

Publications

US Congress Provides Pension Funding Relief to Help Mitigate Effects of Quantitative Easing

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Most countries with mature pension funding systems have experienced major challenges due to sluggish economies, underperforming investments, etc. This has certainly been true of the US private pension system and so the recent Congressional response has been of broad interest worldwide. On July 6, 2012, President Obama signed the “Moving Ahead for Progress in the 21st Century Act”, also known as “MAP-21”, into law. While primarily a highway construction funding bill, the law also contained important provisions affording pension funding relief that had been sought by the business community to mitigate the effect of historic prolonged below-market interest rates. The legislation also substantially increased the insurance premiums that private sector plans pay to the federal pension insurer, the Pension Benefit Guaranty Corporation (PBGC). Please see the attached article for further information.

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