

Happy Birthday, ERISA!

“I am signing into law a landmark measure that may finally give the American worker solid protection in his pension plan.” - President Gerald Ford

On September 2, 1974, President Ford signed the landmark legislation creating ERISA, the Employee Retirement Income Security Act. This legislation established the framework for oversight of private industry retirement plans.

As described by the [Department of Labor](#), ERISA has the following functions¹.

- Sets minimum standards for participation, vesting, benefit accruals and funding
- Imposes fiduciary responsibilities for those who manage and control plan assets
- Requires plans to provide participants with regarding plan features and funding
- Guarantees payment of certain benefits through a federally chartered corporation, the Pension Benefit Guaranty Corporation (PBGC)
- Requires plans to establish a grievance and appeals process for participants
- Affords participants legal protection against breaches of fiduciary duty

ERISA has paved the way for additional legislation to increase retirement security for workers. Significant milestones include:

- Creation of the PBGC: The Pension Benefit Guaranty Corporation protects the retirement savings of more than 40 million plan participants, insuring approximately 26,000 pension plans.²
- 404(a)(5) Participant Fee and Performance Disclosures

As with every piece of legislation, application and focus may adapt over time. ERISA has had many triumphs and under this legislation, we continue to progress toward a more secure retirement future for the American worker. Happy 40th Birthday, ERISA!

¹ Retirement Plans, Benefits and Saving - Employee Retirement Income Security Act (ERISA). United States Department of Labor. Retrieved 8 September 2014. <http://www.dol.gov/dol/topic/retirement/erisa.htm>

² Who We Are. Pension Benefit Guaranty Corporation. Retrieved 8 September 2014. <http://www.pbgc.gov/about/who-we-are.html>