Twenty Years Later: The Pension Protection Act That Changed Everything

Participation

Nearly ⅔

of all plans utilize automatic enrollment or are implementing it for new hires.

Saving More

Industry surveys regularly report average total participant and employer contribution rates of

12%

considerably higher than initial default rates.

Large 401(k) plans offering

TDFs

2006	2021
32%	**89%**

Action Items for Plan Sponsors

- Review whether automatic enrollment and automatic escalation remain appropriately designed.
- Periodically review the plan's QDIA and document the fiduciary process supporting its selection.
- Assess whether participants are making appropriate use of automatic features, or opting out unnecessarily.
- Review participant communications to ensure they reinforce long-term savings behaviors.
- Consider whether retirement income, emergency savings, and financial wellness initiatives complement the plan's overall objectives.
- Review the positioning of Roth provisions, including the SECURE 2.0 Roth catch-up requirement for affected higher-paid participants.