T. Rowe Price®

SECURE 2.0 Could Boost the Financial Wellness Landscape

Optional provisions in new law could help improve retirement outcomes.

What are plan participants struggling with?

55% are not saving enough for retirement or are not sure if they are

14% would borrow from retirement savings for an emergency

24% have student loan debt*

Impact on Retirement Savings

2.3 percentage points **lower deferral rate** for participants with multiple plan loans

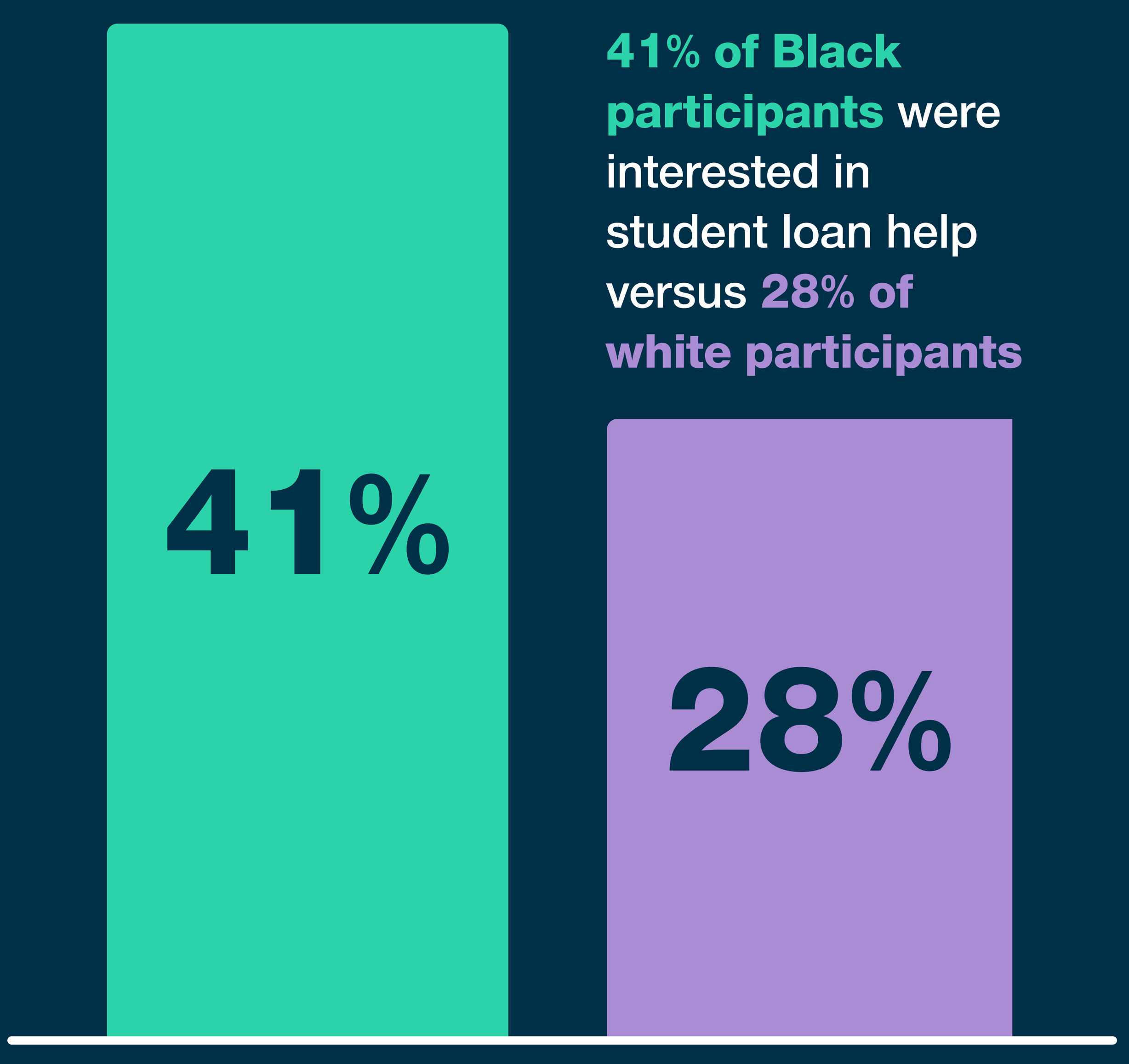
60% **lower account balances** for participants who took more than two loans per year

1/3 **the account balance** of participants without hardship withdrawals near retirement

20% **lower contribution rates** for participants with student loan debt

Strong demand for financial wellness programs; needs vary for some plan populations

61%–79% of baby boomers/silent generation through Gen Z desire access to workplace emergency savings programs



41% of Black participants were interested in student loan help versus **28% of white participants**

What can employers do?

Consider in-plan or out-of-plan wellness solutions to help their plan population. For in-plan solutions, evaluate optional provisions in SECURE 2.0 that will be effective in 2024, such as:

- **Emergency withdrawal provision**—This allows up to $1,000 penalty-free withdrawals for emergency expenses as frequently as once per year.[1]
- **Pension-linked emergency savings**—Eligible employees can contribute up to $2,500 to an account on a Roth basis and take penalty-free distributions
- **Student loan matching contributions**—Employers can match eligible student loan repayments with contributions into the plan

For more information on our financial wellness research and insights, read the **troweprice.com/retirementoutlook**

[1] As long as emergency withdrawals are repaid or an equal amount has been contributed to the plan. Otherwise, three full calendar years must elapse following a prior emergency withdrawal before another emergency withdrawal may be taken.

Sources of Data Shown

The T. Rowe Price Retirement Savings and Spending Study is a nationally representative online survey of 401(k) plan participants and retirees. The survey has been fielded annually since 2014. The 2022 survey was conducted between June 24 and July 22. It included 3,895 401(k) participants—full-time or part-time workers who never retired, currently age 18 or older, and either contributing to a 401(k) plan or eligible to contribute and have a balance of $1,000+. The survey also included 1,136 retirees who have retired with a Rollover IRA or left-in-plan 401(k) balance. NMG Consulting conducts this annual survey on behalf of T. Rowe Price.

*T. Rowe Price recordkeeping platform. Data represent participant behavior 2018–2022.

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