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Academy: Today's Passage of SECURE 2.0 Is a Win for Retirement Security

WASHINGTON—The SECURE 2.0 legislation that passed today as part of Congress' year-end, omnibus spending bill is a significant and welcome step forward in improving the U.S. retirement system, and includes key reforms that Pension Practice Council (PPC) committees of the American Academy of Actuaries have [advised public policymakers](#) are aligned with expanding access, addressing risks, and reducing barriers to retirement savings and income.

“Millions of Americans could soon see more opportunities for retirement saving and income as a result of today's action by Congress,” said Academy Senior Pension Fellow Linda K. Stone. “Changes like retirement plan auto-enrollment, the establishment of pension-linked emergency savings accounts, and allowing limited emergency withdrawals will encourage saving. Employers will soon find it easier to provide new plan and income options like pooled and multiple-employer plans, starter 401(k)s, and annuity options for defined contribution plan participants that can help protect them against longevity risk. The creation of the lost-and-found database will be very helpful in connecting participants with retirement benefits they earned but have lost track of.”

Several reforms contained in SECURE 2.0 align with objective actuarial principles outlined in the [“National Retirement Policy and Principles”](#) issue brief series published by the Academy from 2019 to 2022. The comprehensive legislation also notably includes important changes affecting defined-benefit plans such as the termination of indexing of Pension Benefit Guaranty Corporation (PBGC) variable rate premiums, which will reduce the amount paid by those plans' sponsors and potentially encourage the continuation of the plans; and clarification on how to convert cash balance accounts with variable interest crediting rates to accrued benefits for various qualification tests.

(MORE)

Academy PPC committees provided actuarial insights to congressional leadership in the lead-up to today's passage of SECURE 2.0 in a Dec. 7 [letter](#), building on focused discussion of issues in previous publications developed by PPC committees such as the [*PBGC Single-Employer Premiums and Their Impact on Plan Sponsorship*](#) and a 2017 [letter](#) to the Internal Revenue Service and the Department of the Treasury on the projection of cash balance benefits.

Learn more about the Academy's public policy work on pension and retirement issues at actuary.org.

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The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.