

Currents

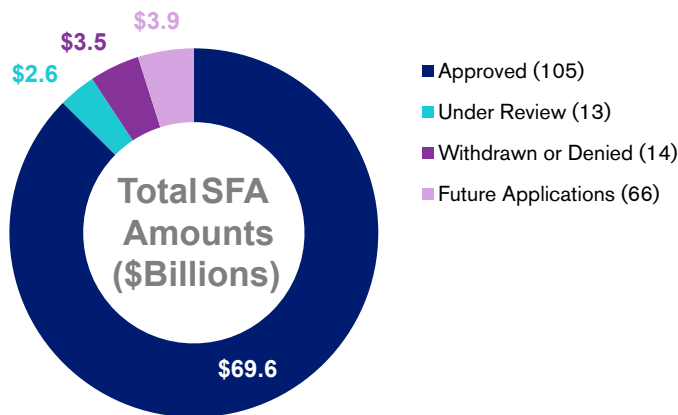
Quarterly Recap for Multiemployer Retirement Plan Sponsors

First Quarter 2025

Key statistics

Status of Special Financial Assistance (SFA) as of 2024

A total of \$69.6 billion in SFA has been approved as of December 31, 2024, representing an estimated 88 percent of total SFA amounts.



Source: Segal analysis of PBGC data

As of December 31, 2024, about 1.2 million participants have had their lives improved by the receipt of SFA funds.

Investment trends

Market review and update

After a strong start to the year, U.S. equity markets posted negative returns in February. This was likely due to the uncertain backdrop created by the numerous pronouncements out of the White House, coupled with recent economic indicators.

For the first two months of 2025, markets were holding onto gains, with the S&P 500® up 1.4 percent, although small and mid cap stocks were in the red, with the imposition of

tariffs expected to lead to increased volatility as markets head into spring.

Fourth quarter results were good in 2024. According to FactSet Earnings Insight, 75 percent of S&P 500® companies have reported earnings per share above expectations, and 63 percent have reported positive revenue versus expectations. Expectations for the remainder of 2025 have been muted.

Learn more in Segal Marco Advisors' [March 13, 2025 investment insight](#).

The Fed's decisions

2024 was a year of interest rate cuts for the Federal Reserve (the Fed). Where they go from here is less clear, particularly with policy changes afoot. In 2022, as inflation surged, the Fed increased its key interest rate to a 23-year high of 5.50 percent. However, in 2024, citing tamer inflation numbers, the Fed cut rates by an entire percentage point over the course of the year. In 2025, the Fed will have to contend with some mixed economic signals as it charts its course. For now, [the Fed has indicated](#) that it intends to hold the current rates in 2025.

Selected strategy for managing multiemployer retirement plans: benefit-driven investing

Plans have benefited from strong stock returns in recent years. Consequently, where appropriate, trustees may wish to consider implementing a benefit-driven investing strategy (BDI). BDI strategies can include:

- Increasing the plan's allocation to high-quality fixed-income investments
- Immunizing a portion of their benefit liabilities with a portfolio of high-quality bonds to cover a portion of projected benefit payments
- Short-term, cash-flow matching

Because U.S. stocks have posted strong returns in recent years and the yield on the 10-year Treasury has risen above 4 percent, BDI strategies have become more advantageous. Some plans may benefit from a BDI strategy, which can help plans guard against market volatility. Plans should consult with their actuaries and investment consultants to determine which, if any, option is best for them. Read more in Segal Marco Advisors' [article](#).

Compliance reminders

2025 Reporting and Disclosure Guide

The Segal [2025 Reporting and Disclosure Guide for Benefit Plans](#) is a tool for plan sponsors to stay on top of the annual federal requirements. Benefit plans subject to ERISA must comply with all federal agency requirements to avoid costly penalties for failure to provide required notices.

Early PBGC premium due date

The PBGC issued a one-time change for 2025 premium filings. The special premium due date is one month earlier than the usual deadline. For calendar-year plans, the premiums for the 2025 plan year are due September 15, 2025 rather than October 15, 2025. This is a one-time change made for the 2025 filings by the Bipartisan Budget Act of 2015.

For all 2025 filing dates, see our January 9, 2025 [compliance insight](#).

SECURE 2.0 decisions in 2025

The SECURE 2.0 Act of 2022 was passed in December 2022. A few provisions effective for plan years beginning after December 31, 2024 are:

- New 401(k) and 403(b) plans are generally required to implement automatic enrollment of participants. The definition of “long-term, part-time” workers is updated to include employees who worked at least 500 hours in two (instead of three) consecutive years.
- Current catch-up contribution limits are increased by 50 percent for participants who have attained ages 60 to 63.

For more information, see our [December 11, 2024 insight](#).

2025 retirement plan limits

The IRS announced the 2025 dollar limits for qualified retirement plans and other tax-favored plans in late 2024. Plan sponsors should be aware of plan limits changing in 2025. New maximums, limits and thresholds will need to be updated in software programs or spreadsheets, as needed. To compare the new figures to the 2024 figures, check out the Segal insight [here](#).

To discuss the implications for your plan of anything covered here, contact your Segal consultant or reach out to us [via our website, segalco.com](#).

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