



# 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.

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# A closer look at plan design innovation

**1875**

The first private pension in the United States established.

**1940s**

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

**1974**

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

**1980–1986**

Tax reform creates tighter nondiscrimination rules—expanding access and coverage for 401k plans.

**1982**

SCOTUS: Spirt + EOC vs TIAA. case outlaws delivering different annuity payments by gender. Previously, women would receive lower payments due to their longer lifespans.

**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.

**2020s**

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.

**1930s**

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

**1960s**

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

**1980**

Multi-Employer pension Plan Amendments Act.

**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**

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

**2006**

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.



## 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, auto-escalation, 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.

# A history 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**

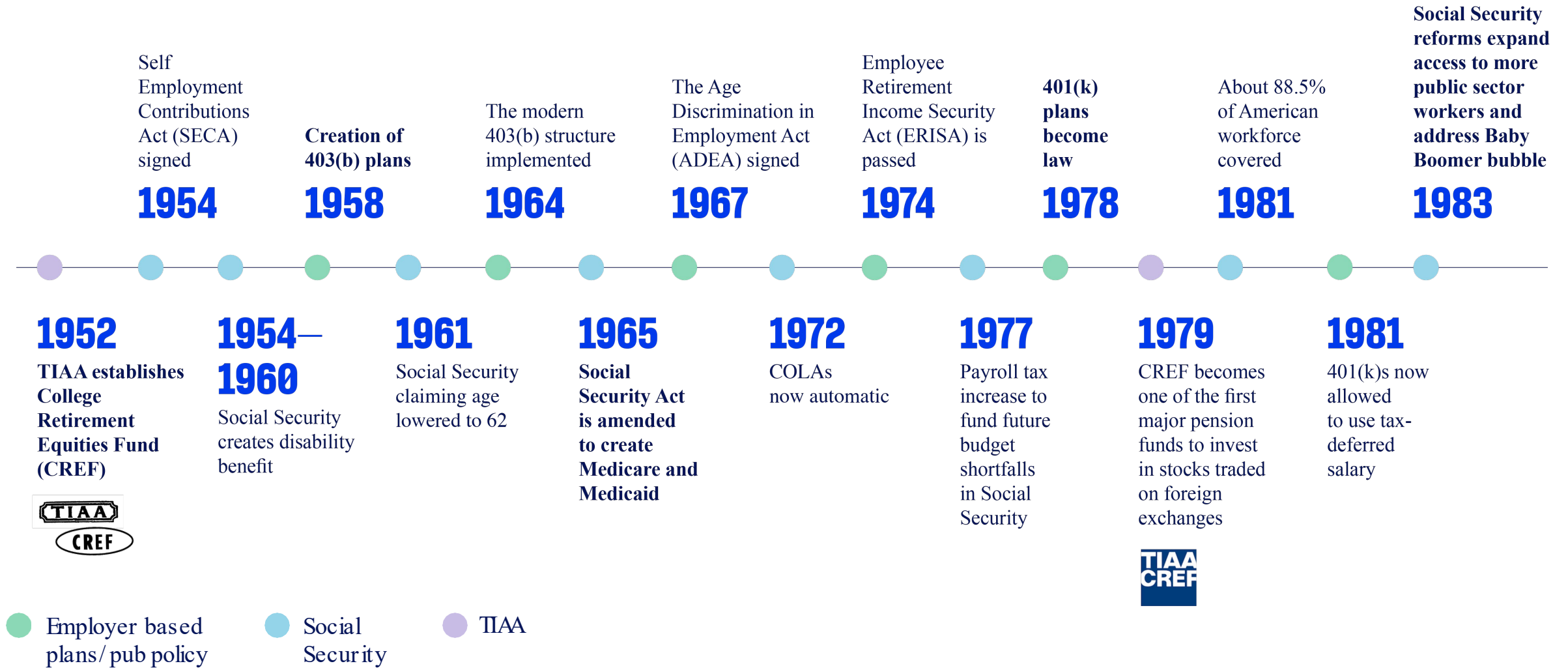
The Act is amended to create cost of living adjustments (COLAs)

● Employer based plans/ pub policy

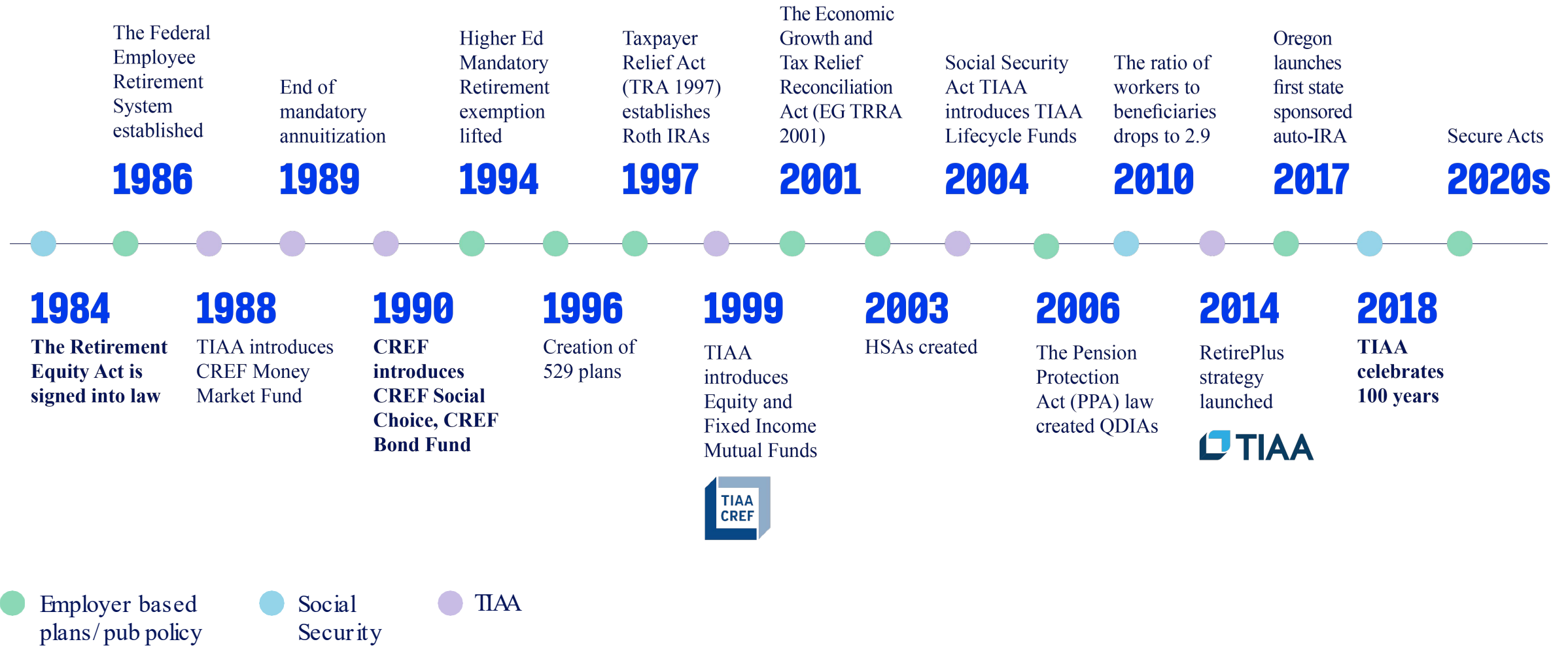
● Social Security

● TIAA

# A history of benefits across major influences



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