



## **Retirement Plans: 401(k)s, IRAs, and Other Deferred Compensation Approaches, 12e** **Allen, Melone, Rosenbloom, Mahoney**

Hardcover/©2018

ISBN: 1259720675 / 9781259720673

The twelfth edition of this text expands on the efforts of the eleventh edition which completely revised the presentation of retirement planning concepts to align with this rapidly evolving and exciting new reality. Whereas prior editions of the text emphasized retirement plan administrative functions, the new direction of Retirement Plans emphasizes shared responsibilities between plan sponsors and plan participants in creating and managing retirement wealth. As in prior editions, the twelfth edition details the plethora of retirement savings plan structures that now comprise the retirement planning landscape. These varied structures include 401(k) plans, 403(b) plans, eligible and ineligible 457 plans, Keogh plans, traditional and Roth individual retirement accounts (IRAs), profit sharing plans, employee stock ownership plans (ESOPs), savings incentive match plans for employees (SIMPLE plans), simplified employee pensions (SEPs), as well as solo 401(k) plans. Indeed with each subsequent edition of Retirement Plans the list of retirement savings vehicles appears to become longer and more complicated! Not only are new plan types added, but various tax treatments of some existing plans allow for added structural permutations. Although most of this proliferation has occurred within the defined contribution (DC) plan space, the defined benefit (DB) plan types have not been entirely sedentary. Most notably new variations of hybrid plans, especially with cash balance plan innovation, have occurred.

As is always the case within the realm of retirement planning, there has been significant legislative and regulatory activity. Retirement Plans integrates updated legislative and regulatory pronouncements into the fabric of its exposition on the evolving retirement planning structures, tools, and techniques. Although the past few years covered by updating of the twelfth edition did not witness the same level of pervasive foundational change as occurred with enactment of the Pension Protection Act (PPA) of 2006, governmental policy initiatives have continued to reengineer retirement planning practice and fuse it with the pressing economic challenges of our age. The text chronicles the legal framework that has developed, allowing for the creation and maturation of retirement plans. Beginning with the original passage of the Employee Retirement Income Security Act (ERISA) of 1974, the text explains the foundational elements that allow for the funding, safeguarding, and ongoing management of

retirement plan assets. Retirement Plans then continues the progressive legislative journey that has transpired with the vicissitudes of governmental policy. It explains the rationale for fiduciary standards, spousal protections, funding requirements, diversification mandates, and a host of other plan features that we often take for granted without recalling the grueling legal contests that have resulted in these consumer protections. While providing significant coverage of the watershed legislative outcomes like ERISA and the PPA, the text also highlights targeted legislative initiatives that resulted in important protections for spouses, men and women called into active military service, and those who are nonhighly compensated employees.

## **Detailed List of Changes:**

Updates to the Twelfth Edition of Retirement Plans include:

- A review of recently conducted research and up-to-date information on the status of retirement preparedness among various ages and income levels within American society.
- A more comprehensive treatment of plan participant empowerment, individual responsibility, and the importance of a wealth management perspective in directing and managing both accumulations within defined contribution plans and their distribution during retirement.
- Insights on retirement planning techniques and plan types whose uses are instrumental in accumulating and magnifying personal wealth.
- A comprehensive review of the evolution of the private retirement system and the marketplace forces, policy actions, and dynamic innovations that have shaped our current diverse system.
- A look at current uncertainties concerning the direction of retirement policy given leadership changes at the federal level and a rethinking of such issues as appropriate level of regulation and the debate on addressing conflicts of interest among retirement investment advisers.
- Continued examination of marketplace trends such as a greater emphasis on passive rather than active investment management of retirement plan assets and the use of target date funds in retirement saving.
- A discussion of the breakthroughs in the rapidly emerging field of behavioral economics and their implications for crafting retirement plan structures and policies that result in better outcomes serving the best interests of plan participants and their beneficiaries.