



If you want to go *fast*,  
go alone; if you want  
to go *far*, go together

**Compensation survey of U.S. third-party  
administrator firms**

Prepared by



Business Health Pty Ltd  
May 2026

# Forward



We're pleased to share the latest findings from Business Health's compensation and benefits survey. These survey results offer TPA leaders a current view of industry trends and how peers are approaching today's competitive talent market. This insight is intended to support benchmarking and, where relevant, help inform decisions as organizations continue to refine their employer-of-choice strategies.

Thank you to all the TPAs who participated in the survey. We appreciate your willingness to share your experiences with the broader TPA community.

**Christina Cannis**  
 Director, TPA Services  
 Manulife John Hancock Retirement

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# Introduction

The popular proverb we've used for the title of this paper highlights a fundamental truth: while individual effort can lead to quick progress on a task, long-term success and greater achievements usually require collaboration and teamwork.

For this reason, few business owners would deny that the staff of any TPA firm is absolutely critical to the ongoing success of the business. There's also no doubt that the ability of TPA firms to attract and retain the best available talent remains one of the keys to their long-term, sustainable business success.

And for any number of reasons, well known to most readers, this challenge has been made even more difficult today, thanks to a number of societal shifts—changing demographics, pandemic-accelerated working from home, life balance choices, and the ever-present impact of technological advancements have all played their part.

While there's been heightened activity for mergers and acquisitions, with the race to scale being the objective, quality staff remain extremely hard to find and even harder to keep. It's clear that the demand for good people is set to continue, and in this overheated marketplace, business principals will need to keep abreast of the latest trends in this space and know how their remuneration policy competes in the marketplace. And, not just

for new hires. Not staying up to date with trends for current staff provides inherent dangers for their retention, especially if newer staff are seen to be treated differently/better.

Business Health remains committed to helping TPAs position themselves for sustained success in a fast-changing and increasingly commoditized marketplace, and as part of our ongoing commitment to helping build a high-quality, sustainable, and profitable TPA profession, Business Health has partnered with Manulife John Hancock to better understand what firms are currently offering their staff in terms of compensation and benefits.

This paper helps address the lack of credible marketplace data in this critical area and raises a number of important questions and concerns.

We trust you'll find the results of interest and value, and we look forward to exploring in more detail the key findings and possible implications for your business.

*From the team at Business Health*



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# Executive summary

This research paper provides detailed insight into the changing staff dynamics within America's top TPA businesses and, in doing so, highlights a number of critical areas that firm owners and their senior managers will need to carefully consider if they're to continue to thrive in today's fast-changing business environment.

While the key findings unearthed in this paper will have different implications depending on the reader and their role in the retirement plan administration ecosystem, our analysis has revealed a number of key issues that we feel are of real strategic importance and will warrant further focus and consideration.

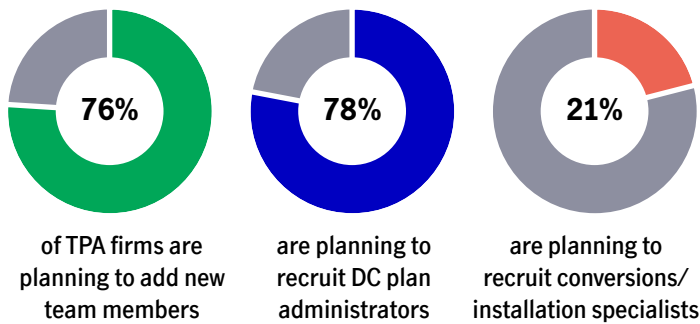
## 1 The war for talent still rages

While changes in the TPA profession continue at an unprecedented rate (think mergers and acquisitions, technology and AI, pricing and margin pressure, cybersecurity and data protection, to name but a few), the key battleground for most TPA businesses remains—how to attract and retain the best available talent.

While access to new clients isn't a major concern for most firms, being considered an employer of choice is now a critical factor for sustainable success.

Firms planning on building out their team in 2026 will quickly discover that competition for quality staff members is intense, and the best candidates are going to have a wide choice of future employers.

And, even if you're not in the market for new employees, your best people will be in high demand, and they'll be receiving calls and offers from your competitors. And with the wide adoption of remote/hybrid working environments, those competitors may not be local to your city/town or even your state—they can now be based anywhere in the country.



Regardless of the industry/profession a candidate may have previously worked in, those who possess transferable skills, a willingness to learn, have a closely aligned values set, and are complementary to the internal company culture generally represent the best addition to most TPA teams.

We would strongly encourage all principals to think very carefully about where they want their business to be in five years' time and, specifically, what skill sets will be needed to successfully make this journey.

Having the right people in the right roles will be critical, and depending on the desired end state, this may necessitate a change to the make-up of the team or the operational structure of the business. As the complexity and time commitment needed to keep on top of all the moving parts that make up today's TPA firm continue to increase almost exponentially, it may now be time for principals to consider bringing someone on board to manage the day-to-day running of the business.

While the owners must still set the strategy and direction of the firm, delegating the implementation of the business plan to a skilled and trusted general/operations manager or chief operations officer could well free up the most expensive resource in the practice (i.e., the principal) to focus on the activities that will deliver the greatest business return.

If the past few years have taught us anything, it's that the world can change very quickly and that to survive in business, firms need to be focused, adaptable, and willing to invest in the key drivers of success. For TPA firms, this undoubtedly includes the people who work in the business.

As it gets more and more difficult to attract quality people, some firms may benefit from broadening their search a little. Rather than focusing heavily on formal education qualifications and past experience working in the sector, business owners may need to look more closely at those from nontraditional backgrounds.

## 2 More than just the money

In such an overheated marketplace, there will always be a competitor willing to throw more money at a targeted recruit. And for some employees, this will be a lure they're unable to resist. However, others will be more interested in the total package, and many of the benefits listed in the body of this paper will be important factors in their decision-making process.

Although many TPA firms are offering their employees a wide variety of ancillary benefits, through our consulting work, we regularly find that many team members are unaware of the full financial value of their entire benefits package.

Regardless of the various elements that may be offered, we strongly recommend that business owners focus heavily on continually reinforcing the totality of their package, not just the headline salary component. Wherever practicable, we encourage owners to actually quantify in dollar terms the cost of the benefits they're providing and, each year, issue every team member a *total*

*compensation statement* that shows the full value of the package each employee is receiving. Armed with this knowledge, perhaps an offer from a competitor may no longer seem that attractive!

Of course, this won't address the intangible benefits that come from working with a business. The culture of the firm, the access to the owners, the alignment of values, and the care and compassion shown to staff and clients are all incredibly important attributes that will appeal to certain people—maybe just the type of person successful TPA firms are looking to attract and retain.

## 3 Working from anywhere

One of the lasting legacies of the COVID pandemic has been the shift to remote working. Even though stay at home mandates are thankfully a thing of the past, employees aren't rushing back to the office en masse to resume a nine-to-five, Monday-to-Friday working week. Working remotely is here to stay, and TPA firms clearly understand this—95% of TPA businesses now offer their team the opportunity to work from home.

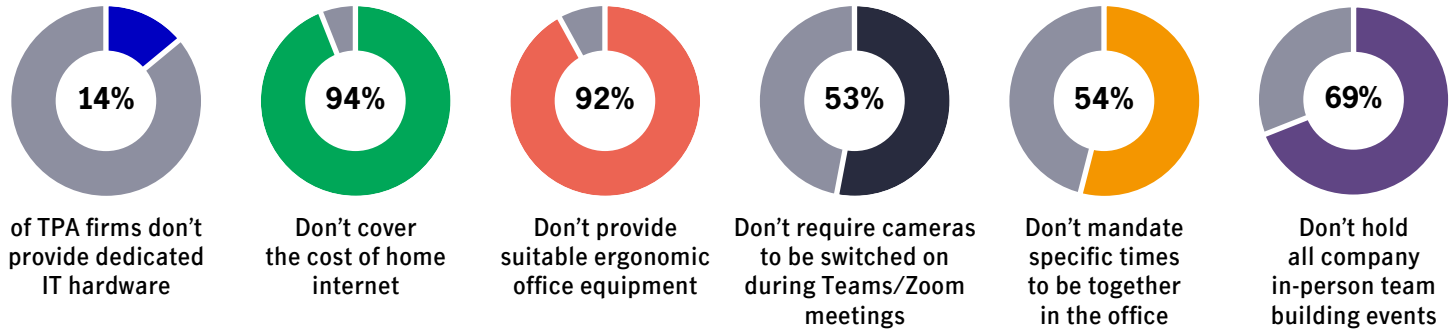
However, this brings a whole new set of inherent risks that need to be carefully managed to ensure the business is protected in the new hybrid working environment. By way of example, some staff are still using their personal devices to access client and company files when working remotely, while in many cases, very little attention has been paid to providing a safe, healthy, and proper space for employees when they're working from home.

The adequacy of the firm's cyber protection structures and the need for all staff to be fully aware of potential hacking and cyber risks remains absolutely critical, regardless of location.

The other great challenge associated with managing a remote workforce is building and strengthening company culture, sharing its corporate knowledge (here's how we do things here), fostering teamwork and camaraderie, and combating the risk of isolation and loneliness.

Of course, these are global concerns and are definitely not issues unique to TPA firms. However, they do nevertheless pose a very real and immediate threat to TPA businesses, and they'll need to be carefully considered by business owners as they evolve their remote working policies and procedures to ensure they fully maximize the productivity benefits associated with a hybrid working environment.

### Working from anywhere—potential risks for TPA firms

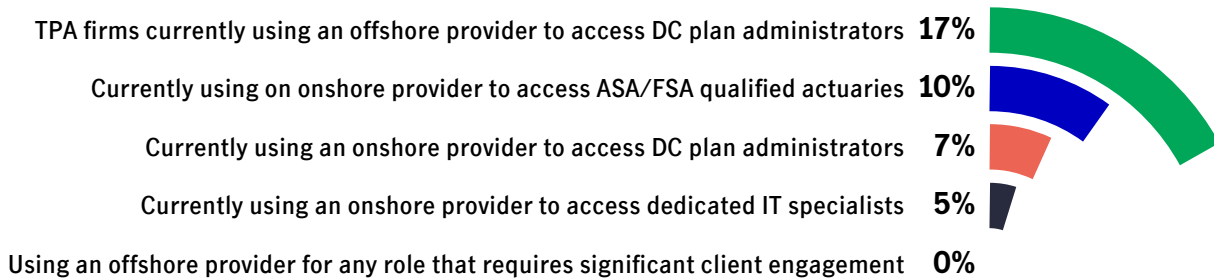


## 4 Outsourcing isn't seen as the cure-all solution

Although 58% of the firms that participated in this research are currently leveraging an outsourced partnership, this is predominantly limited to accessing non-client-facing, offshore-based DC plan administrators. It's also worth noting that none of the roles/functions that require significant client engagement are currently being outsourced to an offshore provider.

While there's been a lot of talk of late around the growth of outsourcing and the potential for these arrangements to radically change the dynamics of TPA practices, to date, this appears to be more talk than action.

Interestingly, while two-thirds of the firms that are currently outsourcing some of their business functions to an external provider are either extremely/quite satisfied, very few businesses are planning on extending their arrangements or entering into new outsourcing partnerships in the coming 12 months.



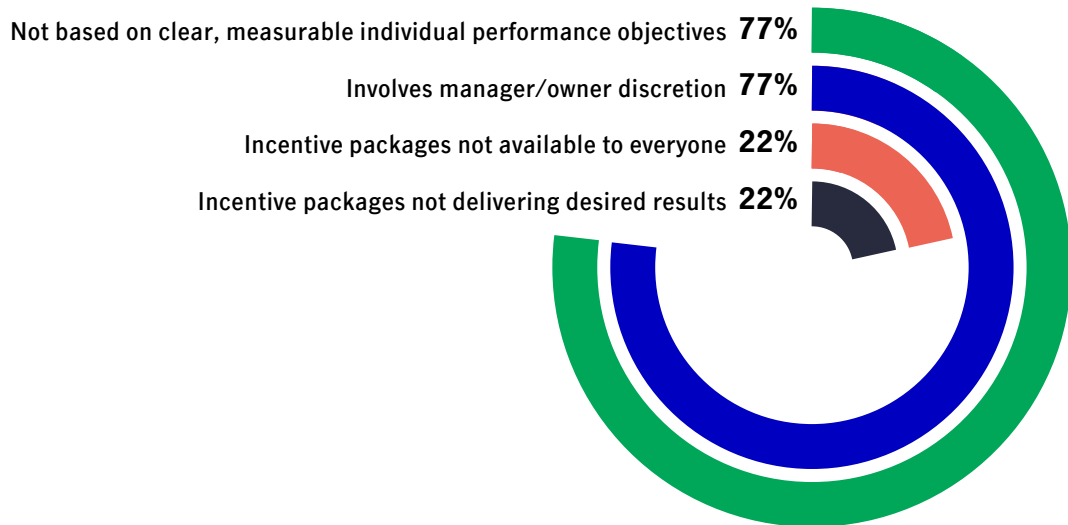
## 5 Performance-based incentive/bonus payments have become more important

While 71% of the firms now offer some form of incentive plan, many of these bonus programs lack clarity, inclusivity, objectivity, governance, and structure.

One in four of the owners (22%) stated their incentive plan wasn't delivering the desired results for either their employees or their business. While this result is worrying, it's even more alarming

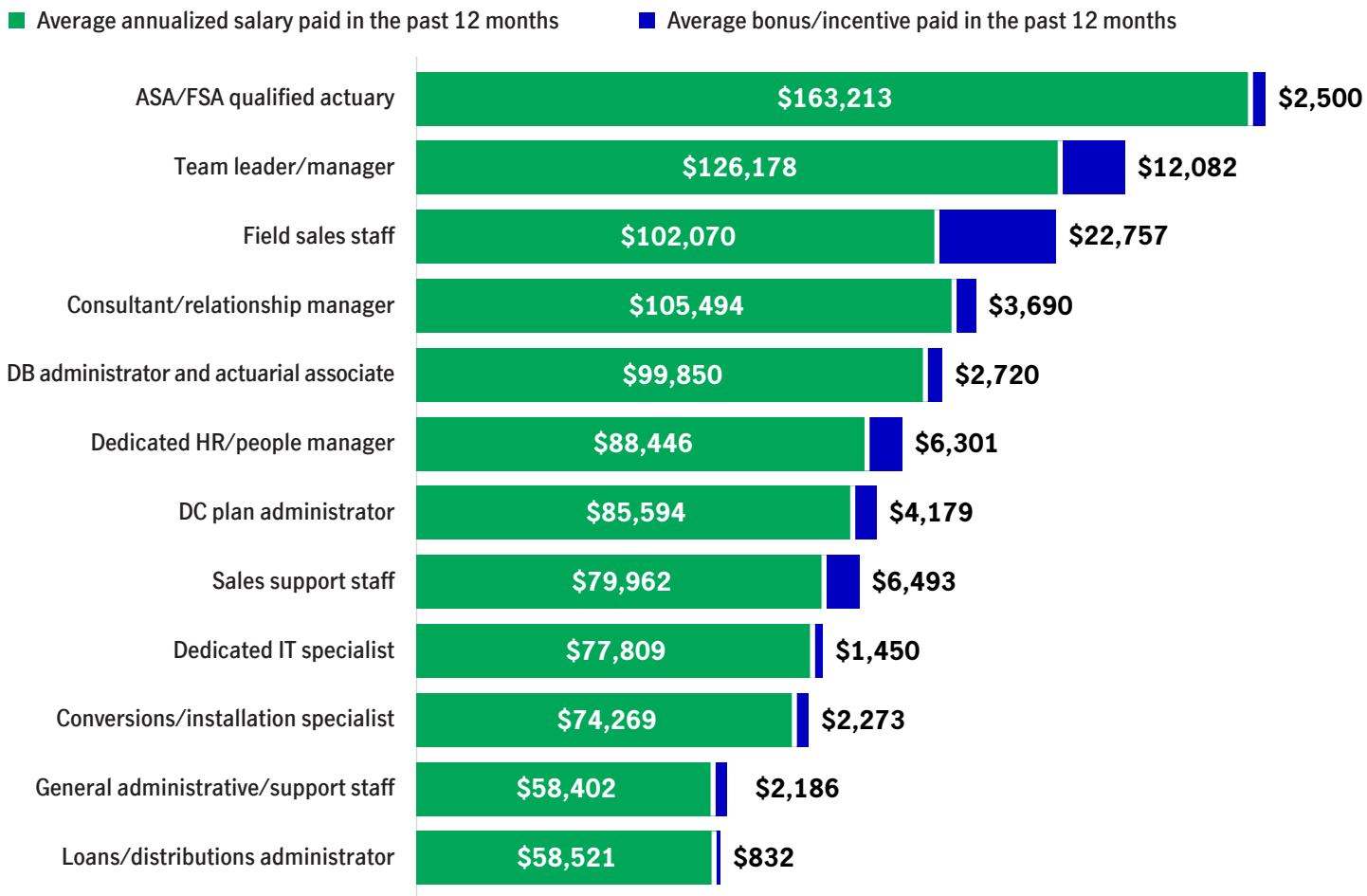
when taking into account the considerable increase in the size of bonus payments currently being made to employees.

Continuing to invest money in incentive payments that don't incentivize may not be the best deployment of capital.



# Compensation packages for in-house/direct employees

## What's being paid—average compensation by role



### DC plan administrator

On average, each TPA practice directly employs a total of 10.1 in-house DC plan administrators, with the average salary being \$85,594. However, for administrators with significant client-facing responsibilities, the average salary increased to \$87,105.

The average bonus/incentive paid to DC plan administrators in the past 12 months was \$4,179, and again, those with significant client-facing responsibilities received a significantly higher bonus—\$5,072 versus \$2,722. It's also worth noting that a third (32%) of these firms didn't pay their DC plan administrators any bonus in the past 12 months.

### ASA/FSA qualified actuary

Only 15% of firms directly employ an ASA/FSA qualified actuary, and the average salary for this role is \$163,213. The difference between those with greater direct client engagement responsibilities identified above is also reflected in actuary salaries—the average salary for actuaries with minimal/no client-facing responsibilities

is \$144,900 compared to \$174,200 for those actuaries with significant client-facing responsibilities.

While the average bonus payment received by an ASA/FSA qualified actuary was \$2,500, half of the firms didn't pay their actuaries a bonus/incentive payment during the past 12 months.

### DB administrator and actuarial associate

Less than a quarter (22%) of firms directly employ a DB administrator/actuarial associate, with the average salary for this role being \$99,850. The level of client engagement again had a significant impact on the DB administrator/actuarial associate salary—those with minimal/no client-facing responsibilities have an average salary of \$84,000 compared to \$106,643 for those with significant client-facing responsibilities.

Similarly, while the average incentive payment was \$2,720, those with minimal/no client-facing responsibilities received significantly less (\$667).

## Team leader/manager

The average salary for a team leader/manager is \$126,178, while the average incentive payment received in the past 12 months was \$12,082. While those team leaders/managers with significant client-facing responsibilities received a higher base salary (\$130,557 compared to \$111,580), interestingly, those with no/minimal client engagement were paid a higher bonus (\$14,097 versus \$11,545).

## Conversions/installation specialist

While the average salary for a conversions/installation specialist is \$74,269, in keeping with most other roles, those with significant client-facing responsibilities are being paid more—\$81,908 compared to \$54,625 for those with no/minimal client engagement. Similarly, while the average bonus paid to conversions/installation specialists over the past 12 months was \$2,273, those with significant client-facing responsibilities received over twice that of their peers (\$2,684 compared to \$1,216).

## Loans/distributions administrator

The average salary paid to a loans/distributions administrator is \$58,521 (with those with significant client-facing responsibilities receiving \$64,084), and in the past 12 months, at \$832, the average bonus paid was relatively small.

## Sales support staff

Only one in four (27%) firms directly employ sales support staff, and their average salary is \$79,962. Those with no/minimal client-facing responsibilities received significantly less—their average salary is \$55,829, and none received a bonus payment in the past 12 months.

## Consultant/relationship manager

The average salary being paid to consultant/relationship managers is \$105,494, and while the average bonus paid in the past 12 months was \$3,690, over half (55%) of the consultant/relationship managers didn't receive an incentive payment.

Owners should consider whether maintaining strong client service support is essential to sustaining high-quality client engagement and operational efficiency, especially as competition and client expectations continue to rise.

## General administrative/support staff

The average salary being paid to general administrative/support staff is \$58,402, and this was supplemented by an average bonus payment of \$2,186.

## Dedicated IT specialist

Twenty percent of firms directly employ a dedicated IT specialist, and the average salary being paid for this role is \$77,809. Only a quarter of IT specialists received an incentive payment in the past 12 months, and the average bonus was \$1,450.

## Dedicated HR/people manager

One in three (32%) firms now directly employ a dedicated HR/people manager, and while the average salary is \$88,446, this varied significantly from a low of \$49,000 to a high of \$190,000. The average bonus paid over the past 12 months to HR/people managers was \$6,301.

Business owners should assess whether investing in this specialized role could enhance their business performance and scalability, especially as their firm grows in headcount and complexity.

## Field sales staff

Twenty-two percent of firms directly employ sales staff, and their average salary is \$102,070. The average bonus paid to sales staff over the past 12 months was \$22,757, and this includes any commission payments.

## What's being paid

### Average compensation by role

Role	Average annualized salary paid in the past 12 months	Average bonus/incentive paid in the past 12 months	Total compensation
<b>DC plan administrator</b>	\$85,594	\$4,179	\$89,773
Minimal/no client-facing responsibilities	\$82,992	\$2,722	\$85,714
Significant client-facing responsibilities	\$87,105	\$5,072	\$92,177
<b>ASA/FSA qualified actuary</b>	\$163,213	\$2,500	\$165,713
Minimal/no client-facing responsibilities	\$144,900	\$1,933	\$146,833
Significant client-facing responsibilities	\$174,200	\$2,840	\$177,040
<b>DB administrator and actuarial associate</b>	\$99,850	\$2,720	\$102,570
Minimal/no client-facing responsibilities	\$84,000	\$667	\$84,667
Significant client-facing responsibilities	\$106,643	\$3,600	\$110,243
<b>Team leader/manager</b>	\$126,178	\$12,082	\$138,260
Minimal/no client-facing responsibilities	\$111,580	\$14,097	\$125,677
Significant client-facing responsibilities	\$130,557	\$11,545	\$142,102
<b>Conversions/installation specialist</b>	\$74,269	\$2,273	\$76,542
Minimal/no client-facing responsibilities	\$54,625	\$1,216	\$55,841
Significant client-facing responsibilities	\$81,908	\$2,684	\$84,592
<b>Loans/distributions administrator</b>	\$58,521	\$832	\$59,353
Minimal/no client-facing responsibilities	\$50,936	\$701	\$51,637
Significant client-facing responsibilities	\$64,084	\$923	\$65,007
<b>Sales support staff</b>	\$79,962	\$6,493	\$86,455
Minimal/no client-facing responsibilities	\$55,829	\$0	\$55,829
Significant client-facing responsibilities	\$89,011	\$8,927	\$97,938
<b>Consultant/relationship manager</b>	\$105,494	\$3,690	\$109,184
<b>General administrative/support staff</b>	\$58,402	\$2,186	\$60,588
<b>Dedicated IT specialist</b>	\$77,809	\$1,450	\$79,259
<b>Dedicated HR/people manager</b>	\$88,446	\$6,301	\$94,747
<b>Field sales staff</b>	\$102,070	\$22,757	\$124,827

It's obvious from the data that the marketplace is paying a premium for those roles involving greater client engagement. However, the ability to interact with clients is a skill that hasn't traditionally been required for many of the roles in a TPA business.

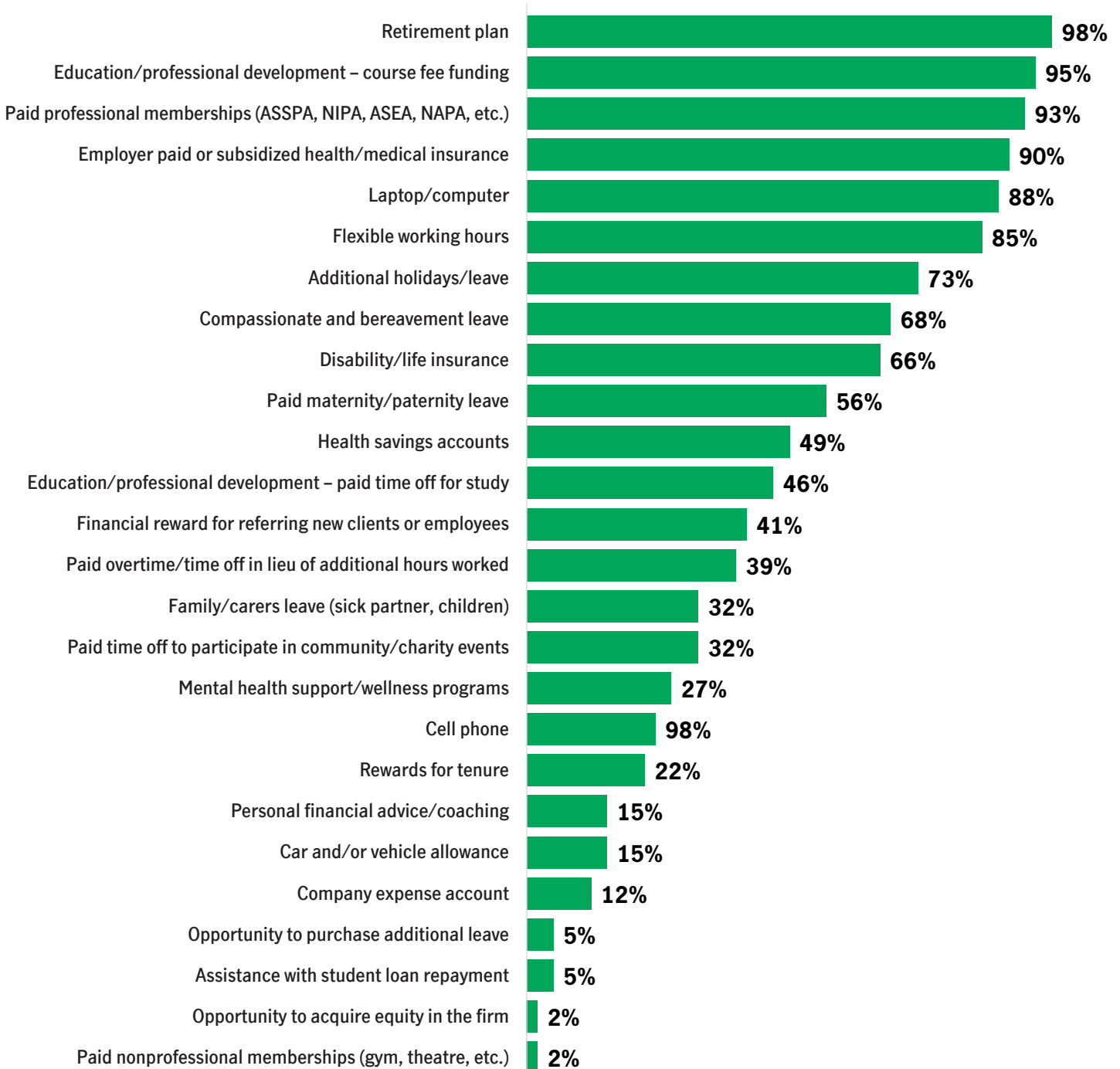
While there's no doubt some crossover, the skill sets needed to be a great administrator can be quite different to those required

for successful client-facing positions. Those administrators who are looking to (or being required to) take on more frontline client-facing responsibilities will need support and training to successfully make the transition. This is an area where firms may be able to leverage their relationships with recordkeepers and investment managers who often have a plethora of quality, client-service-focused training courses and collateral.

# Ancillary benefits

While offering a competitive financial package to employees and potential new team members is a great start, this alone may not be enough to attract and retain the talent needed to build and grow the successful TPA businesses of the future.

## In-house/direct employees—ancillary benefit types offered by % of TPA firms



## Ancillary benefits for in-house/direct employees

In such a heated marketplace, simply offering a competitive financial package to employees and potential new team members is, for many, merely an entry ticket to the hiring/retaining game. Based on the key findings shown in the chart on page 11, a number of firms may need to review the depth and breadth of their total remuneration package to ensure it continues to align with the changing expectations of today's (and tomorrow's) workforce.

While not all the ancillary benefits listed on page 11 will be critically important to everyone who may be considering their employment options, of particular concern could be:

- With succession planning such a huge issue in our marketplace, perhaps business owners need to reconsider which team members are offered the opportunity to acquire an equity stake in the firm. Currently, only 2% of firms offer this option to select members of their team.
  - As more people seek a stronger alignment between their own personal values and the business they work for, the fact that two-thirds of TPA firms don't offer any paid time off for their employees to participate in community/charity causes that are important to them could become problematic (especially with younger employees).
  - While many business owners place a strong emphasis on employee loyalty, this, of course, is a two-way street. Given that less than one in four firms (22%) recognize or reward key employee tenure milestones (e.g., 5-, 10-, 15-, 20-year employment anniversaries), this may lead to some long-term team members questioning their employer's level of appreciation.
- It's also interesting to note that research from Guzzo, Nalbantian, and Anderson, recently published in the *Harvard Business Review*, indicates that "employee age has no impact on business performance, whether performance is measured by financial, operational, or customer outcomes. Tenure, however, has a significant positive and sometimes very sizable impact on financial performance and operational excellence."
 

If we accept that the majority of people want to improve themselves, both personally and professionally, assistance with appropriate course fee funding and time off for study and to sit for exams is critically important. Employees who feel they aren't getting sufficient help to broaden their skill set and develop a career path could be susceptible to an approach from a competitor firm that's seen to be more supportive in this area.
  - Those firms that currently employ younger team members or are looking to attract younger people into the business may also be interested in the following findings recently published in the *Harvard Business Review* ("Helping generation Z employees find their place at work," Fernandez, Lee, Landis, January 18, 2023). This article found that younger employees value leaders who:
    - > Increase information-sharing to alleviate fears of uncertainty
    - > Show them paths to career progression to incentivize them
    - > Explain how their individual contributions matter
    - > Give them room for autonomy to keep them motivated
    - > Provide specific, constructive feedback to demonstrate that they're invested in their success
    - > Harness community and connection to engage and empower them
    - > Prioritize wellness and mental health to show you care

# Working remotely

As we learned from navigating through the COVID years and then the post-pandemic recovery, when done well, flexible work-from-home options offer significant benefits for both employers and employees. Ninety-five percent of the TPA firms that participated in this research project currently offer their team the opportunity to work remotely.

Operating a remote work environment allows employers access to a far wider talent pool, with the potential for higher employee productivity, lower operational costs, higher employee retention, and reduced absenteeism.

Employees of remote/hybrid work environments consistently report improved work-life balance, increased flexibility, significant cost savings, reduced stress, a healthier lifestyle, and fewer workplace distractions.

However, it's interesting to observe that, despite all the benefits, many businesses are now mandating a return to the office (either wholly or through a hybrid combination) in an attempt to address specific concerns relating to company culture, collaboration, productivity, and leadership oversight.

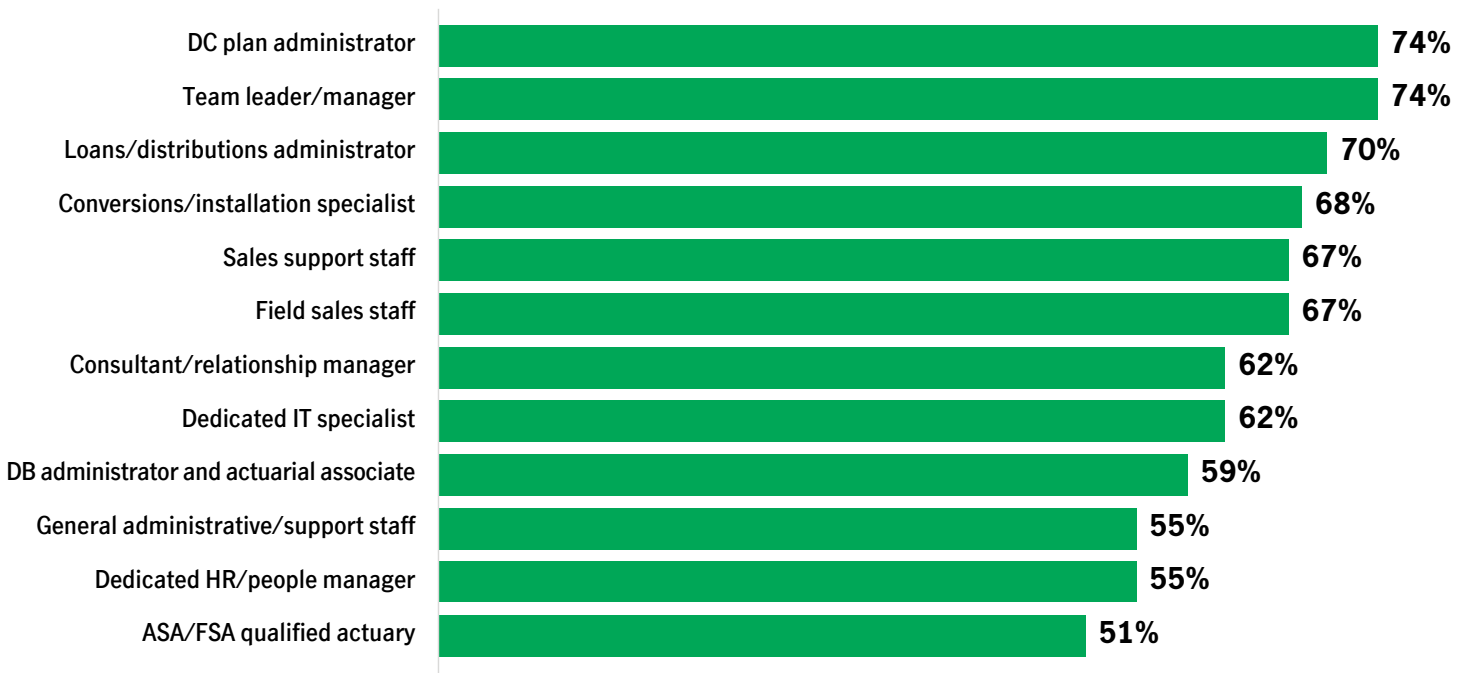
While these concerns are being influenced in the main by larger, institutional-based businesses, the back-to-office trend is also becoming evident in TPA practices with most firms now offering a hybrid location model.

The ability to work remotely has transformed mindsets and expectations for many workers and will require employers to continue to be flexible, adaptable, and innovative. As U.S. futurist, Mike Walsh, so succinctly proclaimed at a recent conference, *“There is no remote work. There is only work.”*

To further support this, the *Microsoft Work Trend Index* reported that 46% of the workforce is relocating because they can now work from home. This was backed up by Qualtrics research, which confirmed that 35% of employees would be more likely to search for a new job if they were required to return to the office full-time.

Working from home, or perhaps more precisely, not working in a head office location, five days per week, is here to stay. It's now a permanent feature of the retirement plan business. However, as the following chart clearly shows, the percentage of time spent working remotely varies considerably depending on role.

## Average % of time spent working remotely by role



While 92% of firms mandate cyber/data security protocols, 14% of firms don't provide their staff with dedicated IT hardware (e.g., computer, laptop, printer, webcam, headphones, etc.) to use when working remotely. When staff access sensitive client files or company records from a personal (and often shared) computer, the threat of cybercrime/theft increases exponentially.

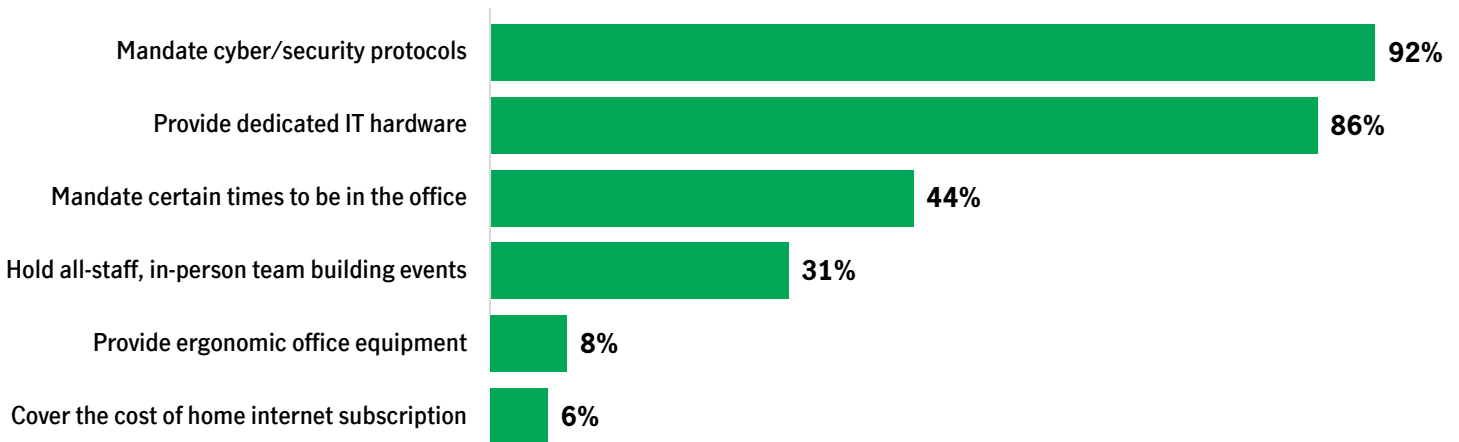
Regardless of the role or the percentage of time spent working remotely, to fully maximize the productivity benefits, and perhaps better manage some of the inherent risks associated with a hybrid working environment, the following findings may cause some business owners to review their working from home policies and procedures:

- Fast and reliable internet access is now a mandatory requirement for all staff. This is simply a cost of doing business, no matter whether an employee is working from the office or their home. It's therefore somewhat surprising that only 6% of firms cover the cost of home internet access for their staff.
- All employers have a legal obligation to provide a safe working environment. This extends to the set-up of the physical workplace (be it in an office or home setting), and given that just 8% of firms provide their support/administrative staff with approved ergonomic office equipment (e.g., office chair, desk, etc.), many firms may struggle with an Occupational Health and Safety audit.

- A recent opinion piece in the *New York Times* sounded a warning for young, newly hired workers who, it suggested, felt somewhat detached from their new employer, feeling more like strangers in their own company, even if they have been on board for a while. The *Times* noted how asking a colleague a minor question in an office setting, where such interactions are routine, somehow becomes more formal if done online. This positioning, in turn, risked making the new person reluctant to appear foolish. As a result, new employees often don't gather the many small bits of knowledge that can make them more productive, provide a context for their work, and foster belonging.
- Just over a quarter (28%) of firms require their new employees to work from their office during the onboarding/induction period, over half (56%) don't mandate specific times to be together in the office, and less than a third (31%) hold all company in-person team building events. All of these initiatives go a long way to helping mitigate the risk of feeling isolated and alone and provide the perfect opportunity for leaders to strengthen, develop, and accentuate their company culture.
- 11% now use keystroke tracking/monitoring software to monitor employee activity, and less than half (47%) require cameras to be turned on for group Teams/Zoom video calls.

Over the past few years, we have learned that video calls, webinars, podcasts, and telephone calls can address almost every aspect of team interaction, except one—*“how's things”* conversations, encouraging acknowledgment, and a general sense of belonging and reassurance prevail.

### Remote work policies implemented by % of TPA firms



When your employees are working remotely ...

# 10 early warning signs that your remote workers may be struggling

- 1** A noticeable drop in productivity, with turnaround times slowing down and deadlines being missed.
- 2** An increase in negative client feedback or complaints.
- 3** Adverse feedback, comments, and observations from your professional network (development managers, referral partners, and product providers).
- 4** Staff are complaining about their colleagues.
- 5** Emails are being sent out of business hours, late at night, or on the weekends.
- 6** Attendance/participation in team meetings is well below the usual experience.
- 7** Proactivity has been replaced by reactivity. Suggestions not forthcoming.
- 8** Requests for holidays and sick leave are on the increase.
- 9** Poor results from your most recent staff satisfaction survey.
- 10** Pulling out of training/development courses.

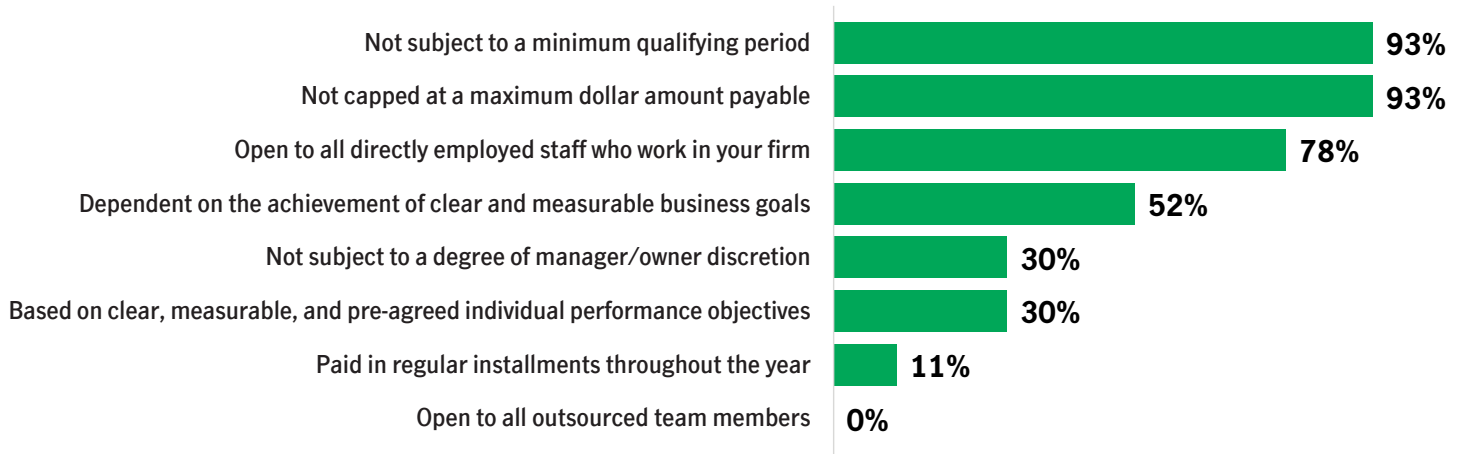
# Incentive/bonus plans

While it's definitely not mandatory to offer an incentive or bonus program to staff members, there's no denying the fact that money can be a primary motivator for many employees. Well-designed and managed performance-based incentives, which are based on clearly articulated business and individual goals, can dramatically impact both productivity and morale.

It was therefore somewhat of a surprise to see that 29% of the TPA firms that provided data for this research stated they don't offer an incentive plan. Additionally, of those who do, almost a

quarter stated that their plan wasn't open to everyone who works in their firm.

## Incentive/bonus plans—features and failings



Having only some staff members eligible for incentive compensation can be problematic. In some instances, it may even become a demotivator, fostering resentment and animosity amongst those excluded from participation. If incentive payments/rewards are only open to certain members of the team, it's critically important that the reasons for this are clearly communicated to all staff members.

It's also universally agreed that for any incentive program to be most effective, it must be based on reality with clearly defined, stretch (but achievable), and measurable goals. Less than a third (30%) of the practices that offer a bonus plan reported that their program was based on clear, measurable, and pre-agreed individual performance objectives, and 70% stated individual payments include a degree of manager/owner discretion. Our direct experience from the 1,000s of TPA staff members who have participated in our confidential and anonymous *Employee Satisfaction Survey* service is that bonus programs that involve a high degree of owner/manager discretion are fraught with danger and, in many cases, undermine fairness and motivation.

Perhaps these are contributing factors to the 22% of firms who don't feel their current bonus/incentive program is delivering the desired results for both their employees and their business?

Continuing to invest money in incentive payments that don't incentivize may not be the best deployment of scarce capital. Firms that combine competitive pay with meaningful benefits, flexible work arrangements, and transparent incentive programs will be best placed to attract, retain, and develop top talent. In a market where expectations are shifting fast, those who adapt will lead.

It's also worth considering that while incentive programs are commonly monetary-based, they don't always have to be. In difficult business and market environments, employers could consider an incentive program that offers equity shares, extended time off, or even gifts as an alternative to simply dollars. Do you know what motivates your staff?

# Outsourcing

Over half (58%) of the firms that participated in this research don't outsource any of their business functions to an external third party. Twenty-two percent currently leverage an offshore outsourcing partnership, and 20% are partnering with an onshore provider.

As shown in the table below, outside of the DC plan administrator role, very few firms are outsourcing other key functions, and no firm is using an offshore partner to deliver any role that has significant client-facing/client engagement responsibilities.

## % of TPA firms with outsourcing arrangements by role

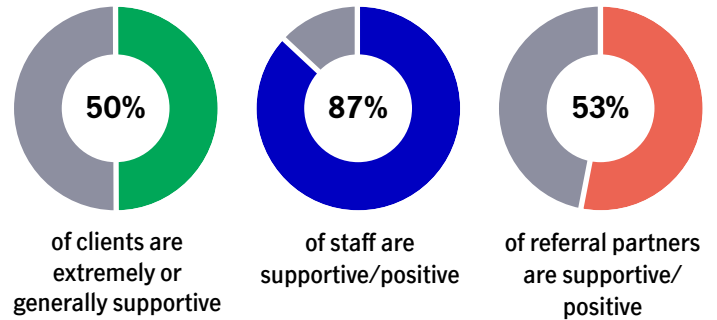
Role	Outsourcing onshore	Outsourcing offshore
<b>DC plan administrator</b>		
Minimal/no client-facing responsibilities	5%	17%
Significant client-facing responsibilities	2%	0%
<b>ASA/FSA qualified actuary</b>		
Minimal/no client-facing responsibilities	10%	0%
Significant client-facing responsibilities	0%	0%
<b>DB administrator and actuarial associate</b>		
Minimal/no client-facing responsibilities	10%	2%
Significant client-facing responsibilities	0%	0%
<b>Team leader/manager</b>		
Minimal/no client-facing responsibilities	0%	2%
Significant client-facing responsibilities	0%	0%
<b>Conversions/installation specialist</b>		
Minimal/no client-facing responsibilities	0%	5%
Significant client-facing responsibilities	2%	0%
<b>Loans/distributions administrator</b>		
Minimal/no client-facing responsibilities	2%	5%
Significant client-facing responsibilities	0%	0%
<b>Sales support staff</b>		
Minimal/no client-facing responsibilities	0%	0%
Significant client-facing responsibilities	0%	0%
<b>Consultant/relationship manager</b>	0%	0%
<b>General administrative/support staff</b>	0%	0%
<b>Dedicated IT specialist</b>	5%	0%
<b>Dedicated HR/people manager</b>	0%	0%
<b>Field sales staff</b>	0%	0%

- Firms that employ staff through an outsourcing partnership are generally not legally required to offer ancillary benefits to outsourced employees, and only one of the businesses provides any ancillary benefits to their outsourced team members. And, in comparison to what's offered to directly employed staff, the suite of benefits was quite limited.
- As competition for the best available talent continues to intensify and further spills into the outsource arena, it will be interesting to see how this evolves in the coming 12–24 months—will businesses decide to differentiate their offer and strengthen their whole of firm culture by offering their outsourced team members an extended range of benefits?
- Of the firms currently outsourcing some of their business functions to an external provider, 13% were *extremely satisfied* with the results being delivered, 56% *quite satisfied*, 19% *neither satisfied nor dissatisfied*, and 13% *quite dissatisfied*.
- In terms of how the key stakeholders have reacted to the use of outsourced staff, 50% of firms reported that their clients were either *extremely* or *generally supportive/positive*,

and 50% stated their clients were *ambivalent*. None of the businesses reported that their clients were concerned.

- Similarly, 87% stated their staff was *supportive/positive*; however, 13% did report that their staff was a *little concerned* with the outsourcing model. None of the firms stated their referral partners were concerned with the outsourcing arrangements, with 47% *ambivalent* and 53% *supportive/positive*.

**Key stakeholder reactions to the outsourcing of staff**



# Recruitment intentions

On an FTE (full-time equivalent) basis, on average, each firm brought on board 6.6 new hires over the past 12 months; they also received 3.6 resignations and terminated 3.1 team members. The demand for quality staff doesn't appear to be cooling during the coming 12 months. Three-quarters (76%) of TPA firms reported that they're looking to add new members to their team during 2026.

As shown in the following table, DC plan administrators will be in most demand, and interestingly, almost half (46%) of these firms will be looking for administrators capable of handling significant client-facing responsibilities. Very few firms are planning to

meet their need for additional resources through an outsourcing partnership (either onshore here in the U.S. or through an offshore international organization). This may suggest a preference for maintaining control over strategy, quality, and client relationships.

## 2026 recruitment intentions

Role	Employ directly	Outsourcing onshore	Outsourcing offshore
<b>DC plan administrator</b>			
Minimal/no client-facing responsibilities	32%	0%	7%
Significant client-facing responsibilities	46%	0%	0%
<b>ASA/FSA qualified actuary</b>			
Minimal/no client-facing responsibilities	0%	0%	0%
Significant client-facing responsibilities	0%	0%	0%
<b>DB administrator and actuarial associate</b>			
Minimal/no client-facing responsibilities	0%	4%	0%
Significant client-facing responsibilities	0%	0%	0%
<b>Team leader/manager</b>			
Minimal/no client-facing responsibilities	0%	0%	0%
Significant client-facing responsibilities	0%	0%	0%
<b>Conversions/installation specialist</b>			
Minimal/no client-facing responsibilities	7%	0%	0%
Significant client-facing responsibilities	14%	0%	0%
<b>Loans/distributions administrator</b>			
Minimal/no client-facing responsibilities	4%	0%	0%
Significant client-facing responsibilities	7%	0%	0%
<b>Sales support staff</b>			
Minimal/no client-facing responsibilities	4%	0%	0%
Significant client-facing responsibilities	11%	4%	0%
<b>Consultant/relationship manager</b>			
	7%	0%	0%
<b>General administrative/support staff</b>			
	11%	7%	0%
<b>Dedicated IT specialist</b>			
	0%	0%	0%
<b>Dedicated HR/people manager</b>			
	0%	0%	0%
<b>Field sales staff</b>			
	11%	0%	0%

While most firms will continue to leverage the traditional recruitment channels to find their new direct hires, as the chart below shows, 21% of firms will be looking to their wholesaler and/or recordkeepers to refer potential new team members—this may pose a conflict for the wholesaler and some delicate discussions will need to be had to manage the expectations of TPA principals.

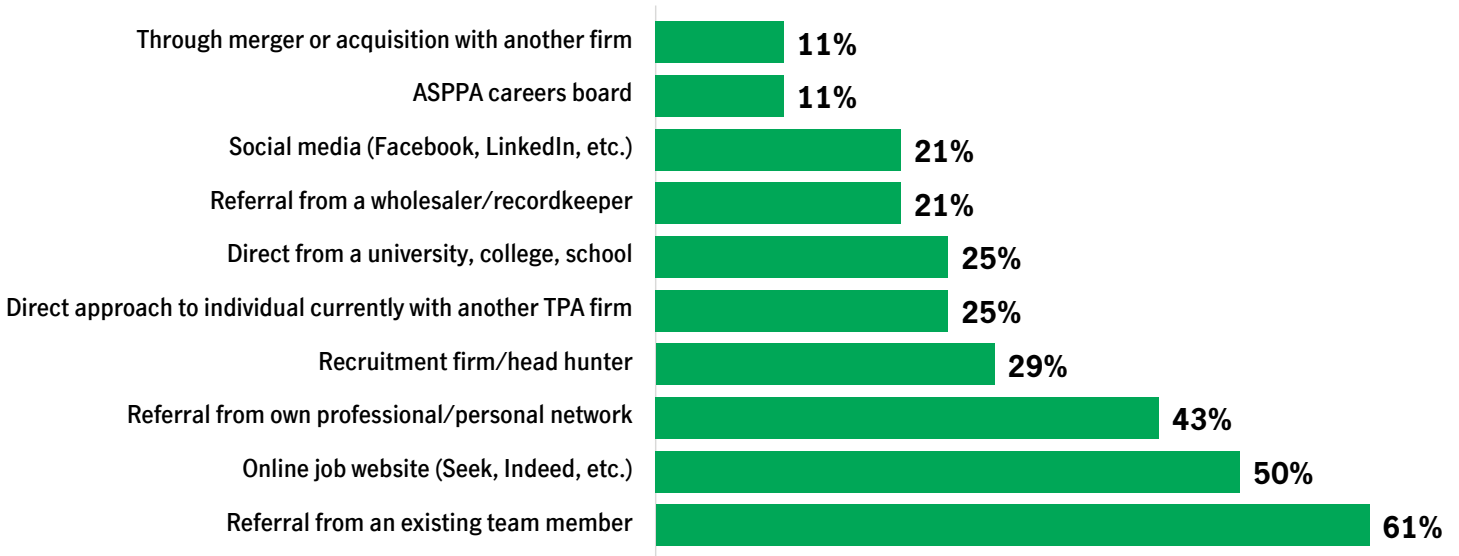
Offering internships or short-term paid projects to college students is a great way for firms to reach new candidates, and it also allows both employers and potential employees to assess the fit before

committing to a full-time hire. One in four firms stated they'll be recruiting directly from a local university, college, or school.

Regardless of where new hires are found, a detailed procedures manual will help fast-track the development of any new team members, and a clear position description detailing exactly what's expected from the role will help clarify expectations.

Interestingly, our latest research shows that over half of all TPA team members don't think they have an accurate position description (and their perception becomes the owner's reality).

### Anticipated sources of direct employees



While three-quarters of firms are actively looking to add additional members to their team, many don't expect this to have a dramatic impact on their total salaries/benefits expenses.

Only one third (35%) of businesses are budgeting for increased salary costs of between 10%–25%. Fifty-nine percent expect their salaries' bill to remain relatively unchanged. Similarly, 44% expect the cost of staff benefits to remain relatively unchanged, and 47% are projecting a 10%–25% increase in staff benefit expenses.

## In closing

We trust that this research has given you insight into what is happening in the employee marketplace and, most importantly, how you compare. Armed with this intel, you will be, hopefully, well placed to assess and determine your remuneration strategy going forward into 2026 and beyond.

Notwithstanding the nuances of the individual business vis-à-vis its peers and competitors, there are a number of simple steps we

believe every TPA business owner could implement to enhance their employee value proposition (EVP)—allowing them to perhaps more easily attract, retain, and develop their people.

Through our work with advice firms just like yours, we've observed how top-performing businesses manage their people. Here's what we've learned.

### Enhancing your employee value proposition to attract and retain staff

- 1** Satisfaction surveys, when conducted independently, can provide great insight. Never assume what your staff is thinking; instead, commit to undertaking a staff satisfaction survey every year and incorporate the findings in your annual business planning process.
- 2** Review and benchmark your remuneration strategy each year to ensure your salary and bonus structures remain competitive by referencing independent market data and adjusting for regional differences and role-specific expectations. The market can move very quickly.
- 3** Make use of ancillary benefits—while remuneration starts with money, it's very often the ancillaries which make the difference. They also offer the opportunity to differentiate your firm, often without the need for major cost.
- 4** Design inclusive and transparent incentive programs. Ensure bonus plans are clearly linked to measurable goals, open to all relevant staff, and communicated effectively to avoid disengagement or resentment.
- 5** Strengthen your hybrid work infrastructure by providing secure IT hardware, ergonomic equipment, and clear policies to support remote workers while maintaining team cohesion and compliance.

While remuneration will invariably be the business's biggest outlay, it shouldn't be viewed as an *expense* but rather as an *investment* by determining what you want out of each role and the ROI you expect.

# About the authors

Business Health is an independent organization specializing in advice and solutions to third-party administrators and financial advisors. Since its establishment in 2000, Business Health has evolved as one of the leading international practice management groups.

Business Health has established a reputation for innovation and cutting-edge solutions, and our experience in the financial services environment, enhanced by an extensive up-to-date knowledge of international factors and trends, positions us to offer significant expertise in the area of business development.

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