The Determinants and Evolution of U.S. Firms' Retirement Plan Offerings. Evidence from a New Panel Data Set.

Taha Choukhmane

Yale University to June 2019, NBER 2019-2020, MIT Sloan from July 2019

Cormac O'Dea

Yale University

We propose to create a new data set of employer-sponsored retirement plans by codifying the information contained in the auditors reports that all US firms with more than 100 employees are obliged to submit. While some limited characteristics of firm pension plans exist as data, information on many features (e.g. match rates, non-elective contributions, vesting schedules and loan-availability) are contained as a narrative description. The new hand-collected panel data set (and associated research) will provide the first comprehensive and detailed description of retirement plan features and their evolution over the past fifteen years. As changes in plan features will affect the labor-supply, savings behavior and Social Security claiming age of future cohorts, our new set of descriptive statistics will contribute to ***Informing Long-Term Projections and Models.***

One area of particular interest will be to document the extent to which firms adjust their retirement benefits in response to business-cycle conditions and firm-level shocks. There is evidence to suggest that some firms suspended matching contributions during the Great Recession. For workers close to retirement, whose pension wealth is already most exposed to asset-price fluctuations, this represents an additional risk to their resources in old-age. Understanding how retirement plan features change in response to firm's financial distress is thus crucial to the SSA Priority of understanding '**Risks and Resources in Older Age**'. Additionally, the extent to which distressed firms reduce matching contribution (which are exempt from the FICA tax) rather than wages has important implications for Social Security funding and tax revenues more generally.

Over the longer run (outside the time covered by this grant), we hope to collaborate with SSA researchers and merge this firm-level data set to individual-level tax records to investigate questions related to intra-household pension saving decisions.