



The Rise of Digital Recordkeepers in US Retirement Markets

How technology-led platforms are changing the economics of retirement plan delivery

September 2026

EXECUTIVE TAKEAWAY

Digital recordkeepers are moving retirement administration from a service-intensive model toward connected, automated platforms. The shift is widening access for smaller employers and raising expectations for payroll integration, digital experience, and operating efficiency.

The next major disruption in US retirement services is increasingly being driven by technology-led platforms that have rebuilt plan administration around automation, payroll connectivity, and intuitive digital experiences.

Traditional recordkeeping models were designed primarily for scale, administrative complexity, and advisor-led distribution. Digital recordkeepers, by contrast, have developed technology-first operating models that can make retirement plans easier and more economical to establish, administer, and use. Their emergence is particularly consequential for small and mid-sized employers, a segment historically constrained by the cost and complexity of offering workplace retirement benefits.

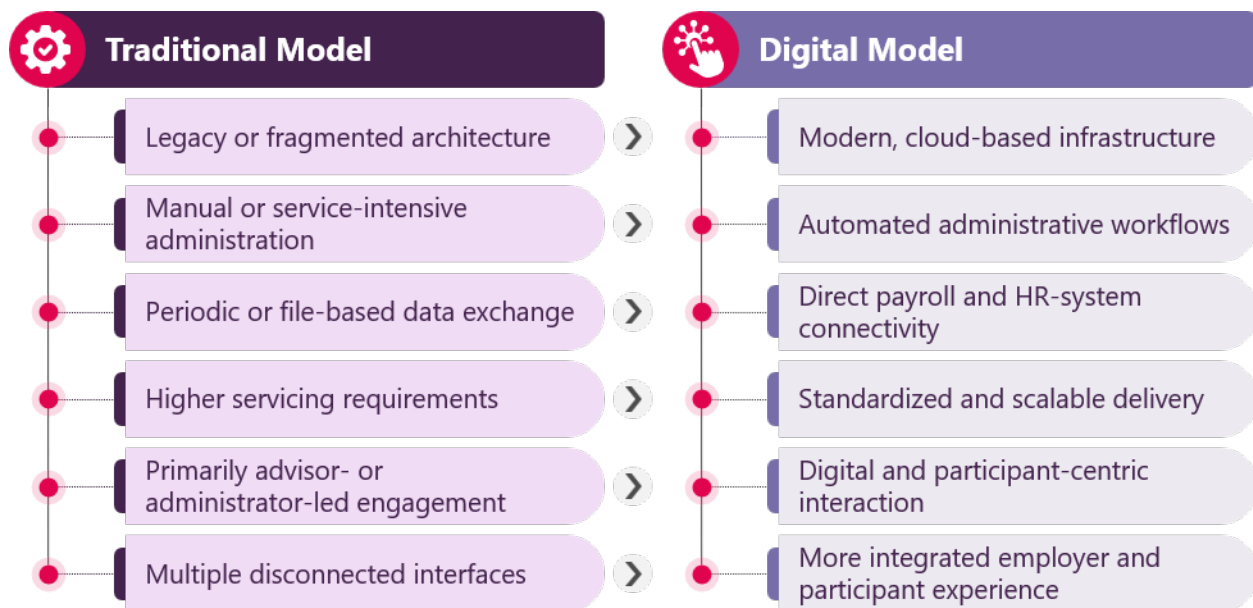
This shift is unfolding within a substantial market. Total US retirement assets stood at approximately \$47.6 trillion as of March 31, 2026. Separately, 401(k) plan assets totaled \$10.1 trillion at year-end 2025.

The opportunity, however, is not defined by asset size alone. It is being shaped by a convergence of regulatory incentives, expanding demand among small employers, continued pressure on plan costs, improving payroll connectivity, and rising expectations for consumer-grade digital experiences. Digital recordkeepers are therefore doing more than modernizing plan administration. They are changing the economics of retirement plan delivery and widening the addressable market for workplace savings.

Defining the Digital Recordkeeping Model

Digital recordkeepers represent a departure from traditional, service-intensive approaches to retirement plan administration. Their operating model brings together cloud-based infrastructure, automated workflows, payroll integration, and participant-facing digital tools within a more connected delivery environment.

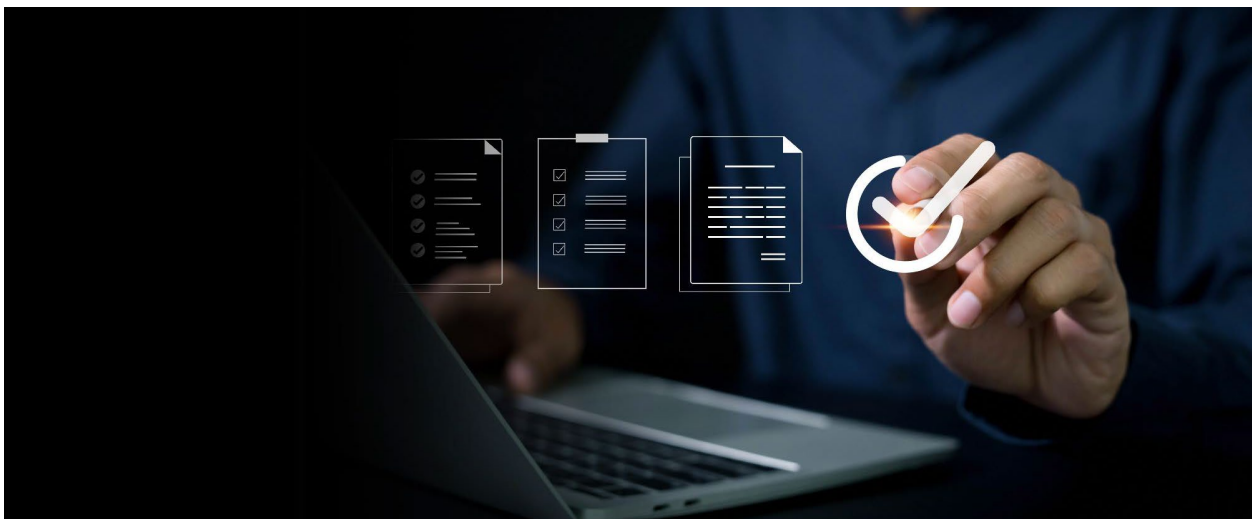




Digital platforms can automate functions such as employee onboarding, eligibility tracking, contribution processing, data updates, reporting, and elements of compliance administration. Participant-facing tools can also make enrollment, contribution changes, and account monitoring more accessible.

Payroll connectivity is central to this model. It can reduce the need for employers to manually maintain participant and contribution information, while helping synchronize employee details and plan activity. Human Interest, for example, states that it connects with more than 600 payroll systems and uses payroll integration to support onboarding, eligibility tracking, employee-data synchronization, and contribution processing.

These capabilities are particularly relevant to small employers, where administrative capacity may be limited and the economics of supporting each plan are more sensitive. A standardized, digitally enabled model can allow providers to serve smaller plans more efficiently than a model dependent on extensive manual servicing.



Why the Retirement Market Is Ripe for Disruption

The rise of digital recordkeepers is being accelerated by three structural forces: regulatory momentum, favorable small-plan market dynamics, and changing employer and participant expectations.



Regulatory Momentum Is Expanding the Market

SECURE 2.0 generally requires automatic enrollment for eligible new 401(k) and 403(b) plans beginning with plan years after December 31, 2024, although exemptions apply. It also provides qualifying small employers a startup-cost tax credit of up to \$5,000 annually for three years and contribution-related credits, reducing launch barriers while increasing demand for recordkeeping that simplifies administration and compliance.



The Micro-Plan Market Is Entering a New Growth Phase

Cerulli Associates expects 401(k) plans to exceed one million by the end of the decade, up 36% over five years, with micro plans representing 92% of all plans by 2029 and increasing nearly 40% from 2022. Because these sponsors prioritize cost, easy implementation, and simple administration, technology-led platforms can both compete for existing plans and expand access among employers previously deterred by cost or complexity.



Stakeholder Expectations Are Changing

Employers increasingly expect seamless connections with payroll, HR, and benefits systems, while participants expect accessible enrollment, clear account information, mobile functionality, simple contribution changes, and personalized guidance. Digital-native platforms were built around these expectations; incumbents may need to modernize their underlying data, workflows, and integration infrastructure as well as the participant interface.

An Emerging Digital Recordkeeper Landscape

A growing group of digital platforms is pursuing the retirement and workplace-savings opportunity through different strategic positions.

 Provider	 Core Positioning	 Illustrative Differentiator
	Technology-led 401(k) offering focused on small and mid-sized businesses	Connectivity with more than 600 payroll systems
	Integrated payroll, HR, benefits, and retirement experience	Unified experience within the broader Gusto environment
	Broader workplace and individual-savings infrastructure	Retirement, education, emergency, disability, and other savings programs
	Digitally delivered workplace retirement and financial-wellness experience	Consumer-oriented digital engagement and investment capabilities
	Technology-enabled retirement plans for small and mid-sized businesses	Digital administration combined with advisor and employer support

The landscape is evolving beyond direct competition among standalone recordkeepers. Providers are increasingly differentiating through ecosystem reach, embedded distribution, payroll connectivity, savings-product breadth, advisor enablement, and employer-platform integration.

Capital Is Following the Digital Recordkeeping Opportunity

Recent transactions and funding activity indicate growing strategic and investor interest in modern retirement and savings infrastructure.

COMPLETION DATE	COMPANY / TRANSACTION	DEVELOPMENT	STRATEGIC SIGNIFICANCE
Oct 2025	Human Interest	Additional \$100M funding reported	Supports expansion of a technology-led SMB retirement provider
Nov 2025	Gusto and Guideline	Gusto completed acquisition of Guideline. Prior to the transaction, Guideline reported ~65,000 customers, more than 1M savers, and \$20B in assets	Combines retirement with payroll, HR, and benefits

COMPLETION DATE	COMPANY / TRANSACTION	DEVELOPMENT	STRATEGIC SIGNIFICANCE
Feb 2026	Vestwell and Accrue 401k	Vestwell completed acquisition of Accrue 401k covering nearly 30,000 plans and 350,000 savers	Expands plan base and payroll-connected distribution
Feb 2026	Vestwell	\$385M Series E led by Blue Owl Capital and Sixth Street Growth. Vestwell reported more than 2M active savers, over \$50B in assets on its platform, and more than \$200M in annual recurring revenue	Supports platform, distribution, and broader savings capabilities



Implications for the Retirement Industry



Recordkeeping Is Becoming a Technology and Data Business

Administrative scale will remain important, but competitive differentiation is shifting toward platform flexibility, workflow automation, integration depth, and data interoperability.



Payroll Connectivity Is Emerging as a Competitive Moat

The competitive advantage will depend not only on the number of integrations, but also on their reliability, depth, and ability to support employee and plan-data changes.



Digital Experience Is Becoming a Baseline Expectation

Providers that modernize only the front end without addressing underlying processes and architecture may struggle to achieve sustained service improvements.



Consolidation and Partnerships Will Remain Important

Acquisitions, strategic partnerships, platform migrations, and targeted technology investments can help providers address capability gaps and accelerate modernization.



Retirement Access Can Expand

More efficient implementation and servicing models can make workplace retirement plans accessible to smaller businesses and employers with limited administrative capacity.

What Incumbent Recordkeepers Should Prioritize

- **Modernize the core, not only the interface.** Participant portals should be supported by modern data architecture, automated workflows, and flexible integration layers.
- **Develop a clear payroll ecosystem strategy.** Determine where direct integrations, partnerships, embedded distribution, or standardized connectivity can generate the greatest value.
- **Segment the service model.** Small plans may require standardized digital delivery, while complex plans may continue to justify enhanced service and customization.
- **Use participant experience as a growth lever.** Digital engagement should support enrollment, contribution improvement, financial wellness, and retirement-income decisions.
- **Evaluate build, buy, and partner options.** Assess which capabilities are differentiating, which can be sourced externally, and where transactions or partnerships could accelerate time to market.



Evalueserve Perspective

Digital recordkeepers are not simply digitizing an established service. They are reshaping the retirement value chain around connected data, embedded distribution, automated administration, and a broader savings relationship.

The long-term contest will be about more than which provider can administer a 401(k) plan at the lowest price. Competitive advantage is likely to depend on how effectively firms combine scalable administration, deep payroll and HR connectivity, intuitive employer and participant experiences, flexible product architecture, and distribution through advisors, payroll platforms, financial institutions, and ecosystem partners.

For incumbent providers, the strategic question is not whether to become identical to digital-native competitors. It is how to combine existing scale, expertise, and relationships with the efficiency and flexibility of a modern platform. For digital challengers, rapid plan growth will bring a different test: sustaining service quality, regulatory discipline, operational resilience, and participant trust as platforms scale.

“The winners will connect technology efficiency with retirement expertise and measurable participant value.”

Conclusion

Digital recordkeepers are changing more than the technology used to administer retirement plans. They are changing the economics of serving smaller employers, the role of payroll platforms in retirement distribution, and the experience expected by plan sponsors and participants.

Regulatory momentum and projected growth in micro plans are expanding the addressable market. At the same time, funding and transaction activity are helping digital platforms extend their infrastructure, distribution, and product capabilities.

The era of the digital recordkeeper has already arrived. The next phase will determine which providers can convert technological advantage into sustainable scale, trusted service, and better retirement outcomes.

How Evalueserve Can Help

Evalueserve helps retirement and workplace-savings firms translate market change into actionable strategic intelligence.

Market and Industry Intelligence

Track market growth, regulatory developments, customer needs, distribution shifts, emerging business models, and technology trends.

Competitive and Ecosystem Intelligence	Monitor recordkeeper strategies, payroll relationships, partnerships, acquisitions, funding, product launches, and participant-engagement approaches.
Product and Experience Benchmarking	Benchmark digital journeys, employer functionality, pricing, investment propositions, and service models to identify gaps and differentiation opportunities.
M&A and Partnership Intelligence	Screen potential technology partners, acquisition targets, payroll ecosystems, distribution relationships, and adjacent savings capabilities.
Strategic Decision Support	Support market entry, platform modernization, product expansion, competitive positioning, client retention, and growth across plan segments.



The image features a central handshake between two hands, one wearing a ring. This is set against a background of a shield with a network diagram inside it. The entire scene is overlaid with a dark purple gradient and a subtle pattern of white dots and lines, suggesting a digital or technological theme.

Thank You