

# The Undiscovered Country: Why 401(k) Plan Providers Must Focus on Participant Outcomes

By Ary Rosenbaum, Esq.

I've always loved the title of Star Trek VI: The Undiscovered Country. In the film, it was used as a metaphor for the uncertain peace between the Klingons and the Federation—this scary, uncharted space that could either unite or destroy. But the line itself comes from Hamlet, where “the undiscovered country” is death, the place from which no traveler returns. When I think about retirement planning, I can't help but see the same metaphor at work. Retirement is the undiscovered country for participants. It's not death, but it's the transition into a phase of life that is mysterious, intimidating, and too often poorly prepared for. As plan providers—advisors, TPAs, recordkeepers, fund managers, we've spent decades talking about fees, investments, and compliance. Those things matter. But at the end of the day, the reason these plans exist isn't so we can pat ourselves on the back for ERISA compliance or argue about the latest target-date fund glidepath. The point is participant outcomes. Are participants retiring with enough money to actually retire? Or are we sending them into the undiscovered country without a map, a phaser, or even a tricorder to help them survive?

## Compliance Isn't the Destination

Too many providers have treated compliance like it's the ultimate goal. Don't get me wrong, I built my practice on knowing ERISA inside and out. Compliance is the price of admission. You avoid plan disqualification, you avoid excise taxes, you keep the DOL off your back. But compliance is not the destination. It's like making sure the Enterprise has shields, warp drive, and working life-support systems. Necessary, but that doesn't win the mission. What wins the mission is whether Captain Kirk and

crew actually explore strange new worlds, seek out new life, and boldly go where no one has gone before. In our world, the mission isn't paperwork; it's whether participants can afford to retire with dignity. A plan that's technically compliant but produces participants who can't retire is like a starship that never leaves space dock.

## Why Outcomes Matter

When participants can't retire, everybody loses.

- The Participants Themselves:



They face financial insecurity, delayed retirements, and the crushing realization that the dream they worked toward for decades is slipping away.

- Employers: Older employees who can't afford to retire often stay longer than they want or should. That creates workforce gridlock, higher healthcare costs, and stalled opportunities for younger workers.
- Plan Providers: If we ignore outcomes, we're setting ourselves up for irrelevance. The next generation of fiduciary litigation won't just be about fees; it

will be about whether plan sponsors and providers did enough to help participants retire successfully.

Think of it this way: retirement outcomes are the Kobayashi Maru of our business. We can't ignore the no-win scenario participants face if we leave them underprepared. We need to reprogram the test, to redefine the game by focusing on outcomes instead of just process.

## What Outcomes Look Like

So what do “good” outcomes mean? It's

not as mysterious as Klingon politics. There are measurable benchmarks we can work toward:

1. Sufficient Replacement Income: Participants should aim to replace at least 70–80% of their pre-retirement income. That's not a perfect science, but it's a starting point.

2. Adequate Savings Rates: Plans should nudge participants toward savings rates of 10–15% when you include employer contributions. Auto-enrollment and auto-escalation aren't bells and whistles anymore; they're necessities.

3. Diverse, Age-Appropriate Investment Options: Participants don't need a fund lineup that looks like the Cheesecake

Factory menu. They need well-designed QDIAs like target-date funds or managed accounts that evolve with them.

4. Access to Guidance: Financial wellness, advice tools, and retirement income projections matter. Participants need to see where they're headed long before they reach the finish line.

## The Undiscovered Country of Retirement Income

The accumulation phase, saving during working years, is familiar territory now. We've automated it, streamlined it,

and litigated it. But the decumulation phase—turning that pile of money into a reliable paycheck in retirement, is our industry’s true undiscovered country. Star Trek VI was about moving from cold war to peace, about learning to trust in a future that felt uncertain. That’s exactly where retirement income stands. We’ve got annuities, managed payout funds, in-plan guarantees, and all sorts of shiny products. But participants don’t know how to navigate them. Many plan sponsors don’t either. If providers don’t lead, we’ll end up with participants stranded in space, floating between their last paycheck and their first Social Security check, without enough propulsion to make it.



At the end of The Undiscovered Country, Kirk tells the crew it’s time for others to go on their own voyages, while the Enterprise rides off into retirement—literally. That’s what a good outcome should feel like. Not fear of the unknown, not panic over insufficient funds, but a dignified exit after a long journey. Our job as providers is to make that possible. To ensure that when participants reach retirement, they’re not staring into a black hole of uncertainty but into a future where they can boldly go—into travel, family time, hobbies, or whatever their personal mission may be.

### Shifting the Provider Mindset

For plan providers, focusing on outcomes means shifting from a transactional mindset to a mission mindset.

- Advisors need to stop selling “401(k) as a product” and start positioning themselves as retirement outcome strategists. Plan design, financial wellness programs, participant engagement—these are not extras. They’re core.
- TPAs can’t just crunch numbers. They have to push for plan features like safe harbor matches, automatic enrollment, and Roth contributions that directly impact participant success.
- Recordkeepers must go beyond portals and statements. They need participant-facing tools that actually change behavior, not just look pretty in a pitch deck.
- Fund Managers must remember that expense ratios are only one piece. Glidepath construction, risk-adjusted returns, and retirement income strategies are where the rubber meets the road.

The Klingons in The Undiscovered Country were forced to rethink everything when Praxis exploded. Providers should learn the same lesson: business as usual won’t cut it anymore.

### Litigation, Regulation, and the Coming Wave

If you think I’m overstating the risk, just look at how fiduciary litigation has evolved. Ten years ago, lawsuits were all

about revenue sharing and fee reasonableness. Then it shifted to recordkeeping contracts and share class selection. The next logical leap is litigation over outcomes. If a plan committee ignores best practices like auto-escalation, or if participants are defaulted into cash equivalents and end up broke, you can bet the plaintiff’s bar will pounce. The Department of Labor is already nudging us there. Every initiative, from fee disclosure to cybersecurity guidance, points toward greater accountability. I wouldn’t be shocked if we eventually see outcome-based fiduciary standards. When that day comes, providers who focused on outcomes will already be light-years ahead.

### Helping Sponsors Help Participants

Plan sponsors often don’t know what they don’t know. They’re busy running businesses, not retirement plans. It’s on us, the providers, to educate them:

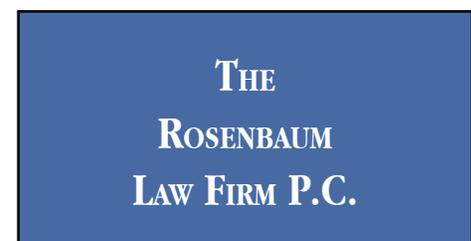
- Show the Cost of Delayed Retirement: Put numbers on how workforce gridlock impacts their bottom line.
- Demonstrate the Value of Design Features: Run projections on auto-escalation, stretch matches, and Roth contributions.
- Highlight Risk Mitigation: A sponsor who can show they took participant outcomes seriously will be in a stronger defensive position if litigation ever comes.

Sponsors want to do right by their employees, but they need providers to give them the roadmap.

### Star Trek, Hope, and Boldly Going

### Conclusion: The Mission Ahead

If we focus only on compliance, we miss the point. If we focus only on fees, we miss the point. Retirement outcomes are the undiscovered country of our industry, the place where we can either secure our relevance or fade into irrelevance. Like Kirk and the Klingons, we have a choice. Do we cling to the old ways, obsessing over lineups and basis points, or do we embrace the future, uncertain though it may be, and guide participants toward successful retirements? The undiscovered country isn’t something to fear. It’s something to prepare for, to plan for, and to boldly enter with the tools and strategies that only committed plan providers can deliver. That’s the real final frontier.



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