United States Government Accountability Office

Report to the Ranking Member, Committee on Health, Education, Labor, and Pensions, U.S. Senate

October 2026

RETIREMENT PLANS

Identifying Ways to Help Mitigate Employer Risks Is Key to Continuing Defined Benefit Plans

GAO-27-107628

GAO Highlights

RETIREMENT PLANS

Identifying Ways to Help Mitigate Employer Risks Is Key to Continuing Defined Benefit Plans

GAO-27-107628 October 2026

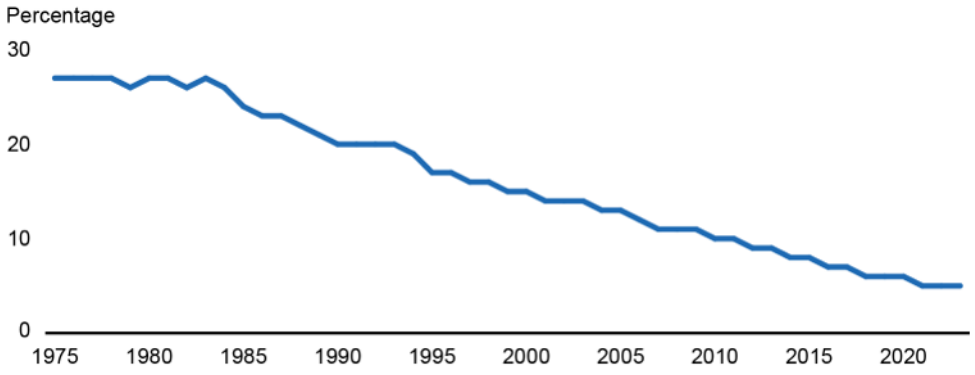
A report to the Ranking Member, Committee on Health, Education, Labor, and Pensions, U.S. Senate

Contact: Kris Nguyen at nguyentt@gao.gov and Lawrance Evans at evansl@gao.gov

What GAO Found

Defined Benefit (DB) plan coverage has declined over the last nearly 5 decades. In 1975, about 27 percent of private-sector workers participated in a single-employer DB plan. By 2023, that number had decreased to about 5 percent. Stakeholders cited a complex range of factors that contributed to this decline including increased costs, financial volatility for employers, and changes in the labor market, such as the decline of unions that often negotiated for DB benefits.

Percentage of Private-Sector Workers Participating in Single-Employer DB Plans Sponsored by Their Current Employer, 1975–2023



Source: GAO analysis of data from the Department of Labor and the Current Population Survey. | GAO-27-107628

Even in light of the steep decline, part of the Pension Benefit Guarantee Corporation's (PBGC) mission is to encourage the continuation of DB plans. Stakeholders suggested PBGC take a proactive role in providing information about DB plan designs that use risk-sharing features between employers and workers, but it has not done so to date. Such designs may allow employers to mitigate risks and continue offering DB plans instead of terminating them or closing them to new participants. According to PBGC officials, they are waiting for newly collected data on some risk-sharing plan designs before publishing information on them. Nevertheless, while PBGC awaits new data, it has the opportunity to assess how its resources and expertise can help meet stakeholders' information needs.

Stakeholders knowledgeable about the pension models GAO reviewed in the U.S. and other countries described risk-sharing strategies to help limit the financial risks employers face when offering a DB plan. For example, plans could allow limited adjustments to retirement benefits to alleviate some of the risks associated with paying lifelong benefits. The stakeholders noted that plan sponsors would make stable, predictable contributions, and participants would receive lifetime income with limited adjustments to address financial shortfalls due to factors such as investment performance.

Stakeholders identified various policy options that could promote private-sector DB plans by reducing the cost and administrative burden of maintaining an existing DB plan. For example, stakeholders said modernized plan designs or reformed PBGC premiums could reduce the cost of maintaining a DB plan and help some plan sponsors overcome challenges.

Why GAO Did This Study

DB retirement plans provide secure retirement income for millions of retirees and their families and help employers retain employees. However, the portion of the private-sector workforce covered by these plans has declined for decades. This decline has caused concern about retirees' ability to secure an adequate standard of living. As fewer workers are covered by DB plans, more retirees may rely on Social Security as their only source of guaranteed retirement income.

GAO was asked to review trends in DB plan coverage and options to help sustain or expand that coverage. This report examines (1) trends in coverage, (2) PBGC's efforts to encourage DB plans to continue, (3) strategies used in the U.S. and abroad to modernize plan design, and (4) policy options to expand DB plan coverage.

GAO reviewed relevant literature and interviewed agency officials and 22 subject matter specialists, including actuaries, researchers, and industry groups. GAO also analyzed data from the Department of Labor and PBGC, as well as data on historical interest and mortality rates. GAO reviewed agency publications and interviewed officials. GAO also reviewed documentation on four DB plans used in other countries and interviewed knowledgeable stakeholders and officials about these plans, which were selected to represent a variety of plan design options. To identify policy options, GAO interviewed the subject matter specialists and reviewed relevant literature.

What GAO Recommends

GAO recommends that PBGC assess stakeholders' needs for and provide information on DB plan design options, such as risk-sharing plans. PBGC agreed with the recommendation and outlined planned steps to implement it.

Contents

Letter 1

Background 3
Single-Employer Defined Benefit Plan Coverage Has Declined for Decades Due to a Complex Range of Factors 8
PBGC Promotes Defined Benefit Plans but Has Not Fully Assessed Stakeholders' Information Needs 25
Selected Defined Benefit Plans Use Various Strategies to Sustain Lifetime Income 34
Stakeholders Identified Policy Options to Promote New Plan Designs and the Expansion of Lifetime Income Benefits 40
Conclusions 50
Recommendation for Executive Action 50
Agency Comments 50

Appendix I Objectives, Scope, and Methodology 52

Appendix II Comments from the Pension Benefit Guaranty Corporation 62

Appendix III GAO Contact and Staff Acknowledgements 65

Tables

Table 1: Selected Retirement Plans with Lifetime Income in Other Countries 7
Table 2: Stakeholders Interviewed, by Type 52

Figures

Figure 1: Percentage of Private-Sector Workers Participating in Single-Employer DB Plans Sponsored by Their Current Employer, 1975–2023 10
Figure 2: Percentage of Active Participants in Private-Sector Single-Employer DB Plans, by Plan Frozen Status, 2008 and 2022 11
Figure 3: 1985, 2020, and 2026 Expected Cost of Providing a Lifetime Income Equal to 1 Percent of Age 45 Pay at Retirement 14

Figure 4: Expected Cost of PBGC Flat-Rate Premium for a Vested Participant, Hired at Age 45 in 1985 and 2026 16
Figure 5: Percentages of Private-Sector Workers Who Are Represented by a Union and Who Are Active Participants in a DB Plan, 1977–2023 20
Figure 6: Illustration of How Changing Retirement Plans Mid-Career Can Affect Retirement Income 23
Figure 7: Steps That PBGC Takes to Promote the Continuation of Defined Benefit Plans 26

Abbreviations

Advocate	Office of the Participant and Plan Sponsor Advocate
COLA	cost-of-living adjustment
DB	defined benefit
DC	defined contribution
DOL	Department of Labor
ERISA	Employee Retirement Income Security Act
NASRA	National Association of State Retirement Administrators
NCCMP	National Coordinating Committee for Multiemployer Plans
OECD	Organisation for Economic Co-operation and Development
PBGC	Pension Benefit Guaranty Corporation
QCEW	Quarterly Census of Employment and Wages
QDRO	Qualified Domestic Relations Order
SFAS	Statement of Financial Accounting Standards
SRP	Shared Risk Plan

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

October 22, 2026

The Honorable Bernard Sanders
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

Dear Ranking Member Sanders:

Defined benefit (DB) retirement plans have provided a relatively stable and predictable source of retirement income for millions of retirees and their families for decades. The U.S. retirement system offers a diversity of plan designs that manage different risks and balance the needs of different workers and employers that sponsor these plans. As a key component of this system, DB plans offer benefits for both employers and employees. For example, employers may use them as an incentive to retain employees and manage turnover. Employees benefit by receiving guaranteed income in retirement—a stable and predictable stream of income for the duration of their lives. The Pension Benefit Guaranty Corporation (PBGC) serves as a backstop for most private-sector defined benefit plans by guaranteeing payment of benefits up to legal limits if a plan becomes insolvent. The federal government also provides incentives for employers to sponsor DB plans, but the portion of the private-sector workforce covered by these plans has declined for decades. This decline has provoked concern about this vital part of the retirement system and retirees' ability to secure an adequate standard of living. As fewer workers are covered by DB plans, more retirees may rely on Social Security as their only source of guaranteed retirement income.

Given the benefits of DB plans, the decline in private-sector coverage has raised questions about what changes could be made to revitalize the DB system and to improve access to these plans. You asked us to review trends in DB plan coverage and options to help sustain or expand that coverage. This report examines (1) trends in private-sector single-employer DB plan coverage in the U.S. and factors that may have contributed to its decline, (2) the extent to which PBGC has taken steps to promote the continuation of single-employer DB plans, (3) strategies used in the U.S. and abroad to modernize DB plan design and related experiences thus far, and (4) policy options that stakeholders suggest to promote the expansion of private-sector DB plan coverage.

To answer our first objective, we analyzed the following sources of data: (1) Department of Labor's (DOL) Private Pension Plan Bulletin Historical Tables and Graphs, which we used to assess trends in private-sector DB coverage; (2) PBGC's data tables, which contain detailed data about plans, such as open or frozen status, and (3) the Current Population Survey jointly sponsored by the U.S. Census Bureau and U.S. Bureau of Labor Statistics, which covers private-sector unionization rates and (4) historical interest rates and mortality tables to analyze the cost of providing defined benefits. Additionally, we reviewed relevant literature and interviewed officials from PBGC and DOL. We also conducted 21 semistructured interviews with representatives of 22 nongovernmental stakeholder organizations who had expertise in issues relating to DB plans. These specialists included actuaries, researchers, participant interest groups, industry groups, and pension asset managers. Limits to the data included unclear data for plans with less than 100 participants in the DOL Historical Tables and Graphs and lack of data on plans not covered by PBGC for the PBGC data. To address these, we reported DOL data from 1975 to 2023 on plans with more than 100 participants. In addition, in this report, our findings cannot be generalized to all pension plans within the U.S. We found data from each of the sources we used to be reliable for reporting on trends in single-employer DB coverage.

To answer our second objective, we reviewed PBGC policies and procedures for monitoring industry trends and significant transactions. We also reviewed outreach materials for plan sponsors and the broader pension community and reports on agency performance and statistics the agency collects and analyzes for policymakers, researchers, and plan sponsors as well as other written documentation related to its mission of encouraging the continuation and maintenance of private-sector DB plans. We interviewed PBGC officials and the 22 retirement subject matter specialists mentioned above to obtain their perspectives about PBGC's role and whether there are any additional steps that could be taken to support the DB system. We used federal internal control standards for communicating with external parties to evaluate PBGC's efforts to support the system.

To answer our third objective, we selected plans based on literature we reviewed and on characteristics identified by subject matter specialists knowledgeable about DB plans globally. For example, the Organisation for Economic Co-operation and Development (OECD) published a 2023 report, called *Pensions at a Glance,* that included a short description of some pension reforms occurring in OECD member countries. We selected four plan designs in other countries to review: CAAT DBplus and

the New Brunswick Shared Risk Plan in Canada, the Dutch Solidarity Plan in the Netherlands, and the Occupational Pension Plan in Switzerland. A limitation to this approach is that some of the reforms in other countries, and some of the public-sector reforms in the U.S., may not be applicable to private-sector plans in the U.S. without changes to current laws and regulations. To address this limitation, we reviewed relevant documentation and interviewed relevant officials and other experts to obtain more information about their specific systems and gain insight into how they responded to challenges with sustaining plans that offer lifelong income. To learn more specifically about strategies used within the U.S., we identified examples of changes made to domestic multiemployer and public plans. To do this, we interviewed national experts in both types of plans, including representatives from the National Coordinating Committee for Multiemployer Plans (NCCMP), the National Association of State Retirement Administrators (NASRA), and where applicable, some of the retirement experts we interviewed as mentioned above.

To answer our fourth objective, we reviewed pertinent literature on policy options, including proposals that responded to a 2024 congressional request for information on bolstering existing pension plans and driving the creation of new defined benefit pensions.[1] We also interviewed officials from PBGC and DOL, as well as the 22 subject matter specialists with expertise and knowledge in retirement issues discussed above, to get their perspectives about possible ways to promote the expansion of private sector DB plans in the U.S. For more detailed information on our scope and methodology, see appendix I.

We conducted this performance audit from June 2024 to October 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

[1]United States Senate, Committee on Health, Education, Labor and Pensions, *A Secure Retirement for All*, Majority Staff Report (Washington, D.C.: Feb. 28, 2024).

Types of U.S. Retirement Plans

There are two predominant types of private-sector, employer-sponsored retirement plans in the U.S.: DB plans and defined contribution (DC) plans. Some DB plans incorporate elements of both—these plans are often referred to as hybrid plans.

Traditional DB plans. In traditional DB plans, participants typically receive guaranteed lifetime income in retirement.[2] To calculate these payments, plans often use formulas that include factors such as a participant's earnings history, length of employment, and age at retirement.

Meanwhile, employers bear the investment risk and longevity risk associated with traditional DB plans. Employers make payments to their DB plan to ensure it will be able to pay for participants' expected future benefits. Plans use actuarial calculations about the growth of investments and participants' future life events to determine whether plans' assets will be able to cover these benefits. However, plans may face unfunded liabilities if, for example, their investments underperform (investment risk) or the cost of lifetime benefits increases because participants live longer than anticipated (longevity risk). In these cases, employers are generally responsible for covering shortfalls in the DB plan's assets. See the text box for benefits and features of DB plans.

Cited Benefits and Key Features of Defined Benefit (DB) Plans in the U.S.

- Provide participants with a default option of lifetime income based on longevity pooling
- Serve as a workforce management tool allowing employers to (1) encourage an orderly transition of talent by facilitating retirement with guaranteed and predictable retirement income, (2) attract and retain mid-career employees who may desire a guaranteed income at retirement, and (3) influence the timing of retirements to best suit the organization's needs by using incentives
- Provide contribution flexibility, particularly for employers that have previously made contributions in excess of the minimum required by law
- Provide more efficient asset allocation and investment management compared to individual defined contribution accounts, since DB assets are more likely to be invested by professionals with risk spread across generations of participants

Source: American Academy of Actuaries. | GAO-27-107628

DC plans. In DC plans, such as 401(k) plans, participants do not always have access to guaranteed lifetime income. Instead, participants and employers can contribute funds to individuals' retirement savings accounts. Individual participants usually decide how to invest these funds

[2]Some DB plans offer a lump sum option as an alternative to a lifetime income stream. For married participants, any lump sum option can only be taken with spousal consent.

and how to spend down their savings in retirement.[3] Both of these decisions involve participants bearing some risk of having insufficient income in retirement but provide participants flexibility. Because of their design with individual account balances, DC plans also provide participants with a portable benefit if they change jobs. Unlike DB plans, employers are not responsible for covering any shortfalls in participants' DC account balance due to investment risk or longevity risk. Instead, participants bear those risks.

Cash balance and other hybrid plans. Cash balance plans and certain other hybrid plans are types of defined benefit plans that incorporate some features more typical of DC plans (e.g., individual account balances). These cash balance plans express earned benefits in terms of an individual account balance and, like all DB plans, offer lifetime income as a default payment option. In some hybrid plans, the value of a worker's benefit can fluctuate based on actual investment returns. Unlike in a DC plan, participants in a hybrid plan typically do not contribute to their account or make investment decisions.

The Decline in Defined Benefit (DB) Coverage in the Context of the Nation's Retirement System

Previously, GAO noted that the U.S. retirement system needs fundamental re-evaluation because its three pillars—Social Security, employer-sponsored retirement plans, and individual savings—are under growing strain. GAO noted that (1) traditional DB pensions have declined, (2) 401(k)-style plans have shifted more risk and responsibility onto individuals, (3) many households have little retirement savings, and (4) long-term fiscal pressures threaten benefit adequacy and system stability. Rather than continuing piecemeal fixes, GAO recommended in 2017 that Congress consider establishing an independent commission to comprehensively examine the U.S. retirement system and make recommendations to clarify related policy goals and improve how the nation promotes retirement security. As of 2026, Congress had not established such a commission.

Source: GAO-18-111SP. | GAO-27-107628

PBGC's Role in the U.S. Defined Benefit System

PBGC was created by the Employee Retirement Income Security Act (ERISA) of 1974 to (1) encourage the continuation and maintenance of private-sector DB plans for the benefit of their participants, (2) provide timely and uninterrupted payment of pension benefits, and (3) maintain

[3]Target benefit plans are a type of DC plan where contributions to an employee's account are determined based on the estimated amounts necessary to fund a stated target retirement benefit under the plan. The actual benefit that the participant receives will vary from the stated target benefit based on investment performance. Unlike in a 401(k), employees do not make contributions and do not decide how assets are invested. Plan fiduciaries direct investment decisions and assets are pooled and centrally managed. According to DOL, target benefit plans accounted for less than 0.1 percent of private-sector DC plans in 2022.

pension insurance premiums at the lowest levels consistent with carrying out its statutory obligations. PBGC insures DB plans through its two separate programs: the Single-Employer Program and the Multiemployer Program.[4] Combined, these programs insured the benefits of about 29.5 million American workers and retirees, according to PBGC's 2025 Annual Report.[5] In fiscal year 2026, the agency had about 900 employees.

PBGC's Single-Employer Program does not receive appropriations from general revenue because ERISA requires the program to be self-supporting.[6] Instead, the program is generally funded through insurance premiums set by statute and paid by plan sponsors, as well as through income from investments, assets from trusteed plans, and recoveries from companies that previously sponsored those plans.

The insurance premiums that single-employer DB plans pay PBGC include two parts: (1) a flat rate and (2) a variable rate for plans with unfunded vested liabilities. For plan years beginning in 2026, all insured single-employer DB plans pay a flat rate of $111 per participant. In addition, plans with unfunded vested benefits—in which assets are not sufficient to cover the benefits participants have already earned—pay an additional $52 per every $1,000 of the projected shortfall, with the total premium capped at $751 per participant. The variable rate premium relates to the amount (due to the value of earned benefits exceeding plan assets) of insurance coverage that a sponsor receives for a particular year.

The PBGC Office of the Participant and Plan Sponsor Advocate (Advocate) is an independent office within PBGC that helps participants

[4]PBGC's Single-Employer and Multiemployer insurance programs were previously on GAO's High Risk List because both programs were projected to be unable to pay for future insurance claims with expected revenue from premiums and investments. In 2023, we removed the programs from the High Risk List because their financial outlooks had improved due to various factors. For more information, see GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas,* GAO-23-106203 (Washington, D.C.: Apr. 20, 2023).

[5]Pension Benefit Guaranty Corporation, *Fiscal Year 2025 Annual Report* (Jan. 16, 2026).

[6]PBGC's Multiemployer Program was similarly established to be self-supporting and not receive appropriations from general revenue. However, with the Multiemployer Program facing pending insolvency, Congress appropriated funds for the most severely underfunded insured plans through a Special Financial Assistance Program established under the American Rescue Plan Act of 2021. Outlays under this program are estimated to be $79.1 billion. This estimate of outlays is from Pension Benefit Guaranty Corporation, *Projections Report FY 2024* (Washington, D.C.: Jan. 27, 2026).

and plan sponsors resolve disputes with PBGC. The Advocate submits an annual report to PBGC's Congressional Committees of Jurisdiction, PBGC's Board of Directors, and the PBGC Director.[7]

Examples of Retirement Plans with Lifetime Income in Other Countries

Many other countries offer retirement plans with lifetime income for plan participants. Some countries implement these plans differently than private-sector single-employer plans in the U.S. (the main type of plan described in this report). For example, participation in some retirement plans in other countries may be mandatory for certain employers and their workers. In contrast, private-sector employers in the U.S. voluntarily offer retirement plans. In examining plans across countries, it is important to recognize that there are social, economic, and legal differences among countries. Table 1 presents an overview of the selected DB plans in other countries that we reviewed.

Table 1: Selected Retirement Plans with Lifetime Income in Other Countries

Country	Retirement plan	Description
Canada	CAAT DBplus	The CAAT pension plan was established in 1967 for employees of certain higher education institutions in Ontario. Since that time, CAAT has expanded to include employers from other sectors and now serves over 800 employers. DBplus is one of the plan types offered by CAAT that incorporates features of defined benefit (DB) and defined contribution plans.
	New Brunswick Shared Risk Plan	The New Brunswick provincial legislation approved a Shared Risk Plan (SRP) model in 2012 as an option for private and public employers in the province. The SRP model provides an overarching framework that allows individual plans to determine certain plan design elements such as contribution rates, funding thresholds, and required corrective actions.

[7]The Moving Ahead for Progress in the 21st Century Act established the office of the Participant and Plan Sponsor Advocate and requires the Advocate to submit an annual report which (1) summarizes the assistance requests received from participants and plan sponsors and describes the activities of the Advocate and their effectiveness during the preceding year; (2) identifies significant problems the Advocate has identified; (3) includes specific legislative and regulatory changes to address the problems; and (4) identifies any actions taken to correct problems identified in any previous report.

Country	Retirement plan	Description
The Netherlands	Dutch Solidarity Contribution Plan	Approved in 2023, this plan design option in the Netherlands' Occupational Pension System includes fixed employer and employee contributions. These plans provide lifetime monthly benefits which can be adjusted yearly depending on the development of (1) personal pension capital (the notional account) and (2) the interest rate.
Switzerland	Occupational Pension Plan	The Swiss Occupational Pension Plan is a mandatory occupational pension for employees ages 25 and older who have earnings over a certain threshold. The Swiss law, first approved in 1985, provides the legal framework with certain minimum benefits stipulated, though employers may provide benefits above the minimum threshold.

Source: GAO review of plan documents. | GAO-27-107628

Single-Employer Defined Benefit Plan Coverage Has Declined for Decades Due to a Complex Range of Factors

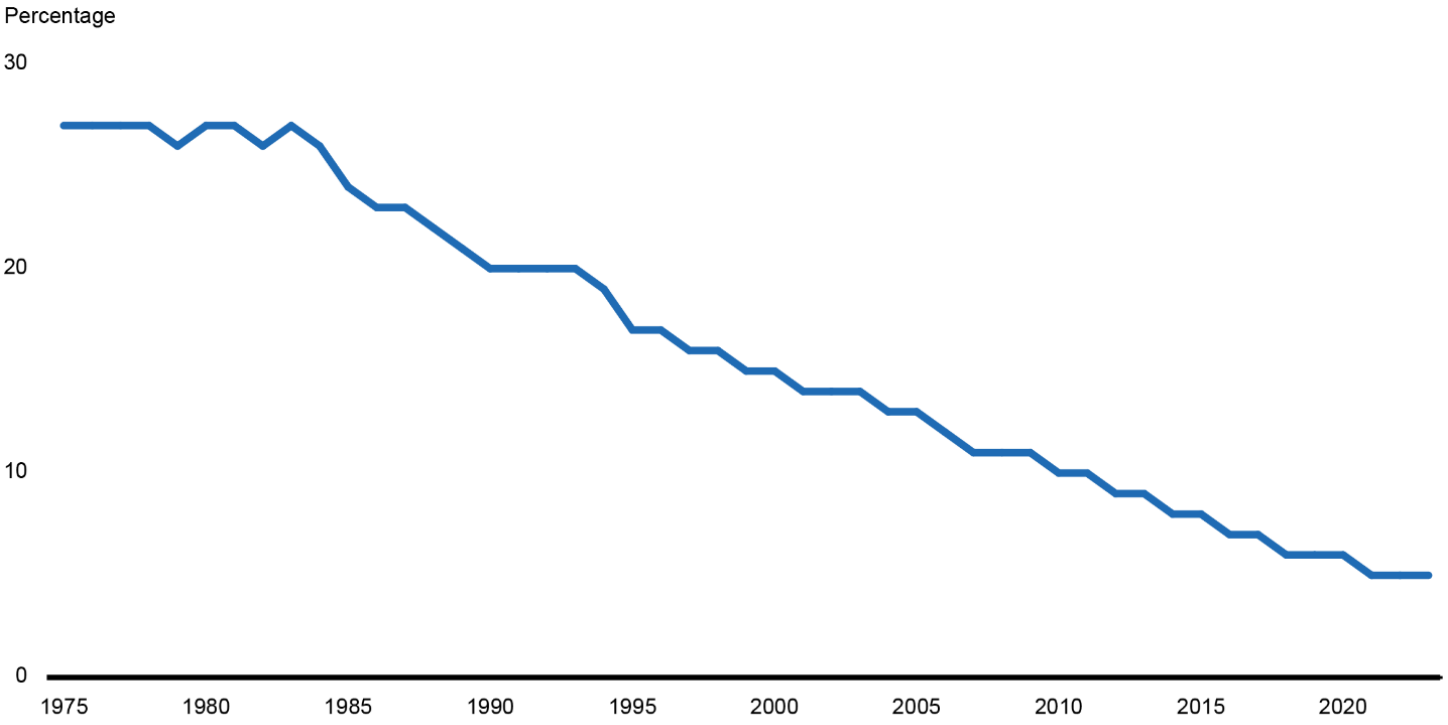
From 1975 to 2023, the Rate of Coverage Declined by 81 Percent for Private-Sector Single-Employer Defined Benefit Plans

The rate of DB plan coverage has declined over the last nearly five decades by 81 percent for private-sector single-employer DB plans. In 1975, about 27 percent of private-sector workers participated in a single-employer DB plan with at least 100 active participants sponsored by their current employer, according to our analysis of data from Form 5500 and

the Current Population Survey.[8] By 2023, the most recent year of data available on active participants in DB plans, that number had decreased to about 5 percent (see fig. 1).

[8]These statistics are based on Form 5500 data on the number of active participants in single-employer DB plans. An active participant in a DB plan is an individual who is currently working for a plan sponsor and who is earning or has previously earned a retirement benefit from the plan sponsor. Our analysis excludes private-sector participants in single-employer plans with fewer than 100 active participants. Private-sector participants in multiemployer plans and public-sector participants were out of scope for this analysis. We excluded active participants in single-employer plans with fewer than 100 participants because before 2010, data on those populations were estimated with unknown sampling errors. If individuals from those plans were included, the DB plan coverage rates in fig. 1 would be higher. For example, in 2023, the rate would increase from 4.7 percent to 5.0 percent. For the statistics in the paragraph and fig. 1, we also excluded active participants in multiemployer plans. In 2023, the broader private-sector DB plan coverage rate would be 7.6 percent, including all individuals who were in either single-employer or multiemployer DB plans. Because those groups are excluded, and because DB coverage rates of public-sector workers are higher than those of private-sector workers, the rate of DB plan coverage shown in fig. 1 is lower than it would be for all workers in the U.S. The overall trend in coverage would still show a long-term decline if active participants in multiemployer plans with at least 100 active participants were included in our analysis.

Figure 1: Percentage of Private-Sector Workers Participating in Single-Employer DB Plans Sponsored by Their Current Employer, 1975–2023



Source: GAO analysis of data from the Department of Labor and the Current Population Survey. | GAO-27-107628

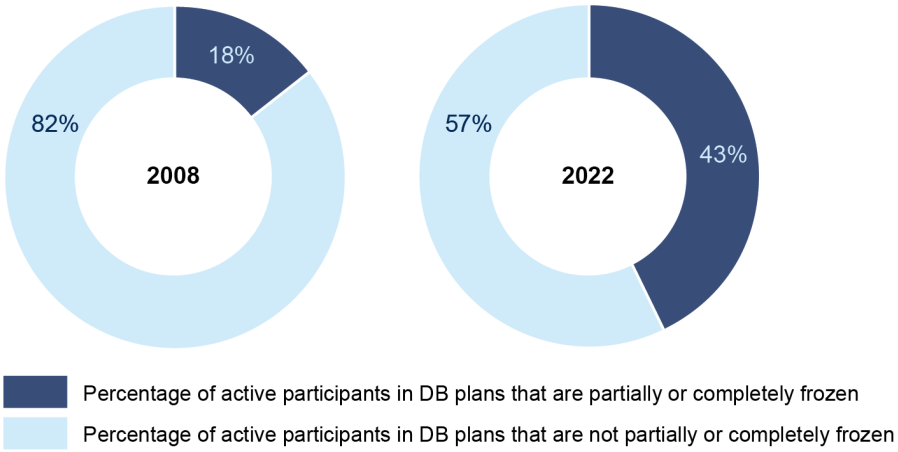
Note: To calculate statistics for this figure, GAO divided the number of active participants in single-employer defined benefit (DB) plans with at least 100 active participants by the number of private-sector workers. The analysis excludes private-sector participants in single-employer plans with fewer than 100 active participants. Private-sector workers in multiemployer plans and public-sector workers were out of scope for this analysis. The number of private-sector workers is a seasonally adjusted estimate from March. GAO's estimates of private-sector workers include self-employed workers and agricultural workers, among others, and exclude unpaid workers. Because these estimates of the number of private-sector workers come from a survey, the statistics have sampling error. GAO estimates that the margins of error of all statistics in the figure are less than 0.19 percentage points.

From 2008 to 2022, there was an increase in the percentage of active participants in frozen single-employer DB plans insured by PBGC—meaning a declining portion of participants accrued new DB plan benefits when their pay or job tenure increased.[9] According to PBGC data on active participants in PBGC-insured, private-sector DB plans sponsored by participants' current employer, the percentage of active participants in partially or completely frozen plans increased from 18 percent in 2008 to

[9]Some frozen DB plans are only partially frozen meaning that only one of the following is true: benefits increase when the participant's pay increases or benefits increase when the participant's tenure increases.

43 percent in 2022 (see fig. 2). Accounting for this change, we estimate that the percentage of all private-sector workers who were participating in a DB plan and still accruing benefits based on pay and job tenure declined from 9 percent in 2008 to 3 percent in 2022.

Figure 2: Percentage of Active Participants in Private-Sector Single-Employer DB Plans, by Plan Frozen Status, 2008 and 2022



Source: GAO analysis of data from PBGC. | GAO-27-107628

Note: In defined benefit (DB) plans that are frozen, plan participants do not accrue new benefits when their pay or tenure working for the plan sponsor increase. These statistics are for single-employer DB plans insured by the Pension Benefit Guaranty Corporation (PBGC). Numbers are rounded to the nearest percentage. These data are based on PBGC premium filings.

In addition, there is a greater share of single-employer DB plan participants—including active and other participants—in plans with hybrid features than in the past. DB plan participants include active workers, retirees who are receiving a benefit from the plan, former employees with a vested benefit who are not yet receiving a benefit from the plan, and deceased individuals with one or more beneficiaries. According to PBGC data, the percentage of DB plan participants in hybrid plans increased from 21 percent in 2001 to 48 percent in 2022.[10]

[10]The total number of participants in PBGC-insured hybrid plans increased from 7.0 million in 2001 to 12.8 million in 2013. It then declined to 10.7 million in 2022.

When some DB plans were converted to hybrid plans, some participants were required or allowed to receive benefits based on the previous traditional DB plan design. Because of this, not all participants in hybrid plans will receive benefits based on the hybrid plan design.

Multiple Interrelated Factors Contributed to the Decline in Private-Sector Single-Employer Coverage

Stakeholders we interviewed, literature we reviewed, and data we analyzed point to a variety of factors that contributed to the decline in private-sector single-employer DB plan coverage, including increased costs and financial volatility for plan sponsors, as well as labor market changes.[11] We did not assess the relevance of each factor in the decline, in part because the factors are interrelated, and their relevance varies for each employer.

Increased Costs for Plan Sponsors

Stakeholder interviews, literature, and data we analyzed highlighted the increased costs of sponsoring a DB plan as a factor contributing to the decline in coverage. These sources cited the following factors as contributing to increased costs.

Lower interest rates. Several stakeholders and literature pointed to relatively lower interest rates as contributing to the increased costs of sponsoring a DB plan.[12] One stakeholder explained that interest rates provide a basis for investment return expectations. That stakeholder described how, all else equal, funding future retirement income costs more when interest rates are lower because greater contributions are needed to make up for future expected lower investment returns.

We previously reported that depending on the circumstances, a conversion of a traditional DB plan to a cash balance plan may result in lower benefits for some workers than if the plan had stayed a traditional plan, especially for those workers with greater job tenure. See GAO, *Private Pensions: Information on Cash Balance Pension Plans,* GAO-06-42 (Washington, D.C.: Nov. 3, 2005).

[11]For this objective, we interviewed staff at 20 stakeholder organizations with varied expertise in DB plan design. This included staff at academic centers, government agencies, employer groups, professional organizations, research institutes, and other types of organizations. In addition, we reviewed selected literature on topics raised by stakeholders during interviews, to provide additional context. We analyzed stakeholders' responses to identify the significant factors associated with the decline of DB plans. To characterize stakeholders' responses, in this section, we use terms such as "some stakeholders" to represent two to five stakeholder organizations, and "several stakeholders" to represent six to 10 stakeholder organizations. While we used an interview guide during these interviews, not all questions were asked of every stakeholder. See app. I for more information about our methodology.

[12]For an example of literature that discussed this see John H. Langbein, "ERISA's Role in the Demise of Defined Benefit Pension Plans in the United States," *The Elder Law Journal*, vol. 31 (2023): 29.

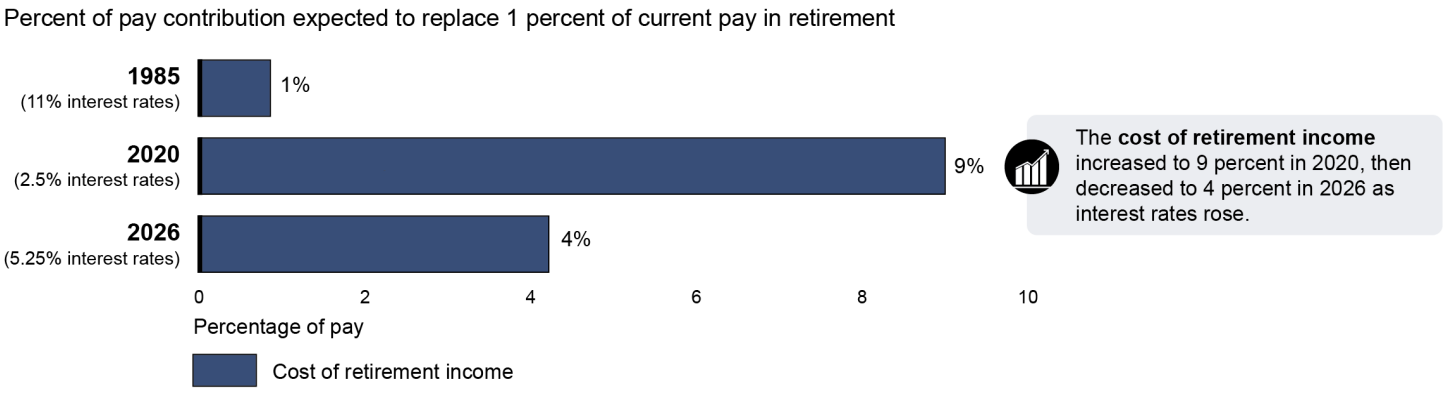
The Moody's Seasoned Aaa Corporate Bond Yield declined from 12.24 percent on January 2, 1985, to a low of 2.01 percent on July 24, 2020. It then increased to 5.38 percent on January 30, 2026. This index provides a consistent measure of high-quality bond yields over time.

Increases in life expectancy. To the extent that life expectancy increased more than plan sponsors assumed, it also contributed to the increased cost of providing a DB plan. Generally, DB plans must offer retirees a lifetime income annuity, which provides regular payments for as long as they live. When the beneficiaries of these annuities live longer than expected, the plan sponsor is responsible for the cost of the additional payments. From 1983 to 2026, the average life expectancy at age 65 increased from 18.7 years to 21.2 years, a 13 percent increase, based on our analysis of mortality tables commonly used to value pension plans.[13]

We estimate that as interest rates declined and life expectancy increased from 1985 to 2020, the expected cost of paying for lifetime income equal to 1 percent of age 45 pay at retirement increased ninefold (see fig. 3). We also estimate that this cost declined by 56 percent from 2020 to 2026 (see fig. 3). Over the long term, declining interest rates and improving longevity generally made it more expensive to attain the same amount of nominal retirement income. According to a stakeholder the expected cost of a traditional DB plan benefit, defined as guaranteed lifetime income, is greater in a low-interest rate environment than it is in a high-interest rate environment. In nontraditional DB designs, such as hybrid plans, some or all the cost effects are shared with participants. Increases caused by lower expected yields affect individuals and organizations seeking lifetime income in retirement, not just DB plans.

[13]We calculated 1983 life expectancy using the 1983 Group Annuity Mortality Table. We calculated 2026 life expectancy using statutory mortality rates published in Internal Revenue Service Notice 2025-40. Our calculations used the average of male and female mortality rates at each projection age.

Figure 3: 1985, 2020, and 2026 Expected Cost of Providing a Lifetime Income Equal to 1 Percent of Age 45 Pay at Retirement



Source: GAO (analysis); U.S. Department of Treasury (interest rates); Internal Revenue Service (mortality rates); London Stock Exchange Group (interest rates); Moody's Corporation (interest rates); Society of Actuaries (mortality rates). GAO (icon). | GAO-27-107628

Note: Each bar depicts the contribution expected to provide a 45-year-old worker with lifetime income equal to 1 percent of their age 45 pay in retirement, which begins at age 65. GAO based the expected cost of providing this retirement income on relevant interest and mortality rates as of each year. For the mortality assumption, GAO used the average of male and female rates at each projection age. Estimated costs would be different if benefits increased after retirement.

Increasing PBGC premiums. Several stakeholders said increases in PBGC premiums have contributed to the decline in DB plan coverage.[14] From 1974 to 2026, PBGC flat-rate premiums increased from $5 per participant (in 2026 dollars) to $111 per participant.[15] The premium rate

[14]In 2012, we reported that factors other than premiums, such as variable costs and annual contributions, were key factors in decisions to freeze or terminate plans. Since then, flat-rate and variable-rate premiums have increased significantly. For more information on our 2012 report, see: GAO, *Pension Benefit Guaranty Corporation: Redesigned Premium Structure Could Better Align Rates with Risk from Plan Sponsors*, GAO-13-58 (Washington, D.C.: Nov. 7, 2012)

[15]We have reported that historically, PBGC's premiums have not fully reflected the risks PBGC insures against, and that Congress has periodically increased premium rates for plan sponsors within the current premium structure to help put the agency on a firmer financial footing. We concluded that by adopting a premium structure that allows rates to better align with the risk posed by individual plans and sponsors, Congress had an opportunity to help PBGC contain its deficit and strengthen its ability to remain solvent into the future. See GAO-13-58. At the end of PBGC's 2012 Fiscal Year, the single-employer program's net position was a $29 billion deficit. Following the publication of our report, Congress raised premiums multiple times. Since then, the financial status of PBGC's single-employer program has significantly improved. However, premiums have not been reduced. At the end of PBGC's 2025 fiscal year, the single-employer program's net position was a $62.2 billion surplus.

for unfunded liabilities also increased during that period.[16] Our analysis in figure 4 shows the total expected cost to a plan of PBGC's flat-rate premiums in 1985 and 2026 for a vested participant hired at age 45. The figure shows that the expected cost for an employee hired at age 45 who eventually vests increased from $65 (2026 dollars) in 1985 to $3,270 in 2026, primarily because of rising PBGC premium rates. Almost all of this increase is due to the increase in the flat-rate premiums since 1985 and expected automatic increases after 2026.[17] If the premium rates had remained fixed, then the expected cost would be $44 in 2026.[18] Plan sponsors are responsible for paying these premiums as long as vested participants remain in the plan, which can be decades after the participants stop working for the plan sponsor. Some stakeholders said the level of and increase in premiums were unnecessarily high, given PBGC's surplus of $62.2 billion at end of fiscal year 2025. For example, to the extent plans implement hybrid features that mitigate the risk of underfunding, they may pose less risk to the PBGC, all else equal.

[16]Since 1988, single-employer DB plans covered by PBGC are required to pay a variable-rate premium equal to a dollar amount for every $1,000 they have in unfunded vested liabilities. From 1988 to 2026, this variable-rate premium increased from $6 for every $1,000 of unfunded vested liabilities to $52 for every $1,000 of unfunded vested liabilities. In some years, these variable-rate premiums were capped on a per-participant basis. The per-participant cap on variable-rate premiums increased from $82 in 1988 (in 2026 dollars) to $751 in 2026. From 1998 to 2012, there was no per-participant cap on variable-rate premiums.

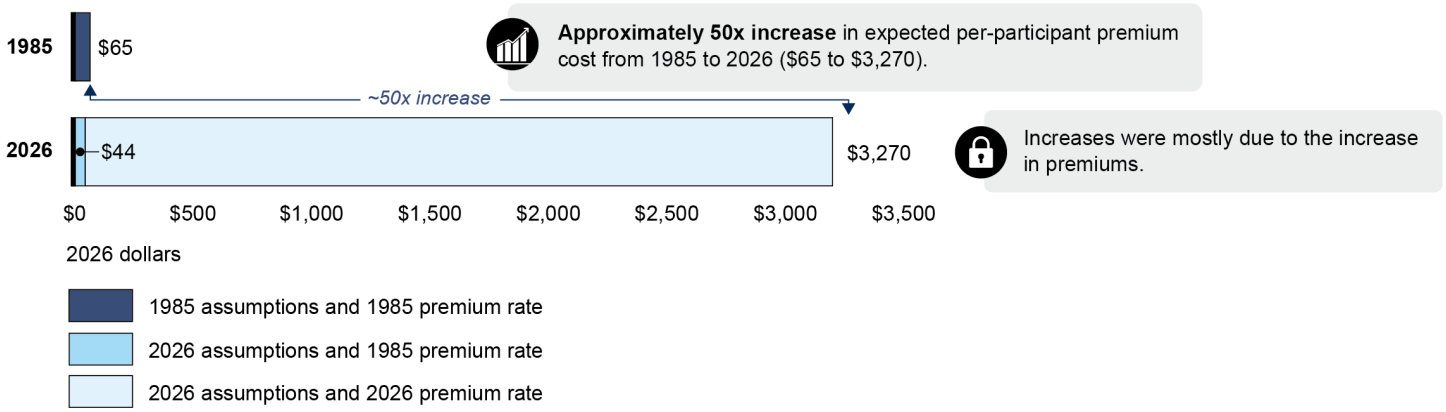
One indicator of PBGC's risk is the level of underfunding among PBGC-insured plans. According to the 2023 Pension Insurance Data Tables, plans covered by PBGC's Single-Employer Program were underfunded by $309 billion (2026 dollars) in 2022, or 9.5 percent of vested liabilities. This was a decline from being underfunded by approximately $1,169 billion (2026 dollars), or 29 percent of vested liabilities, in 2012.

[17]Automatic increases to the flat-rate premium started in 2007, as required by the Deficit Reduction Act of 2005.

[18]The calculation using 1985 assumptions and the 1985 premium rate adjusts the expected cost for the change in prices between 1985 and 2026. The calculation using 2026 assumptions and the 1985 premium rate assumes the same premium structure that was in place in 1985, including a fixed premium of $2.60 per participant, the same nominal value as it was in 1985.

Figure 4: Expected Cost of PBGC Flat-Rate Premium for a Vested Participant, Hired at Age 45 in 1985 and 2026

Expected present value of future per-participant Pension Benefit Guaranty Corporation (PBGC) premiums for an employee starting defined benefit (DB) plan participation at age 45



Source: GAO analysis. GAO (icons). | GAO-27-107628

Note: This calculation assumes the new hire begins participation at age 45, vests, and remains in the plan for life. In other words, the participant does not take a lump sum distribution and chooses the plan's lifetime annuity at retirement, and the annuity is not transferred to an insurance company. GAO used mortality and interest rate assumptions that were common in 1985 and 2026, and GAO assumed that the 2026 premium increases by 3.56 percent each year based on the intermediate long-range assumption for average wage increases in the Social Security Administration, Office of the Chief Actuary, The Long-Range Economic Assumptions for the 2025 Trustees Report (June 18, 2025). For the mortality assumption, GAO used the average of male and female rates at each projection age.

Increased Financial Volatility for Plan Sponsors

Several stakeholders we interviewed and data we analyzed highlighted how increased financial volatility of DB plans can pose risks to plan sponsors' operations. Financial volatility—caused by changes to accounting and funding rules and the increasing maturity of DB plans—can challenge the operations of a plan sponsor's business if the sponsor cannot or does not mitigate the risks, contributing to the decline in DB plan coverage.

Changes to accounting and funding rules. Stakeholders had mixed views on the impact of these rules. Several stakeholders noted that accounting and funding rules have generally moved toward market valuation of DB plans' assets and liabilities, causing greater volatility in

measures of plan finances as financial markets fluctuate.[19] These stakeholders highlighted how these changes have made it increasingly difficult for employers to manage the effect that DB plans have on their business operations and financial performance. For example, during a recession, interest rates and stock prices may both decline, causing benefit liabilities to increase and the market value of plan equity assets to decrease. Some stakeholders noted that market valuation rules cause plan sponsors to report worse results and put more money into their pension plans than they would with a long-term asset return assumption at a time when the recession already poses business challenges.

However, some other stakeholders we talked to did not think the rules directly caused a decline in DB plan coverage.[20] One of these stakeholders said market valuations better reflected the riskiness of plan finances. Another stakeholder said that the accounting rules included mechanisms that limited how quickly market changes affected plan

[19]One aspect of accounting and funding rules that has increased financial volatility for employers is having the discount rate plans used to value their liabilities be more related to interest rates prevalent in the market at the time the liability is measured. In 2014, we reported on key considerations in evaluating various discount rate policies. We reported that some experts attributed historical declines in private-sector DB coverage to bond-based discount rate policies that created too much volatility in reported DB liabilities, along with increases in reported costs. We also reported that other experts argued the opposite: that assumed-return discount rates (which include assumed long-term stock market returns, to the extent plan assets are so invested) lead to poor risk management practices, such as taking on too much investment risk or increasing benefits when plans appear overfunded. In this latter view, such practices could lead to funding shortfalls and crises that undermine system sustainability. See GAO, *Pension Plan Valuation: Views on Using Multiple Measures to Offer a More Complete Financial Picture,* GAO-14-264 (Washington, D.C.: Sept. 30, 2014).

[20]Changes in accounting standards for DB plans have not always been followed by an increase in how quickly private-sector single-employer DB coverage declined. For example, in 1987, the Statement of Financial Accounting Standards (SFAS) number 87 went into effect and significantly changed the accounting standards related to DB pensions. Before the statement was effective, DB coverage as measured by the percent of private-sector workers who are active participants in single-employer DB plans declined from 26 percent in 1982 to 23 percent in 1987. After the statement was effective, DB coverage declined by a similar amount in the following 5 years to 20 percent in 1992. SFAS 158 is another significant change in the accounting standards for DB pensions and went into effect for public companies starting in 2007. Before the statement was issued, DB coverage declined from 14 percent in 2002 to 11 percent in 2007. After the statement was issued, coverage declined to 9 percent in 2012. All coverage statistics in this paragraph are for private-sector single-employer plans with at least 100 active participants and have a margin of error of less than 0.16 percentage points.

sponsors.[21] A third stakeholder noted that sponsors could reduce financial volatility by investing in fixed-income securities.

Increasing maturity of DB plans. Some stakeholders noted that DB plan sponsors faced greater financial risk as their plan matures. Generally, as a plan matures, its assets and liabilities accumulate, so fluctuations in asset and liability values can have a bigger effect—whether positive or negative—on company finances than when the plan was "younger." As plans mature, repairing the gaps in funding that occur from time to time may require a larger proportion of the sponsor's financial resources if the resources have not grown enough to cover the increased maturity. Plan sponsors can use various strategies to mitigate this risk, such as investing a greater proportion of plan assets in bonds, though often at an increase in expected cost. The proportion of plan participants who no longer work for a plan sponsor provides one indication of DB plan maturity.[22] According to PBGC data, in 1980, there were three participants who worked for PBGC-insured, single-employer DB plan sponsors for every participant who did not. By contrast, in 2022, there were two participants who did not work for the plan sponsor for every participant that did.

Labor Market Changes

Stakeholders we interviewed, literature we reviewed, and data we analyzed highlighted how the following factors related to the labor market may have contributed to the decline of private-sector single-employer DB plan coverage: the decline in unionization, the decline of the manufacturing industry, increased worker mobility, and employee preferences and understanding.

Decline in unionization. Several stakeholders told us that the decline in unionization has contributed to the decline in DB plan coverage. One stakeholder said that unions might pressure an employer to offer benefits like DB plans. Plans that are part of a collective bargaining agreement are harder to freeze or close to new participants compared with plans that are

[21]The stakeholder noted that some employers wanted to remove these mechanisms to better align with the underlying economics of the pension benefit.

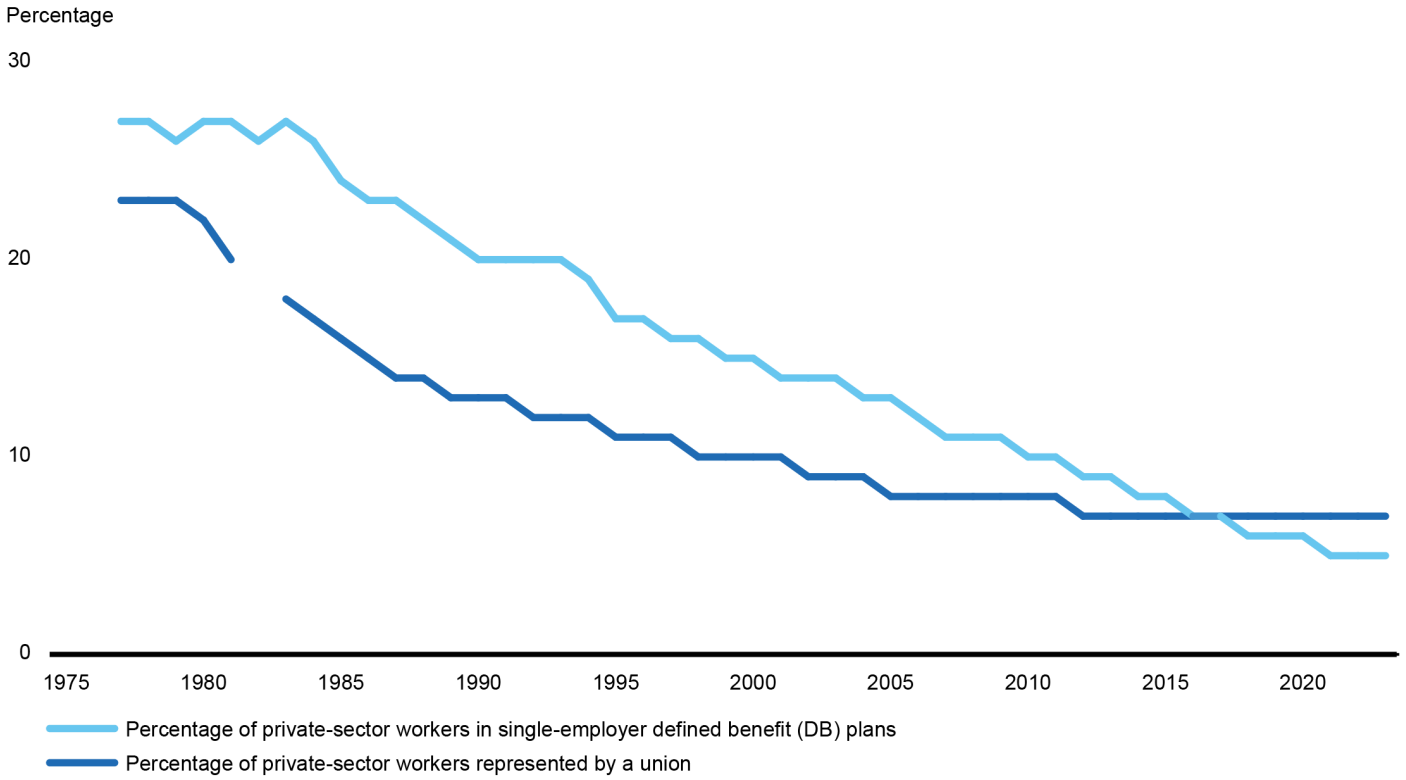
[22]Participants who no longer work for the sponsoring employer, which we refer to as inactive participants, include retirees and other beneficiaries receiving payments from the plan and separated vested participants not yet receiving benefits. As the number of these participants grows, so does the plan's liability. As such, they can represent the size of the plan. The remaining participants, or active participants, still work for the sponsoring employer and can represent the capacity of the sponsoring employer to support plan risks. As such, the ratio of inactive to active participants can indicate how the size of plan liabilities compares to the resources of sponsoring employers.

not. One reason for this might be that collective bargaining agreements can generally only be changed when they are renegotiated and with the consent of the union.

Consistent with stakeholders' statements, our analysis shows that the percentage of individuals represented by a union has declined over time and that union members are more likely to have a DB plan than nonmembers. Over the past several decades, both the rate of private-sector DB coverage and union membership have declined. From 1977 through 2023, the share of private-sector workers who are covered by a union declined by 71 percent and the share of private-sector workers who are active participants in DB plans with at least 100 active participants declined by 82 percent (see fig. 5). According to the March 2025 National Compensation Survey, 55 percent of private-sector union workers participated in a DB plan, compared with 5 percent of private-sector nonunion workers.[23]

[23]The percentage of private-sector union workers who participated in a DB plan has a standard error of 2.5 percentage points. The percent of private-sector nonunion workers who participated in a DB plan has a standard error of 0.3 percentage points.

Figure 5: Percentages of Private-Sector Workers Who Are Represented by a Union and Who Are Active Participants in a DB Plan, 1977–2023



Sources: GAO (analysis); U.S. Department of Labor (active participants in DB plans); U.S. Bureau of Labor Statistics and U.S. Census Bureau (number of private-sector workers); Barry T. Hirsch, David A Macpherson, and William E. Even (percentage represented by a union). | GAO-27-107628

Notes: The data on union representation is from Barry T. Hirsch, David A. Macpherson, and William E. Even, Private-Sector Wage and Salary All, in the Union Membership and Coverage Database for the Current Population Survey, accessed Mar. 28, 2025, https://unionstats.com/members/dta/members_priv.dta. This figure shows the long-term trend in union representation over decades rather than precise year-to-year changes. Changes in the percentages over single years should be regarded with caution, because they may be due in part to the randomness of the sampling process that was used to generate these estimates rather than real changes in representation rates. GAO estimates that the margins of error of all statistics in the figure related to DB coverage is less than 0.19 percentage points. There is a break in the percentage of private-sector workers represented by a union line because there were no union related questions in the 1982 Current Population Survey.

Decline of manufacturing industry. Some stakeholders we interviewed and literature we reviewed said that DB plan coverage was higher for manufacturing workers compared to workers in other industries, and therefore the declining proportion of workers in the manufacturing industry

might have contributed to the decline in DB plan coverage.[24] One report we reviewed stated that, compared with workers in other industries, manufacturing workers might be more likely to have a DB plan because they are more likely to be unionized and change jobs less frequently (we discuss how changing jobs impacts DB plan participants in the next section).[25] According to data from PBGC, in 1987, 52 percent of participants in single-employer PBGC-insured DB plans were in manufacturing while 10 percent were in service industries.[26] From 1990 to 2024, the percentage of private-sector workers in manufacturing declined from 20 percent to 10 percent, according to data from the Quarterly Census of Employment and Wages. During that time, the percentage of private-sector workers in service industries increased from 73 percent to 83 percent.[27]

Increased worker mobility. Some stakeholders said increased worker mobility may have contributed to the decline in traditional DB plan coverage. One stakeholder explained that the structure of most traditional DB plans incentivizes longer tenure with the employer, resulting in lower benefits for employees who frequently change companies.[28]

Changing jobs can alter the level of an employee's retirement benefit. While changing jobs may not always be a worker's choice, employees may receive a lower benefit in retirement if they change mid-career from a job with a traditional DB plan to a job without one. This potential lower benefit results from benefits being backloaded in a traditional DB plan,

[24]For an example of literature that discussed this see Ilana Boivie, *Issue Brief: Who Killed the Private Sector DB Plan?* (Washington, D.C.: National Institute on Retirement Security, 2011), 6.

[25]Ilana Boivie, *Issue Brief: Who Killed the Private Sector DB Plan?*, 6.

[26]In 2023, 37 percent of participants in single-employer, PBGC-insured DB plans were in manufacturing, and 23 percent were in services.

[27]Workers who did not work in either the manufacturing industry or in a service-providing industry worked in either the natural resources and mining industry or the construction industry.

[28]Because of the benefit design, some stakeholders noted that offering a DB plan could be an effective way to retain employees and increase job tenure. One study found that employees who had worked at their firm for between 5 and 10 years were less likely to leave when they had a DB plan than when they had a DC plan. See Kelly Haverstick, Alicia H. Munnell, Goeffrey Sanzenbacher, and Mauricio Soto, "Pension Type, Tenure, and Job Mobility," *Journal of Pension Economics & Finance,* vol. 9, no. 4 (2010): 609–625, https://doi.org/10.1017/S1474747209990321.

meaning that most of the value is accrued later in a worker's career.[29] In a typical traditional DB plan, the most valuable accruals are for service just prior to retirement eligibility, and it would be difficult for a worker to replace the foregone DB accrual with savings.[30] Conversely, a worker nearing retirement who moves to an employer with a traditional DB plan could have higher benefits compared to having an account-based retirement plan for their entire career.[31] See figure 6 for examples of how changing jobs may affect hypothetical workers' retirement income.

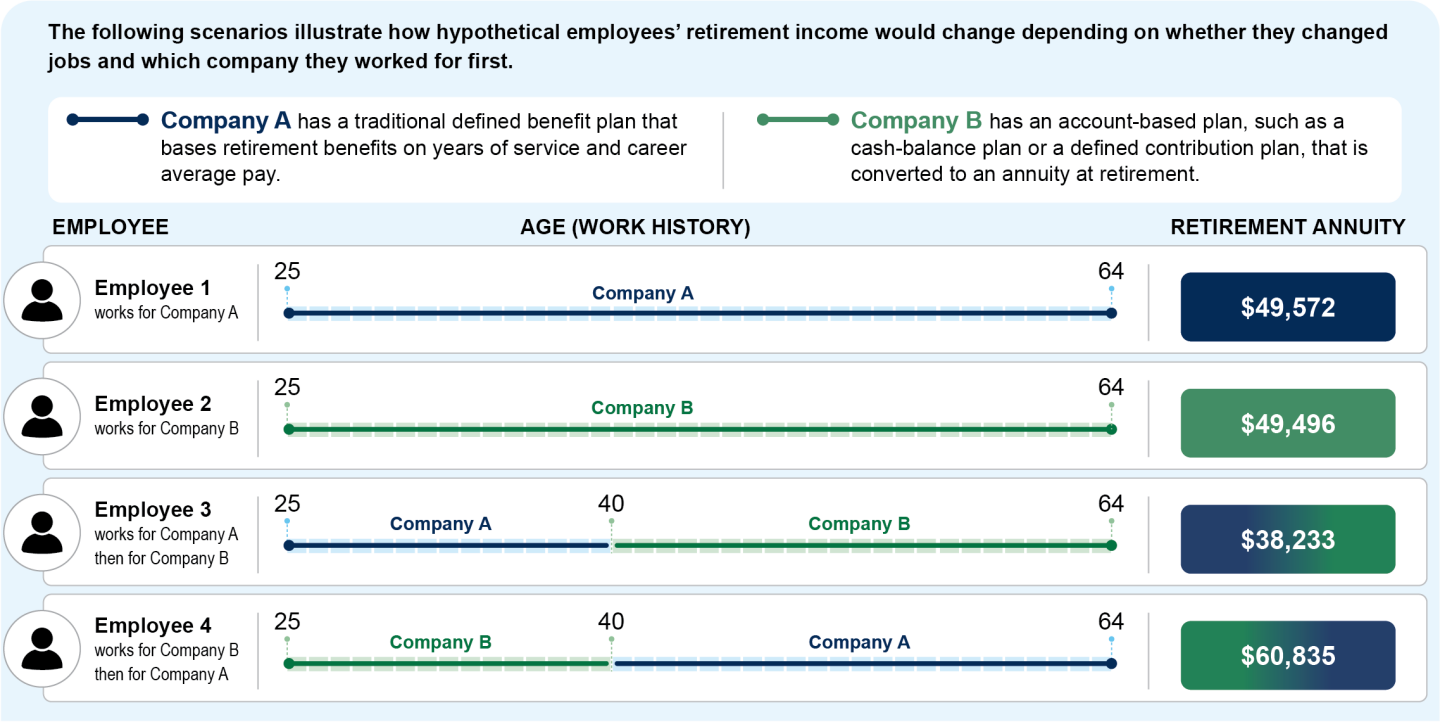
[29]In 2024, we reported on strategies other countries used to track, manage, and consolidate workers' retirement plan savings when they changed jobs. One strategy is to have retirement savings automatically transfer to a new employer's plan. Another strategy is to have industry- or sector-wide plans. Industry- or sector-wide plans allow workers to keep the same account when they move between jobs that are both covered by the same plan. See GAO, *401(k) Plans: Additional Federal Action Would Help Participants Track and Consolidate Their Retirement Savings,* GAO-24-103577 (Washington, D.C.: Jan. 18, 2024).

[30]Traditional final-pay DB plans compound this issue because final-pay accruals include an additional amount that indexes the value of all past accruals to the worker's current level of pay. This additional amount grows as workers accumulate service and attain higher nominal wage levels. The differences for employees who have a final-pay DB plan after age 40 would be greater when compared to the benefit accruals under the career-average pay plan we model in fig. 6.

[31]Employers may consider these patterns in designing a compensation plan that attracts the talent they desire.

Figure 6: Illustration of How Changing Retirement Plans Mid-Career Can Affect Retirement Income

Consider four hypothetical employees who work for two companies.



Source: GAO analysis. GAO (icon). | GAO-27-107628

Note: These calculations: use the average of male and female mortality rates from Internal Revenue Service Notice 2025-40; use an interest rate of 5.25 percent to discount future payments; assume the employees' age 25 salary is $60,000 and grows 3.4 percent per year; assume the traditional defined benefit plan pays a career-average benefit equal to 1 percent of career-average salary times the number of years an employee actively participates in the plan; and assume that the employee in the account-based plan gets a contribution of 4.65 percent of pay and that the account grows by 5.25 percent per year.

Bureau of Labor Statistics data on job tenure may indicate that worker mobility has increased for older workers, although the data also show no

increase in mobility for younger workers.[32] Specifically, from January 1983 to January 2024, the median amount of time individuals aged 55 to 64 had been working for their current employer declined from 12.2 years to 9.6 years.[33] Over the same period, individuals aged 45 to 54 saw a decline in tenure from 9.5 years to 7.0 years.[34] While tenure provides information about workforce mobility, it does not account for whether workers are voluntarily moving from job to job. Declining tenure at older ages is particularly relevant because traditional DB plans provide more valuable benefits at older ages than at younger ages.

Employee preferences and understanding. Due to increased worker mobility and other factors, some stakeholders described reasons employers may not perceive employee demand for DB plans to be as high as in the past. For example, one stakeholder and literature noted that employees might have concerns about whether they would stay at their job long enough to receive the higher-value accruals at older ages.[35] In addition, another stakeholder and literature noted that DB benefit formulas could be difficult to understand, so employees might not recognize the value of the annuity benefits provided by DB plans.[36]

[32]According to Bureau of Labor Statistics data, the median amount of time individuals aged 25 to 34 had been working for their current employer was 3.0 years in January 1983 and 2.7 years in January 2024. We estimate the confidence interval for the median amount of time individuals aged 25 to 34 had been working for their current employer for January 1983 is (2.8, 3.2) and for January 2024 is (2.5, 2.9). Using the same data, one report found that median tenure for young workers had been almost constant from 1983 to 2024 and concluded that the length of time someone worked for an employer was due to economic factors rather than generational differences. See Tyler Bond, Dan Doonan, and Willam Kenneally, *Debunking the Job-Hopping Myth: A Data-Driven Look at Tenure and Turnover Among Younger Workers* (National Institute on Retirement Security, Sept. 2025).

[33]We estimate that the confidence interval for the median amount of time individuals aged 55 to 64 had been working for their current employer for January 1983 is (11.6, 12.8) and for January 2024 is (9.2, 10.0).

[34]We estimate that the confidence interval for the median amount of time individuals aged 45 to 54 had been working for their current employer for January 1983 is (8.9, 10.1) and for January 2024 is (6.4, 7.4).

[35]For an example of literature that discussed this see George A. Mackenzie, *The Decline of the Traditional Pension: A Comparative Study of Threats to Retirement Security* (Cambridge University Press, 2012), 143.

Employees might also miss out on accruals at older ages because a plan is frozen or the sponsoring employer is reorganized.

[36]For an example of literature that discussed this see Teresa Ghilarducci, *When I'm Sixty-Four: The Plot Against Pension and the Plan to Save Them* (Princeton University Press, 2008), 79.

Another issue that impacts how employers think about employee demand for DB plans is that businesses often decide on how to compensate workers based on how competitor firms compensate workers. For example, one stakeholder said that competitor firms stopped offering DB plans after lead firms stopped offering the plans. Also, literature noted that because DB plans have become less common, employees may not be familiar enough with these plans to demand them.[37] Finally, as described above, declining unionization also means that fewer workers can advocate for DB coverage through collective bargaining.

PBGC Promotes Defined Benefit Plans but Has Not Fully Assessed Stakeholders' Information Needs

PBGC Performs Research, Targeted Interventions, and Stakeholder Outreach to Promote the Continuation of Defined Benefit Plans

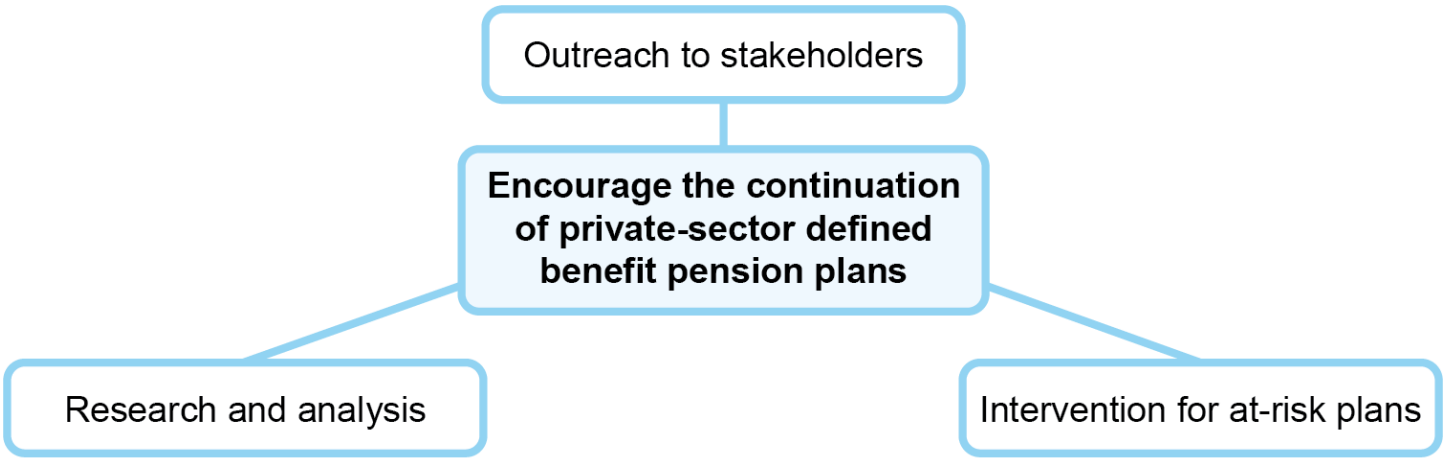
PBGC takes steps to promote the continuation of private-sector DB plans, as depicted in figure 7.[38] As PBGC explained in its 2026 performance plan, it conducts research and publishes reports about the Single-Employer Program and performs intervention activities that help existing at-risk DB plans continue.[39] Additionally, PBGC conducts outreach to learn about issues impacting stakeholders.

[37]Department of Labor, *Advisory Council Report of the Working Group on Increasing Pension Coverage, Participation, and Benefits* (Washington, D.C.: Nov. 13, 2001).

[38]In addition to its mission to encourage the continuation and maintenance of private sector DB plans, PBGC's mission includes (1) ensuring the timely and uninterrupted payment of pension benefits and (2) minimizing pension insurance premiums. When PBGC encourages the continuation and maintenance of private sector DB plans, in keeping with its mission, the agency also considers other parts of its mission.

[39]Pension Benefit Guaranty Corporation, *FY 2027 Annual Performance Plan* (Washington, D.C.: 2026).

Figure 7: Steps That PBGC Takes to Promote the Continuation of Defined Benefit Plans



Source: GAO analysis of Pension Benefit Guaranty Corporation (PBGC) documentation. | GAO-27-107628

Research

PBGC conducts research and publishes reports that provide policymakers and stakeholders with information about the condition of PBGC's insurance programs and private-sector DB coverage. For example:

- **Pension Insurance Data Tables.** Since 1996, PBGC has published annual Pension Insurance Data Tables, which include current and historical information. These tables present detailed statistics, such as premium rates and benefit payments, on PBGC's two insurance programs. They also summarize characteristics of PBGC-insured DB plans, such as the number of participants, industry, and status of benefit accruals. According to the agency, they are commonly used for research and to inform policymakers involved with new retirement legislation.
- **Projections Reports.** PBGC's annual Projections Reports project the financial status of PBGC's insurance programs and operations over the upcoming 10 years. To make these projections, PBGC uses its Pension Insurance Modeling System and a range of financial assumptions, including future interest rates and investment returns, according to the most recent report.[40] For the Single-Employer

[40]Pension Benefit Guaranty Corporation, *Projections Report FY 2024* (Jan. 2026). The projections reflect current law and assume no future changes in the law, according to the report.

Program, the modeling system runs 5,000 scenarios, and the Projections Reports use averages and ranges to summarize the results. For example, the Fiscal Year 2024 Projections Report projected that the Single-Employer Program's net position would, on average, grow to $105.3 billion by the end fiscal year 2034.[41] Policymakers can use these projections when determining whether to change PBGC's programs.

- **Supplemental reports.** PBGC periodically issues supplemental reports on special topics of interest to the agency, policymakers, or external stakeholders. For example, PBGC recently published two supplemental reports on risk transfer activities completed by single-employer DB plans.[42] The first report, published in 2020, analyzed such risk transfer activities from 2015 through 2018.[43] PBGC published a follow-up report in 2024 that covered 2015 through 2022 and compared the recent trends with those in the first report.[44] These reports helped the agency and stakeholders understand the types of plans undertaking risk transfer activities and the effect of the activities on DB plan coverage and PBGC's premium income. Increased risk transfer activities further reduce the number of participants covered by DB plans over time. PBGC also noted in both the 2020 and 2024 reports that declining plan participation has a complex impact on its mission to minimize insurance premiums. Removing participants from DB plans reduced total flat-rate premium income for PBGC's Single-Employer Program by 21.1 percent from 2015 to 2022, assuming participants leaving the Single-Employer Program through risk

[41]$105.3 billion is the average of the fiscal year 2034 net positions generated by PBGC models. After discounting each projection for the Treasury yields prevalent in that scenario, the average present value of the projected net positions is $74.5 billion in 2024 dollars. Given the uncertainty in PBGC's Single-Employer Program projections, the *Projections Report FY 2024* also reported the nominal value of the estimated fiscal year 2034 net position for the 15th to 85th percentiles ($93.2 billion–$117.3 billion) and the 1st to 99th percentiles ($76.2 billion–$141.8 billion). None of the 5,000 simulations projected that the Single-Employer Program would run out of money or enter a negative net position by 2034.

[42]For the purposes of PBGC's data collection from plans, a risk transfer activity occurs when a DB plan reduces its number of participants by either offering a lump sum payout to participants or purchasing annuities from insurance companies to cover their obligations.

[43]PBGC first began collecting data on single-employer DB plans' risk transfer activities as part of plans' 2015 PBGC premium filings. Pension Benefit Guaranty Corporation, *Analysis of Single-Employer Pension Plan Partial Risk Transfers (Based on Risk Transfer Data Reported in the 2015–2018 PBGC Premium Filings)* (Washington, D.C.: Oct. 2020).

[44]Pension Benefit Guaranty Corporation, *Updated Analysis of Single-Employer Pension Plan Partial Risk Transfers; 2015–2022 Premium Filing Years* (Washington, D.C.: June 2024).

transfers would not have left the system by some other cause, according to agency estimates.[45] It also reduced the total amount of benefits that PBGC is responsible for insuring. In addition to the two aforementioned reports, PBGC published an earlier risk transfer report in 2015 as well as reports on other trends in pension plans, including frozen plans, benefit provisions in multiemployer plans, and multiemployer administrative expenses.

Targeted Interventions

To promote the continuation of DB plans, PBGC performs intervention activities with insured single-employer DB plans that are at greater risk of involuntary termination. By undertaking targeted interventions, PBGC aims to help these DB plans continue to provide benefits. For example:

- **Early Warning Program.** Through its Early Warning Program, PBGC monitors corporate events that may pose significant risks to single-employer DB plans—such as corporate break-ups—and negotiates with plan sponsors to protect those plans. The program focuses on sponsors of plans with at least 5,000 participants or underfunding of at least $50 million, according to agency policies.
- **Representation during bankruptcy proceedings.** During plan sponsors' bankruptcy proceedings, PBGC sometimes participates as a member of the Committee of Unsecured Creditors, according to agency officials.[46] PBGC also represents the agency's interests in bankruptcy cases, filing proofs of claim and pursuing outcomes that provide for continuation of pension plans. From fiscal year 2020 through fiscal year 2025, PBGC helped preserve DB plans for around 273,000 single-employer plan participants whose employers emerged from bankruptcy, according to PBGC's annual reports.

Stakeholder Outreach

PBGC regularly engages with different types of stakeholders—including plan sponsors, worker and retiree groups, pension plan service providers, and policymakers—as part of its efforts to promote the continuation of DB plans. PBGC officials said this outreach comes in many forms, including:

[45]Pension Benefit Guaranty Corporation, *Updated Analysis of Single-Employer Pension Plan Partial Risk Transfers; 2015–2022*.

[46]Unsecured creditors are owed money by the company but do not have specified assets they can seize if the company defaults on its obligations. In Chapter 11 bankruptcy proceedings, the United States Trustee appoints a Committee of Unsecured Creditors that ordinarily consists of those holding the seven largest unsecured claims against the company. Committee members are fiduciaries that represent all unsecured creditors as a group.

- **Presentations at industry conferences.** PBGC has routinely presented at industry conferences about its current projects, according to agency officials. For example, at an actuarial conference in 2025, PBGC presented information about the agency's recently launched e-Filing Portal and common issues officials have encountered, according to agency documentation.
- **Opinion letters.** In March 2026, PBGC's Office of the General Counsel relaunched its Opinion Letter Program. Opinion letters provide PBGC's views on relevant provisions in ERISA and their application to individual fact patterns. Opinion letters may be requested by employers, plan sponsors, unions, and supporting practitioners such as attorneys or actuaries. Agency officials said they use these letters as another opportunity to provide compliance assistance.
- **Information on PBGC's website.** PBGC uses its website to educate and inform stakeholders about its programs, as well as to publicize compliance assistance resources. For example, in 2026, PBGC shared information on the relaunch of the Opinion Letter Program and a new Practical Guide for Qualified Domestic Relations Orders (QDRO) on PBGC.gov.[47] PBGC also has used a number of other channels to inform practitioners, including webinars.[48] The website also allows users to sign up for email updates on specific topics or pages.
- **Meetings with stakeholders.** PBGC routinely meets with stakeholders to discuss the agency's priorities and to hear about stakeholders' issues and concerns. During fiscal year 2024, PBGC staff met with various stakeholder groups representing the interests of plan sponsors as well as workers and retirees, according to PBGC's annual report. When stakeholders bring an issue to PBGC's attention, the agency works within its statutory framework to address it. According to agency officials, this sometimes involves responding to stakeholders' concerns by issuing a waiver for certain reportable events. For example, in 2015, PBGC waived the requirement for plan

[47]A QDRO is a domestic relations order (i.e., a court-issued judgment, decree, or order) that relates to the provision of child support, alimony payments, or marital property rights to certain individuals, is made pursuant to state domestic relations law, and has been "qualified" (i.e., approved) by a retirement plan administrator. A QDRO establishes the right of an alternate payee, such as a former spouse, to receive all or a portion of the benefits payable to a participant under a retirement plan upon separation or divorce.

[48]American Rescue Plan webinars, American Rescue Plan (ARP) Special Financial Assistance Program, Pension Benefit Guaranty Corporation, last modified Mar. 13, 2023, https://www.pbgc.gov/arp-sfa/webinars.

sponsors to report about reductions in active participants for several types of plans, including small plans, well-funded plans, and plans sponsored by public companies.[49] Among the ways that PBGC tries to promote the continuation of DB plans is by easing the administrative burden of plan sponsors as much as possible, according to agency officials.

- **Technical assistance.** PBGC provides technical assistance to Congress and other policymakers.[50] For example, PBGC uses its Pension Insurance Modeling System to project the effects of proposed changes to pension law, such as changes to plan designs, according to agency officials and PBGC annual reports. PBGC officials told us that the Congressional Budget Office and the Joint Committee on Taxation have also used results generated by the modeling system to help analyze proposed legislation. Additionally, since the insurance premiums the agency collects are included in the federal budget, PBGC officials said the administration uses PBGC's modeling system when developing the annual budget.

PBGC's Independent Advocate

Similarly, PBGC's Participant and Plan Sponsor Advocate, which reports to PBGC's board, performs stakeholder outreach that helps promote the continuation of DB plans. For example:

- **Retirement Security Initiative.** In 2023, the Advocate undertook a Retirement Security Initiative that brought together various stakeholders to discuss challenges with preserving private-sector DB plans in the U.S. In its last study under this initiative—published in 2025—the Advocate conducted a series of roundtable discussions with stakeholders and found that PBGC could expand its education efforts on issues related to the DB system, lifetime income security,

[49]See 29 C.F.R. § 4043.23.

[50]In addition to these efforts, PBGC has also contributed to policy discussions in the field more generally. For example, the agency commented on a recent Financial Accounting Standards Board proposal on market-return cash balance plans, supporting the proposal and recommending clarifications. See Pension Benefit Guaranty Corporation, *RE: Proposed Accounting Standards Update, Compensation-Retirement Benefits-Defined Benefit Plans- Pension (Subtopic 715-30): Discount Rate Used to Measure the Benefit Obligation for Certain Market-Return Cash Balance Plans*, File Reference No. 2026-ED100 (Aug. 10, 2026).

and financial literacy.[51] Additionally, roundtable participants said that PBGC could play a role in researching and promoting new plan designs that address plan sponsors' concerns about risk and complexity as well as workers' concerns about portability.

- **Stakeholder assistance.** The Advocate engages with participant and plan sponsor groups and representatives to help them resolve current and emerging issues. The Advocate reported that it opened 108 inquiries from participants, beneficiaries, and their representatives or families from the second quarter through the fourth quarter of fiscal year 2025.[52] It also assisted plan sponsors with concerns about PBGC coverage issues, premium due dates, and challenges small plans face, among other things.
- **Annual report development.** The Advocate is required to submit an annual report to PBGC's Director, the Secretary of Labor, and relevant congressional committees. While developing its annual report, the Advocate meets with stakeholders to discuss issues that may not have arisen during its regular duties. This experience informs the recommendations it makes in its annual report for administrative, legislative, or regulatory changes. For example, in its 2025 report, the Advocate made seven recommendations, including three aimed at helping participants, three aimed at helping plan sponsors, and one for improving internal procedures.[53]

[51]The discussions involved 52 stakeholders with varied backgrounds, including plan sponsors; defined benefit plan retirees and benefit associations; labor unions and employee benefit associations; pension assistance projects; public policy and advocacy organizations for plan participants and sponsors; actuaries, investment advisors, attorneys, administrators, and other service providers; academic and research institutions specializing in retirement policy; public policy and advocacy groups focused on retirement policy and reforms; and experts in defined benefit plan systems outside the U.S. See Pension Benefit Guaranty Corporation, *2024 Annual Report of the Participant and Plan Sponsor Advocate* (Washington, D.C.: Jan. 17, 2025).

[52]Pension Benefit Guaranty Corporation, Office of the Participant and Plan Sponsor Advocate, *FY 2025 Annual Report* (Washington, D.C.: Dec. 18, 2025).

[53]One of these recommendations to help plan sponsors addressed outreach. Specifically, it recommended that PBGC engage with the Advocate on new tools and outreach to existing small plan sponsors. The Advocate noted that small plan sponsors are the largest subset of PBGC's single employer plan sponsors and may have less access to sophisticated professional services and expertise that larger plans use. Pension Benefit Guaranty Corporation, Office of the Participant and Plan Sponsor Advocate, *FY 2025 Annual Report*.

Stakeholders Would Benefit from Additional Information on Plan Designs

As PBGC collects data and publishes research to meet multiple parts of its mission, some stakeholders identified ways that the agency could better leverage its resources to provide more information about DB plan design options. Two of the researchers we spoke with said that PBGC could help fill gaps in employers' and employees' understanding about how DB plans work. Additionally, according to the Advocate's 2025 report, stakeholders said they wanted more information about DB plans that were designed to share risk between plan sponsors and participants. It further suggested that PBGC use the expertise and research initiatives already underway to respond to stakeholders' requests for such information. The report also noted that PBGC's modeling systems provide insightful analysis for internal and external stakeholders, as described above. Further, it suggested that the agency expand the reach of this modeling to address stakeholders' questions such as how the overall outlook for DB plans might change if more plans implemented new and innovative designs.

Information about DB plan designs, such as risk-sharing plans, can play an important role in helping plan sponsors understand options for modernizing their DB plans to address factors that have contributed to the decline in coverage. As an example of one option that plan sponsors may consider, risk-sharing plans can provide an option for some employers to start or maintain a DB plan instead of implementing a freeze or termination. Assessing how the agency's data and research fit stakeholders' needs and providing that information to plan sponsors and other stakeholders, such as plan participants, researchers, and policymakers, could help PBGC fulfill its mission to encourage the continuation and maintenance of private-sector DB plans. As noted above, the agency already conducts outreach to these stakeholders, which can provide useful starting points for asking about their information needs. Further, these steps would help PBGC meet federal internal control standards, which call for agencies to communicate quality information with external parties.[54]

PBGC officials told us they were currently collecting additional data on risk-sharing plans that could be used to assess possible effects on the agency's insurance program. This includes data the agency will start collecting on DB plans with a variable annuity benefit formula—a type of risk-sharing strategy. Agency officials told us that collecting more data on

[54]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 2014), Principle 15.

plan types could assist PBGC's modeling of the financial status of its insurance program.[55] Data on plans with a variable annuity benefit formula will first be collected as part of filings for plan years that began in 2025. PBGC officials told us that the agency did not expect to have complete data for plan year 2025 until late 2027 or early 2028.[56] Given this, PBGC officials said that it was too early for them to create a plan to evaluate these data for quality and completeness.[57]

According to agency officials, they had not assessed plan sponsors' need for more information about plan designs because their direct interactions with plan sponsors focus on the agency's role as an insurer and regulator. Similarly, the Advocate's 2025 report stated that most employers did not interact with PBGC often, other than to pay insurance premiums. However, as PBGC awaits its new data on risk-sharing plans, it has an opportunity to determine plan sponsors' needs for information on DB plan design options. It could then assess how to meet those needs by leveraging existing resources as previously discussed or beginning new efforts to share information, such as by using the new data. This, in turn, would help stakeholders such as plan participants, researchers, and policymakers make informed decisions about these plans. Plan sponsors particularly would have additional information that could help them consider other models, such as risk sharing, to mitigate some factors that have contributed to decreased DB participation over time. Assessing stakeholders' information needs for plan designs, and providing such information when it is available, could eventually help PBGC balance multiple parts of its mission and help workers in plans that may otherwise be frozen or terminated continue to accrue benefits that support dependable lifetime income.

[55]According to the 2025 Instructions for Form 5500, a variable annuity benefit formula is defined as any benefit formula under a DB plan for which the amount payable is periodically adjusted based on the difference between a rate of return and a specified assumed interest rate.

[56]The delay in collecting full data is due to a lag in plan reporting deadlines.

[57]As noted above, PBGC collects and analyzes other data on hybrid plans, which have elements of risk-sharing.

Selected Defined Benefit Plans Use Various Strategies to Sustain Lifetime Income

Pension Models in Other Countries Provide Examples of Risk Management Strategies and Other Considerations

Officials from Canada, the Netherlands, and Switzerland knowledgeable about the four pension models we reviewed described strategies that could help limit some of the risks employers face when offering a DB plan as discussed above. Many of them also highlighted the importance of risk sharing between plan sponsors and participants to help provide more sustainable pension benefits. The selected pension models we reviewed preserve lifetime income and preserve pooled investment management (like traditional DB plans) but use various strategies, such as conditional benefit adjustments, to manage risks. In addition to risk management strategies, officials knowledgeable about these pension models told us about other considerations, such as the importance of considering intergenerational equity and options for benefit portability, that are especially noteworthy when considering plan design.

Conditional Benefit Adjustments

Officials knowledgeable about pension designs in three of the four plans we reviewed told us that their plans were designed to allow benefits to change based on the financial status of the plan, which helps provide cost stability for employers. In one plan, officials told us the benefits could be adjusted while participants were still working and accruing benefits as well as after they retired. Officials told us that these limited adjustments allowed them to respond to fluctuations in the plan's funded status while still sustaining a lifetime pension benefit. For example, officials knowledgeable about plans in Canada said that benefit adjustments avoided or limited contribution increases to address financial shortfalls. By contrast, employers with a traditional DB plan in the U.S. carry the risk that contributions would increase to address any shortfall. See the text box for more information on how Canada's CAAT DBplus plan makes these benefit adjustments.

CAAT Pension Plan: Adjusting Benefits to Account for Changes in the Plan's Funded Status

The CAAT funding policy sets guidelines for how contributions and benefits will adjust to help sustain the plan over the long term. It defines six levels of financial health, with level 1 being the least financially healthy and level 6 the most financially healthy. For example, the plan would cease cost-of-living adjustments if it is at level 1. The plan would offer an increase of 75 percent of the Consumer Price Index if it is at level 2. If it is at level 6, the plan might offer cost-of-living adjustments greater than 75 percent of CPI. Annual actuarial valuations help plan managers determine which level the plan is at and how to adjust contributions and benefits.

Source: GAO review of CAAT's funding policy. | GAO-27-107628

Reserve Funding

Officials representing two plan designs described having a reserve, or money that plans have set aside in case their funding level decreases in the future. These reserve funds are designed to reduce potential volatility in contributions or benefits if, for example, investment returns are significantly less than expected over short periods of time. They mitigate the risk that contributions or benefits would need to change dramatically if there was a short-term shock to the financial health of a plan. Officials from the Netherlands said that each plan that executed a Solidarity Contribution Plan had specific rules for how and when the solidarity reserve fund could be used. They also noted that a reserve fund was an important tool to stabilize pension benefits, although implementation was at an early stage (see text box).

The Dutch Solidarity Contribution Plan: Using a Reserve Fund to Plan for Contingencies

In a Dutch Solidarity Contribution plan, pension assets are pooled and invested collectively, and each participant accrues benefits in a notional account. A portion of the assets, the Solidarity Reserve, is held in reserve to compensate for fluctuations in the plan's funding. For example, Dutch officials told us that the reserve fund—also called the "buffer"—was used to minimize reductions to benefits if investment returns were poor. In the event of poor investment returns, pension funds could also smooth the effects on benefits over a time period up to 10 years, with most plans opting for 3–5-year smoothing periods.

According to the Ministry of Social Affairs officials, Dutch law caps the solidarity reserve at 15 percent of a pension fund's total assets. The solidarity reserve is funded through a portion of contributions, initial assets, or both, and any excess investment returns in good years. Plans are designed so that the use of the buffer is indexed and can never reach zero.

Source: GAO interviews with Dutch officials. | GAO-27-107628

Employee Contributions

Officials told us that employees contributed to their retirement plans in each of the DB designs we reviewed in other countries, sometimes as part of a collective bargaining agreement. In private-sector single-

employer DB plans in the U.S., employers are often the sole contributor to the plan, so they face all of the responsibility of funding plans.[58] One official from a New Brunswick SRP told us that they considered employee contributions to be an opportunity to buy a benefit rather than to accumulate a pot of money for retirement. In addition to using employee contributions, officials from a New Brunswick SRP described how their plan required a cap on employee and employer contributions increases because limiting those increases helped with sustainability. When an SRP is underfunded, it will increase contributions to the maximum amount and then adjust benefits to get into a better funding position. Officials explained that this approach avoids the problem that their traditional DB plans had, where plan sponsors had to contribute more money to the plan every year. Rather, under the SRP, there are built-in adjustment levers to ensure the sustainability of the plan without the need for unpredictable contribution increases. See text box for an example of how a DB plan converted to an SRP.

New Brunswick Shared Risk Plan (SRP): Converting to a Shared Risk Plan

Representatives from Saint John Energy in New Brunswick described how they reformed a traditional defined benefit (DB) plan into a shared-risk plan relatively quickly. They noted that they were drawn to the SRP design because it was like a DB plan for participants. The company liked that it no longer had to report unfunded liabilities. They have been offering an SRP since May 2013. The change entailed a reduction in the basic rate of benefit accruals, which was phased in so that workers close to retirement had little change and workers who were more than 20 years from retirement could expect to make up the difference with an additional 3–5 years of service. In the old DB plan, employees had an 8.32 percent contribution rate, whereas in the new SRP plan employees have a 9 percent contribution rate. On the other hand, the employer contribution went from 55 percent to 17.5 percent through May 2028, at which point it will drop down to 9 percent. Additionally, the plan has been able to adjust benefits for inflation every year since its inception, whereas in the old DB plan, employees would sometimes have 5 years without a benefit adjustment.

Source: GAO interviews with Saint John Energy officials. | GAO-27-107628

Joint Governance Structure

All four of the plans outside the U.S. that we examined operate with a joint employer-employee board that oversees the entity managing the plan. For example, CAAT officials noted that CAAT operated under a joint governance structure, where participants and employers were formally represented in the plan's governance. Officials told us that this type of structure ensured that both groups had meaningful and balanced input in decisions affecting the plan's design and funding. The joint governance

[58]Public sector defined benefit plans in the U.S. often include employee contributions among their sources of funding.

structure was established to ensure balanced decision-making and shared responsibility between employers and employees. Similarly, officials from the Swiss occupational pension regulator's office told us that Swiss statute required that a pension board with equal employer and employee representation made decisions related to the pension.

Other Considerations for Modernizing DB Plans

The literature we reviewed and some stakeholders we interviewed cited other plan design considerations—including intergenerational equity, communication with stakeholders, and benefit portability—when implementing a sustainable plan with lifetime income.

Intergenerational equity. Officials from three of the four plans outside the U.S. noted that they considered ways to manage equity between younger and older members to maintain support. Officials from the Netherlands said that plans and the government regulator assessed the value of benefit accruals for different age groups to make sure they were equitable over the long term. Similarly, officials knowledgeable about the New Brunswick SRP told us that there were potential issues with intergenerational equity in a model that only adjusted future benefits and not those that had been previously earned. To address this, officials told us that generally when an SRP adjusted its benefits, both future and previously earned benefits were adjusted equitably for all members in the plan.[59]

Clear communication. Officials noted the importance of clear communication with participants, especially related to benefit adjustments. For example, officials knowledgeable about New Brunswick's Shared Risk Plan described the use of annual personalized reports to communicate with participants about important plan updates and their current expected benefits. Another official told us that when the plan was enacted, there were difficult discussions to set clearly defined rules and thresholds for when conditional benefit changes would occur. However, the official noted that transparent funding levers had been beneficial in the long term.

Portable benefits. In three of the four designs we reviewed, officials described how participants could change employers without affecting the benefits they could expect at retirement, thus addressing some participant concerns. Both the Dutch Solidarity Contribution Plan design and the

[59]SRP officials told us that the model does allow a reduction in future base benefits of 5 percent without reducing past base benefits. If the deficit is not cleared by the other steps, then both past and future benefits are reduced equally.

Swiss Occupational Plan design offer portable benefits for employees. Under the Dutch Solidarity Contribution Plan design, participants can opt to take their pension capital (i.e., the value of their benefit expressed as an account balance) with them when they switch jobs so that their benefits do not lose value if they switch jobs mid-career. Officials knowledgeable about the Dutch plan told us that the changing nature of the workforce with higher job turnover was part of their motivation to incorporate this reform into their pension system. Similarly, the Swiss occupational pension benefits are based on an accumulated account balance that participants can transfer to a new employer's pension fund. Officials noted that the DB plan offered through the new employer might have different benefit accruals and might not include extra benefits that their former employer provided, such as early retirement benefits.

Risk-Sharing Features in U.S. Multiemployer and States' Public-Sector Plans

In addition to the four pension plans we reviewed in other countries, we spoke with representatives from national organizations knowledgeable about U.S. multiemployer and public-sector plans. These officials cited examples of how some plans in both sectors had made changes to preserve lifetime benefits while sharing risks between employers and participants, as described below.

Changes to Plan Design in U.S. Multiemployer Plans

As of 2025, there were approximately 1,300 multiemployer plans covered by PBGC in the U.S., and some of them have implemented new plan designs that may be relevant for single-employer plans. Stakeholders we interviewed with knowledge about multiemployer plans described some of the new plan designs that shared risk by providing variable benefits to employees. They identified options for how and the extent to which risk was shared with plan participants and noted there was no one-size-fits-all model. For example, some plans limit the degree to which benefits can vary or eliminate the variable aspect once a participant begins annuity payments. These stakeholders described two major categories of variable benefit plans:

- **Variable annuity plans.** Under this type of plan, participants generally accrue benefits as they would under a traditional career average plan—as a percent of pay or a flat dollar amount per unit of service.[60] The accrued benefit is expressed as an annuity amount payable at retirement. However, the entire accrued benefit can increase or decrease based on the plan's investment performance relative to a benchmark, known as the "hurdle rate." For example, if a

[60]These variable annuity plans are similar to currently available variable annuity DB plans in the single employer sector.

plan's hurdle rate is 5 percent and the plan's investment return is 7 percent, a $1,000 accrued benefit might be adjusted to $1,019. Likewise, if the same plan's investment return is 3 percent, a $1,000 accrued benefit might be adjusted to $981. Stakeholders told us that about 30 multiemployer plans had changed to a variable annuity plan in the last decade and that it was attractive to employers because it shifted interest rate and investment risks to workers while still providing lifetime income to workers.

- **Variable accrual plans.** Under this type of plan, participants accrue a variable amount each year, but the benefit does not change once it is accrued. Benefits are adjusted each year to ensure the plan meets funding goals while contributions remain stable. For example, a participant may accrue $100 one year if the plan is fully funded and $90 the next year if the plan is underfunded. However, the participant's total accrued benefit would be $190 at the end of the 2 years because the $100 benefit earned in the prior year would not be adjusted for the experience that led to the lower accrual in the second year.

In addition, the stakeholders we interviewed cited a "composite plan" design that was originally proposed in 2013 by a national multiemployer plan advocacy group. While the proposal was not accepted and federal law was not changed to allow for such plans, stakeholders told us that the model could be adapted for single-employer plans. A composite plan would contain some elements of the designs we reviewed in other countries. Some of the main features of the proposed composite plan include:

- A participant's benefit amount would be based on a formula and payable as a life annuity.
- Employer contributions would not be required to increase in response to underfunding.
- Composite plan benefits would not be covered by PBGC insurance, and plans would not pay PBGC premiums.
- Composite plans would be required to target a projected funded ratio of 120 percent. If the amount of the plan's assets were insufficient to pay 120 percent of the promised benefits, the plan would be required to take corrective action to restore the funding ratio to 120 percent, which could include benefit reductions.

Changes in U.S. Public-Sector Plans

We interviewed officials from the National Association of State Retirement Administrators (NASRA) to gather their perspectives on U.S. state government public plans. According to NASRA, since 2009, to address

funding challenges, every state has made reforms to their pension plan benefit structures, financing arrangements, or both, and many states have made multiple reforms. NASRA officials described three main categories of reforms in the public sector: (1) decreasing benefits for employees, (2) increasing employee contributions, and (3) shifting risk from employers to employees. In 2018, NASRA reported that many plans had shifted toward shared risk models such as conditional benefits, where certain benefits like a cost-of-living adjustment (COLA) would depend on the funded status of the plan.[61] For example, to address a funding decline following the market downturn of 2008–2009, the South Dakota Retirement System (SDRS) worked with the South Dakota Legislature to change its required automatic annual COLA of 3.1 percent. NASRA described how the new COLA was made flexible by tying the benefit adjustment to the rate of inflation and to the plan's market value-funded ratio. The plan now provides a COLA equal to the rate of inflation, up to 3.5 percent, if the market value-funded ratio is 100 percent or more. If the funded ratio falls below 100 percent, the plan limits the maximum COLA to a rate that would result in a 100 percent ratio when applied to all future years. In any case, the COLA cannot be less than zero.

Stakeholders Identified Policy Options to Promote New Plan Designs and the Expansion of Lifetime Income Benefits

Stakeholders we interviewed and selected literature we reviewed cited a variety of policy options that could increase the private sector's use of DB

[61]Keith Brainard and Alex Brown, *In-depth: Risk Sharing in Public Retirement Plans* (National Association of State Retirement Administrators, 2018).

and DB-like plans in the U.S.[62] Some of these policy options could make existing DB plans more attractive to plan sponsors or workers. Other policy options would enable new plan designs that may be more attractive to employers while preserving key features of DB plans for workers, such as lifetime income. Public policies to support retirement security should be based on sound analysis of the underlying issues and designed to limit unintended consequences. This involves careful consideration of the rationale for the policies and their costs and benefits to society. The summary below of stakeholder views on these policy options do not represent the views of GAO. Additionally, the policy options have not been subjected to rigorous cost-benefit analysis or other analysis to determine whether the proposals are able to achieve policy objectives and do so at a reasonable cost. However, taken together, these options provide policy makers with a range of actions that could help expand DB coverage.

Stakeholders Cited Policy Options for Existing Defined Benefit Plans to Reduce Plan Sponsors' Costs and Address Other Challenges

To address the decline in DB plan coverage, stakeholders cited several policy options for existing DB plans that could reduce plan sponsors' costs—a key driver of the decline in coverage—and address other challenges faced by existing DB plans. These policy options include reforms related to PBGC premiums and surplus, expanding tax incentives, modernizing valuation rules for risk-sharing plans, and allowing flexibility in the use of surplus funds. Each option has tradeoffs that are useful for policy makers to consider.

Reforming PBGC Premiums

Some stakeholders discussed how PBGC premiums paid by sponsors of single-employer DB plans were too high and did not reflect the financial reality of PBGC's Single Employer Program. PBGC's Single Employer Program had a $62.2 billion surplus at the end of fiscal year 2025, and

[62]For this objective we interviewed staff at 20 stakeholder organizations with varied expertise in DB plan design to identify policy options that would promote coverage of DB or DB-like plans. This included staff at academic centers, government agencies, employer groups, professional organizations, research institutes, and other types of organizations. We also reviewed selected reports from research groups and associations. Finally, we reviewed four responses from stakeholders we interviewed to a Request for Information from the Senate Health, Education, Labor, and Pensions Committee. These responses came from a professional organization, an employer group, a research institute, and a group that represents DB plans. We analyzed this information to identify, and provide context on, selected policy options. To characterize stakeholders' responses, in this section, we use terms such as "some stakeholders" to represent two to five stakeholder organizations, and "several stakeholders" to represent six to 10 stakeholder organizations. We used an interview guide during these interviews, however not all questions were asked of every stakeholder. See app. I for more information about our methodology.

the surplus is projected to be $105.3 billion on average in 2034.[63] The 2026 flat-rate premium is $111 for each participant regardless of the plan's risk of default. The 2026 variable rate premium is $52 per $1,000 of unfunded benefits up to a per-participant cap of $751. High premiums may incentivize plan sponsors to reduce the number of participants in the plan by conducting risk transfer activities, according to a 2018 study from the Advocate.[64] Furthermore, this study found that some financially secure plan sponsors felt that their premiums subsidized sponsors of poorly funded or bankrupt plans, providing a motivation to exit their DB plan. As such, adjusting PBGC premiums could reduce plan sponsors' costs and incentive to reduce the number of participants in the plan. Better aligning premiums with the risk that individual plans pose could reduce premiums for many sponsors.

To address this issue, stakeholders and literature cited proposed structural reforms to PBGC premiums that would (1) more closely align individual plans' premiums to the risk that the plan would not be able to pay its benefits and would require PBGC to intervene, (2) use program surplus to reduce premiums, and (3) remove PBGC premiums from the federal budget.[65] Proposed reforms include:

- **Better aligning premiums with the risk posed by individual plans.** Some stakeholders cited ways to better align premiums with the risk the individual plans posed to PBGC. They believed this could encourage plan sponsors to use less risky plan management strategies. This also promoted fairness, as the many sponsors who pose little risk to PBGC would pay less. For example, one stakeholder discussed how premiums could be based on the risk of plan sponsor bankruptcy and the expected level of plan underfunding at the point of

[63]PBGC's 2025 surplus is the net position of its single-employer program. The 2025 surplus estimate is from Pension Benefit Guaranty Corporation, *Fiscal Year 2025 Annual Report*. PBGC's projected surplus in 2034 is the mean projected net financial position at the end of fiscal year 2034 based on 5,000 simulations. See Pension Benefit Guaranty Corporation, *Projections Report FY 2024*.

[64]Mercer, Inc., *Pension De-Risking Study – Plan Sponsor Focus Group: Analyzing the Drivers of Pension De-Risking Activity,* a report prepared in partnership with the Pension Benefit Guaranty Corporation, Office of the Participant and Plan Sponsor Advocate (Jul. 25, 2018).

[65]In 2012, we suggested that Congress consider revising PBGC's premium structure to more fully reflect the risk posed by individual plans to PBGC. While Congress did not change the structure, it did increase premiums to cover the risk posed to PBGC's Single-Employer Program at that time. See GAO-13-58 .

plan termination.[66] However, that stakeholder cautioned that a risk-based premium structure could increase the premiums of DB plans that used a long-term growth investment strategy that entailed high investment risk.

Another way some stakeholders proposed to better align premiums with the risk posed by individual plans was to reduce premiums for risk-sharing plans. Risk-sharing plans such as variable annuity plans and market-based cash balance plans have mechanisms in place that limit their risk of being underfunded.[67] For example, in a variable annuity plan, benefits owed to participants automatically adjust based on the plan's investment experience, reducing the PBGC's exposure to underfunding caused by investment fluctuations.[68]

- **Using program surplus to reduce premiums.** Some stakeholders proposed using the surplus in PBGC's single-employer program to reduce premiums. For example, in 2023, PBGC's Advocate released a white paper that discussed premium holidays, in which plan sponsors would not be required to pay premiums in some circumstances where PBGC has a surplus.[69] To incentivize employers to offer active DB plans, another proposal is to use PBGC's surplus to reduce premiums more for plans that have recent benefit accruals or accruals for new hires.[70]

[66]American Academy of Actuaries, *Issue Brief: Aligning the PBGC's Single-Employer Premium Structure with Its Objectives* (Washington, D.C.: Mar. 2024), 7.

[67]Unlike traditional cash balance plans, the interest credits on market-based cash balance plans change depending on the return on plan assets. If the assets have a negative return, then the accounts can get a negative interest credit. However, when a participant retires, the value of their cash balance account must be at least the sum of the pay credits the participant earned while working. Sometimes, market-based cash balance plans are called market-return cash balance plans.

[68]If plan assets and recoveries from the plan's sponsor are insufficient to pay the plan's insured benefits after PBGC takes over the plan, PBGC uses premium revenue to fund the difference. Thus, participants continue to receive all their insured benefits. To the extent the plan's insured benefit varies with asset returns, investment fluctuations do not create differences between insured benefits and the plan's assets, and PBGC does not need premium revenue to cover that risk. Nonetheless, a variable plan's assets can be insufficient to cover insured benefits for other reasons, such as longevity improvements that exceed expectations.

[69]Pension Benefit Guaranty Corporation, Office of the Participant and Plan Sponsor Advocate, *What Does Retirement Security Look Like in America? A Retirement Security Initiative by the Office of the PBGC Participant and Plan Sponsor Advocate* (Dec. 29, 2023).

[70]American Academy of Actuaries, *Issue Brief: Aligning the PBGC,*11.

- **Remove premiums from the federal budget.** Several stakeholders representing employer groups, professional organizations, research institutes, and other types of organizations proposed removing premiums from the federal budget to prevent their use as an offset to unrelated federal spending. While PBGC's assets are only available to pay PBGC's obligations, premium income is counted as federal government revenue.[71] As a result, stakeholders said that including premiums in the federal budget created an incentive for Congress to raise premiums in order to offset government spending unrelated to PBGC. Similarly, there could be a disincentive for lowering premiums because it would be counted as a loss of federal government revenue. Taking premiums off-budget could remove this incentive to raise premiums and disincentive to lower them.

Expanding Tax Incentives

Some stakeholders cited options to expand tax incentives to reduce plan sponsors' costs of providing DB plans and to incentivize lifetime income for participants. Current tax incentives for DB plans include that employer contributions to DB plans are tax-deductible business expenses and that DB plan investment returns are not taxed until money is distributed from the plan to participants.[72] While tax incentives could help achieve these desired outcomes, they come with a direct cost to the government. As GAO previously reported, consideration should be given to the benefits of such tax incentives—including assessing policy goals and who would benefit—and the consequences for the federal budget.[73] These proposals include:

- **Incentives for plan sponsors.** Some stakeholders cited expanding tax incentives for sponsors of DB plans as another option. One stakeholder proposed that tax incentives be targeted to plan sponsors who reopen previously frozen DB plans.
- **Pre-tax employee contributions.** Another option some stakeholders cited is allowing pre-tax employee contributions to DB plans. Unlike DC plans, pre-tax employee contributions are not allowed in private-sector DB plans. Additionally, one stakeholder noted that it is administratively complex and burdensome to calculate the taxable

[71]The Single-Employer Program's premiums are deposited into a revolving fund, whose increases and decreases appear as on-budget federal receipts and outlays. As a result, PBGC premium income is counted as revenue to the federal government as a whole.

[72]Distributions from DB plans are taxed as ordinary income unless they are lump sums that are rolled over into an IRA.

[73]GAO, *Tax Expenditures: Background and Evaluation Criteria and Questions,* GAO-13-167SP (Washington, D.C.: Nov. 29, 2012).

amount on benefits because employee contributions are made after-tax. Allowing for pre-tax employee contribution may make plan sponsors more likely to have employee contributions. Some other possible benefits of this option include that it makes employees more likely to know they have a DB plan and that it helps employees understand that DB plan benefits are part of their overall compensation.

- **Preferential treatment of lifetime income.** Another form of financial incentive could encourage DB plan participants to choose lifetime income in retirement over a lump sum payout. For example, a stakeholder proposed that lifetime income could be incentivized by having a portion of a lifetime income annuity have a lower tax rate than ordinary income.

Modernizing Valuation Rules for Risk-Sharing Plans

A stakeholder cited clarifying accounting valuation rules to more accurately value risk-sharing plans as another option. One example is to allow risk-sharing plans, such as market-based cash balance plans, to use a discount rate equal to the expected rate of return on the plan's assets. Under current rules, which were created for traditional DB plans, the expected rate of return is typically higher than the discount rate, which can artificially inflate the liabilities of a plan whose benefits are paid based on market returns.

Allowing Flexible Use of Surplus Funds

Some stakeholders said amending the Internal Revenue Code to increase plan sponsors' opportunities to use surplus funds could make it more attractive for employers to continue having their DB plan and to better fund DB plans. A DB plan is considered to have surplus funds when the plan's assets exceed its expected liabilities. While surplus funds increase benefit security and can mitigate the impact of financial volatility on the plan, plan sponsors may be reluctant to overfund their plan because they face restrictions on how and when they can use surplus funds to pay for other expenses.[74] Several stakeholders proposed that plan sponsors be permitted to use their surplus funds to pay for a broader array of employee benefits, such as contributions to DC plans, health

[74]Generally, plan sponsors cannot access surplus funds unless they terminate the DB plan, after which they must pay an excise tax. One exception is Internal Revenue Code 420, which gives plan sponsors an option to use surplus funds to pay for retiree healthcare benefits without terminating the plan. Other options plan sponsors currently have for using surplus funds include enhancing participant benefits, paying ancillary benefits, and paying severance benefits.

insurance payments for current employees, or disability benefits.[75] However, another stakeholder stated that surplus funds should remain in the plan and be used in a way that only benefits the plan's participants, such as by providing cost-of-living adjustments to retirees.

Stakeholders Provided Policy Options to Allow for Plan Designs That May Reduce Employers' Risk While Preserving Key Defined Benefit Plan Features for Participants

Stakeholders cited several changes to federal laws and regulations that would allow for new types of plan designs. While plan sponsors are currently allowed to share some risks with participants, the DB plan options cited could further reduce employers' risks and preserve key features of traditional DB plans, such as lifetime income, for participants. In general, risk-sharing plan designs maintain key features of DB plans while reducing plan sponsors' cost volatility and risk. While plan sponsors bear all investment and longevity risk in a traditional DB plan, risk-sharing plan designs shift some or all of those risks to the participants as a group while maintaining the benefits of longevity pooling and having professional managers decide how to invest the plan's funds instead of requiring plan participants to do this. As a result, plan sponsors could have more stable and predictable contributions to the plan while participants' benefits could vary, to some degree. Cited changes include allowing plans to adjust benefits based on plan experience, allowing for new types of third-party plan administrators, and promoting DB plan features in DC plans.

Allow Plans to Adjust Benefits Based on Plan Experience

Changing federal rules to allow benefits to vary based on plan characteristics other than investment returns, such as participant life expectancy, could introduce a wider variety of plan designs, according to a stakeholder. These plan designs could help address many of the factors stakeholders said contributed to the decline in DB coverage. Under current policy, certain plans such as market-based cash balance plans and variable annuity plans can automatically adjust DB participant benefits higher or lower based on how actual investment returns compare to expected returns. However, benefits currently cannot be adjusted for other risk factors, such as life expectancy. For example, if longevity improvements outpace expectations, DB plan sponsors currently bear the cost of the additional years of payments. Likewise, if longevity improvements fall short of expectations, DB sponsors may benefit from the reduction in payments. If plans could automatically adjust benefits

[75]To ensure plans remain sufficiently funded, some stakeholders cited establishing a funding thresholder over 100 percent before plan sponsors could use surplus assets for these purposes. For example, one cited a threshold of 110 percent, while another cited 125 percent—the same level at which plans can make transfers in accordance with Internal Revenue Code 420.

based on longevity, the gains or losses generated by differences from expected longevity could be shared with participants automatically. As seen in other countries, such plans could be designed with mechanisms, such as reserve funds, that mitigate participant benefit fluctuations.

Permitting plans to adjust benefits based on plan experience beyond investment returns would allow for new plan designs that increase potential risk sharing. For example, this change would allow for collective DC plans. Collective DC plans are funded by predefined contributions and provide lifetime income to retirees.[76] Investments are professionally managed, and the plan pools longevity and investment risk. Lifetime benefit amounts from a collective DC plan could be adjusted based on the plan's funding status, which can change due to a variety of factors including investment performance and mortality experience. A professional association described how, similar to what happens in other countries, collective DC plans could structure their benefits such that they generally increased based on changes in the cost of living.[77] Should the plan have low investment returns, it could start addressing the funding shortfall by keeping benefits constant rather than increasing them.

Allow for DB Pooled Employer Plans

Some stakeholders discussed establishing DB pooled employer plans.[78] Employers participating in these plans would reduce the administrative and fiduciary responsibility of having a DB plan by sending contributions to a third-party administrator who was responsible for managing the plan's assets and paying benefits to participants. Unlike multiple-employer DB plans, DB pooled employer plans would not require that all participating employers share a common nexus—meaning, they were in

[76]For more information on collective DC plans, see American Academy of Actuaries, *Issue Brief: Collective Defined Contribution Plans* (Washington, D.C.: 2024).

[77]American Academy of Actuaries, *Issue Brief: Collective Defined Contribution Plans*, 9.

[78]The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 permitted Pooled Employer Plans, which are individual account DC plans established or maintained to provide benefits to the employees of at least two employers that do not have a common interest other than adopting the plan. Pooled Employer Plans are sponsored and administered by a pooled plan provider, who assumes most of the administrative and fiduciary responsibilities of sponsoring a retirement plan.

the same trade, industry group, or association.[79] DB Pooled Employer Plans could increase DB coverage for employees of small companies that did not have the resources to administer their own DB plans, according to a stakeholder.

Promote DB Plan Features in DC Plans

Stakeholders cited policy options to promote DB plan features such as lifetime income in DC plans. These policy options include:

- **Broadening use of annuities as qualified default investment alternatives.** One stakeholder raised the option of legislative changes that would allow more annuity-based products to be offered as qualified default investment alternatives.[80] This may result in greater participant utilization of annuity payout options when they are offered by DC plans, as many participants accept the default options offered by their plans. More plan sponsors may offer annuity options in their plans if they see that participants will use them. Research we reviewed discusses a variety of reasons individuals do not annuitize their income, including the desire to leave assets to their heirs, concerns that the responsible organization will fail to make the promised payments, and present bias—that is, the tendency for

[79]Multiple-employer plans are retirement savings plans adopted by two or more employers that are unrelated for income tax purposes but typically share some common business element or are part of the same professional employer organization. The plan is administered by a multiple-employer plan sponsor—typically a trade group, industry group, or professional association—who takes on much of the fiduciary duty that is normal held by the employer. Collectively bargained multiple-employer plans are covered by PBGC's multiemployer program; other multiple-employer plans are covered under its single-employer insurance program.

[80]DOL regulations generally provide that a fiduciary of an individual account plan that permits participants to direct the investment of assets in their account will not be liable for any loss that is the direct and necessary result of investing the participant's account in a qualified default investment alternative, provided certain conditions are met. Among the requirements to qualify for fiduciary relief, plan sponsors generally must select one of three qualified default investment alternatives: (1) target date fund, (2) balanced fund, or (3) professionally managed account. In September 2025, DOL issued an advisory opinion in response to an inquiry related to including variability annuities into qualified default investment alternatives. In the advisory opinion, DOL stated its view that the specific program described in the inquiry would satisfy the requirements to be a qualified default investment alternative. See Department of Labor, Employee Benefits Security Administration, *Advisory Opinion 2025-04A* (Washington, D.C.: Sept. 23, 2025).

The Setting Every Community Up for Retirement Enhancement Act of 2019 amended ERISA to establish a safe harbor for the selection of lifetime income (i.e., annuities) providers.

individuals to prioritize immediate benefits or costs compared to those over the long term.[81]

- **Allowing for post-retirement longevity pools.** A stakeholder proposed the creation of longevity pools that DC plan participants could join after they retired.[82] In effect, the longevity pools would allow DC participants the option of joining a collective defined contribution plan to manage the distribution of some portion of their savings. The pool would provide lifetime income, and participants would share investment and longevity risks as a group. By protecting against longevity risk, longevity pools address uncertainty DC participants face about how long they will live and potentially over- or under-spending their retirement savings.

Stakeholders Provided Other Policy Options to Expand DB Plan Coverage and Improve Communication

Stakeholders cited other policy options that might expand coverage of existing DB plans. These include changing eligibility rules to include more workers in DB plans and better explaining defined benefits to plan participants.

Amending Eligibility Rules

Some stakeholders cited the option of amending eligibility rules to expand worker access to all employer-sponsored retirement plans including DB plans. For example, lowering the minimum age to participate in an employer-sponsored retirement plan from 21 years old to 18 years old could expand opportunities for younger workers to save for retirement, according to some stakeholders. A consideration for policymakers when changing eligibility rules to cover more workers is that these changes would make having a DB plan more costly for plan sponsors.

Improving Communication About the Value of Defined Benefits

Some stakeholders said it was a challenge for workers to understand the value of benefits offered by a traditional DB plan, compared to a plan where participants could see their account balance. To improve communication and understanding of the value of DB plan benefits, one stakeholder stated that PBGC could provide plans with a template that

[81]Hal E. Hershfeild, et al., *The Annuity Puzzle Revisited: Barriers, Behavior, and Policy Paths to Lifetime Income*, NBER Working Paper 35145 (2026).

[82]American Academy of Actuaries, *New Retirement Plan Designs: Degrees of Risk Sharing* (Washington, D.C.: Oct. 2021), 11; and American Academy of Actuaries, *Experience-Sharing Lifetime Income* (Washington, D.C.: June 2023).

calculated the present value of defined benefits and communicated that amount to workers.

Conclusions

Securing an adequate standard of living for an aging population is a national concern. With the decline in DB plan coverage, private-sector workers are left with fewer options for lifetime income in retirement. While employer costs for maintaining DB plans and the nature of the workforce have changed over the years, the need for a secure retirement income remains. Several jurisdictions and systems have contemplated these issues and have initiated pension models that incorporate various aspects of traditional DB plans, such as lifetime income, while also sharing risks between employers and employees. As PBGC collects more complete data on how risk-sharing models are implemented in the U.S., it has an opportunity to engage plan sponsors and other key stakeholders about how PBGC's considerable expertise can better inform them about DB plan options. The agency can leverage its existing outreach to key stakeholders or determine if new efforts to share information are needed. This would bolster PBGC's mission and help employers consider options to mitigate risks, while newly offering or continuing to offer DB plans that might otherwise be terminated or frozen. As a result, more American workers in these plans could have access to dependable lifetime income.

Recommendation for Executive Action

The PBGC Director should assess stakeholders' needs for and provide information on DB plan design options, such as risk-sharing plans, that can provide lifetime income to participants and flexibility for plan sponsors. (Recommendation 1)

Agency Comments

We provided a draft of this report to DOL and PBGC. In its comments, reproduced in appendix II, PBGC concurred with our recommendation regarding information on DB plan design options and outlined planned steps to implement it. PBGC also provided technical comments, which we incorporated as appropriate. DOL did not have comments on the report.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of Labor, the Director of PBGC, and other interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact Tranchau (Kris) Nguyen at nguyentt@gao.gov or Lawrance Evans at evansl@gao.gov. Contact points for our Offices of Congressional

Relations and Media Relations may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Sincerely,

//SIGNED//

Tranchau (Kris) T. Nguyen, Director
Education, Workforce, and Income Security

//SIGNED//

Lawrance L. Evans, Jr, Managing Director
Applied Research and Methods

Appendix I: Objectives, Scope, and Methodology

Objectives, Scope, and Methodology

This report describes (1) trends in private-sector single-employer defined benefit (DB) plan coverage in the U.S. and factors that may have contributed to its decline, (2) the extent to which the Pension Benefit Guaranty Corporation (PBGC) has taken steps to promote the continuation of single-employer DB plans, (3) strategies used in the U.S. and abroad to modernize DB plan design and the related experiences thus far, and (4) policy options that stakeholders suggest to promote the expansion of private-sector DB plan coverage.

For all objectives in this report, we conducted a total of 21 semistructured interviews with representatives of 22 nongovernmental stakeholder organizations who had expertise in issues relating to DB plans, including actuaries, researchers, participant interest groups, industry groups, and pension asset managers.[1] To initially identify stakeholders with these areas of expertise, we reviewed relevant literature about DB plans. In subsequent interviews with those stakeholders, we asked them to suggest additional parties. Similarly, we asked for suggestions from agency officials and GAO subject matter experts. See table 2 below for a list of the stakeholders we interviewed about the decline in DB coverage or policy options to promote DB or DB-like plans. We selected these stakeholders to represent a range of perspectives and organizational affiliations.

Table 2: Stakeholders Interviewed, by Type

Type of stakeholder	List of stakeholders
Academic center	Center for Retirement Initiatives, Georgetown University
	Center for Retirement Research, Boston College
	Pension Research Council, University of Pennsylvania
	Schwartz Center for Economic Policy Analysis, The New School
Employer group	Committee on Investment of Employee Benefit Assets
	ERISA Industry Committee
	U.S. Chamber of Commerce
Professional organization	American Academy of Actuaries
	Financial Accounting Standards Board
Research institute	American Enterprise Institute
	AARP Public Policy Institute
	Economic Policy Institute
	Morningstar Center for Retirement and Policy Studies
	National Institute on Retirement Security

[1]One interview included stakeholders from two organizations.

Type of stakeholder	List of stakeholders
Other	Cheiron, Inc.
	Corporate Pension Revitalization Council
	D3P Global Pension Consulting
	Hudson Pilot
	National Coordinating Committee for Multiemployer Plans
	Pension Rights Center
	Two businesses with defined benefit plans

Source: GAO interviews. | GAO-27-107628

Trends in DB Plan Coverage

To analyze trends from 1975 to 2023 in the coverage of DB plans, we used data from the Department of Labor's (DOL) Private Pension Plan Bulletin Historical Graphs and Tables and the Current Population Survey.[2] Statistics in the Private Pension Plan Bulletin Historical Tables and Graphs on the number of active participants are based on data that administrators and sponsors of employee benefit plans submit about their employee benefit plans to DOL in Form 5500. In our calculations, we categorized individuals in multiple-employer DB plans as being in single-employer DB plans. From the Current Population Survey, we used data on the number of private-sector workers from two reports published by U.S. Bureau of Labor Statistics: (1) Employment and Earnings and (2) the Employment Situation. The data on the number of private-sector workers are the March seasonally adjusted data, which includes agricultural workers and self-employed workers, among others, and excludes unpaid workers. To calculate the percentage of private-sector workers who are active participants in a DB plan, we divided the number of active participants in DB plans by the number of private-sector workers. We estimated a margin of error for each statistic using the standard error for the number of private-sector workers and a formula for the standard error of the ratio of random variables.

To analyze trends in the percentage of participants in DB plans that were partially or completely frozen, we used data on the percentage of active participants in PBGC-insured, single-employer plans from Table S-27 of PBGC's Pension Insurance Data Tables 2023.[3] The data in that table are based on PBGC premium filings. To analyze trends in the number and

[2]Department of Labor, Employee Benefits Security Administration, *Private Pension Plan Bulletin Historical Tables and Graphs 1975–2023* (Sept. 2025).

[3]Pension Benefit Guaranty Corporation, *Pension Insurance Data Tables 2023* (Dec. 18, 2025).

percentage of participants in hybrid plans, we used data from Table S-25 of PBGC's Pension Insurance Data Tables 2023 on the number and percentage of participants in PBGC-insured, single-employer plans who are in hybrid plans. The data in that table are based on data administrators and sponsors of employee benefit plans submit about their employee benefits to DOL in Form 5500.

Factors Related to the Decline of DB Plans

To determine the factors that led to the decline in DB plan coverage, we interviewed officials from PBGC and DOL as well as stakeholders with expertise and knowledge on retirement issues, as noted above. Additionally, we reviewed selected literature about the factors leading to the decline of DB plans.

To analyze trends in life expectancy at age 65, we calculated life expectancy using mortality tables from 1983 and 2026. For the 1983 calculations, we used mortality rates in the 1983 Group Annuity Mortality Table.[4] For the 2026 calculations, we used the static mortality rates in Internal Revenue Service Notice 2025-40.[5] For our calculations, we used a blended mortality rate equal to the male mortality rate plus the female mortality rate divided by two.

To analyze the effect of interest rate and longevity trends on the cost of a retirement income benefit, we calculated an actuarial contribution that would have been expected to provide a 45-year-old worker with an annuity starting at age 65 equal to 1 percent of their age 45 pay. The amount of the contribution took into account the probability that the worker would survive to each future age and for the time value of money using a single interest rate. Interest rate assumptions were based on data from Moody's Seasoned Aaa Corporate Bond Yield, the 10-Year High Quality Market Corporate Bond Par Yield, the Treasury High Quality Market Corporate Bond Yield Curve, and the FTSE Pension Discount Curve in each of the years. We used an interest rate of 11 percent for 1985, an interest rate of 2.5 percent for 2020, and an interest rate of 5.25 percent for 2026. 1985 mortality rates were from the 1983 Group Annuity Mortality Tables. Mortality rates for 2020 were from Internal Revenue Service notice 2019-26. Mortality rates for 2026 were from Internal Revenue Service Notice 2025-40. For our calculations, we used a

[4]Robert M. Chmely, et al., "Development of the 1983 Group Annuity Mortality Table," *Transactions of Society of Actuaries*, vol. 35 (1983): 859–899.

[5]Internal Revenue Service, *Updated Static Mortality Tables for Defined Benefit Pension Plans for 2026*, Notice 2025-40 (July 28, 2025).

blended mortality rate equal to the male mortality rate plus the female mortality rate divided by two.

To analyze how the cost of paying PBGC flat-rate premiums has changed over time, we calculated the expected present value of future PBGC flat-rate premiums for two individuals who began participation in a DB plan at age 45 in 1985 and 2026 and eventually vested their benefits. The present value is calculated as of the first flat-rate premium paid for the participant. To isolate the change in the expected cost of premium increase from changes in interest rates, mortality rates, and prices for the 1985 premiums, we did this calculation using both the 1985 mortality and interest rates and the 2026 mortality and interest rates. The expected present value as of 1985 was adjusted to 2026 dollars using a calendar year gross domestic product price index. Our calculations accounted for both the probability an individual would survive to each future age and the time value of money using a constant interest rate. Interest rate assumptions were based on Moody's Seasoned Aaa Corporate Bond Yield, the 10-Year High Quality Market Corporate Bond Par Yield, the Treasury High Quality Market Corporate Bond Yield Curve, and the FTSE Pension Discount Curve in each of the years. We used an interest rate of 11 percent for 1985 and an interest rate of 5.25 percent for 2026. 1985 mortality rates were from the 1983 Group Annuity Mortality Tables. Mortality rates for 2026 were from Internal Revenue Service Notice 2025-40. For our calculations, we used a blended mortality rate equal to the male mortality rate plus the female mortality rate, divided by two. For the expected present value as of 2026, we assumed the 2026 flat-rate premiums of $111 increased by 3.56 percent in each future year. Under current law, PBGC's single-employer flat-rate premiums increase at the rate of the Social Security National Average Wage index and the trustees assumed that it would increase 3.56 percent per year over the long term in the intermediate projection of the 2025 Trustees Report.[6]

To analyze trends in the maturity of DB plans, we used data on the percentage of plan participants who are active participants in single-employer PBGC-insured DB plans from Table S-22 of PBGC's Pension Insurance Data Tables 2023. To calculate the ratio of participants who in the year being analyzed worked for PBGC-insured DB plan sponsors to participants who in the year being analyzed previously worked for PBGC-insured DB plan sponsors, we divided the percent of participants who

[6]Social Security Administration, Office of the Chief Actuary, *The Long-Range Economic Assumptions for the 2025 Trustees Report* (June 18, 2025).

were active by the percent of participants who were not active. The percentage who were not active included retirees and separated participants who had vested benefits but were not yet receiving payments. The data are based on Form 5500 filings. Data for plan years before 1999 only include plans with 100 or more participants.

To analyze trends in unionization rates we used data from the Current Population Survey on the percentage of private-sector workers represented by a union. The data were downloaded from unionstats.com.[7]

To analyze trends in the percentage of workers in the manufacturing and service industries, we used data from the Quarterly Census of Employment and Wages (QCEW). QCEW data are primarily based on administrative data from the U.S. unemployment insurance program. To calculate the percentage of workers in an industry, we divided the number of private-sector workers in an industry by the total number of private-sector workers in all industries, multiplied by a hundred, and rounded to the nearest whole number. For the manufacturing industry, we used data on QCEW industry code 1013 Manufacturing. For the service industry, we used data on QCEW industry code 102 Service-providing.

We evaluated changes in the median amount of time individuals in different age ranges have been working for their current employer using data from Bureau of Labor Statistics' Employee Tenure in 1998 and Employee Tenure in 2024.[8] Statistics from both reports are based on data from the Current Population Survey. The standard errors for 1983 statistics were calculated using the method to calculate standard errors for medians outlined in the technical documentation for the 1998 Current Population Survey Displaced Worker and Employee Tenure Supplement. The standard errors for 2024 statistics were calculated using the method to calculate standard errors for medians outlined in the technical documentation for the 2024 Current Population Survey Displaced Worker,

[7]Barry T. Hirsch, Barry T., David A. Macpherson, and William E. Even, *Private-Sector Wage and Salary All*, Union Membership and Coverage Database, accessed Mar. 28, 2025, https://unionstats.com/members/dta/members_priv.dta.

[8]Bureau of Labor Statistics, *Employee Tenure in 1998*, USDL 98-387 (Sept. 23, 1998); and Bureau of Labor Statistics, *Employer Tenure in 2024*, USDL-24-1971 (Sept. 26, 2024). For different estimates of median tenure in 1983, see Ellen Sehgal, "Occupational Mobility and Job Tenure in 1983," *Monthly Labor Review*, vol. 107, no. 10 (1984): 18–23. We decided to report 1983 median tenure from Employee Tenure in 1998 because that report was published more recently.

Employee Tenure, and Occupational Mobility Supplemental File. To calculate standard errors for 1983, we used data on the distribution of how long individuals were working for a given employer, by age, from Occupational Mobility and Job Tenure in 1983.[9]

We illustrated how changing retirement plans mid-career can change an individual's retirement income by calculating total retirement income for each of four combinations of retirement plan participation: either a traditional DB plan or an account-based retirement plan in each of two age ranges: 25 to 39 and 40 to 64. A participant in the traditional DB plan accumulates retirement income starting at age 65 equal to 1 percent of their current pay each year. A participant in the account-based retirement plan receives a pay credit equal to 4.65 percent of their current pay each year, and the value of the account increases by 5.25 percent at the end of the year regardless of the participant's association with the sponsoring employer. At retirement, the balance in the account-based plan is converted to retirement income by dividing the balance by an age 65 annuity factor. The annuity factor is based on the average of male and female mortality rates from Internal Revenue Service Notice 2025-40 and a 5.25 percent interest rate. Each scenario assumes a starting salary of $60,000 at age 25, which is the median usual weekly earnings of full-time wage and salary workers age 25 to 34 in Q3 of 2025, times 52 weeks in the year, rounded to the nearest $10,000.[10] The illustration assumes salary growth at 3.4 percent per year because 3.4 percent is the sum the growth rate in real earnings per worker and the growth rate of Consumer Price Index for All Urban Consumers in the Congressional Budget Office's 2025 Long-Term Budget Outlook.[11] Dollar values for PBGC premium rates, the cap for PBGC's variable rate premium, and levels of underfunding for PBGC-insured, single-employer plans were adjusted for inflation by converting nominal amounts into 2026 dollars using a calendar year Gross Domestic Product price index.

[9]Sehgal, "Occupational Mobility and Job Tenure in 1983."

[10]The usual weekly earnings of wage and salary workers ages 25 to 34 is from Bureau of Labor Statistics, *Usual Weekly Earnings of Wage and Salary Workers Third Quarter 2025,* USDL-25-1529 (Dec. 4, 2025).

[11]Congressional Budget Office, *The Long-Term Budget Outlook: 2025 to 2055* (Mar. 27, 2025), https://www.cbo.gov/publication/61187.

Data Reliability for Trends in DB Coverage and Factors

We evaluated the reliability of the following data:

- number of active participants in all plans with at least 100 active participants in the Private Pension Plan Bulletin Historical Graphs and Tables,
- number of private-sector workers based on data from the Current Population Survey,
- percentage of active participants in DB plans that were partially or completely frozen in the 2023 Pension Insurance Data Tables,
- percentage of participants in hybrid plans in the 2023 Pension Insurance Data Tables,
- number of participants in hybrid plans in the 2023 Pension Insurance Data Tables,
- interest rate of Aaa corporate bonds from Moody's Analytics,
- percentage of private-sector workers represented by a union based on data from the Current Population Survey,
- number of private-sector workers overall and by industry from the Quarterly Census of Employment and Wages, and
- data on job tenure from the Current Population Survey.

We evaluated data reliability by reviewing relevant documentation and where applicable interviewing officials who were knowledgeable about the data. With the exception of the number of active participants in all plans before 2010 and the caveats listed below, we concluded all the data were sufficiently reliable for our purposes.

While all of the data we used were reliable for our purposes, some of the data had limitations. We decided not to use data on the number of active participants in plans with less than 100 active participants before 2010 because those data are based on a 5 percent sample of plans and the standard error of those estimates could not be determined. We decided instead to use statistics on plans with at least 100 active participants because DOL always used data on all plans with at least 100 active participants when it calculated those statistics. We concluded that the data on plans with at least 100 active participants for all years and the data on the total number of active participants starting in 2010 were sufficiently reliably for our purposes. One limitation of data on hybrid plans from the 2023 Pension Insurance Data Tables is that because most hybrid plans converted from traditional defined benefit plans, not all participants in hybrid plans necessarily receive benefits based on the

hybrid plan design. A limitation of our statistics on percent of private-sector workers represented by a union from the Current Population Survey is that we do not know their standard errors. The statistics show the long-term trend in union representation over decades rather than precise year-to-year changes. Changes in the percentages over single years should be regarded with caution because they may be due in part to the randomness of the sampling process that was used to generate these estimates rather than real changes in representation rates.

PBGC's Role in Promoting DB Plans

To answer our second objective, we reviewed PBGC policies and procedures for monitoring industry trends and significant transactions. We also reviewed outreach materials for plan sponsors and the broader pension community; reports on agency performance and statistics the agency collects and analyzes for policymakers, researchers, and plan sponsors; and other written documentation related to PBGC's mission of encouraging the continuation and maintenance of private-sector DB plans. We interviewed PBGC officials from the Communications, Outreach, and Legislative Affairs Department, the Corporate Controls and Reviews Department, the Office of Policy and External Affairs, the Office of the Participant and Plan Sponsor Advocate, and the Policy Research and Analysis Division. We also interviewed 22 retirement subject matter specialists, as mentioned above.

Strategies to Develop Alternative DB Plan Designs

To determine what strategies have been used in other countries to develop alternative plan designs while preserving lifelong income, we reviewed available literature and consulted with subject matter specialists who are knowledgeable about pension plans globally at the organizations mentioned above. Early in our research, we also interviewed officials and reviewed reports written by the Organisation for Economic Co-operation and Development (OECD) to obtain their perspectives on specific countries that have taken steps to address sustainability while preserving lifelong income. Based on these early readings and interviews, we identified some important aspects of DB plans to use in identifying plans, including plan solvency, provisions for lifetime income, shared responsibility between employees and employers, cost stability, resource pooling, and portability. The plans we selected to examine more closely were the Netherland's Solidarity Plan, Canada's CAAT DBplus Plan, the New Brunswick Shared Risk Plan, and Switzerland's Occupational Pension Plan. With the exception of the CAAT plan, we interviewed representatives from these plans as well as government officials and other stakeholders from the Netherlands, Canada, and Switzerland. We also reviewed relevant documentation. While officials from CAAT were not available for an interview, they did provide written responses to

questions that were similar to those used in our interviews with other plans.

We did not conduct an independent legal analysis to verify the information that plans and officials provided about the laws, regulations, or policies of their countries. Instead, we relied on appropriate secondary sources, interviews, and other information to support our work. We note also that the fact that a legal structure was successful in one or more of the countries we analyzed—which may have significantly different cultures, histories, and legal systems than the U.S.—does not necessarily indicate that it would be successful or applicable in the U.S. We submitted key report excerpts to plan representatives in each country for their review and verification, and we incorporated their technical corrections where appropriate.

To understand the strategies that have been used in the U.S. to develop alternative DB plan designs while preserving pension benefits, we collected information on public plans and multiemployer plans. We gathered information by reviewing selected literature and by interviewing officials from the National Association of State Retirement Administrators (NASRA) and the National Coordinating Committee for Multiemployer Plans (NCCMP) to gather examples of strategies used within these plans. We did not select specific U.S. retirement plans because they would not generalize to all public or multiemployer retirement plans. Instead, we reported possible features that could be contained in public plans or multiemployer plans as models for providing retirement income.

Policy Options

To determine what policy options stakeholders thought could promote private-sector DB plan coverage expansion in the U.S., we interviewed officials from DOL as well as stakeholders with expertise and knowledge in retirement issues, as noted above. We also reviewed and analyzed selected literature, policy briefings, and other written documentation on possible policy options to expand private-sector DB coverage. Our review included the opening statement and statements for the record of the February 28, 2024, congressional hearing, “Taking a Serious Look at the Retirement Crisis in America: What Can We Do to Expand Defined Benefit Pension Plans for Workers?” We also reviewed four responses from stakeholders we interviewed to the request for information on ways to bolster the DB pension system issued in the Senate Health, Education, Labor, and Pensions Committee Majority Staff Report, A Secure

Retirement for All.[12] We received these responses by email from staff of the Senate Health, Education, Labor, and Pensions Committee. In those responses, we identified policies that proposed to improve DB plans or increase retirement plan coverage. The summary of stakeholder views on policy options in this report does not represent the views of GAO. Additionally, the policy options have not been subjected to rigorous cost-benefit analysis or other analysis to determine whether the proposals are able to achieve policy objectives and do so at a reasonable cost. However, the policy options represent a diverse range of perspectives from stakeholders with expertise on DB plans and could provide a viable starting point for understanding what reform efforts might be needed to improve DB plan coverage.

[12]United States Senate, Health, Education, Labor, and Pensions Committee, *A Secure Retirement for All,* Majority Staff Report (Feb. 28, 2024).

Appendix II: Comments from the Pension Benefit Guaranty Corporation

Pension Benefit Guaranty Corporation
445 12th Street SW, Washington, DC 20024-2101
Office of the Director

September 17, 2026

Tranchau (Kris) Nguyen
Director, Education, Workforce, and Income Security Issues
United States Government Accountability Office
Washington, DC 20548

RE: Government Accountability Office (GAO) August 2026 Draft Report GAO-26-107628, "RETIREMENT PLANS Identifying Ways to Help Mitigate Employer Risks Is Key to Continuing Defined Benefit Plans"

Dear Ms. Nguyen:

Thank you for the opportunity to comment on the GAO's draft report, received August 19, 2026, related to GAO's engagement "Defined Benefit Design" (Engagement code 107628).

As noted in the report, the defined benefit private pension system has changed dramatically in recent years. The Pension Benefit Guaranty Corporation (PBGC) monitors trends and publishes annual data tables and research studies on the private sector defined benefit system. We are committed to providing enhanced support for new defined benefit plans. PBGC Management will work with PBGC's Advisory Committee as soon as it is formed to support innovative plan designs, and provide information on plan design options. PBGC will also review our processes and procedures to ensure that we are prepared to meet the needs of current and future defined benefit pension plans and the participants they serve.

PBGC has already begun taking steps to this end. For example, PBGC recently launched a cross-departmental project to reach out to new small defined benefit pension plans to offer compliance assistance support and resources. Small plans (plans with 100 or fewer participants) make up about 80% of all PBGC-insured plans, and small plans often have fewer resources and less access to compliance professionals than larger plans. As part of this outreach PBGC will provide "welcome" materials for newly created plans, including a small plan advisor toolkit, and new PBGC website content. The PBGC team will coordinate with PBGC's Participant and Plan Sponsor Advocate on strategies to engage and assist plans.

In August 2026, PBGC also submitted a comment letter to the Financial Accounting Standards Board (FASB) to support FASB's proposed accounting standards update to improve the measurement of the benefit obligation for qualifying market-return cash balance plans by using a plan's assumed interest crediting rate as the discount rate.

202-229-4000 www.pbgc.gov

We agree with the draft report's findings and recommendation. In the attachment to this letter, you will find our specific response to the recommendation included in the report, as well as our planned actions and estimated completion date.

Sincerely,

JANET DHILLON

Digitally signed by JANET DHILLON
Date: 2026.09.17 16:51:30 -04'00'

Janet Dhillon
Director

Attachment

GAO Recommendation:

GAO recommends that PBGC assess stakeholders' needs for and provide information on DB plans design options, such as risk sharing plans. (GAO Control Number GAO-26-107628-OPEA)

PBGC Response: PBGC agrees with this recommendation. Consistent with PBGC's mission to promote the continuation and maintenance of private sector defined benefit pension plans, management will assess stakeholders' needs and provide information on DB plan design options. Our focus will include:

- Providing robust compliance assistance for defined benefit plans.
- Providing targeted outreach and support for new and small defined benefit plans, including through the adoption of new communication vehicles and strategies.
- Begin the engagement process to work with PBGC's Advisory Committee to support innovative plan design options.

Target Completion Date: September 30, 2027

Appendix III: GAO Contact and Staff Acknowledgements

GAO Contact

Tranchau (Kris) T. Nguyen, nguyentt@gao.gov

Lawrance Evans, evansl@gao.gov

Staff Acknowledgements

In addition to the contacts named above, Sharon Hermes and Joe Silvestri (Assistant Directors), Anjali Tekchandani (Analyst in Charge), Lucas Alvarez, William Beichner, Joshua Brownstein, and Frank Todisco made key contributions. Also contributing were Scott Clayton, Angelica Guarino, Kelsey Kreider, Kirsten B. Lauber, Jon Muchin, Stacia Odenwald, William Stupski, Curtia Taylor, and Adam Wendel.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday, GAO posts on its website newly released reports, testimonies, and correspondence. You can also subscribe to GAO's email updates to receive notification of newly posted products.

Connect with GAO

Connect with GAO on X, LinkedIn, Instagram, and YouTube.
Subscribe to our Email Updates. Listen to our Podcasts.
Visit GAO on the web at https://www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: https://www.gao.gov/about/what-gao-does/fraudnet

Automated answering system: (800) 424-5454

Media Relations

Sarah Kaczmarek, Managing Director, Media@gao.gov

Congressional Relations

David A. Powner, Acting Managing Director, CongRel@gao.gov

General Inquiries

https://www.gao.gov/about/contact-us



Please Print on Recycled Paper.