % of new 401(k)s — % of all 401(k)s



New plans on a pre-approved document

Share of each year's new plans, all types



KEY TAKEAWAYS

- 1 Nearly all new plans are 401(k)s; every other type combined is only makes up ~7% of new plan formation.
- 2 3 in 4 new 401(k)s auto-enroll, in line with SECURE 2.0 mandattess.
- 3 98% of new plans use a pre-approved document; custom ones are mostly ESOPs and 1,000+ person plans.

WHAT IT MEANS FOR A TPA OPERATOR

- **Auto-enroll is table stakes:** Eligibility tracking, enrollment notices and opt-out refunds have to run efficiently (automation) for a TPA, on every plan.
- **Documents aren't the edge:** Almost all new plans use pre-approved document; TPAs win customers on design and service, not customizing plan documents.

The new-plan buyer: small and first-time

Nearly every new plan comes from an employer that has never had one. Most of them are small businesses, concentrated across a handful of service industries.

New plans started in 2024, by industry

of new plans and share of the total.

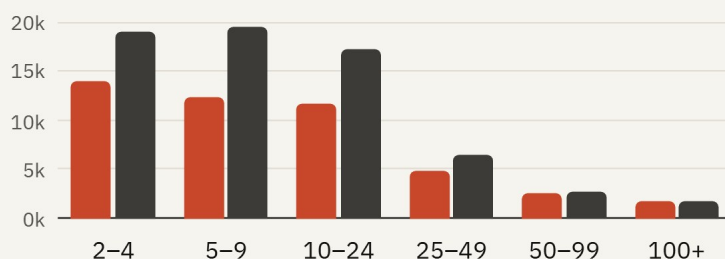
Professional services law, accounting, engineering	13.6k	20%
Personal & other services repair, personal care	10.9k	16%
Health care physicians, dentists, clinics	10.9k	16%
Construction contractors and trades	7.1k	10%
Retail	3.6k	5%
Restaurants & hotels	3.5k	5%
Finance & insurance	3.4k	5%
Manufacturing	3.4k	5%
All other industries wholesale, real estate, etc.	13.7k	20%
All new plans, 2024*	69.9k	100%

Key takeaways

- Four industries contribute to ~60% of 2024's new plans: professional services, personal services, health care and construction.
- 96% came from employers with no other plan on file; only ~1% replaced a plan that had stopped.
- Over 80% cover fewer than 25 people. Since 2019, new plans under 50 people grew ~50%, while those with 50+ stayed roughly flat.

of new plans by size (participants at end of year 1)

■ 2019 ■ 2024



Where 2024's new plans came from

First-time sponsor no other plan on file	66.9k	96%
Added a second plan half are cash balance	2.5k	4%
Replaced an earlier plan old plan stopped filing	0.6k	1%

WHAT IT MEANS FOR A TPA OPERATOR

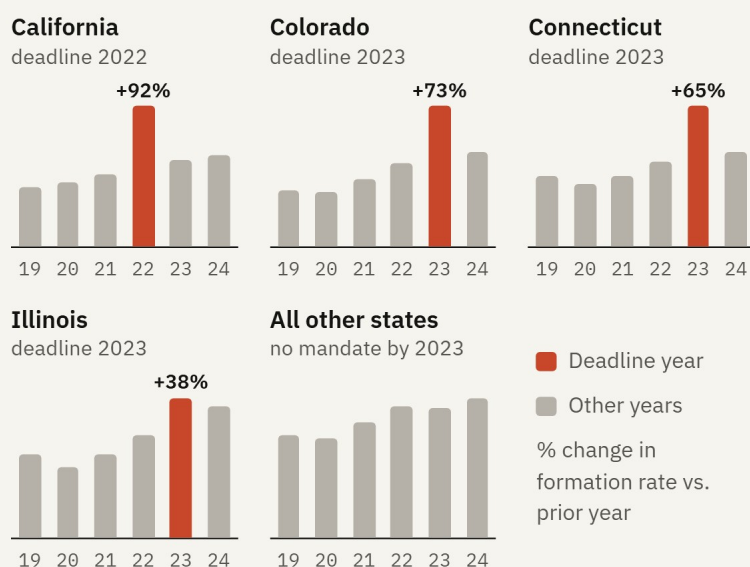
- Target first-time buyers:** Majority of new plans come from employers new to running one, sell via education (what are the benefits, the startup tax credits, how auto-enroll works etc.)
- Pick your industries:** 6 in 10 new plans come from 4 sectors; build referral channels there.
- Build for small:** standardize designs, price by headcount tier and automate onboarding.

Mandates trigger a rush of new plans

New plans jump in the year a state's deadline reaches small employers, then settle above where they were. The states still to come show where the next growth wave will land.

New plan formation rate (# of new plans started)

Plans filing a first return, each state chart on its own scale.



Key takeaways

- 1 In each mandate state, new plan formation rate jumped in the deadline year, vs. held relatively flat for other states across those years.
- 2 California started 21.6k new plans in its 2022 deadline year, ~10k more than in 2021; makes up ~60% of that year's national growth.
- 3 The rush fades the year after (e.g., CO and CT fell a third), but still settles above pre-mandate levels.

Next on the calendar

State	Deadline	Who is covered	Plans, 2024	Growth a year
New York	2026	10+ employees, phased Mar to Jul 2026	64.1k	+1.3%
Vermont	Jul 2026	5+ employees	2.1k	+3.1%
Minnesota	2026 to 2028	100+ employees first, 5+ by mid-2028	16.8k	+2.3%
Rhode Island	2026 to 2028	100+ employees first, 5+ by late 2028	3.6k	+1.7%
Nevada	Jan 2027	Employers under 100 employees	7.0k	+7.8%
Washington	2027	Program launch expected	18.1k	+3.4%

WHAT IT MEANS FOR A TPA OPERATOR

- **Prepare a year ahead:** line up GTM campaigns / referral partners before a state's deadline.
- **Win in the rush year:** new plan creation volume drops starting the following year of the mandate going live, provides a one-off opportunity to win large amount of new plans
- **Watch New York:** 64k plans growing ~1.3% a year, with 10+ employers mandate in 2026.

Most plans end when the business does

About 6% of plans end every year. Most go because the sponsor's business closes, sells or shrinks, not because they move to another plan. Small plans and older designs churn fastest.

How plans ended, 2022 to 2023

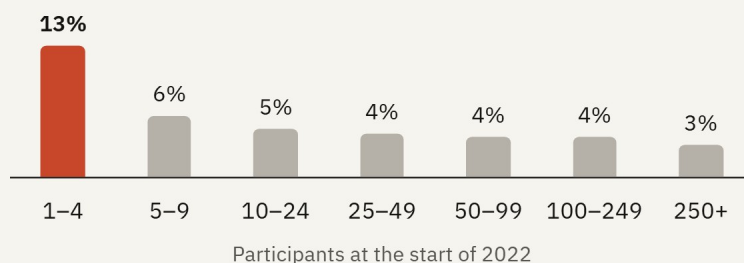
Filed for 2022 but not 2023; # of plans per route.

Terminated and paid out final return	25.2k	50%
Stopped filing no final return	12.7k	25%
Shrank to one person only the owner left in the plan	4.1k	8%
Merged with another plan into the employer's other plan	3.8k	8%
Assets moved out to another plan, often after a sale	2.2k	4%
Moved into a pooled plan PEP, PEO or MEP	2.0k	4%
All plans that ended 6.2% of the 800k plans in 2022	49.9k	100%

Key takeaways

- 1 ~50k plans (6.2%) ended between 2022 and 2023, of which half were terminated and paid out.
- 2 Three in four ended by termination or by simply stopping filing; only ~1 in 6 moved into another plan.
- 3 Micro plans churn fastest: 13% of plans with 1–4 people ended, vs. ~4% of those with 25+.
- 4 Plan mix matters as much as size: a legacy-heavy book loses plans ~1.7x as fast as a 401(k) book.

Share of plans that ended, by plan size



Share that ended, by plan type

Legacy designs profit sharing only, trad. DB, money purchase	10.0%
Cash balance owners hit their goal or retire	7.6%
401(k) the bulk of the market	5.9%

WHAT IT MEANS FOR A TPA OPERATOR

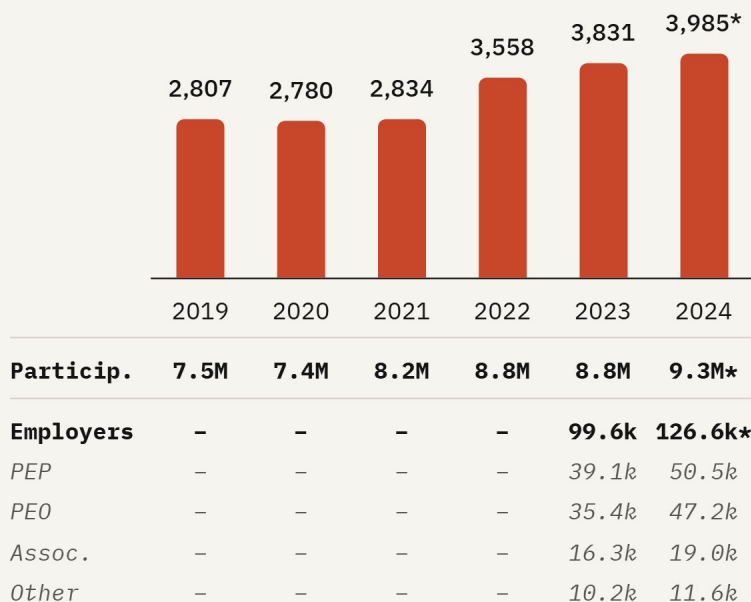
- **Price for churn:** plans with 1–4 people leave at ~13% a year, twice the market rate; set fee minimums or setup fees such that customer acquisition cost is "paid back" in year one.
- **Follow the owner:** most exits are closures and sales, not losses to competitors; stay close to owners nearing retirement and move the plan when a client sells.

Pooled plans now cover ~127k employers

Pooled plans let many employers share one plan/Form 5500, so they barely move the plan count. However, when counted by employer, they are the fastest-growing part of the market.

of pooled plans

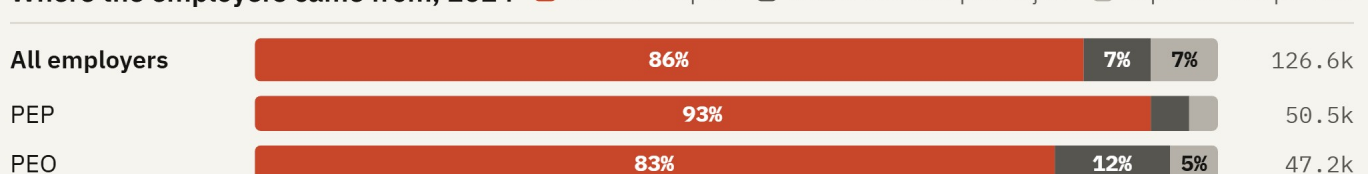
By plan year. One plan, one Form 5500, many employers.



Key takeaways

- 1 Pooled plans added ~27k employers in 2024 (+27%), while the # of pooled plans grew just 4%.
- 2 Each pooled plan files one return, so ~127k employers and 9.3M participants show up as only ~4k plans in the count.
- 3 86% of employers in pooled plans never had a plan of their own (93% in PEPs).
- 4 ~9.2k employers closed their own plan to join one; PEOs brought in 5.5k of them.

Where the employers came from, 2024



WHAT IT MEANS FOR A TPA OPERATOR

- **Pooled plans compete for your next client:** they signed up ~27k employers in 2024, mostly small firms with no plan, so your pitch has to beat “just join a PEP”.
- **PEO switch is an early warning for churn:** the plan often follows payroll to the PEO.
- **Pooled providers can be clients too:** PEPs and PEOs still need admin and testing.

How the numbers were built

What is counted	Every retirement plan filing a Form 5500 or 5500-SF, once per plan per year, dated by the end of its plan year (the Department of Labor’s own convention).
What is left out	Owner-only plans, which have no employees and sit outside Title I of ERISA; union multiemployer plans, which are administered as a separate market; and pooled investment vehicles that file but are not plans.
How it was checked	Matched plan by plan against the Department’s Private Pension Plan Research File for 2022 and 2023, agreeing on 99.6% of plans. Totals agree with the Department’s published counts within 0.4% in every year from 2019 to 2023.
Plan types	Taken from the plan characteristic codes filers report, one type per plan (401(k), cash balance, traditional defined benefit and so on), with design features such as cross-testing and automatic enrollment tracked separately.
New plans and exits	New plans are those filing a first return; exits are final returns or plans that stop filing. When a sponsor changes its tax ID, the form’s prior-sponsor fields link the old and new filings, so the change is not counted as a closure and a new plan.
Pooled plans	Employers inside PEPs, PEO plans and other multiple-employer plans are counted separately from Schedule MEP (2023 onward) and never added to plan counts.
State mandates	Program launch dates and employer registration deadlines from state auto-IRA program records, as compiled by Georgetown University’s Center for Retirement Initiatives.
What it cannot show	Which firm administers most small plans, because the form does not say, so nothing here ranks or names TPA firms. Plan codes are reported by filers and taken as filed. Plan year 2024 is about 98% filed; late filings usually add ~2%.
Sources	US Department of Labor EFAST2 research files for Form 5500, Form 5500-SF and Schedule MEP (downloaded August 2026); the Department’s Private Pension Plan Research File and Bulletin; state auto-IRA program records; 100+ conversations with TPA owners, operators and industry veterans.