



NEWS RELEASE

T. ROWE PRICE RESEARCH TO HIGHLIGHT THE IMPACT OF DEFINED BENEFIT CHANGES ON DEFINED CONTRIBUTION PLANS

Suite of papers to reflect on the importance of defined benefit plans in glide path evaluation

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NEWS

T. Rowe Price (NASDAQ-GS: TROW) has launched the first installment of a research series examining the complex issues faced by plan sponsors as they navigate how changes in defined benefit (DB) plans can affect outcomes for defined contribution (DC) participants. According to industry research from Willis Towers Watson, 55% of Fortune 500 companies still manage assets and liabilities in DB plans in addition to the DC plans they offer to employees¹, underscoring the timeliness of T. Rowe Price's fresh exploration of how companies can make their plans work in sync.

The series will address the impact of DB plans on the design of glide paths used in qualified default investment alternatives (QDIA) and important considerations for plan sponsors in assessment and selection for their DC plans. The inaugural paper, "[Making the Benefit Connection](#)," concludes that there is no single way to assess a DB plan's impact on glide path suitability. Instead, there is a need to advocate for flexibility and emphasize the importance of aligning the glide path to a sponsor's unique objectives.

This paper will be followed over the next several weeks by deeper dives into related topics, including:

- Installment 2: Glide Path Evaluation Is Not an Easy Task
- Installment 3: Closed or Frozen DB Plans Present Unique Challenges
- Installment 4: Evaluating Opportunity Costs
- Installment 5: Taking Specific DB Plan Features Into Account
- Installment 6: Employer DC Plan Contributions Impact Glide Path Design
- Installment 7: The Potential Impact of DB Plans on Early Retirement

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¹ McFarland, B. (2020) Retirement offerings in the Fortune 500: 1998–2019 (Volume 30, Number 06).
<https://www.willistowerswatson.com/en-US/Insights/2020/06/retirement-offerings-in-the-fortune-500-1998-2019>



Following the release of the first seven papers in the series, an eighth installment is expected to address additional questions from plan sponsors and summarize conversations sparked by the first seven installments.

QUOTE

Lorie Latham, Senior Defined Contribution Specialist

“Changing benefit packages present specific challenges for plan sponsors while they also place an important focus on appropriate solutions for employees. It is our hope that this research will shed light on the importance of glide path design in a plan sponsor’s full suite of retirement benefit plan offerings. Plan sponsors face complex issues in making sure their plans work well together. While the issues are not straightforward, we believe that determining an appropriate glide path for all participants in a plan can be achieved through thoughtful analysis.”

ABOUT T. ROWE PRICE

Founded in 1937, Baltimore-based T. Rowe Price Group, Inc., is a global investment management organization with \$1.46 trillion in assets under management as of January 31, 2021. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The company also offers sophisticated investment planning and guidance tools. T. Rowe Price’s disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit [troweprice.com](https://www.troweprice.com), [Twitter](#), [YouTube](#), [LinkedIn](#), or [Facebook](#).

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