



# COVID-19 Retirement Section Member Survey Results





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## Caveat and Disclaimer

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# COVID-19 Retirement Section Member Survey Results

## Commentary

As part of its ongoing effort to provide useful information on COVID-19, the Society of Actuaries issued a brief qualitative survey to its Retirement Section members to gain insight as to how COVID-19 is impacting the retirement programs and organizations they support, and also how it is impacting their work. The survey was fielded in August 2020 and deliberately kept brief for ease of response. The survey results are intended to help members compare their thinking and future expectations of COVID-19 with their peers, as well as inform future research efforts. Thanks to the 168 Retirement Section members who responded to the survey. The following are highlights of the survey results. The remainder of the report contains the complete survey results. Overall, COVID-19 has presented an unprecedented time of uncertainty and the survey results most likely have been driven in a large part by that. It will be interesting to see how these results change as the situation continues to evolve and there are plans to conduct periodic surveys on this topic in the future.

### Defined Benefit Plan Contributions

Respondents were asked to estimate how many plans they work with have delayed or are considering delaying or reducing contributions to their defined benefit plans in response to COVID-19 relief packages. The largest percentage of respondents (44.3%) estimated that some plans have done this, while 37.7% of respondents indicated none had. Only 7.2% of respondents indicated most and just one respondent chose all plans.

### Defined Benefit Plan Management

Respondents were given several choices of management actions they were seeing plan sponsors take as a result of COVID-19 and asked to select all that apply. Delaying or reducing contributions received the largest number of responses (42.3%) by a large margin followed by freezing benefit accruals (15.5%) and terminating plans (4.6%). Most other responses indicated no changes at present and/or deferring any decisions. Other actions not listed in the question that respondents specified included early retirement incentives, pay freezes, and enhanced COVID-related death benefits.

### Access to Defined Contribution Plan Balances

For defined contribution plans, respondents were asked to estimate how many plans they work with have or are considering loosening restrictions for employees to access their balances in response to COVID-19 relief packages. Most respondents (41.6%) did not know or found the question not applicable to their plans, followed by 26.5% of respondents who were seeing it on some plans. 10.2% of respondents indicated no plans and just 4.2% chose all plans allowed access.

## Defined Contribution Plan Management

Similar to the question on defined benefit plan management, respondents were given several choices of management actions they were seeing plan sponsors of defined contribution plans take as a result of COVID-19 and asked to select all that apply. Adding withdrawal relaxation provisions received the greatest number of responses for actions taken (25.1%) closely followed by reducing/suspending contributions (22.1%) and adding loan relaxation provisions (20.4%). Only two responses indicated the termination of plans. Those who did not know or found the question inapplicable received the greatest number of responses (27.7%).

## Long-Term Strategy and Plan Design

When asked about whether most employers they work with are or will be rethinking their long-term retirement strategies and plan designs since COVID-19, 38.0% of respondents thought they would not be. Around half of respondents thought that employers either may be doing so (27.7%) or have/will be (23.5%).

## Risk-Shifting

Respondents were asked about the amount of risk that has been shifted to employees since COVID-19. The intent of the question is to explore if the presence of COVID-19 itself has impacted employer concern about the amount of risk shifted to employees. The majority of respondents (57.9%) thought most employers were not impacted in their concern in light of COVID-19, followed by Maybe (18.9%) and Yes (3.7%).

## Work-force Management Needs

Respondents were asked whether retirement programs continue to support their workforce management needs since COVID-19. Like the risk shifting question, the intent is to explore whether the presence of COVID-19 itself has impacted employer concern about the support of their retirement programs to workforce management needs. Around half (49.7%) selected No on whether they thought that most employers are concerned their retirement programs do not support their workforce management needs in light of COVID-19, followed by Maybe (26.1%) and Yes (4.2%).

## Part-time Work Arrangements

In response to whether they think more employers they work with will consider a work arrangement that allows part-time work for employees before fully retiring since COVID-19, more than 50% of responses were Yes or Maybe (21.8% and 31.5%, respectively). This was closely followed by Don't Know or Not Applicable (29.1%) while 17.6% did not think so.

## Early Retirement Windows and Other Incentives

Respondents were asked whether they thought since COVID-19 that more employers they work with will consider offering an early retirement window or other incentives for workforce reduction. Those who responded Yes or Maybe had the largest share of responses with a total of 64.8% (41.2% and 23.6%, respectively). 22.4% thought this will not happen.

## Future Research Ideas

Respondents suggested a number of future research ideas and areas for explorations with mortality as a result of COVID-19 a common suggestion. The full list of suggestions can be found in the complete results of the survey in the remainder of the report.

## Acknowledgements

Thanks to the following members of the Retirement Section Research Committee, and Aging and Retirement Strategic Research Program Steering Committee for their invaluable help in the development and review of this survey.

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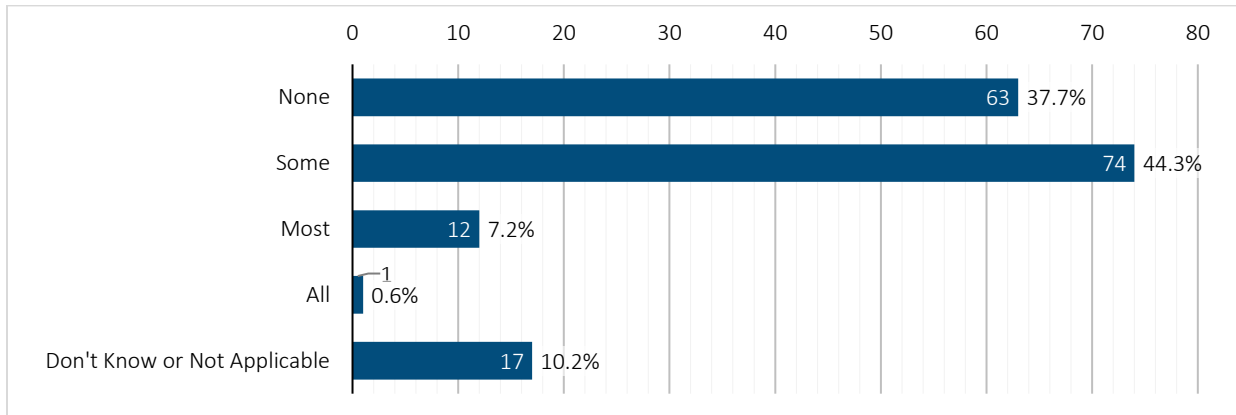
Lisa Schilling, FSA, MAAA, EA, FCA,  
SOA Retirement Research Actuary

## Complete Results

### Question 1

Of the defined benefit plans you are working with, how many plans would you estimate have delayed or are considering delaying or reducing contributions to their defined benefit plans in response to COVID-19 related relief packages, such as the Cares Act in the U.S.?

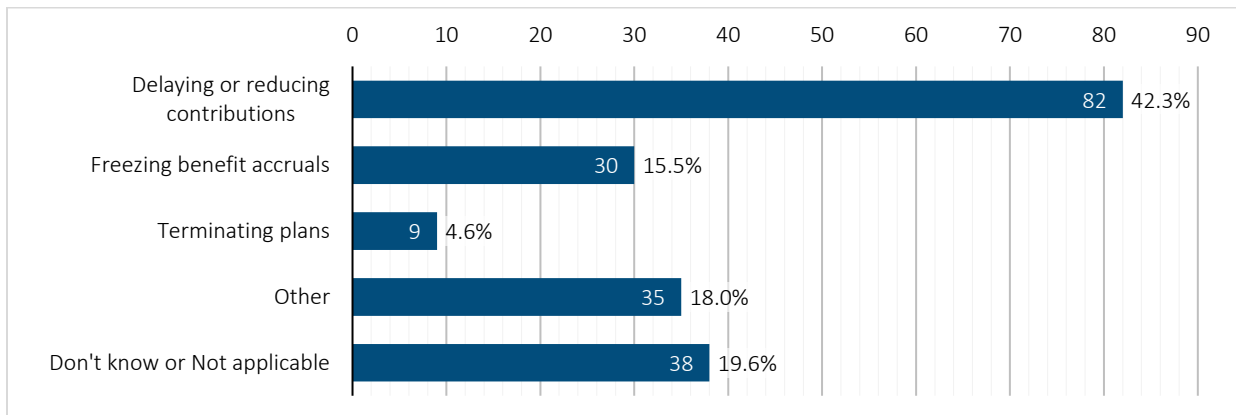
#### NUMBER AND PERCENTAGE OF RESPONSES



### Question 2

Of the following items, which are you generally seeing plan sponsors of defined benefit plans doing as a result of COVID-19? (select all that apply)

#### NUMBER AND PERCENTAGE OF RESPONSES



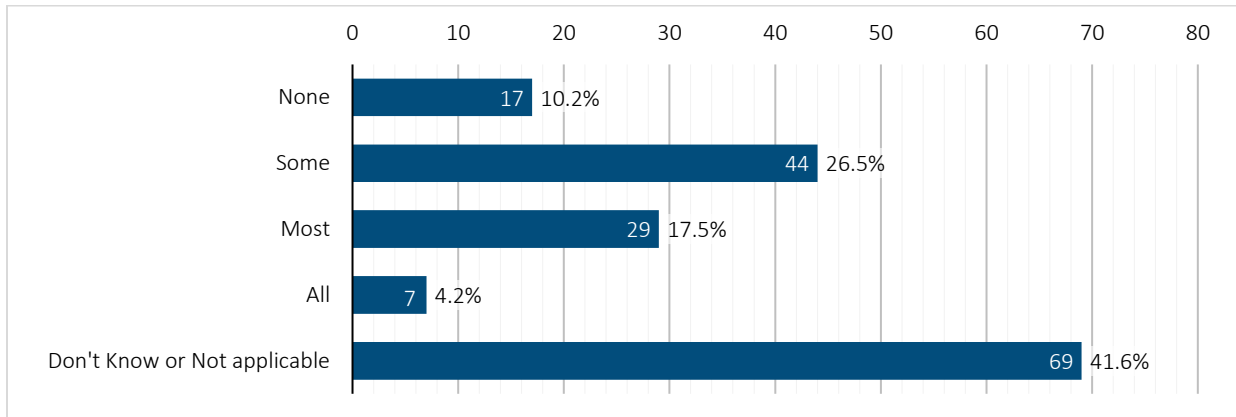
#### OTHER –TEXT RESPONSES

Most Other responses indicated no changes at present and/or deferring any decisions. Specific responses included early retirement incentives, pay freezes and enhanced COVID-related death benefits.

**Question 3**

Of the defined contribution plans you are working with, how many plans would you estimate have or are considering loosening restrictions for employees to access their defined contribution balances in response to COVID-19 related relief packages, such as the Cares Act in the U.S.?

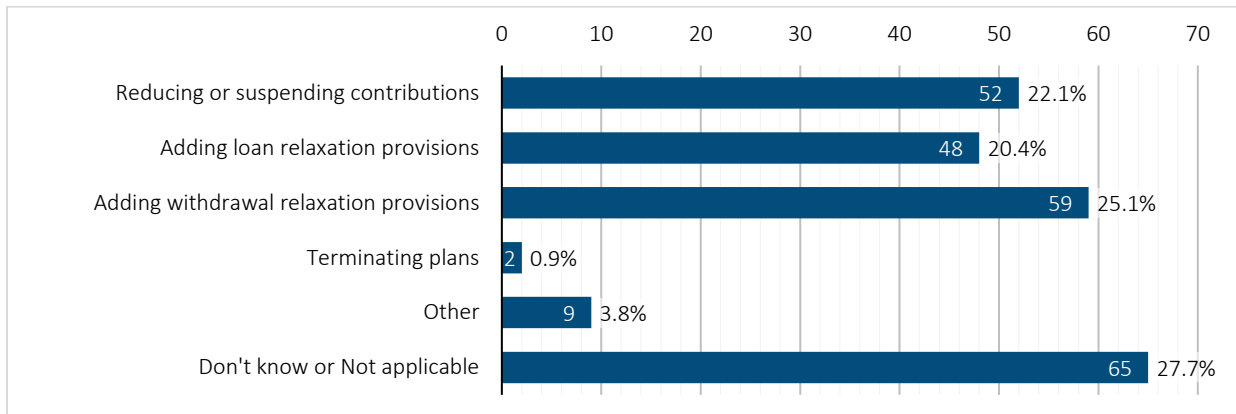
**NUMBER AND PERCENTAGE OF RESPONSES**



**Question 4**

Of the following items, which are you generally seeing plan sponsors of defined contribution plans doing as a result of COVID-19? (select all that apply)

**NUMBER AND PERCENTAGE OF RESPONSES**



**OTHER –TEXT RESPONSES**

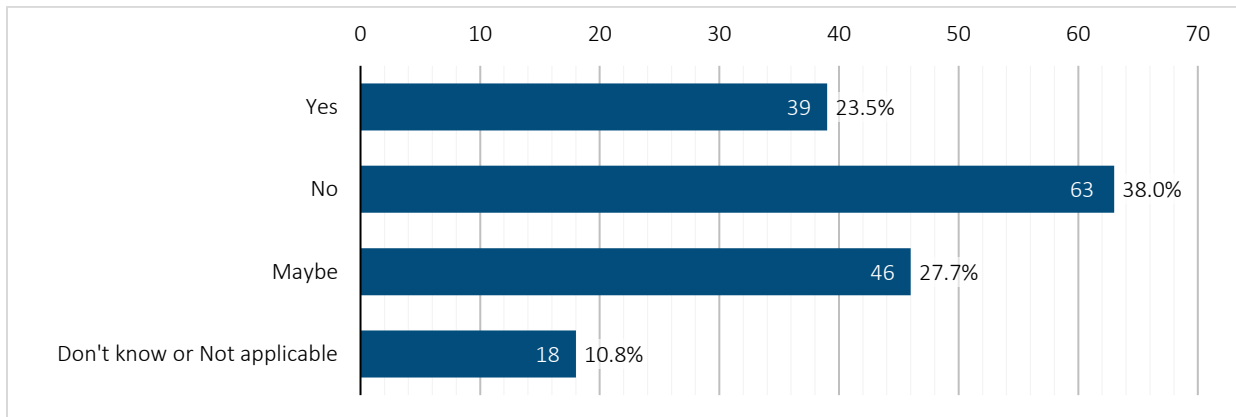
Other responses noted no changes.



**Question 5**

Since COVID-19, do you think most employers that you work with are or will be rethinking their long-term retirement strategies and plan designs?

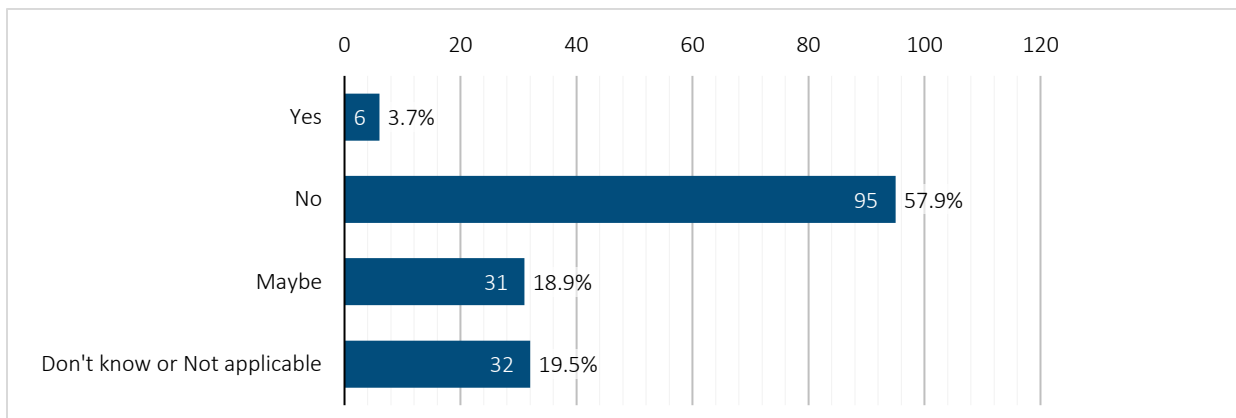
**NUMBER AND PERCENTAGE OF RESPONSES**



**Question 6**

Since COVID-19, do you think most employers that you work with are concerned about the amount of risk that has been shifted to employees?

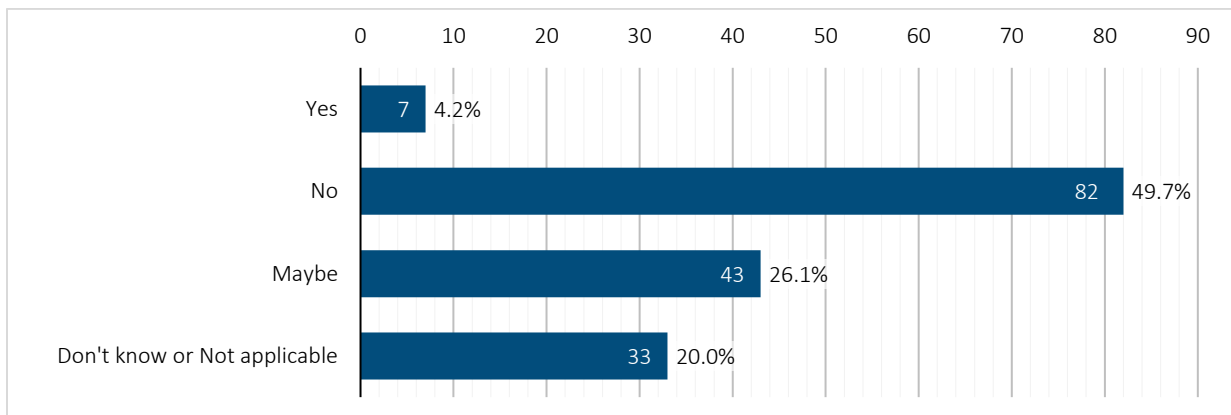
**NUMBER AND PERCENTAGE OF RESPONSES**



**Question 7**

Since COVID-19, do you think most employers that you work with are concerned that their retirement programs do not support their workforce management needs?

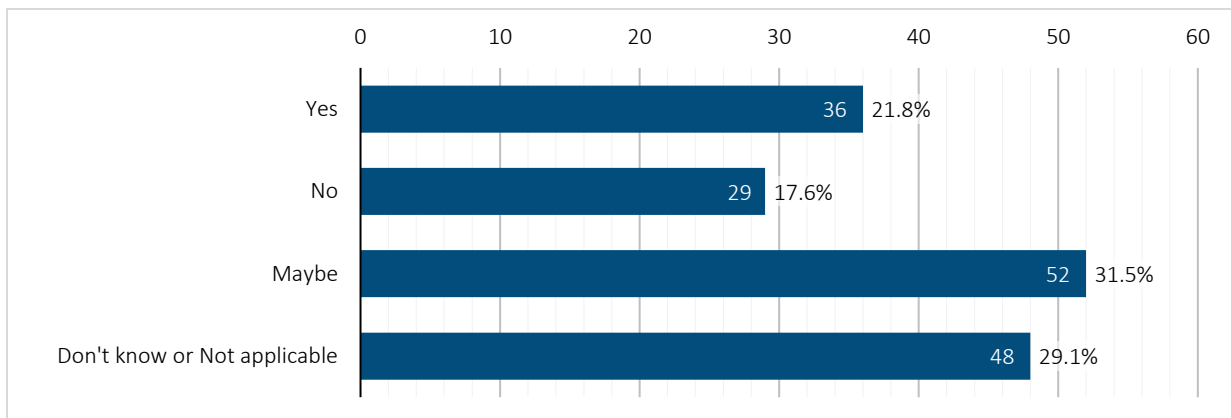
**NUMBER AND PERCENTAGE OF RESPONSES**



**Question 8**

Since COVID-19, do you think more employers that you work with will consider a work arrangement that allows part-time work for employees before fully retiring?

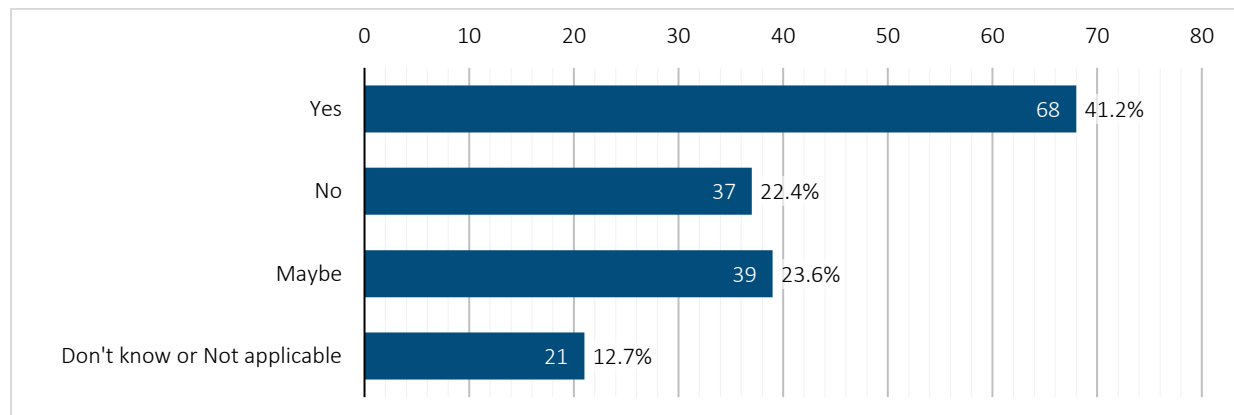
**NUMBER AND PERCENTAGE OF RESPONSES**



**Question 9**

Since COVID-19, do you think more employers that you work with will consider offering an early retirement window or other incentives for workforce reduction?

**NUMBER AND PERCENTAGE OF RESPONSES**



**Question 10**

What research activities would you like the SOA to consider to help you in response to COVID-19? if you are interested in being involved in developing a research idea or activity, please note your contact information in the box.

Responses included:

- Looking at the mortality impact of COVID-19
- Plan design for separation programs
- Impact on roll-over vs. cash distribution
- Impact on disability in retirement
- Impact on private employer plans vs. public employer plans
- Impact of COVID-19 on retirement income by race
- New plan designs to help manage risk/affordability of retirement
- Financial wellbeing adjustments due to COVID-19
- Impact of low interest rates
- Early retirement windows – what’s used and how have they fared?

## About The Society of Actuaries

With roots dating back to 1889, the [Society of Actuaries](#) (SOA) is the world's largest actuarial professional organization with more than 31,000 members. Through research and education, the SOA's mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business and societal challenges. The SOA's vision is for actuaries to be the leading professionals in the measurement and management of risk.

The SOA supports actuaries and advances knowledge through research and education. As part of its work, the SOA seeks to inform public policy development and public understanding through research. The SOA aspires to be a trusted source of objective, data-driven research and analysis with an actuarial perspective for its members, industry, policymakers and the public. This distinct perspective comes from the SOA as an association of actuaries, who have a rigorous formal education and direct experience as practitioners as they perform applied research. The SOA also welcomes the opportunity to partner with other organizations in our work where appropriate.

The SOA has a history of working with public policymakers and regulators in developing historical experience studies and projection techniques as well as individual reports on health care, retirement and other topics. The SOA's research is intended to aid the work of policymakers and regulators and follow certain core principles:

**Objectivity:** The SOA's research informs and provides analysis that can be relied upon by other individuals or organizations involved in public policy discussions. The SOA does not take advocacy positions or lobby specific policy proposals.

**Quality:** The SOA aspires to the highest ethical and quality standards in all of its research and analysis. Our research process is overseen by experienced actuaries and nonactuaries from a range of industry sectors and organizations. A rigorous peer-review process ensures the quality and integrity of our work.

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