

Retirement at a Glance

March | 2026



NOT CATCHING UP

Under SECURE 2.0, starting in 2026, workers 50 years or older earning over \$150K must make all catch-up contributions on an after-tax basis to Roth 401(k) plans.



Despite eligibility, only 5% of workers aged 50 and older made catch-up contributions to their retirement plans in 2023. **Among eligible participants earning \$150K or more, just 24% made catch-up contributions.** Under SECURE 2.0, starting in 2026, workers earning over \$150K must make all catch-up contributions on an after-tax basis to Roth 401(k) plans. (Source: Public Retirement Research Lab)

3 SAVINGS SHORTAGE — The median retirement savings among all workers is just \$955. When looking only at workers with positive balances in their defined contribution accounts, median savings increases to \$40K, while the average is \$179K. For those already retired, Social Security accounts for 52% of their total income, meaning retirees need substantial savings to cover the remaining 48%. (Source: National Institute on Retirement Security)

7 MATCH MATTERS — Americans 50 and older with student debt have 30% less saved for retirement than their debt-free peers. However, **employees who receive annual employer matches for student debt repayments will see an average increase of \$200K in retirement savings** by the time they reach retirement age. (Source: Fidelity)

4 BENEFITS VS BILLS — The average healthy 65-year-old couple can expect to receive lifetime Social Security benefits of \$802K. **That same couple faces lifetime premiums of \$689K for traditional Medicare alone. When adding in deductibles, copays, and hearing, vision, and dental plans, total health care costs increase to \$955K** — more than their total Social Security benefits. (Source: HealthView)

8 BENEFITS RESTORED — The Social Security Fairness Act eliminated the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), resulting in higher benefits for 2.8 million individuals. **Through July, the SSA completed more than 3.1 million payments totaling \$17 billion to eligible beneficiaries, including retroactive lump-sum payments dating back to January 2024.** (Source: CNBC)

1 BORED, NOT BROKE — The *Canadian Journal on Aging* has found that **while more than two-thirds (68.7%) of retirees carefully plan their finances, less than half (47.1%) make meaningful lifestyle plans for retirement.** When asked about their biggest challenges, only 12% cited financial issues, compared to 13% who cited social isolation and 24% who struggle with “killing time.” (Source: Wall Street Journal)

5 \$242K PROBLEM — 43% of Baby Boomers are expected to require long-term services and support care (LTSS) in retirement, with an average cost of \$242,373. **Medicare does not cover these costs, and when LTSS expenses are included in retirement asset analysis, 41% of older adult households that incur them are likely to run out of funds.** (Source: Morningstar)*

9 SET IT AND FORGET IT — 71% of employed target-date fund (TDF) investors feel confident about reaching their retirement goals compared to just 58% of non-investors. **91% of TDF investors agree that investing in them alleviates retirement planning stress versus 73% of non-investors.** Among those with TDF options available, 83% of employed participants currently invest in them. (Source: Plan Sponsor)

2 RETIREMENT REGRETS — 55% of Americans who retired in the last five years regret how they saved, with 28% wishing they had started earlier and 13% wishing they had saved more. As a result, **only 40% of retirees feel they are on track with their original retirement plans**, while just 20% have been able to rely solely on pensions and Social Security, keeping their nest eggs untouched. (Source: Nationwide)

6 AI LIABILITY QUESTION — 94% of retirement industry experts expect that by 2030, plan platforms will use hyper-personalized, AI-generated content to tailor financial advice to each employee’s situation. 97% agree AI will provide powerful tools for plan benchmarking, but **73% anticipate ERISA litigation will increase as questions emerge about legal liability if AI recommendations fail to produce desired results.** (Source: Transamerica)

Q QUESTION: In December 2024, the Department of Labor launched a “Retirement Savings Lost and Found Database,” and through the end of 2025, the site had 236,269 visitors log in. What percentage of visitors who logged into the site found a “lost” account?

*According to Statista, the Baby Boomer generation was born between 1946-1964.

Keep in mind that all investments, including mutual funds, carry a certain amount of risk including the possible loss of the principal amount invested.

These views should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any other MFS investment product. No forecasts can be guaranteed. Past performance is no guarantee of future results.

MFS® does not provide legal, tax or accounting advice. Clients of MFS should obtain their own independent tax and legal advice based on their particular circumstances. This has been provided for informational purposes only, and reflects the current opinion of the author, which is subject to change without notice, as are statements of financial market trends, which are based on current market conditions. Past performance is no guarantee of future results. Integrated Retirement is not affiliated with MFS Investment Management® or any of its subsidiaries.

Distributed by: U.S. - MFS Fund Distributors, Inc., Member SIPC, Boston, MA.

Please note that in Canada this document is intended for distribution to institutional clients only. Note to readers in Canada: Issued in Canada by MFS Investment Management Canada Limited.

Note to readers in Canada: Issued in Canada by MFS Investment Management Canada Limited.