

Retirement Income in DC

ERISA Advisory Council on Employee Welfare and Pension Benefits Plans

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Why is the retirement income topic becoming a focus?

Why has retirement income become an emerging topic for defined contribution plans?

Growing number of Retirees

- ▶ • An estimated 10,000 baby boomers in the US turn 65 each day.¹
- In 2019, there were 54.1 million people age 65+. The population is projected to reach 81 million by 2040 and 95 million by 2060.²

Increased Reliance on DC Plans as primary retirement vehicle

- ▶ • More and more retirees are relying on DC plan benefit as sole source of income in retirement, to supplement social security.
- Over 4 in 5 workers expect their workplace retirement savings plan to be a source of income in retirement, including over half who say it will be a major source.³

Supportive Legislation

- ▶ • SECURE Act passed in 2019 provided safe harbor protection for the selection of annuity providers.
- SECURE 2.0 provided additional flexibility around qualified longevity annuity contracts and RMD requirements.

¹ Pew Research Center, February 25, 2019

² Administration for Community Living, May 2022

³ EBRI 2022 Retirement Confidence Survey

Is there a demand for retirement income solutions?

59%

of employees feel employers have a responsibility to help them adequately save for retirement¹

54%

of workers expect a product that guarantees monthly income for life will be a source of income in retirement²

46%

of employees are confident they can turn retirement savings into consistent stream of lifetime income³

26%

of low-income workers are confident they can turn retirement savings into consistent stream of lifetime income³

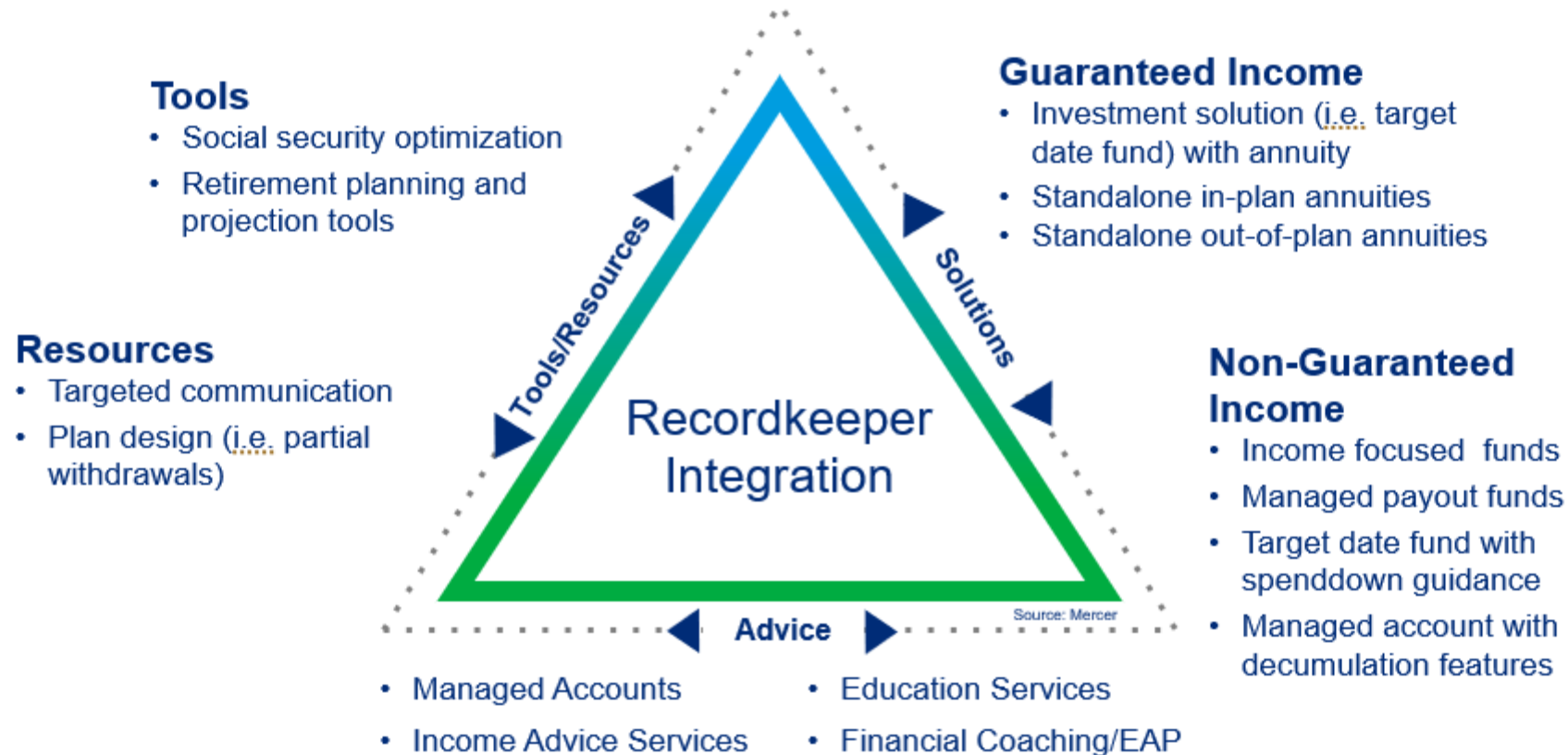
Growing portion of participants are looking for guidance from plan sponsors on spending assets in retirement

¹ MetLife Employee Benefits Trends Survey 2023

² EBRI Annual Retirement Income Survey 2022

³ Mercer's 2022 Inside Employees' Minds[®] Study

Retirement income solutions landscape



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