

100 Years of Employee Benefits – a Timeline of Key Moments

A review of milestones in the retirement benefits space in the last approximately 100 years.

2023

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Acloser look at plan design innovation

The first private pension in the United States established.

1930s

Creation of the SEC, national minimum wage, and introduction of unemployment insurance.

1940s

Wartime salary freezes lead to explosion of workplace benefits. Over time, these benefits are codified into tax law.

Introduction of long-term disability, Equal Pay Act, Civil Rights Act and EEOC—broadening and deepening workplace protections including benefits.

1974

1980

Multi-Employer pension Plan Amendments Act

1980-1986

Tax reform creates tighter nondiscrimination rules—

expanding access and coverage for 401k plans.

SCOTUS: Spirt + EOC vs TIAA. case outlaws delivering

different annuity payments by gender. Previously, women

would receive lower payments due to their longer lifespans.

ERISA is passed setting the path for modern day plan design.

1981

New IRS regulations allow for salary deductions to 401(k) plans, enabling 401(k)s to replace thrift plans as the workplace retirement benefit for employers that choose to provide coverage.

2000s

withdraw from accounts.

The arrival of Roth treatment of taxes provides a way for savers to hedge tax rate changes between when they save and when they

2001

EG TRRA Act: Harmonized rules and catch-up contributions to enhance women's retirement security. Catch-up contributions are available to everyone, but they are especially beneficial for women who take time out of the labor force.

PPA creates QDIAs and target-date funds become QDIA-eligible. TDFs quickly become a favorite option for retirement savings on investment menus. Auto-enrollment and defaults make TDFs the automatic option for many private sector new hires henceforth.

2020s



Key points

- ERISA established the regulatory framework for modern plan design.
- Regulatory and design efforts have been focused on improving outcomes with the levers of coverage, participation, contribution rules, vesting rules, the investment menu, and distributions.
- Today, matching, auto-enrollment, autoescalation, and other advancements are commonplace in corporate retirement offerings.
- The marketplace has become dominated by target-date funds, but there is increasing attention on distributions as those accounts mature.



Secure Acts: Providing safe harbor for annuity plans, adjusting RMDs, catch-up contribution changes and auto-enrollment advancements. Also requires plan administrators to provide a retirement income illustration to participants based on an annuitization of their balance.

Ahistory of benefits across major influences



Carnegie Foundation established

1905

Civil Service Retirement System created

1920

Social Security Act signed

1935

First Social Security payment

1940

Social Security Administration established

1946

The Social Security Act Amendments of 1950 expanded access to social security to additional workers, including agriculture and domestic workers

1950

1875

The first private pension plan in the United States established

1918

TIAA established



1933

First woman appointed to Secretary of Labor

1939

Beneficiaries expanded

1940

The ratio of workers to beneficiaries is 159.4:1

1950

The Act is amended to create cost of living adjustments (COLAs)

Employer based plans/pub policy





TIAA



Ahistory of benefits across major influences

Self **Employment** Contributions Act (SECA) signed

1954

Creation of **403(b)** plans

1958

The modern 403(b) structure implemented

1964

The Age Discrimination in **Employment Act** (ADEA) signed

1967

Employee Retirement **Income Security** Act (ERISA) is passed

1974

401(k) plans become law

1978

About 88.5% of American workforce covered

1981

Social Security reforms expand access to more public sector workers and address Baby **Boomer bubble**

1983

1952

TIAA establishes College Retirement **Equities Fund** (CREF)



1954—

1960 Social Security

creates disability benefit

1961

Social Security claiming age lowered to 62

1965

Social Security Act is amended to create Medicare and Medicaid

1972

COLAs now automatic **1977**

Payroll tax increase to fund future budget shortfalls in Social Security

1979

CREF becomes one of the first major pension funds to invest in stocks traded on foreign exchanges

1981

401(k)s now allowed to use taxdeferred salary

Employer based plans/pub policy

Social Security



TIAA





Ahistory of benefits across major influences

The Federal **Employee** Retirement System established

End of mandatory annuitization

1989

Higher Ed Mandatory Retirement exemption lifted

1994

Taxpayer Relief Act (TRA 1997) establishes Roth IRAs

1997

The Economic Growth and Tax Relief Reconciliation Act (EG TRRA 2001)

2001

Social Security Act TIAA introduces TIAA Lifecycle Funds

2004

beneficiaries drops to 2.9 2010

The ratio of

workers to

Oregon launches first state sponsored auto-IRA

2017

Secure Acts

2020s

1986

1984

The Retirement **Equity Act is** signed into law

1988

TIAA introduces **CREF Money** Market Fund

1990

CREF introduces **CREF Social** Choice, CREF **Bond Fund**

1996

Creation of 529 plans

1999

TIAA introduces Equity and Fixed Income **Mutual Funds**

TIAA CREF

2003

HSAs created

2006

The Pension Protection Act (PPA) law created QDIAs 2014

RetirePlus strategy launched

TIAA celebrates 100 years

2018

TIAA

Employer based plans/pub policy

Social Security

TIAA



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