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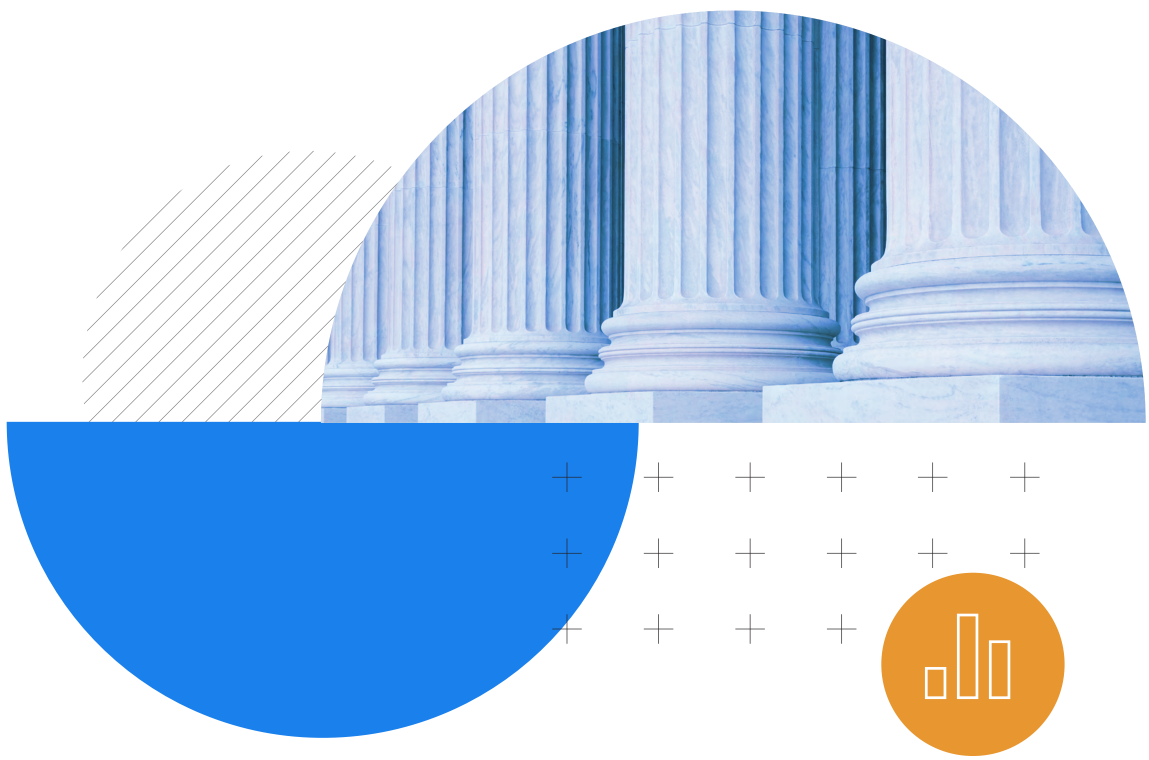
2025 Retirement Plan Landscape Report

An In-Depth Look at the Trends and Forces Reshaping US Retirement Plans

April 2025



Executive Summary

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The stability of the US retirement system has been tested by a pandemic and market turmoil in recent years, highlighting the system's strengths and vulnerabilities.

Every year, the defined-contribution, or DC, system depends on new employers offering retirement plans to replace the tens of thousands of plans that close. This pattern was disrupted in 2020 as the onset of the covid-19 pandemic resulted in the first year-over-year decline in plans added to the system in at least a decade. Since then, however, the system has rebounded to prepandemic trends, mitigating concerns that the contracting system would leave workers behind in saving for retirement. The economic challenges of the pandemic and 2022 also stressed the system, highlighting how DC asset growth is significantly dependent on market conditions. This dependency could be somewhat mitigated if the annual net flow of assets out of the system were stemmed by even just half, as over the past decade this would have resulted in total DC assets being 27% greater. Efforts to automate the transfer of money between DC accounts for workers changing jobs, rather than having the money leave the system, bear watching in the coming years to see if they will help stem this flow.

The cost of saving for retirement in DC plans continues to decline, but workers at smaller plans see greater variability and smaller year-over-year change.

Individuals working for smaller employers and participating in small plans continue to pay more to invest for retirement than those at larger plans, and the margin has grown. While costs have declined on average year-over-year, the median costs at the largest plans have shrunk faster, and from a lower starting point, than the median costs at the smallest plans. As of 2022, the median total cost for participants at the largest plans is 26 basis points, a third of that at the smallest plans, where the median cost is 78 basis points. Another challenge for workers at smaller employers is the greater variation in fees across plans of similar sizes. Policy solutions have often focused on bringing together smaller employers to try to replicate the large plan environment, but narrowing the distribution to reduce the number of overly expensive plans could provide an alternative avenue to enabling workers to efficiently save for retirement regardless of the size of their employer.

Collective investment trusts have grown market share outside of the largest plans, perhaps creating an opportunity for plans to lower costs if adoption spreads further down market.

Collective investment trusts have become a standard part of the largest plans in the US for over a decade, but inroads to plans with less than $500 million in assets had been marginal. However, these smaller plans have grown their CIT assets steadily over the last five years, and CITs are now 22% of all assets in plans between $100 million and $500 million in assets, up from under 13% in 2017. Even among the smallest cohort of plans, those with less than $50 million in assets, CITs now account for 8.6% of assets after hovering between 6% and 7% for the previous decade. As these investments are generally lower cost than their mutual fund counterparts, growth in the CIT assets can be an indicator of changes to come in terms of overall plan costs. Ongoing legislative efforts may further raise the profile of CITs as proposed legislation would allow non-ERISA 403(b) plans to invest in them. While those plans are outside the scope of this paper, broader awareness of CITs could aid in their spread down market.

The defined-benefit system continues a slow wind down after covid accelerated plan freezes.

The defined-benefit, or DB, system has been slowly shrinking as employers move to offering DC plans, but the pandemic accelerated that transition as active participant numbers declined 16% between 2020 and 2022, with many employers closing their DB plans to new employees. This is not to say that DB plans and their relevance will go away immediately; nearly 30 million people are already receiving or will receive benefits from these plans in the future. Rather, it highlights the large population of individuals for whom retirement funds will come from both the DB and the DC systems. The decrease in active DB plans since 2020 corresponded with an uptick in soft-frozen DB plans, the type of plan that allows workers enrolled before the freeze date to continue accruing future benefits, while new hires are onboarded to a different, usually DC, plan. Employers managing a transition from DB to DC will clearly be part of helping these workers plan for a successful retirement, but even employers with just a DC plan are likely to have members of their workforce with some level of defined benefits from previous jobs. Policymakers can help participants facing the complex challenge of planning for retirement when needing to use a mix of DB and DC plans by encouraging personalized investment recommendations.

SCOPE AND METHODOLOGY

Note that this report is limited to plans that are covered by Title I of the Employee Retirement Income Security Act of 1974, or ERISA, as these plans file the Form 5500 annually, providing a starting point for analysis. Plans included in this analysis are sometimes referred to as private plans, in contrast to public plans, such as those offered by state and local governments. A Technical Appendix, which provides details on our methodology, data, and scope, is available **here**.

SECTION ONE

Defined-Contribution Market Overview

Key Findings

Long-term consistent growth continues to make the US retirement system look stable, but top-line numbers mask underlying turnover of thousands of plans and the outflow of billions of dollars. The US DC system relies on new employers to create on average 52,600 plans a year to compensate for the more than 389,000 plans that closed from 2014 to 2023. Similarly, the system depends on new contributions and strong returns to obscure outflows of more than $400 billion a year since 2015, and more than $600 billion a year since 2020. This dependency is apparent in the fact that plan assets shrink in years without strong investment returns. A series of poor returns would reduce many plans' assets, which provides their market power, and thus may inhibit their capacity to offer institutionally priced investment options. This can be observed in the decline in total plan assets seen in 2015, 2018, and 2022, years returns were negative for large portions of the market. The covid-19 pandemic did not dramatically throw off this delicately balanced system, but it did provide a warning for policymakers and plan sponsors of how future economic disruptions could cause the system to stop adding plans at a fast enough rate to replace the tens of thousands that close every year. As the retirement system continues to only cover about two thirds of workers, such headwinds could increase the number of workers falling behind in saving for a secure retirement. Furthermore, additional attention is needed for economic shocks that might negatively affect even a small percentage of the 2,057 employers who fully cover half of workers with retirement plans in the US, as such shocks might result in dramatically fewer workers with access to retirement savings plans.

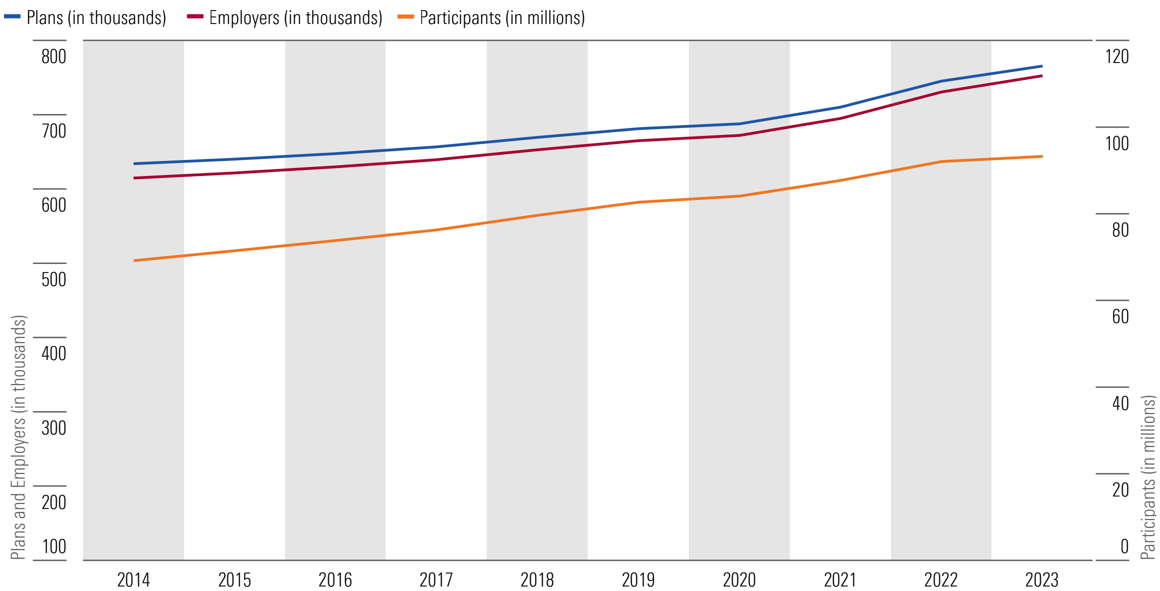
389,000 plans
closed from 2014 to 2023

$600 billion
has left plans
annually since 2020

2,057 employers
cover 50% of workers
with defined-contribution plans

The number of plans, employers, and participants in the DC system has grown steadily over the past decade, with the covid-19 pandemic no more than a blip on the radar. Over the last 10 years, 2020 was the sole year when year-over-year growth in the plans, employers, and participants making up the private-sector US retirement system all dipped below 2%, and the system grew despite the economic challenges of the pandemic.

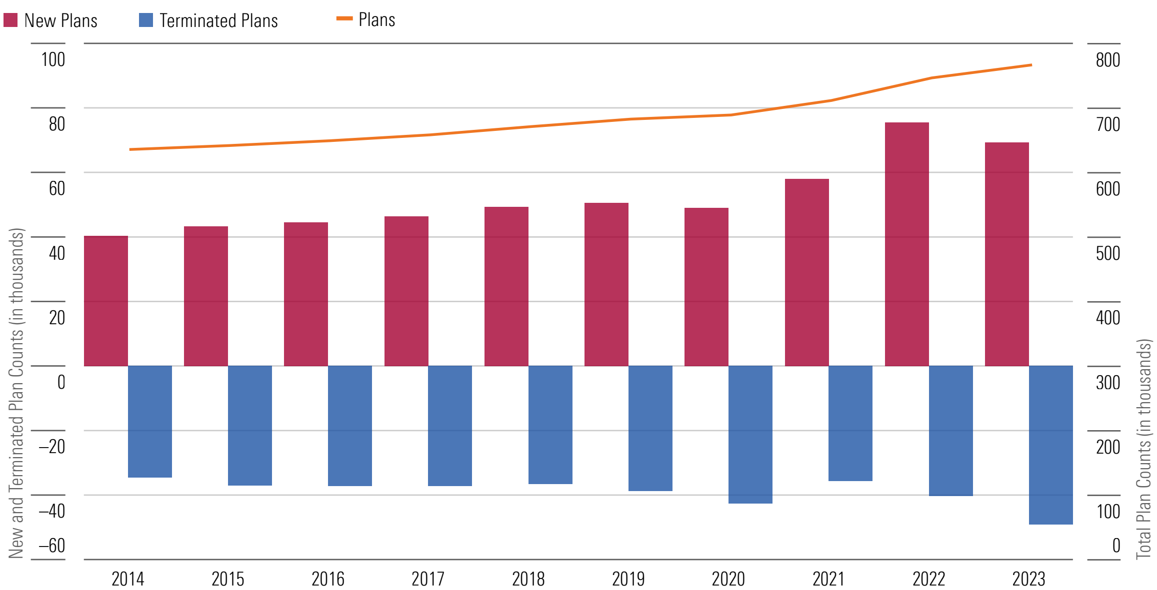
Exhibit 1 Total Plans, Participants, and Employers in Defined-Contribution Plans, 2014 to 2023



Source: Morningstar analysis of Form 5500 data and 2022 projections based on available filings.

Top-line growth in DC plans captures two opposing forces: new plans entering and existing plans exiting. To not just maintain equilibrium but grow, the DC system requires more new plans to be added each year than those that are terminated. The steady upward trend in the overall number of plans masks that roughly 5.8% of plans close each year.

Exhibit 2 New, Terminated, and Total Defined-Contribution Plans, 2014 to 2023

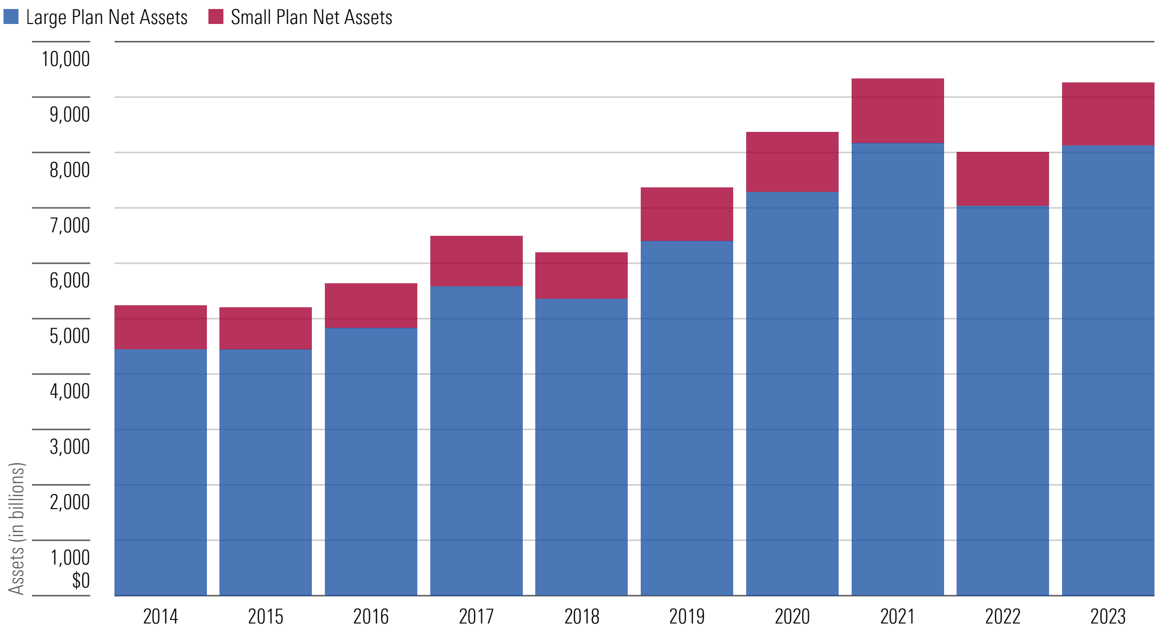


Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: We recognize terminated plans in the year following their termination filing.

To not just maintain equilibrium but grow, the DC system requires more new plans to be added each year than those that are terminated

The contrast between the steady growth of plans, employers, and participants with the lumpier growth of DC assets has been stark over this period. Down markets in 2015, 2018, and 2022 all corresponded to declines in overall plan assets, while the other metrics were unaffected. The most recent case saw the severest decline, with a 60% equity, 40% bonds portfolio[1] dropping 14.69% in 2022, and DC plan assets were similarly down 14.24%. Declines in plan assets aligning with down markets is indicative of how the returns on money already in plans is the largest driver of plan assets, over and above the other two components—money flowing into plans from contributions and money moving out of plans through distributions and IRA rollovers.

Exhibit 3 Total Assets Held in Defined-Contribution Plans, 2014 to 2023

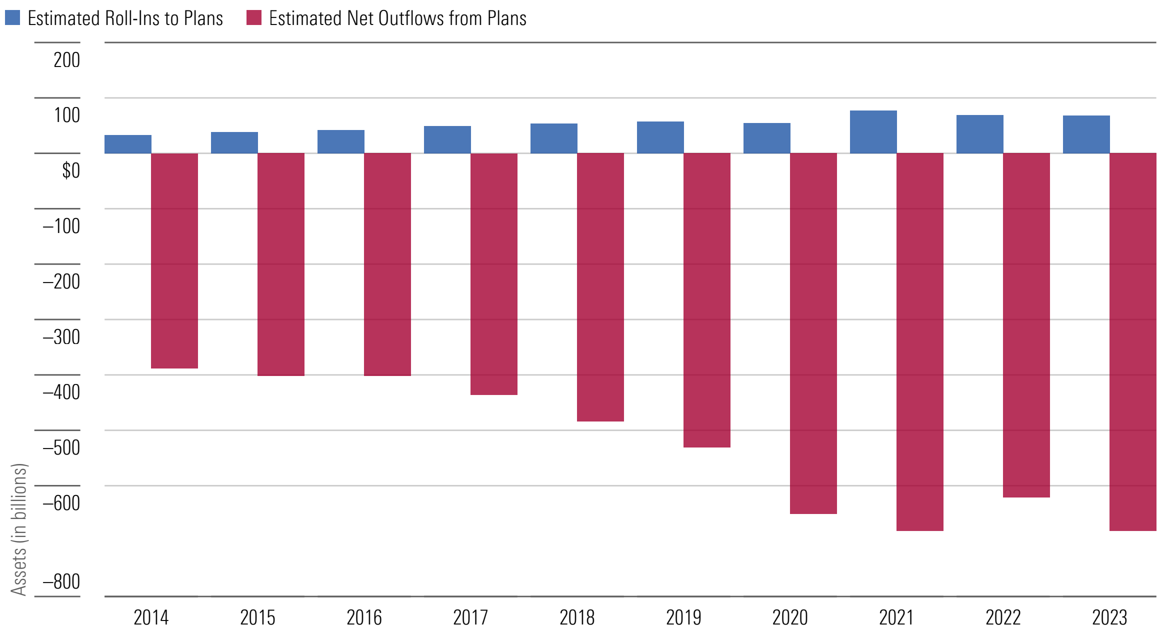


Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: We highlight plans with fewer than 100 participants because these plans do not file nearly as much information with the DOL as their larger counterparts. See methodology section for additional information on this distinction. In later sections of this report, we will not always be able to discuss the characteristics of the assets in plans with fewer than 100 participants, but they represent a small portion of DC plan assets.

[1] Based on the Morningstar Moderate Target Risk Index.

Growth of assets in the DC system is hindered by the constant flow of money exiting the system as participants move money out when changing jobs or entering retirement. From 2014 to 2023, we estimate that more than $5.8 trillion dollars left DC plans in the form of rollovers and cash-outs, including some benefit payments. While some of the rollovers could theoretically be workers moving money from their old employers' plans to their new ones when changing jobs, we estimate that less than $550 billion of the outflows, or less than 10%, were retained in the DC system in this manner.

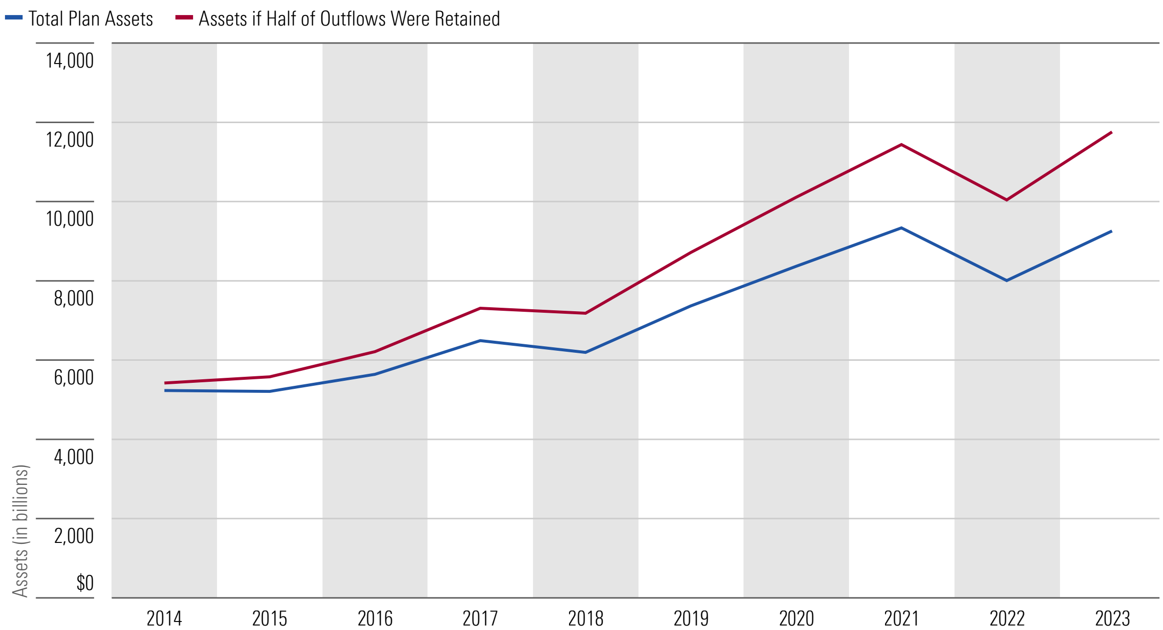
Exhibit 4 Estimated Net Outflows From and Roll-Ins to Defined-Contribution Plans, 2014 to 2023



Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: See Technical Appendix for details on this calculation. Net outflows include cash-outs, rollovers, and direct payments to beneficiaries, less roll-ins captured by the DC system when participants shift money into a DC plan. Net outflows do not include other plan distributions, such as payments for insurance contracts.

The constant stream of money exiting plans limits growth of overall plan assets and removes a potential buffer in times of down markets such as 2022. If even just half of the outflows were retained in the DC system from 2014 to 2023, we estimate plans would have roughly $2.5 trillion more in them at the end of 2023, a 27% increase in assets.[2]

Exhibit 5 Estimated Assets if Defined-Contribution Plans Captured Half of Net Outflows, 2014 to 2023



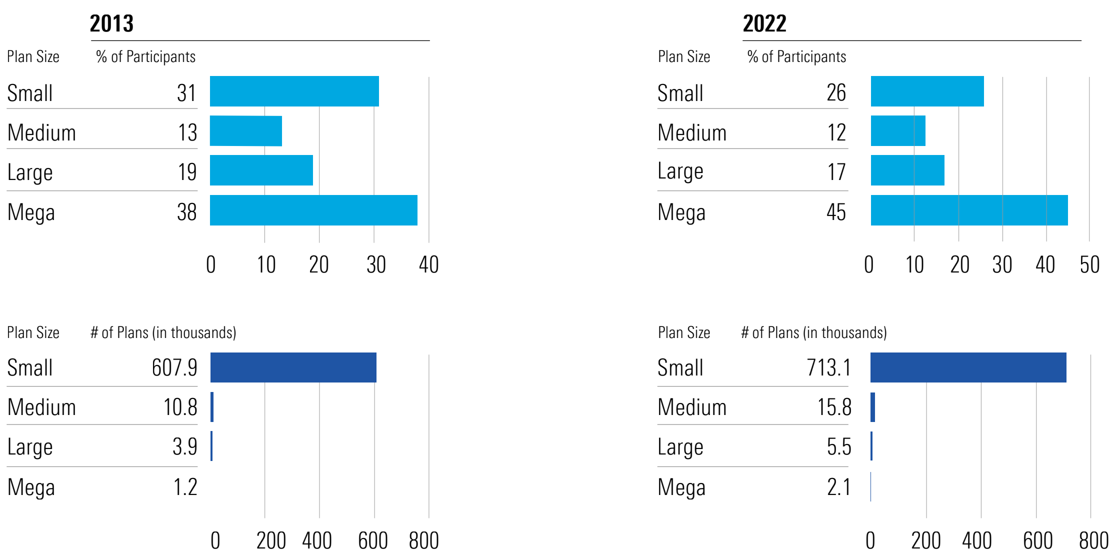
Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings; Morningstar historical returns data.
Notes: See Technical Appendix for description of methods, data, and calculations.

> The constant stream of money exiting plans limits growth of overall plan assets and removes a potential buffer in times of down markets

[2] As discussed in the Technical Appendix, we assume 4% of assets are withdrawn every year, and we applied returns using the US Active Fund Target-Date Retirement Morningstar Category averages.

Despite the steady and growing annual turnover of plans and dollars that ensures the overall DC system is growing, much of US retirement security in fact depends on a small set of employers. Plans with more than $500 million in assets—which we term mega plans[3]—are increasingly critical to the retirement system. While covering a plurality of all DC participants in 2013, mega plans are approaching a straight majority, as they covered 45% of participants in 2022.

Exhibit 6 Percentage of Defined-Contribution Participants Covered by Small, Medium, Large, and Mega Plans



Source: Morningstar analysis of Form 5500 data.
Notes: Mega plans have more than $500 million in assets; large plans have $500 million or less in assets, but more than $100 million; medium plans have $100 million or less in assets, but more than $25 million; and small plans have $25 million or less in assets.

[3] Other studies use a different breakpoint for the largest plans, but we believe this threshold distinguishes a relatively homogeneous cohort of plans with enough members to allow for meaningful analysis.

Put another way, in 2022, just 2,287 plans from 2,057 employers covered half of all DC participants, concentrating 50% of participants in 0.31% of plans. The pattern is consistent across the additional thresholds of 75% and 90% of participants. Ultimately, the US retirement system is a prime example of the Pareto principle, with less than 15% of plans covering 90% of participants.

Exhibit 7 The Number of Plans That Cover the Majority of Defined-Contribution Participants

This percentage of all DC plan participants…	…were covered by this many plans in 2020.	Which means this many people (in millions)…	..were covered by this small fraction of plans.
50%	2,287	42	0.31%
75%	18,326	63	2.46%
90%	103,093	75	13.83%

Source: Morningstar analysis of Form 5500 data.

SECTION TWO

Defined-Contribution Plan Costs

Key Findings

The cost that plan participants pay to invest in their DC plans depends significantly on their employer, although median costs have declined across the board. People who work for smaller employers and participate in small plans pay almost triple the cost to invest as participants at larger plans—around 78 basis points in total compared with 26 basis points, respectively. Small plans also feature a much wider range of fees among plans, with 30% of plans costing participants more than 100 basis points in total. Further, many plans are still outliers, with unusually high fees relative to their peers, particularly outside of the largest thousand or so plans in the US. In short, the US system does not work nearly as well for people who are not fortunate enough to work for larger, established employers, the general sponsor profile for larger plans. Policy solutions have often focused on bringing together smaller employers to try to replicate the large plan environment, but narrowing the distribution to reduce the number of overly expensive plans could provide a fruitful alternative.

78 basis points
the median total cost
for participants in small plans

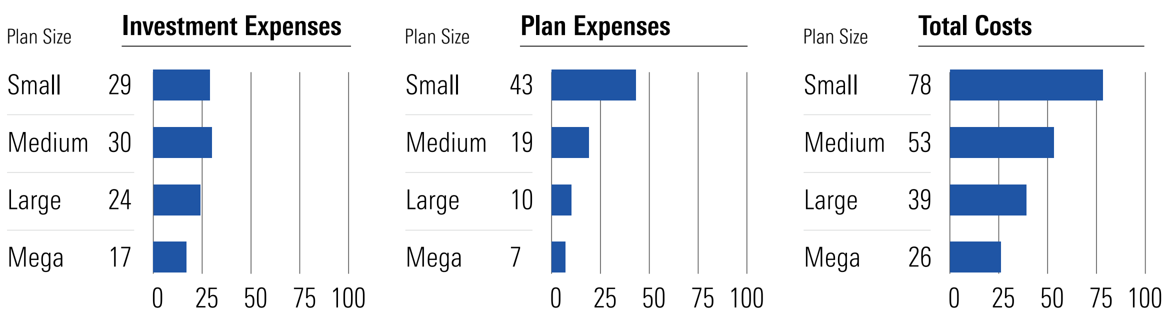
26 basis points
the median total cost
for participants in mega plans

30% of small plans
cost participants more than
100 basis points in total

The cost of investing in the US has declined for years,[4] with the cost of investing through DC plans moving with the tide, but the savings are not evenly distributed across all plans. Larger plans are more likely to be less expensive for participants saving for retirement. We examine the asset-weighted expenses associated with the plan, overall plan administration expenses, and the total cost, which is the sum of both these numbers on a plan-by-plan basis.

Median costs have declined across all four groupings of plans, but, despite starting from a lower point, the drop has been greatest among larger plans. Across plans of all size, the median declined by 7% to 68 basis points from 2021 to 2022.

Exhibit 8 Median 2022 Defined-Contribution Plan Costs by Plan Size (in Basis Points)

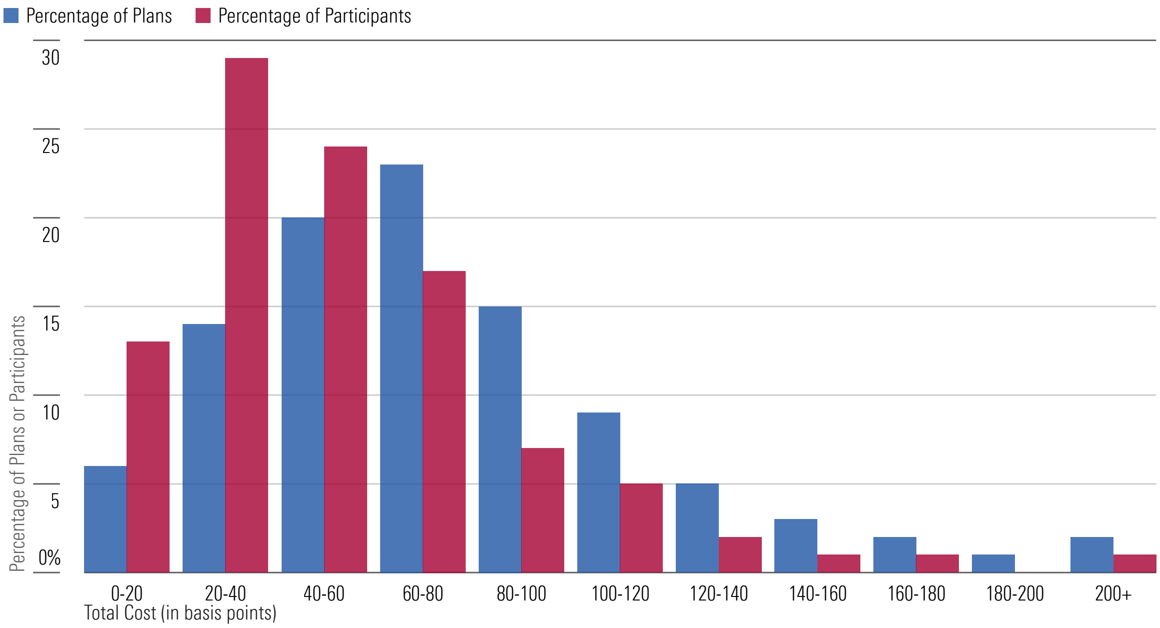


Source: Morningstar analysis of Form 5500 data.
Notes: Mega plans have more than $500 million in assets; large plans have $500 million or less in assets, but more than $100 million; medium plans have $100 million or less in assets, but more than $25 million; and small plans have $25 million or less in assets.

[4] Armour, B. & Evens, Z. 2024. "2023 U.S. Fund Fee Study." https://www.morningstar.com/lp/annual-us-fund-fee-study.

While the total fees that participants pay to save for retirement through the median DC plan have steadily declined, the distribution around the median remains wide. Fortunately, most plan participants are in larger plans that benefit from economies of scale. As a result, just 9.5% of participants in 2022 were covered by the plans costing over 100 basis points.

Exhibit 9 Total Costs Participants Pay to Invest in Defined-Contribution Plans by Percentage of Plans and Percentage of Participants

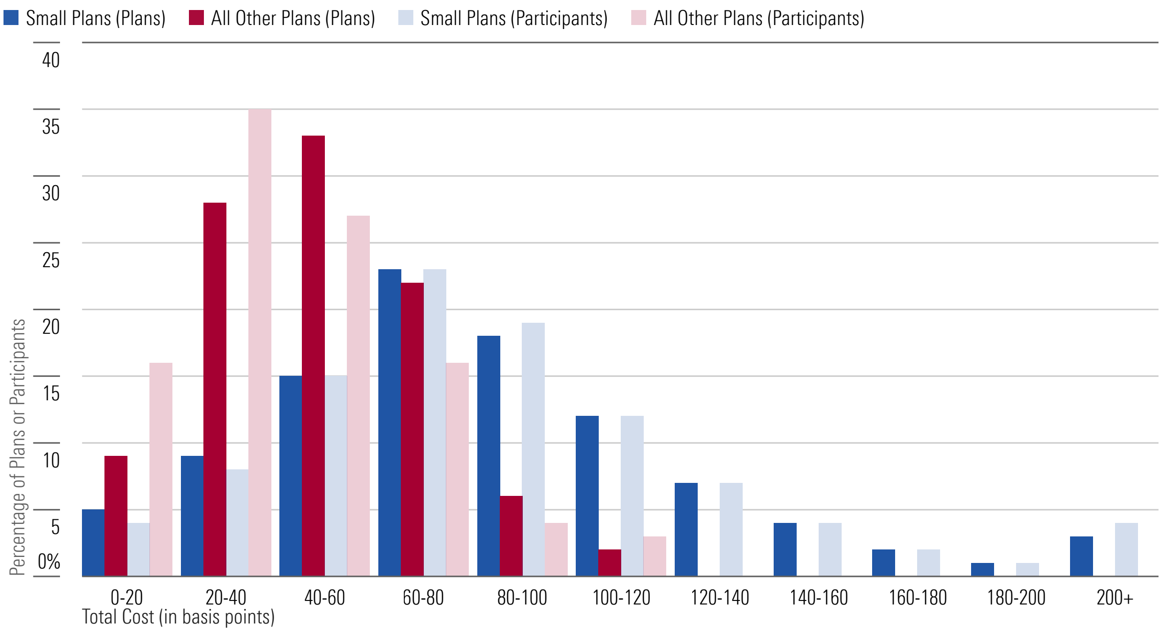


Source: Morningstar investment data matched with Form 5500 data for 2022.

Most plan participants are in larger plans that benefit from economies of scale

There will always be variations in cost among plans, even those of a similar size, but those discrepancies are the largest among the cohort of the smallest plans. Small plans are already more likely to cost more than larger plans because of economies of scale, and this group is most likely to capture new plans that are just getting off the ground. Despite these challenges, there is evidence that small plans do not have to be expensive, as at least 20% of small plans consistently cost less than the median cost for medium plans.

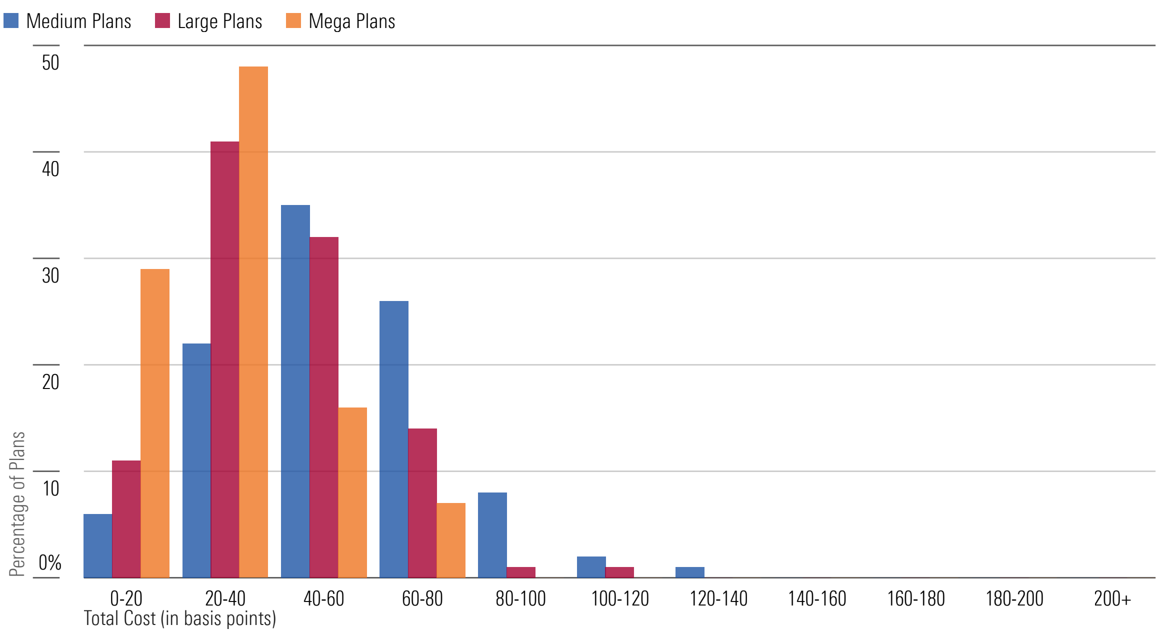
Exhibit 10 Total Costs Participants Pay to Invest in Defined-Contribution Plans, Small Plans and all Other Plans



Source: Morningstar investment data matched with Form 5500 data for 2022.
Notes: Small plans have $25 million or less in assets, and all other plans have more than $25 million.

The collection of medium, large, and mega plans covers plans of a much wider range of size, from those with just over $25 million in assets to those with more than $20 billion in assets, yet the distribution of total costs is tighter than among small plans. This is not to say there is no difference between being a participant in a medium and in a mega plan. Roughly 75% of participants in mega plans pay less than 40 basis points, whereas just 23% of medium plan participants pay that little.

Exhibit 11 Total Costs Participants Pay to Invest in Defined-Contribution Plans, Small Plans and all Other Plans



Source: Morningstar investment data matched with Form 5500 data for 2022.
Notes: Mega plans have more than $500 million in assets; large plans have $500 million or less in assets, but more than $100 million; and medium plans have $100 million or less in assets, but more than $25 million.

SECTION THREE

Defined-Contribution Plan Investments

Key Findings

Plans of all sizes offer similar investment strategies, but the largest plans provide insights into trends that may eventually percolate down the market. The largest plans in the US started to abandon mutual funds 10 years ago and today hold 88% of all the collective investment trust, or CIT, assets—pooled vehicles that often offer similar strategies but are less regulated and can be much less expensive for participants. CITs have doubled their share of the pie among the largest plans to 54% in 2023 from 27% of assets in 2013. Across plans of all sizes, investments receiving a Bronze, Silver, or Gold rating, reflecting Morningstar's view that the product will outperform its benchmark, net of fees, in the long term, are prevalent. While the largest plans once again lead on this front, even among smaller plans, Medalist-rated investments represent at least 86% of the options available to participants. The dominant presence of investments with a positive outlook for future returns is a strong sign for participants.

88%

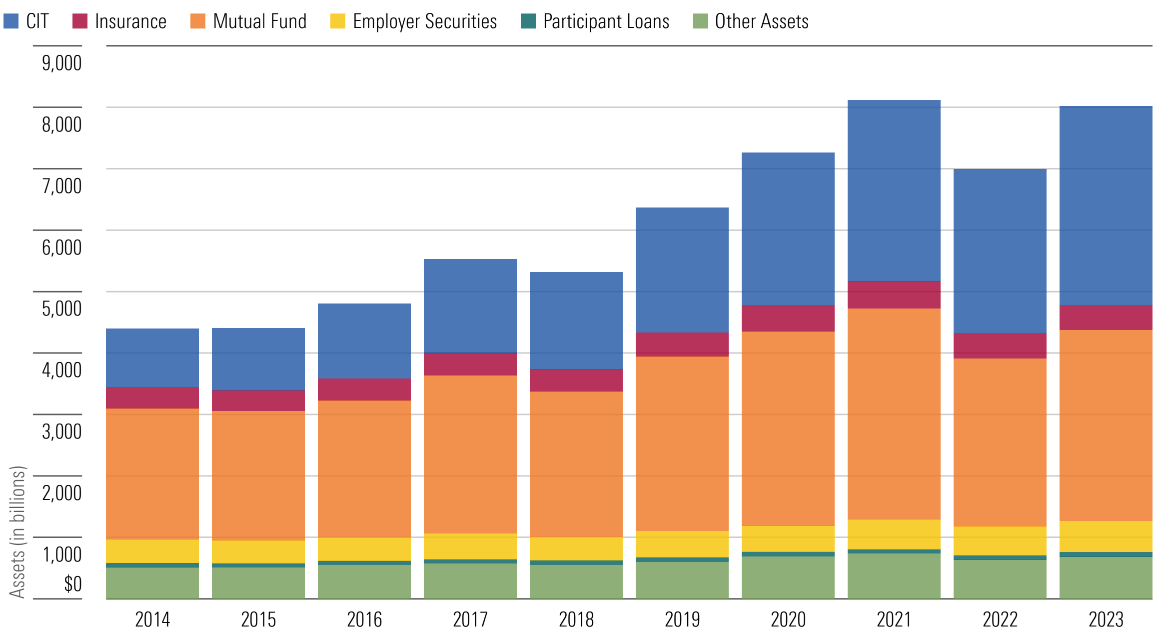
of CIT assets are in mega plans

94%

of DC plan assets eligible for a Morningstar Medalist Rating receive Bronze, Silver, or Gold

The investment vehicle of choice for DC plans is increasingly the collective investment trust, or CIT, replacing the traditional open-end mutual fund. CITs are pooled-investment vehicles managed in accordance with a common investment strategy that are organized as trusts and maintained by a bank or trust company. Since 2013, when CITs represented less than 20% of assets in DC plans, their market share has grown to more than 40% of assets in 2023. In raw terms, CIT assets have nearly quadrupled, from roughly $800 billion in 2013 to more than $3.2 trillion in 2023. Over the same time period, mutual fund assets in DC plans grew by just over half, from around $2.0 trillion to $3.1 trillion.

Exhibit 12 Defined-Contribution Plan Assets by Investment Type, 2014 to 2023



Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: These numbers only cover plans with at least 100 participants. Insurance assets include investments in pooled separate accounts and those in insurance general accounts. The other assets category includes separate accounts, brokerage window assets, and master trusts where the underlying holdings could not be aggregated up to the participating plans. See Technical Appendix for additional information on the other assets category and our calculation method for plans utilizing master trusts.

The adoption of CITs by DC plan sponsors is not a new phenomenon and not surprising given that CITs can provide a meaningful benefit to plan participants saving for retirement by reducing expenses. On average, CITs are cheaper than mutual funds, primarily because CITs are not marketed nor regulated in the way mutual funds are.

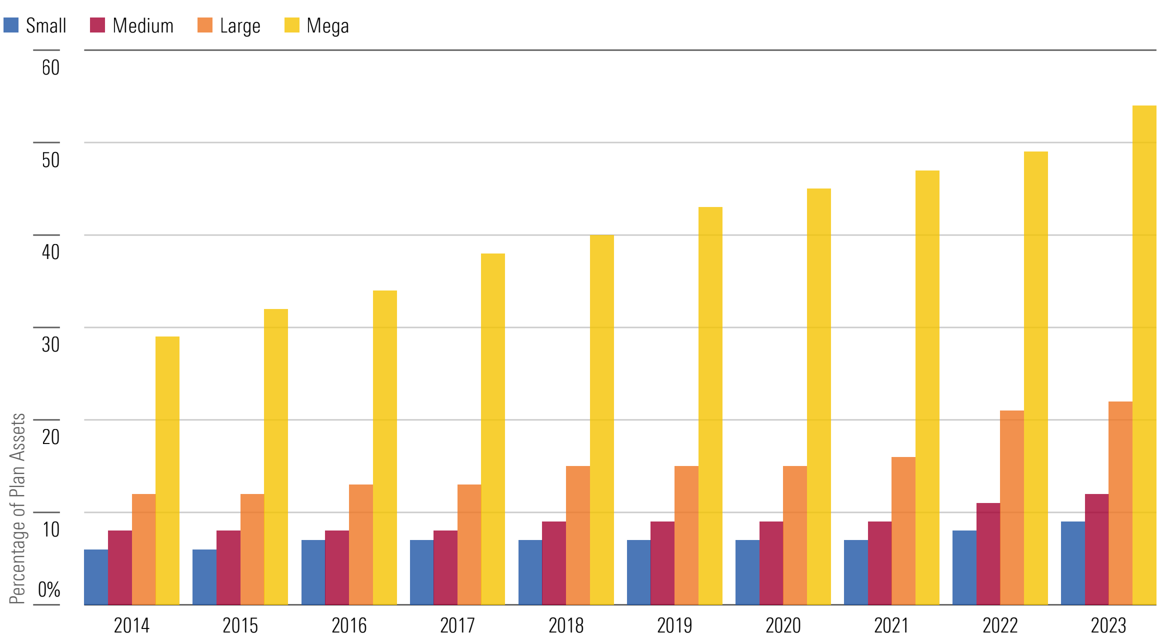
Exhibit 13 Average Asset-Weighted Expense Ratio by Investment Vehicle and Management Style (in Basis Points)

	Active	Passive
Mutual Fund	60.1	7.4
Collective Investment Trust	23.9	3.1

Source: Morningstar investment database, based on assets as of Dec. 31, 2022.

Even with their clear advantage on costs, CITs have only recently made greater inroads beyond the mega plans, where their usage has steadily grown. From 2013 to 2017, the percentage of assets in CITs for small, medium, and large plans barely changed. Since 2018, there has been a more stable increase in CIT assets among plans of these size. CIT assets in large plans grew to over 21% in 2023 from under 13% in 2017. Small plans have seen the slowest and smallest increase, but CITs crested 8.5% of small plan assets in 2023.

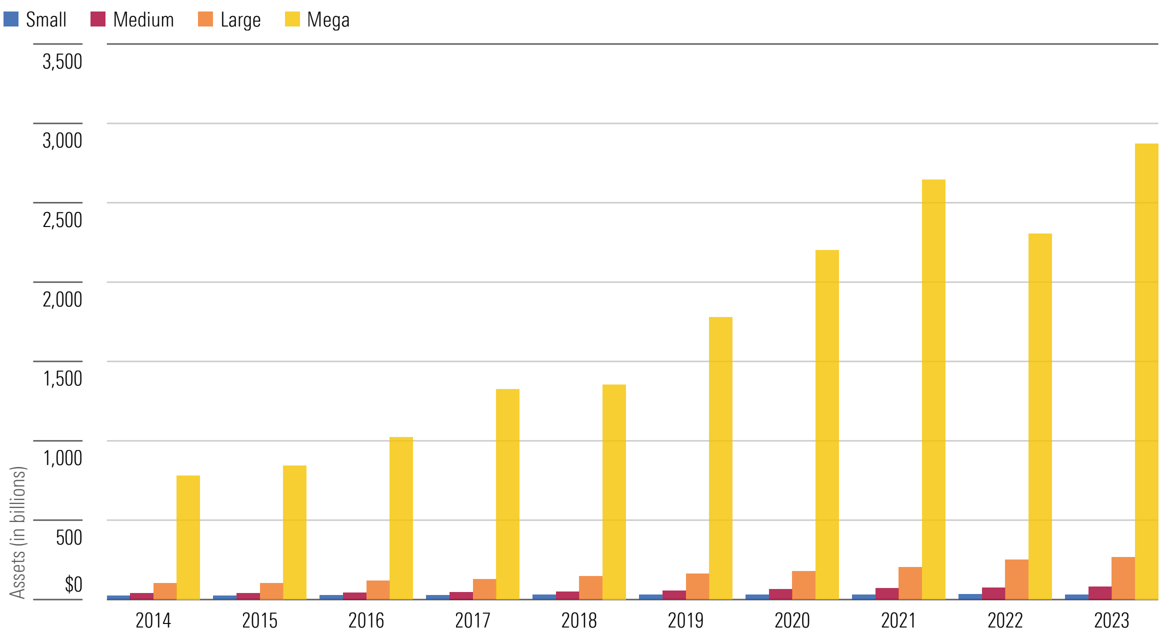
Exhibit 14 Percentage of Defined-Contribution Plan Assets in Collective Investment Trusts by Plan Size, 2014 to 2023



Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: These numbers only cover plans with at least 100 participants. Mega plans have more than $500 million in assets; large plans have $500 million or less in assets, but more than $100 million; medium plans have $100 million or less in assets, but more than $25 million; and small plans have $25 million or less. These numbers only cover plans with at least 100 participants.

CITs may not soon approach the majority of assets among smaller plans, as they have become among mega plans, but growth of CITs in these plans is significant in light of the barriers that limit their adoption. One obstacle that smaller plans face to implementing CITs is that CIT minimums are often higher than their mutual fund counterparts. With participants investing across the lineup of options a plan makes available, concentrating sufficient assets to meet minimums imposed on each investment option can be a challenge. Additionally, CITs are only available within retirement plans. While this contributes to the cost savings that can give CITs an advantage over mutual funds, it also contributes to less awareness of the products relative to mutual funds.

Exhibit 15 Defined-Contribution Plan Assets in Collective Investment Trusts by Plan Size, 2014 to 2023

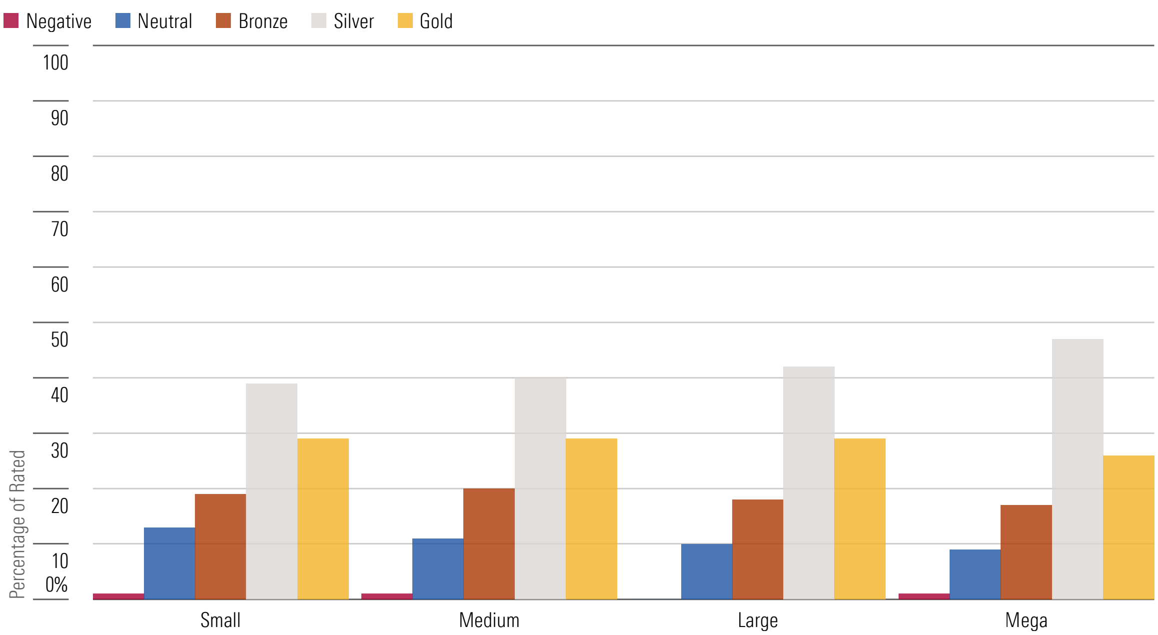


Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: These numbers only cover plans with at least 100 participants. Mega plans have more than $500 million in assets; large plans have $500 million or less in assets, but more than $100 million; medium plans have $100 million or less in assets, but more than $25 million; and small plans have $25 million or less. These numbers only cover plans with at least 100 participants.

CITs have only recently made greater inroads beyond the mega plans

Across plans of all sizes, investors are generally getting access to Morningstar Medalist-rated investment options; those assigned Bronze, Silver, and Gold ratings are products that the Morningstar research team believes will outperform their benchmark, on a risk-adjusted basis and net of fees, over the long term.[5] While those in the Bronze, Silver, and Gold categories are slightly more common at larger plans, all plan sizes average at least 86% of investment options in this range. For context, among US open-end mutual funds, just 29% of all share classes are in the Medalist-rated categories, although 78% of all US open-end assets are invested in these products.

Exhibit 16 Percentage of Investments Options in Defined-Contribution Plans by Medalist Rating and Plan Size

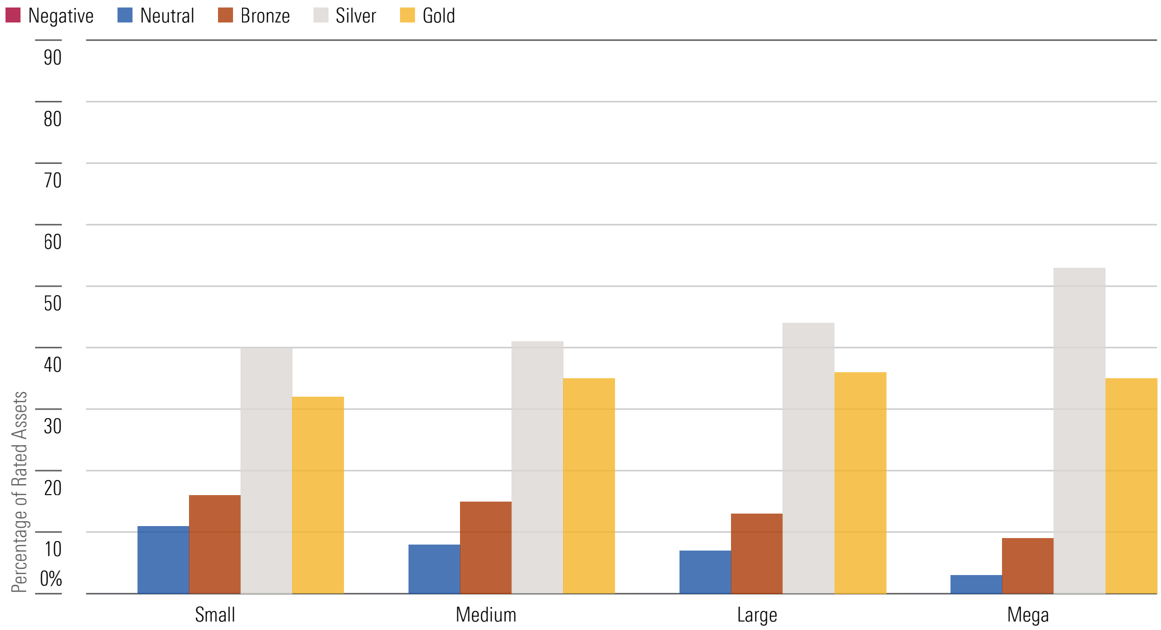


Source: Morningstar analysis of Form 5500 data and 2023 projections based on available filings.
Notes: These numbers only cover plans with at least 100 participants. Mega plans have more than $500 million in assets; large plans have $500 million or less in assets, but more than $100 million; medium plans have $100 million or less in assets, but more than $25 million; and small plans have $25 million or less. These numbers only cover plans with at least 100 participants.

[5] Ptak, J., Traulsen C., & Sargis, M. 2024. "Morningstar Medalist Rating™ Methodology."

On an asset-weighted basis, DC participants are getting even greater exposure to Medalist-rated investments. Across plans of all sizes, 94% of DC assets are allocated to investments receiving a Bronze, Silver, or Gold rating. In every category of plan size, less than 1% of assets are invested in products receiving a Negative rating.

Exhibit 17 Percentage of Assets in Defined-Contribution Plans by Medalist Rating and Plan Size



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The dominant presence of investments with a positive outlook for future returns is a strong sign for participants

SECTION FOUR

Defined-Benefit Market Overview

Key Findings

This focus of retirement plan analysis and the media is often DC plans, but nearly 30 million people are receiving or will receive benefits from DB plans. As discussed in the Technical Appendix, and in alignment with the DC section, we do not cover public plans, such as DBs offered by state and local government, nor other kinds of non-ERISA DB plans. DB plans accounted for more than 29% of distributions paid to participants in 2022, an increase from the previous two years when DC distributions grew disproportionally in reaction to the covid-19 pandemic. In fact, 11.8 million people are collecting these traditional pension benefits today, between family beneficiaries and retired participants. Approximately 8.3 million people who are no longer working are still entitled to future benefits, and 9.6 million people who are still working will eventually be due benefits, paid either to themselves, spouses, or designated beneficiaries. Employers need to provide investment options in their DC plans that can help the millions of people with some traditional pension benefits attain a secure retirement through a mix of their own savings and these traditional pension benefits. Policymakers should not lose focus on the DB system and should help participants transition by encouraging personalized investment recommendations.

19.8 million

people currently receive or will receive benefits from DB plans

10 million

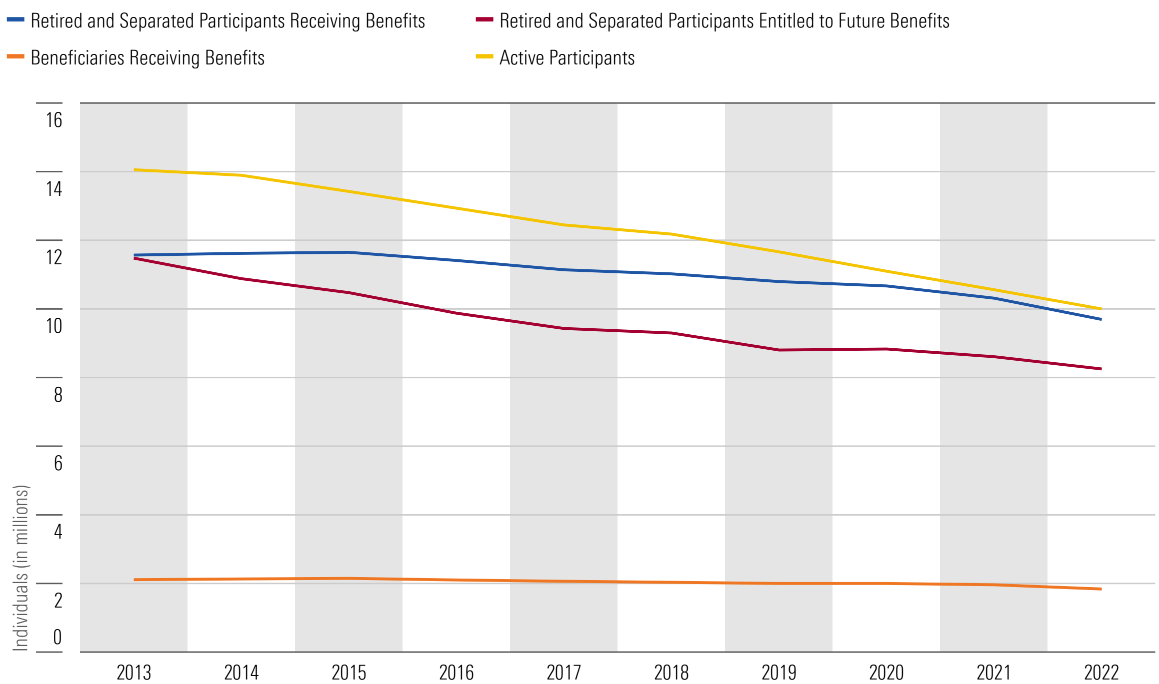
working people are currently covered by hard-frozen, soft-frozen, or active DB plans

29%

of distributions paid to participants or beneficiaries came from DB plans in 2022

DB plans have seen a steady decline in active participants over the past decade, but the overall scope of the DB system has not shrunk as quickly, buoyed by slower change in other beneficiary categories. From 2013 to 2022, the number of workers actively covered by a DB plan shrunk to 10 million from 14 million, averaging more than a 3% annual decrease. The other types of participants in DB plans, those who are already receiving benefits as either prior workers or beneficiaries and those who are due benefits in the future, are greater in number and have not dwindled as quickly. As of 2022, there are 19.8 million people entitled to future benefits or already receiving benefits.

Exhibit 18 Defined-Benefit Plan Participants and Beneficiaries by Benefit Status, 2013 to 2022



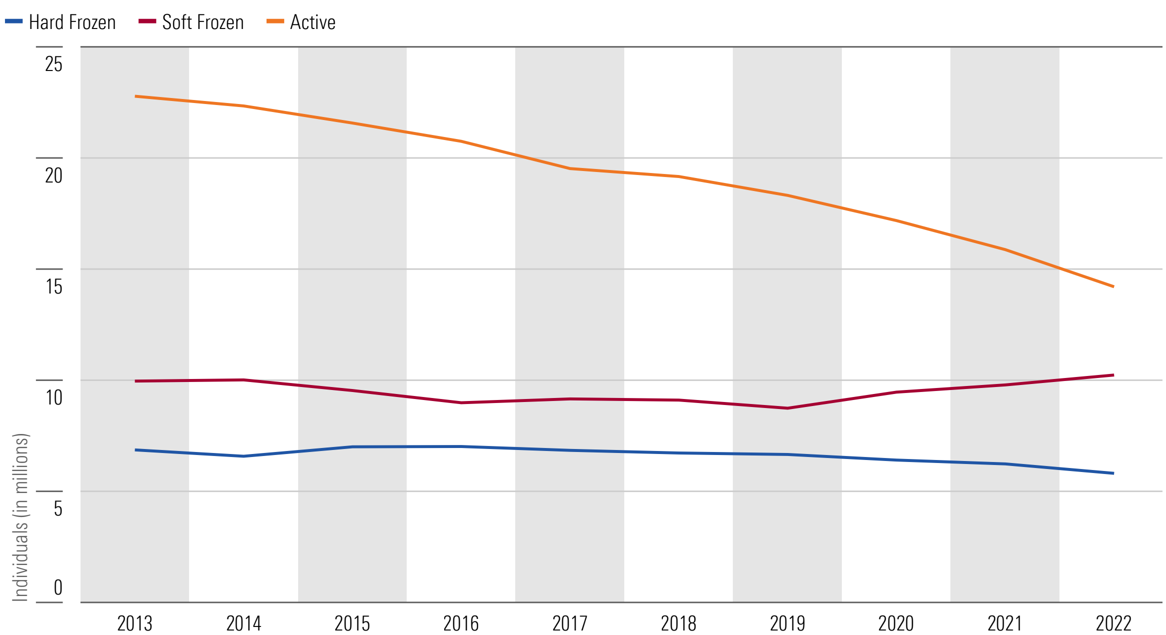
Source: Morningstar analysis of Form 5500 data.

Using the average rate of change for each type of participant in DB plans from 2013 through 2022 to project out 30 years, an estimated 12.6 million people will be receiving or expecting to receive DB benefits in 2052. Of these individuals, 57% would be receiving benefits but 43%, or 4.8 million individuals, would still be planning their future retirements around some level of future DB benefit.

The covid-19 pandemic accelerated the shift from DB to DC plans as employers froze plans in response to the economic turmoil; however, the type of freeze deployed often seems to have been the less severe option. When switching away from a DB plan, employers can take one of two approaches: soft- or hard-freezing the plan. When soft-freezing a plan, new employees can no longer participate, but employees covered before the freeze date continue to accrue benefits until retirement. The hard-freezing alternative ends the accrual of benefits for all employees, existing and new. Employees who accrued benefits before the freeze date will have those paid out based solely on their service prior to the freeze date.

Soft-freezing appears to have been the more popular option in response to the covid-19 pandemic as the number of participants in soft-frozen plans rose 19% from 2019 to 2022. This approach allowed employers to reduce future expenses during uncertain market conditions without severely cutting benefits to existing employees who were all experiencing the unknowns of a modern pandemic. More broadly, this shift will only extend the slow wind down of the DB system because soft-frozen plans generally take longer to close, as benefits continue to accrue until all workers who were active when the plan froze have left.

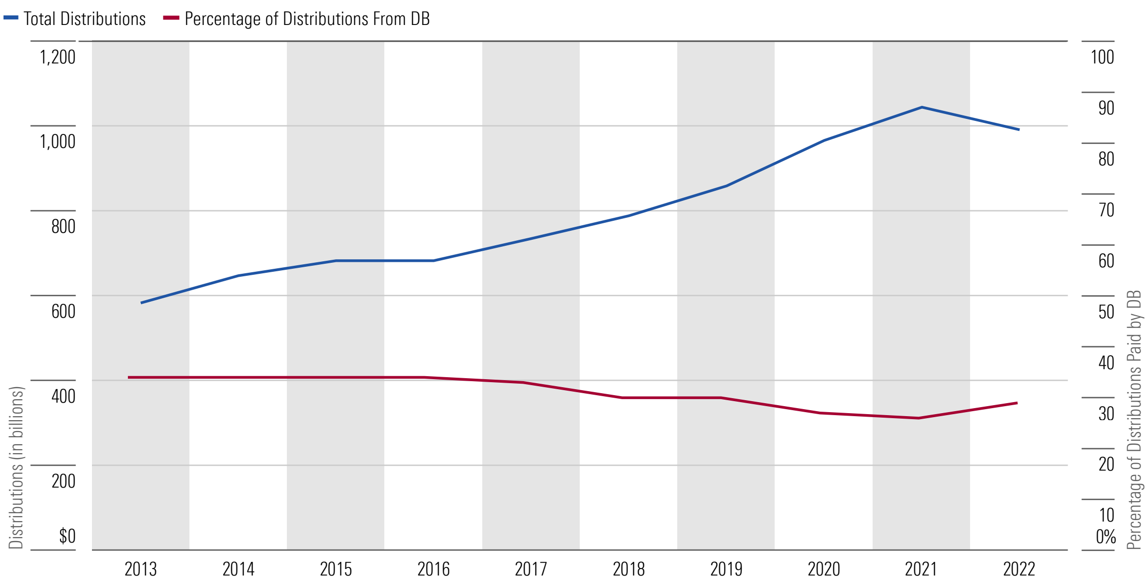
Exhibit 19 Participants in Defined-Benefit Plans by Plan Status, 2013 to 2022



Source: Morningstar analysis of Form 5500 data.

DB plans contribute meaningfully to retirement security in the US, with total dollars paid out continuing to grow annually. Total distributions from the retirement system surpassed $1 trillion in 2021 and were in the same ballpark in 2022. While distributions from DC plans declined from a record-high in 2021, when legislation in response to the covid-19 pandemic allowed for short-term easier withdrawal, distributions from DB plans continued to grow, surpassing $280 billion in 2022 and representing 29% of all retirement distributions.

Exhibit 20 Total Distributions From Defined-Benefit and Defined-Contribution Plans and Distributions from Defined-Benefit Plans as a Percentage of Total Distributions, 2013 to 2022



Source: Morningstar analysis of Form 5500 data.

Distributions from DB plans continued to grow, surpassing $280 billion in 2022

Disclosures