How **Automatic Rollover IRAs** Can Wear Down **Retirement Savings**



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Your retirement account may be the last thing on your mind when changing jobs.

We hope the findings of this paper encourage you to take a second look, urgently.

Each year, employers move nearly 2 million left-behind retirement accounts under $7,000 out of 401(k) plans and into Automatic Rollover IRAs. The goal of these transfers is to keep small balances safe until they can be recovered. Depending on where they go, the reality can look quite different.

Last year, we made the case that many of these accounts are "junk." Our 2025 report, "How Junk IRAs Are Destroying the American Dream," laid out the scale of the problem. Transfers into Automatic Rollover IRAs will have doubled this decade, and by 2030, there will be $43 billion sitting in these accounts. While they wait to be claimed, millions of these balances will stagnate in cash-like investments as high fees chip away at them.

This year, we put a number behind the most damaging of these trends: the systemic balance erosion within accounts whose very purpose is to keep left-behind retirement balances safe. The data suggests that most Automatic Rollover IRAs function as long-term accounts. Many perform so poorly that they better resemble traps, leaving millions of savers with just a fraction of the original balance they left behind in the 401(k). In some cases, left-behind accounts drain to $0.

With more than $2 trillion now sitting in left-behind 401(k)s, the gaps in a system built decades ago are harder to ignore. Money saved into a 401(k) should be yours to keep, wherever it is.

Leave your 401(k) with your old employer and it becomes their problem to solve. Until the industry demands better, their solution for it may come at your expense.



Romi Savova
CEO of PensionBee

The left-behind 401(k) stockpile keeps growing. Millions of accounts inside it are shrinking.

There are now over 30 million left-behind 401(k) accounts holding approximately $2 trillion in assets.

More Americans are saving into 401(k) plans, but millions leave those accounts behind when they change jobs. What many don't realize is that left-behind retirement balances don't always stay put. Account size plays a role.

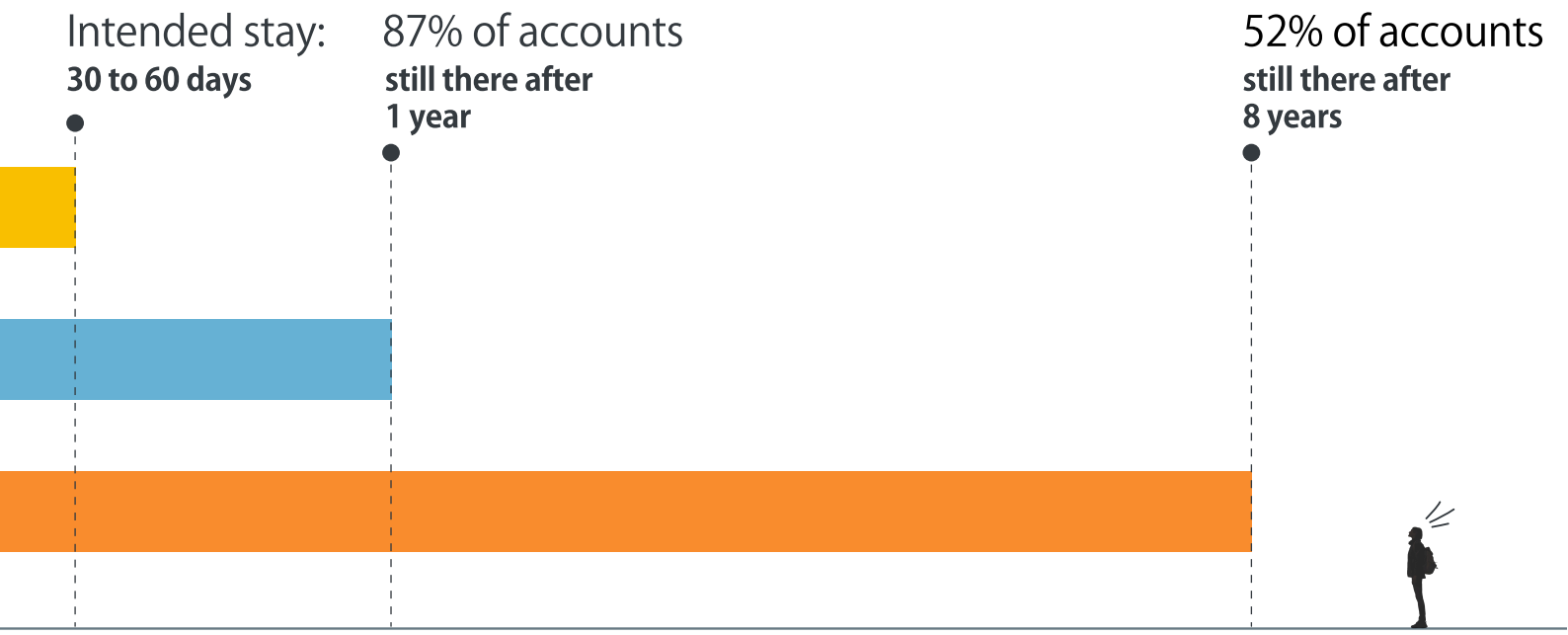
EBRI estimates that approximately one-third of all employment-based accounts are worth $7,000 or less. While all accounts can become vulnerable when left behind, the smallest accounts face the greatest risks.

A 2001 law change made it possible for employers to force out left-behind retirement balances up to $7,000[1] into an Automatic Rollover (Safe Harbor) IRA.

- **The intention.** Help employers manage the growing problem of left-behind 401(k)s by offering a safe, temporary home for small balances.
- **The reality.** Accounts don't get claimed and sit for years in cash-heavy products with fees that can erode savings.

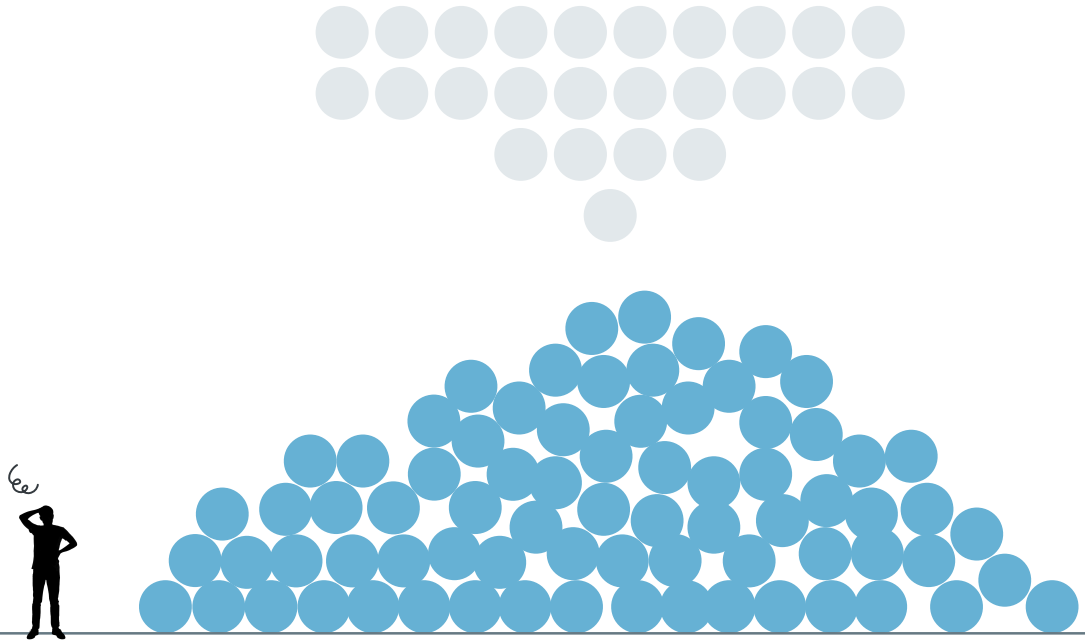
The phenomenon is accelerating. Nearly 2 million accounts move out of old 401(k) plans and into Automatic Rollover IRAs annually, up from 1.1 million moved in 2022. **By 2030, an estimated 13 million accounts holding $43 billion of retirement assets will sit in Automatic Rollover IRAs.[2]**

By 2030, an estimated **13 million accounts** holding **$43 billion** of retirement assets **will sit in Automatic Rollover** IRAs.[1]



[1] The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) required that involuntary distributions of more than $1,000 and up to $5,000 be automatically rolled into an IRA unless the participant chose otherwise. The SECURE 2.0 Act of 2022 raised the upper limit to $7,000 for distributions made after December 31, 2023.
[2] PensionBee, https://www.pensionbee.com/us/research-and-insights/how-junk-iras-are-destroying-the-american-dream.

One in sixteen accounts **lost 75%** of their **original value** by year eight.



Key findings

- **Temporary isn't temporary.** Automatic Rollover IRAs were designed for short-term transitions. Nearly nine in ten accounts (87%) are still there after one year, and three in four after three years. More than half (51.9%) are still there after eight years.
- **The losses start on arrival.** Nearly seven in ten (68%) accounts saw a decrease in value after the first year, likely due to high account opening fees.
- **Time doesn't fix it.** Of the accounts still there after eight years, four in ten (39.4%) are worth less than when they arrived. The share of these accounts down more than 25% rose every year, from 4.6% after year one to 11.3% by year eight.
- **The smallest balances fare the worst.** About one in sixteen of all accounts that remained behind (6.1%) lost more than 75% of their balance after eight years. Among those that started at $1,200 or less, the share nearly doubles to more than one in ten (11.4%).
- **Some accounts vanish.** This paper measures any decline in value, including losses of more than 25%, 50%, and 75%. Accounts that drop completely to $0 fall outside its scope.[3] Actual outcomes may be worse than reported.

[3] Balances are measured the year before an account leaves the data, so any losses in its final year, including a drop to $0, are not captured within this paper.

401(k)s have come a long way. More than 75% of private-sector workers now have access to a workplace retirement plan, and nearly half are saving in one.[4] 401(k)-style plans hold $15 trillion[5] in assets, and a growing number of Americans can call themselves "401(k) millionaires."

But the positive headlines obscure another trend. Millions of savers have lost track of their old 401(k)s, and the data suggests those balances may be at risk.

How saving for retirement changed

The traditional paradigm of lifelong employment in exchange for a guaranteed pension has given way to a system where individuals largely bear responsibility for their own retirement. Today's workforce is highly mobile, characterized by a median job tenure of roughly four years[6] and an increasing mix of traditional and non-traditional employment.

This reflects a broader structural shift from employer-funded Defined Benefit (DB) pensions to account-based Defined Contribution (DC) plans, such as 401(k)s and 403(b)s. While DC plans afford workers greater flexibility and investment autonomy, they effectively transfer investment risk and responsibility for retirement security from corporate balance sheets to individual accounts.

Why 401(k)s get lost

Job hopping isn't new.[7] Left-behind retirement accounts are.

The pension system of the 1970s and 1980s had an access problem. Rigid vesting practices meant that even at their peak, pensions covered only about 38% of private-sector employees.[8] Workers generally had to stay with an employer for several years before they earned any retirement benefit, and people with shorter tenures often walked away with nothing.

Today's workers saving through DC plans can spend six months at a job and leave with a funded 401(k). Changes in the law shortened vesting schedules, decoupling employment tenure from the right to retirement benefits. One industry analysis found that in 2025, 77% of plans let workers contribute immediately, with just 6% requiring them to wait a full year for eligibility.[9] SECURE 2.0 has gone further, requiring most new 401(k) and 403(b) plans to enroll workers automatically.

The new system has made great strides in improving access to retirement benefits. However, its flexibility has led to an unexpected outcome: a new category of retirement saver who ends up with a 401(k) they never thought to take with them. Repeat that across a career, and the result is a trail of small, scattered accounts.

The silent rise of dormant 401(k)s

As of 2026, there are an estimated 32.8 million left-behind 401(k)s[10] holding about $2 trillion in assets.[11] In 2012, there were 14.2 million.

[4] BLS, March 2026: https://www.bls.gov/charts/employee-benefits/percent-access-benefits-by-work-status.htm
[5] ICI 2026 estimates: https://www.ici.org/statistical-report/ret_26_q2
[6] BLS, https://www.bls.gov/news.release/pdf/tenure.pdf
[7] BLS, https://www.bls.gov/opub/ted/2024/baby-boomers-born-from-1957-to-1964-held-an-average-of-12-7-jobs-from-ages-18-to-56.htm
[8] ASPPA, https://www.asppa-net.org/news/2025/9/strong-private-sector-retirement-plan-coverage-says-bls/
[9] ASPPA ,https://www.asppa-net.org/news/2026/9/job-hopping-and-retirement-savings-help-employees-keep-their-momentum/
[10] PensionBee, https://www.pensionbee.com/us/research-and-insights/the-silent-rise-of-dormant-401-k-s
[11] DCIIA and Manifest, https://www.dciia.org/dc-data-dashboard

Did you know?

Under SECURE 2.0, most new 401(k) plans must automatically enroll employees. That's an important step for retirement access, but only if workers keep those accounts under their control. Without adequate safeguards, more new accounts created automatically may further accelerate the rate at which workers leave behind 401(k)s when changing jobs.

Analysis of Form 5500 filings reveals that in 2026, dormant[12] workplace accounts are growing three times faster than active ones and now make up nearly one third of all funded accounts.

Despite growing awareness of the phenomenon, there has been little industry-wide change to help keep workers connected to their accounts. Instead, employees are left to navigate a complicated system with minimal guidance, even as risks mount.

ERISA requires that employers share regular 401(k) plan information, but the mandate is limited to routine plan-level disclosures. Employers typically aren't required to proactively share information on how to handle 401(k) accounts with departing employees.

Prior research suggests **that just one in ten workers receives written instructions on what to do with their 401(k) when they separate from their employer.**

Job hoppers have four options for their 401(k):

1. Leave it in the old employer's plan.
2. Roll it over into the new employer's plan.
3. Roll it over into an IRA.
4. Cash it out (paying income tax and, if under 59½, a 10% penalty).

One of these options is not like the others. Rolling over or cashing out takes action. Leaving a 401(k) behind takes none. It's a decision made by omission, and with a new decision point at every job change, it's often the easiest one to make.

Employers play a vital role in helping their employees navigate retirement transitions. PensionBee previously found that employees who did not receive an explanation of their retirement options at exit were more than four times as likely to lose track of their 401(k) **(23% vs. 5%)** as those who received clear information.[13]

Industry-wide efforts to improve 401(k) participation have expanded access, but without safeguards to keep workers in control of their accounts, many of those new accounts may end up forgotten. And leaving behind a 401(k) is not the end of the story.

[12] Dormant accounts are defined as defined contribution accounts with a balance that remain in a workplace plan after the participant leaves, based on Form 5500 data.
[13] PensionBee Workplace Benefits Report:https://www.pensionbee.com/us/the-workplace-benefits-report

The risks of a left-behind 401(k)

Employers who offer 401(k) plans must act in the best interests of plan participants. While former employees are still owed a fiduciary duty, the terms can change once they are no longer active participants in the plan.

- **Staying can cost more.** Some employers offset certain 401(k) plan costs for active employees, but the burden can shift to former employees with little notice. A "former employee" fee of just $4.55 a month could cost thousands by retirement.

- **Staying may not be an option.** Employers routinely move left-behind 401(k) accounts between $1,000 and $7,000 out of their plan and into Automatic Rollover IRAs. Employees who miss the single notification or do not receive it may have their savings moved into cash-like accounts they didn't choose and may be unaware of.

Mergers and plan terminations can move large balances to a new provider through a similar process, landing old 401(k)s of all sizes in cash-like holding accounts with minimal disclosures.

While larger balances can stagnate for years in cash, smaller accounts are more vulnerable to the pattern of balance erosion identified within this paper.

As workers continue to job-hop and gain access to 401(k) accounts, millions of small retirement accounts will continue to be left behind with former employers. **EBRI estimates that approximately one-third of all employment-based accounts are worth $7,000 or less.**

IV. Understanding the Problem

Accounts picked by employers can fail savers

An Automatic Rollover IRA, also called a Safe Harbor IRA, is an account an employer opens to hold a former employee's small, left-behind 401(k), without that employee's consent. Adhering to federal regulations gives employers a "safe harbor," legally shielding them from fiduciary liability for the rollover.

What Makes an IRA "Junk"?

However, as established in PensionBee's previous report ("How Junk IRAs Are Destroying the American Dream"), many of these products fail their fundamental purpose. Unlike with a typical IRA, the owner never chose the provider or the investment, and many don't know the account exists.

The average balance sits at $2,718, and the typical owner is 45 years old, someone who still has decades of potential compounding ahead.

The issue is rapidly turning into an emergency. Annual automatic rollovers into these accounts are projected to double this decade, climbing from 1.1 million a year in 2022 to 2.2 million a year by 2030, at which point an estimated $43 billion will be locked into potentially wealth-eroding vehicles.

SECURE 2.0 raised the threshold for automatic rollovers from $5,000 to $7,000, expanding the pool of vulnerable accounts.

Five traits set "junk IRAs" apart from the IRAs savers choose for themselves.

1. **Designed for employers.** Automatic Rollover IRAs are mainly a tool for employers, not their employees. They let employers offload forgotten 401(k)s without breaching their fiduciary duties.
2. **Chosen by omission.** Employees never open these accounts themselves. The former employer picks the provider and sets the investments and fees. Employees get limited notice and a short window to respond. Those who don't respond are moved automatically.
3. **Charged like a big account.** Flat fees don't shrink with the balance. A charge that barely registers on a large account can set off a downward trajectory for a smaller one. Section V shows how.
4. **Parked in cash.** Most Automatic Rollover IRAs are invested almost entirely in cash. Savers often earn around 0.5% to 2%, well below inflation.
5. **Hard to find.** Savers who miss the notification letter may never realize their money moved and might never think to look for it. Only 35% of savers with a left-behind 401(k) know it can be moved without their consent.[14]

The approach

PensionBee's findings draw from the Employee Benefit Research Institute (EBRI) IRA database, which holds account-level data from 2010 to 2023 on up to 20 million accounts.

The analysis followed separate groups of rollover accounts under $5,000 for up to eight years, the balance threshold for automatic rollovers before it was raised to $7,000 in 2024. The data provides insight into the duration that accounts stayed behind and how balances changed year over year. A detailed methodology appears at the end of this paper.

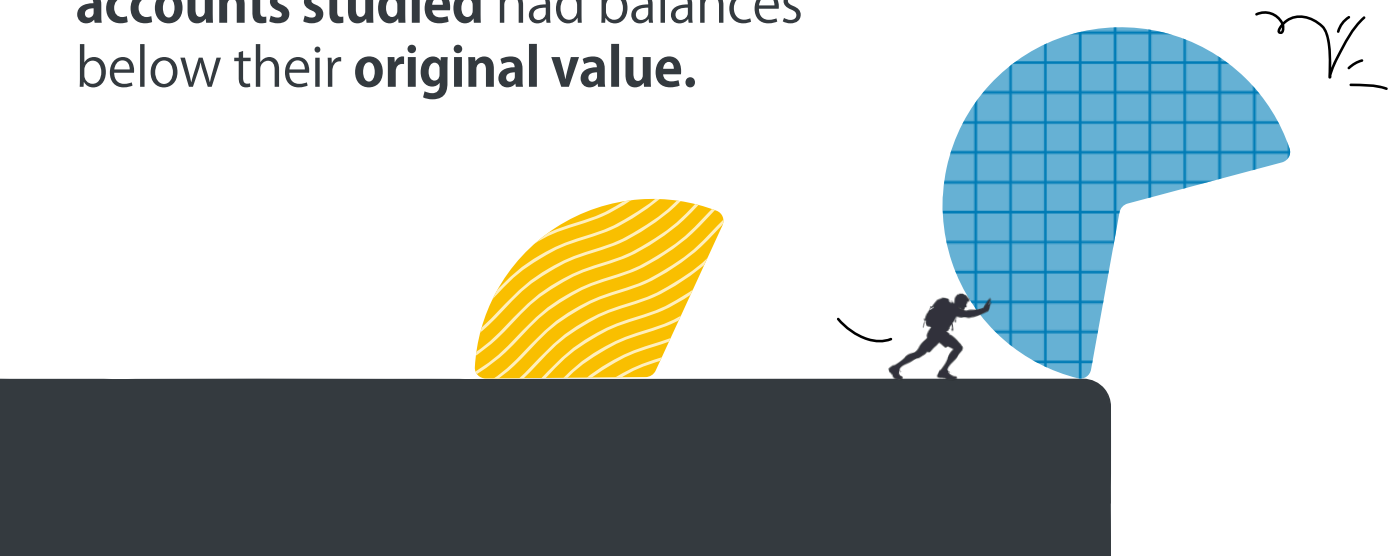
V. The Bill You Didn't Ask For

Steep setup fees may leave a lasting mark

Automatic Rollover IRAs were designed for short-term transitions, and their primary goal is to preserve principal. **However, the findings suggest that the majority of left-behind 401(k)s moved into these accounts immediately suffer losses.**

[14] PensionBee, https://www.pensionbee.com/us/businesses/the-automatic-rollover-problem

Within one year, **68%**[15] **of all accounts studied** had balances below their **original value.**



What an opening fee looks like

While a balance loss after a short time may reflect a combination of factors, the data suggests the account opening fees are a significant factor in the immediate losses.

Hefty opening fees, observed to be as high as $100, can put an immediate dent in small, forced-out balances. Additional fees can deepen initial losses, especially for smaller accounts.

Fee schedules vary and are not always public. The following examples were compiled from a variety of public and private sources to illustrate common fees applied to Automatic Rollover IRAs:

- Opening fee: $50–$100, or as much as 20% of the initial balance
- Monthly fee: $1–$5
- Communication fee: $6–$20+
- Search fees: up to $20
- Auto portability fee: $30+
- Partial consolidation fee: $59+
- IRA consolidation fee: $59+
- Stop and reissue fee: $30+
- Redemption fee: $15+

When levied against a small balance, the fee schedule of a typical Automatic Rollover IRA may lead to a persistent drag that the low-yielding accounts are not designed to recover from.

[15] The 68% figure reflects EBRI's average across all Automatic Rollover IRAs in the database after one year, not only accounts that remained for eight years. See Methodology.

The saver didn't choose the account or the fees. They pay them anyway.

At the high end, a $100 opening fee and $5 monthly fee add up to $160 in the first year. On a $2,500 balance, that's 6.4% of the account. On a $1,200 balance, it's 13.3% lost within a year.

Why a fee on arrival is hard to earn back

A fee charged on day one reduces the balance before it can earn anything. In a cash-like investment, earning it back is slow and may be impossible.

Traditional retirement accounts, like 401(k)s and IRAs, often hold a mix of underlying asset classes and are tailored to a saver's age, goals, and risk appetite. The average account grows at a long-term historical rate of 5% to 8%. Small balances moved to Automatic Rollover IRAs are ill-equipped to offset flat fees.

Consider a $2,500 account charged a $100 opening fee and a lower monthly fee of $3.25, or $39 a year:

- At a 2% return, the account earns about $48 in its first year. After the annual fee, $9 remains. **At this rate, it will take approximately eleven years just to recover the $100 opening fee.**
- At a 1% return, the account earns about $24 a year, less than the annual fee. It shrinks every year and **if not moved out, will never recover.**

In both scenarios, the account is worth less after one year than on the day it arrived. Invested in a default 401(k) or IRA option at an estimated 7.3% annualized return, the same $2,500 could grow to about $7,200 in 15 years.



The Invisible Bill

Order #0000-FINE-PRINT

Account balance: Under $7000 · Type: Automatic Rollover IRA

Opening fees	$50–$100
Monthly fees	$1–$5 monthly fees
Communication fees	$6+
Search fees	up to $20
Autoportability fee	$30+
Partial Consolidation fee	$59+
IRA Consolidation fee	$59+
Stop and Reissue fee	$30+
Redemption fee	$15+

No refund issued · No receipt issued by your actual provider

VI. Disproportionate Losses

The smaller the balance the bigger the risk

When a left-behind 401(k) lands in an Automatic Rollover IRA, outcomes can vary. Some accounts preserve principal or grow modestly, while others lose money or are drained to $0.

However, one pattern is consistent: the smaller the left-behind 401(k), the worse the outcome tends to be.

Among accounts that started with $1,200 or less and remained in Automatic Rollover IRAs for eight years:

- **Small accounts fare the worst.** After eight years, close to half (47.1%) of the accounts that started with $1,200 or less had lost value. In comparison, 29% of accounts that started above $2,500 were worth less.
- **Deep losses also grew fastest.** The share of accounts with $1,200 or less that lost 25% or more of their value tripled over eight years, from 8.4% after year one to 24.9% by year eight. That's more than three times the share for accounts over $2,500 (7.6%).
- **The gap widens as losses deepen.** More than one in ten accounts (11.4%) that started at $1,200 or less lost more than 75% of their value, compared with 4.7% of accounts that started above $2,500.

Who is most likely to have a small balance?

Small balances are not evenly spread. They are more common among:

- **Younger workers, who change jobs most often.** Most Automatic Rollover IRA owners are between the ages of 25 and 44.
- **Hourly and lower-wage workers**, whose tenure is often shorter. Hourly workers also cash out at higher rates than salaried workers.
- **Women and workers of color**, who are disproportionately likely to hold lower 401(k) balances, including below the force-out threshold.

How can you tell if you are at risk?

- You have left a job in the last decade without moving your 401(k).
- The balance was under $7,000 when you left.
- You have changed your address or email since.
- You have received mail from an IRA provider you don't recognize, or you have heard nothing at all.

VII. A Big Number of Small Balances

When “temporary” becomes permanent

The Automatic Rollover IRA market may consist of small accounts, but together they hold tens of billions of dollars in retirement savings sitting out of the market and in cash. And that total is growing.

PensionBee previously found that assets in Automatic Rollover IRAs would grow 91% over this decade, from a projected $22 billion in 2022 to $43 billion in 2030.

The problem is twofold: more left-behind balances are being swept into Automatic Rollover IRAs, and few ever leave.

"Temporary" accounts that linger for years

Automatic Rollover IRAs were built on the assumption that the accounts would be short-term holding places, and that cash would protect against unexpected market swings in the subsequent weeks or months. In practice, EBRI's database suggests that the majority linger for years.[16]

- 87% of accounts remain after one year
- 75% of accounts remain after three years
- 52% of accounts remain after eight years

Accounts that aren't claimed spend years in cash

Unlike a target-date fund, which adjusts as the account holder ages, Automatic Rollover IRAs typically stay in the same default allocation. EBRI estimates that 76% of assets are concentrated in cash-like investments. The data shows little difference in asset allocation between newly forced-out balances and those present nearly a decade later. The design confirms their original purpose: a safe, temporary stopover for forgotten retirement accounts.

Cash may shield balances from market volatility, but the data suggests that the risk profile shifts the longer accounts stay behind.

VIII. Year Eight: The Shifting Risk Profile

Nearly a decade on, balances keep eroding

Built to protect vulnerable balances, many Automatic Rollover IRAs have themselves come to resemble a threat, giving rise to a new risk: the gradual erosion of forgotten wealth.

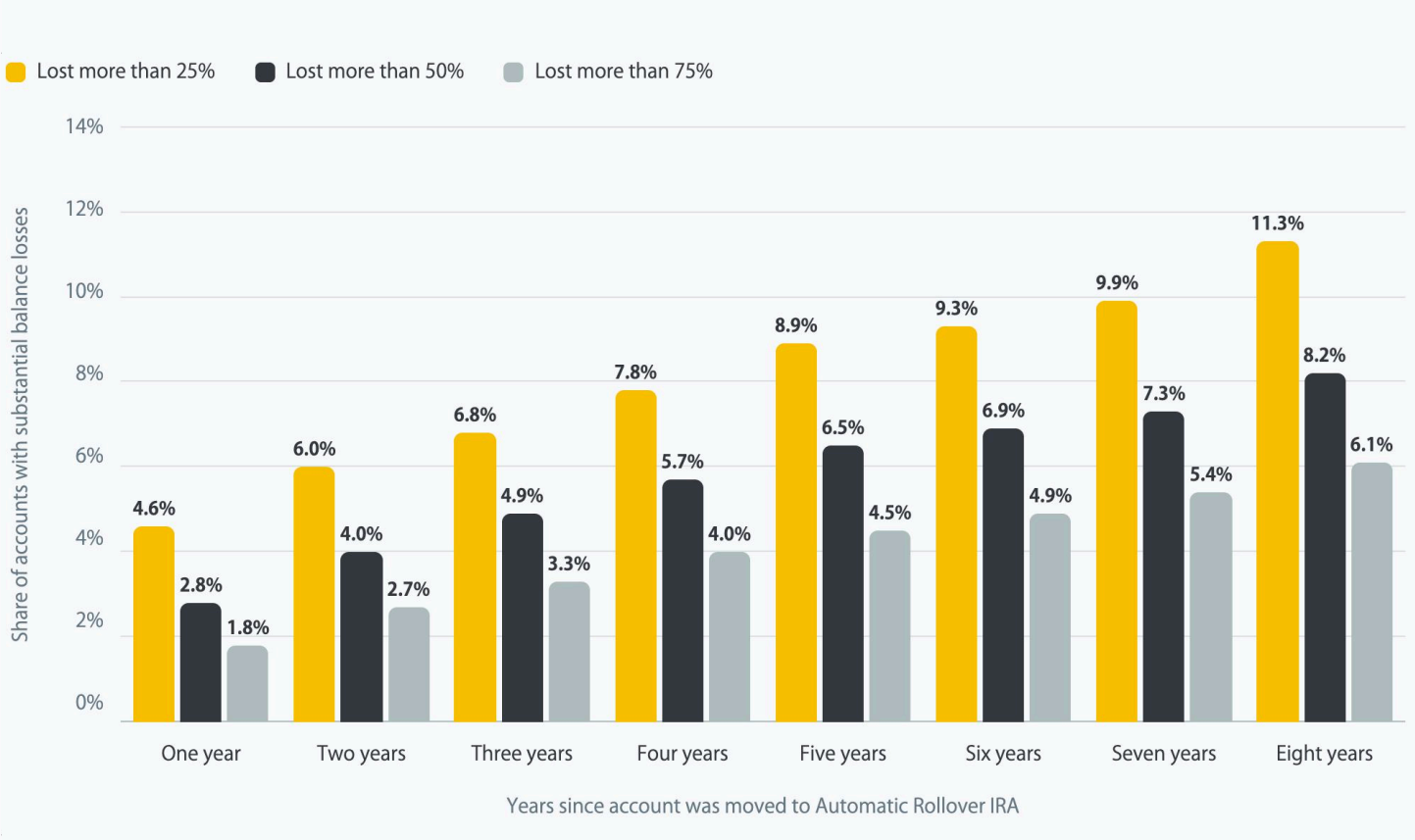


[16] The one-year and three-year figures use the same method as PensionBee's 2025 report, averaging results across four separate four-year periods. The eight-year figure comes from EBRI's eight-year panel. See Methodology.

Persistent losses. After eight years, four in ten (39.4%) accounts were worth less than what had originally been left behind with the former employer.

The pattern of erosion. More accounts sustained substantial losses over time. The share of accounts that lost 25% or more of their value rose from 4.6% after year one to 11.3% by year eight. The share down more than 75% tripled, from 1.8% to 6.1%.

Automatic Rollover IRAs with substantial losses, by years held



Why waiting doesn't help. Money market and stable value funds are meant to protect against market volatility during short-term transitions. In practice, the risk shifts from a dramatic market event to gradual erosion as fixed fees continue to work against modest yields.

Interest skimming. While money market yields may rise when interest rates are higher, some providers lock in lower rates to their advantage. Others skim as much as 75% to 90% of the interest earned on cash balances, leaving some account holders to receive far less than prevailing interest rates.

IX. The Accounts That Aren't in This Report

When balances run out, they drop out of the data

The same fees and low yields that erode small balances can, given enough time, extinguish them completely. But the data only follows accounts while they're open, and those that reach $0 are excluded from the findings.

Small accounts amplify risks

Accounts must be under $7,000 to be automatically rolled over, but most are much smaller. In EBRI's data, one in ten balances began with less than $600. About one in four began with roughly $1,270 or less. Half began with less than about $2,300, and three in four with less than about $3,550. Only one in ten started above roughly $4,400.

Not only are smaller balances more likely to be worn down by high fees, but some risk being charged down to $0.

- **How a balance reaches $0.** Previous research by PensionBee documented the simple math that depletes smaller accounts to $0. Under one widely used provider's published fees, a $1,000 account earning 1% would be charged down to $0 in about 29 years, less than the average working life of around 40 years.

- **No one is counting.** No regulator tracks how many Automatic Rollover IRAs are charged down to zero, how much savers lose to fees, or how many accounts are handed over to the state as unclaimed property.

X. What Needs to Change

Looking ahead

With capital-preservation defaults, high fees, interest skimming, and prolonged dormancy, Automatic Rollover IRAs may be leading to a systemic pattern of balance erosion among America's most vulnerable left-behind 401(k)s.

The problem has three owners, and each can act now.

Employees: Engagement is your strongest protection.

Your retirement is your responsibility. Leaving it behind makes it someone else's problem, and their solution may come at your expense.

The fix: Locate old 401(k)s and make it a priority to keep your retirement assets under your control. When leaving your job, keep your contact details current, make an active decision about your retirement, and always check statements.

Employers: Automatic enrollment is only half the job.

Automatic enrollment brings workers into the system but does little to keep savings intact when they leave. The fix:

- **Make off-boarding a priority.** Explain options clearly, in writing, at the point of exit. Only one in ten workers in our research stated they received written instructions.
- **Review your rollover partners regularly.** Plan fiduciaries choose the Automatic Rollover (Safe Harbor) IRA partner. Look at all aspects of their offering, including fees, default investments, and how often accounts tend to stay. Insist that your recordkeeper offer multiple options for you to choose from.

These steps protect former employees. They can also limit an employer's own fiduciary risk.

Policymakers: Update rules built for a static career model.

Policymakers must update regulations designed for a static, single-employer career model to fit today's mobile workforce. Current Automatic Rollover IRAs may fail to serve their intended purpose because they are eroding account balances through high administrative fees and low-yield cash defaults. Modernizing the safe harbor framework requires two structural reforms:

- **Expand default investment options:** Regulatory guidelines should recognize that Automatic Rollover IRAs are typically used as long-term accounts and expand available default options. Moving beyond ultra-conservative cash-like investments to include growth-oriented vehicles, specifically target-date funds, may allow stranded savings to compound over a worker's remaining career.
- **Issue explicit provider selection guidance:** Regulators must provide plan sponsors with clear, standardized fiduciary guidance on how to evaluate and select Automatic Rollover IRA providers. We need to establish objective benchmarks for fees, account yields, and participant communication.

XI. Bottom Line: The Slow Leak

The left-behind 401(k) stockpile keeps growing. The accounts inside it keep shrinking.

Automatic Rollover IRAs were built as a temporary shelter for small, forgotten balances. For millions of savers, they've become a long stay with a slow leak. Losses start the day the account opens. For the smallest balances, those losses can keep growing until almost nothing is left.

America's retirement system is divided. Record numbers of savers are 401(k) millionaires. At the same time, a growing number have savings scattered across small, forgotten accounts, many of them in products they never chose.

The fixes aren't complicated:

- **Invest for the long term.** Let Automatic Rollover IRAs use the same default investments as automatic enrollment.
- **Charge fairly.** Small balances shouldn't pay more, relative to their size, than large ones.

If you contribute to a retirement account, it should still be there when you go looking for it.

Methodology

EBRI analysis of Automatic Rollover IRAs.
The account-level findings in this paper come from analysis by the Employee Benefit Research Institute (EBRI) using the EBRI IRA Database. The database holds account-level data from 2010 to 2023, covering between 9 million and more than 20 million accounts a year. It includes account type, balance, asset allocation, contributions, rollovers and distributions.

EBRI followed groups of rollover accounts that held less than $5,000 when they were opened. The groups were then followed for eight years post rollover, to see how many were moved or closed each year and the changes in account balances after each year. Unless otherwise noted, the figures in this analysis reflect accounts that remained in the eight-year panel post rollover for all eight years. One exception is the share of accounts worth less after one year (68%), which is EBRI's average across all accounts in the dataset, not only those that remained for eight years. The one-year and three-year exit rates (87% and 75%) use the same method as our 2025 report, averaging results across four separate four-year periods. The eight-year figure (52%) comes from the new eight-year panel.

To measure balance changes, EBRI compared each account's starting balance with its balance in the year before it was moved or closed. For accounts still open at the end of the eight-year panel, it used the eighth-year balance. These changes reflect everything that affects an account, including investment returns, fees, new contributions, rollovers and withdrawals. The final balance of an account that was moved, closed, or charged down to $0 could not be observed. For more information, see: https://www.ebri.org/content/safe-harbor-iras--how-long-do-they-remain.

Market projections. Estimates of Automatic Rollover IRA assets and account numbers come from our first paper. They draw on EBRI's DC plan and IRA databases, combined with IRS and Department of Labor Form 5500 data. Projections use five-year averages for gender, age and starting balance, and three-year averages for small account distributions and account exits. They also assume a net rate of return. The projections don't model the adoption of auto-portability.

Fee examples. Fee calculations use one published fee schedule for a widely used Automatic Rollover IRA provider. Fee schedules vary by provider, and not all are public.

Note. All recommendations are those of PensionBee. EBRI was only involved in the analysis of the IRA data, not in the formulation of any recommendations.

About PensionBee
PensionBee (LON:PBEE; OTCQX:PBNYF) is a leading retirement savings provider, helping people easily consolidate, manage, and take control of their retirement savings. The company manages over $11 billion in assets and serves nearly 330,000 customers globally, with a focus on simplicity, transparency, and accessibility. PensionBee offers Traditional, Roth, SEP, and Automatic Rollover IRAs with ETF-backed portfolios. PensionBee is publicly traded on the London Stock Exchange (PBEE) with U.S. shares available on OTCQX (PBNYF).