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BALTIMORE – December 23, 2022

Transamerica Applauds the Passage of the SECURE 2.0 Act of 2022

Transamerica commends the passage of the SECURE 2.0 Act of 2022, included in the year-end government spending bill. SECURE 2.0 is a bipartisan package of provisions built to encourage retirement savings primarily through employer-sponsored, qualified retirement plans.

“The passage of SECURE 2.0 is an important step in increasing Americans’ ability to improve their financial security,” said Maurice Perkins, Transamerica’s Chief Corporate Affairs Officer. “We have been long-time, strong advocates for policies that help American workers increase their retirement savings and financial health. Transamerica leaders have worked with Congress and firmly backed bipartisan legislative efforts to make saving for retirement easier and more effective for both employers and their employees.”

Phil Eckman, President of Transamerica’s Workplace Solutions division, added, “SECURE 2.0 adds to our progress in improving retirement savings. Today, Transamerica is a leader in pooled retirement plans, which provide administrative and expense efficiencies to employers, as well as increased retirement coverage for workers. Transamerica also offers employer-sponsored emergency savings accounts for employees, as well as multiple ways for employers to help workers who are dealing with student loan payments. We support policymakers’ determination to expand these resources so that more employees can plan more confidently for the future.”

The provisions of SECURE 2.0 will help advance Americans’ financial security by:

- Enabling more Americans to have access to a workplace retirement plan, providing an easy way to consistently save for the future.
- Allowing workers to save more for retirement, addressing concerns about outliving their retirement income.
- Offering employers and employees additional, flexible ways to plan for workers’ financial security.

SECURE 2.0 can help more Americans have access to a workplace retirement plan. Small employers with fewer than 100 employees are generally less likely to offer a workplace retirement plan than larger employers, due to the expense and administrative complexity of offering a plan. SECURE 2.0 offers tax credits to eligible small businesses to join a pooled retirement plan, offering these employers increased cost-efficiency, fiduciary support, and administrative ease in sponsoring a retirement plan for their employees. These stronger incentives for employers can help close the “coverage gap” for workers, which illustrates that fewer small business employees save for retirement due to the absence of an easy, payroll-deducted workplace retirement plan.

In addition, SECURE 2.0 will permit more part-time workers access to a qualified retirement plan more quickly, helping these workers save for the future. The Act also enables non-profit organizations to gain the advantages of a pooled retirement plan for employees by joining a Multiple Employer Plan or Pooled Employer Plan.

Many workers know they need to save more for retirement and are concerned about potentially outliving their savings. SECURE 2.0 provides ways for workers to save more by:

- Enabling auto-enrollment and re-enrollment of employees into the workplace retirement plan, while allowing employees the freedom to opt out. Auto-enrollment can increase workers' participation and result in more retirement savings.
- Allowing older savers to postpone taking required minimum distributions from both retirement plans and individual retirement accounts, so they can plan for living longer and have more power over when to take money for retirement.
- Permitting workers age 50+ to increase catch-up contributions to the retirement plan or their individual retirement account, enabling them to save more as they approach retirement.
- Aiding workers in recovering forgotten retirement plan accounts from former employers, given that most people change employers multiple times over the course of their careers.

SECURE 2.0 also offers employers more flexibility to help increase their employees' overall financial well-being. Key provisions enable employers to:

- Make a matching contribution to the employee's retirement plan account based upon the employee's student loan payment.
- Provide after-tax, payroll-deducted emergency savings accounts to employees that workers can access anytime without penalty, thereby reducing withdrawals from workers' long-term retirement accounts.
- Offer workers a longer timeframe to repay hardship withdrawals from the retirement plan to help them get through life's challenges.
- Promote lifetime income products in retirement plans, so that workers can plan more confidently for longer lives.

The new provisions of SECURE 2.0 will help enhance the retirement security of American workers.

About Transamerica

With a history that dates back more than 100 years, Transamerica is a leading provider of life insurance, retirement, and investment solutions, serving millions of customers throughout the United States. Transamerica's dedicated professionals focus on helping people live well today and empowering them to create a better tomorrow through saving, investing, and protecting their loved ones. Transamerica serves nearly every customer segment, providing a broad range of quality individual life insurance policies, workplace supplemental insurance benefits, workplace retirement plans, individual retirement accounts and investment products including mutual funds, annuities, stable value solutions, as well as asset management services.

In 2021, Transamerica fulfilled its promises to customers, paying more than \$52 billion in insurance, retirement, and annuity claims and benefits, including return of annuity premiums paid by the customer. Transamerica's head office is in Baltimore, Maryland, with other major operations in Cedar Rapids, Iowa, and Denver, Colorado. Transamerica is part of the Aegon group of companies. Each company of the Aegon group of companies is solely responsible for its own financial conditions and contractual obligations. Based in the Netherlands, Aegon is a diversified, international financial services group offering investment, protection, and retirement solutions. For the full year of 2021, Aegon managed over \$1.1 trillion in revenue generating investments. For more information, visit www.transamerica.com.

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(12/22)