

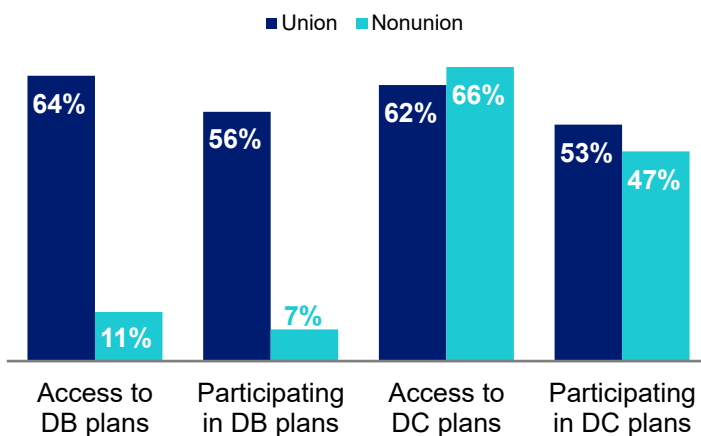
Currents

Quarterly Recap for Multiemployer Retirement Plan Sponsors

Fourth Quarter 2024

Key statistics

Union Worker Access to DB Retirement Plans
Five Times the Nonunion Worker Rate



Source: U.S. Bureau of Labor Statistics, [Percent of private industry workers with access to and participating in retirement benefits by bargaining status, 2022](#)

Selected strategy for managing multiemployer retirement plans

Improving participants' retirement confidence

The Employee Benefit Research Institute recently published the results of its 2024 *Retirement Confidence Survey*, which found that while 68 percent of working Americans are confident they'll be financially ready for retirement, only 21 percent are very confident that they will have enough retirement money to live comfortably. Furthermore, 36 percent of workers don't know whom to go to for good financial and retirement advice.

You may be able to help your participants increase their retirement confidence through a strategic and targeted communications campaign. [Segal Benz communications consultants](#) can help you conduct research to understand precisely how retirement ready your participants feel and develop communications to improve their confidence.

First multiemployer pension risk transfer

A multiemployer pension plan has elected to complete the first multiemployer pension risk transfer. Sound Retirement Trust is a multiemployer pension plan that provides retirement benefits to grocery workers of contributing employers across the state of Washington. The risk transfer removes legacy liability risk from the pension plan and provides benefit security to its members.

The recent rise in interest rates may increase interest in pension risk transfers. If you're interested in discussing the pros and cons of this strategy, please connect with your Segal consultant.

Investment trends

November post-election update

U.S. stocks responded positively to the results of the 2024 presidential election. The S&P 500 had its best post-election day return in its history (2.5 percent) and its best day since November 2022. The surging markets are likely forecasting a pro-growth, lower tax environment, helping to underpin expectations for revenue and earnings growth.

In contrast to the euphoria in the stock market, bond prices dropped. As usual, the bond market showed more signs of pessimism, with worries over increasing deficits, inflation and growth slowing rate reductions, resulting in falling prices.

“Investment advice fiduciary” defined

The Department of Labor issued final amendments that define an “investment advice fiduciary,” a term under ERISA. The [final rule](#) was scheduled to take effect on September 23, 2024. The amendments would have eliminated the previous requirement that investment advice be provided on “a regular basis” to be considered a fiduciary and that “one-time” advice could be fiduciary in nature. As of now, the previous rules are in effect.

Compliance news

SECURE 2.0 final rule on RMDs

The Department of the Treasury has issued a final rule governing required minimum distributions (RMDs) from certain retirement plans. The majority of the final rule is intended to clarify technical aspects of the proposed rule published in 2022. The most substantial issue in the final rule is regarding RMDs for non-spouse beneficiaries.

The final rule provides that when a participant had begun taking RMDs before passing away, most non-spouse beneficiaries are required to receive RMDs beginning in the year following the participant's death and finishing within 10 years of the participant's death. The final rule also provides that those who did not take annual distributions do not have to take a lump sum reflecting the missed distributions, but still must finish within 10 years of the participant's death, spread over the remaining years.

Learn more in our [July 25, 2024 insight](#).

SCOTUS decision: *Chevron* deference

In 1984, the U.S. Supreme Court issued a decision in *Chevron v. Natural Resources Defense Council* that courts should defer to an agency's interpretation of vaguely written laws if the agency did not act in an arbitrary or capricious manner. In a 2024 decision, the Supreme Court held that the *Chevron* approach violates the Administrative Procedures Act, which requires that federal courts have sole responsibility to decide all relevant questions of law, interpret constitutional and statutory provisions and determine the meaning or applicability of the terms of an agency action. It was emphasized that agency interpretations may influence a court's decision, but the court is not required to defer to the agency's interpretation. One item currently affected is the “fiduciary” definition noted above.

Learn more in our [July 9, 2024 insight](#).

To discuss the implications for your plan of anything covered here, contact your Segal consultant or [get in touch via our website, segalco.com](#).

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