

Twenty Years Later: The Pension Protection Act That Changed Everything



Participation

Nearly $\frac{2}{3}$

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

32%

2021

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.