

News

Kreps Examines Defined Benefit Plans with Pensions & Investments

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Groom principal and chair of the firm's [Retirement Services](#) group, [Michael Kreps](#), was featured in the *Pensions & Investments* article, "Is renewed interest in DB plans real, or just a pipe dream?," where he explored the decline in defined benefit plans and their renewed potential for employers.

Pensions & Investments reported that Kreps said that "offering employees a lifetime income vehicle while allowing them to contribute to a 401(k) plan makes sense in today's environment."

"This idea of moving people back into a system where they have a DB benefit, a DC benefit and Social Security and using the employer match to fund the DB benefit, that's not a new idea but it's a really good idea," he added.

"Employers are being incentivized under the current rules to get rid of some or all of their plans because PBGC premiums are high and funding rules are compelling at least some to overfund their plans," Kreps said.

According to the outlet, Kreps said that "if lawmakers in Congress could 'settle on a set of rules that was more accommodating to market-based approaches in DB plans, and we could reduce the PBGC premiums on those plans to something more reasonable ... I think we could get to a place where it actually incentivizes employers to have a DB plan.'"

To read the article, [click here](#).