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# PENSION CHANGE FACT SHEET

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AT BOSTON COLLEGE

MARCH 2006

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COMPANY NAME: NCR Corporation

U.S. EMPLOYEES: 11,400

TYPE OF PLAN(S): Traditional Defined Benefit — 9,200 participants affected

DATE ANNOUNCED: May 2004

DATE EFFECTIVE: September 1, 2004

DESCRIPTION OF FREEZE: *Partial Freeze and Freeze for New Employees.* New U.S. hires and U.S. employees below the age of 40 stopped accruing defined benefit pension benefits as of September 1, 2004.

PLAN SOLVENCY: At year end 2004, NCR defined benefit pension obligations were \$3.2 billion and assets were \$3.0 billion.

REPORTED FINANCIAL IMPLICATION: NCR anticipates that its U.S. pension expenses will shrink to "approximately zero" by 2007.

NEW ARRANGEMENTS FOR EMPLOYEES: NCR increased the total 401(k) contribution match from 3.75 percent to 5 percent of pay. Employees that are eligible and opt to remain in the defined benefit plan will only receive a 3.75 percent match to their 401(k) contributions.

BACKGROUND: NCR makes ATMs and retail scanners in addition to supplying data-warehousing services. At the time of the freeze, NCR hoped to be able to cut company costs by \$250 million between 2003 and 2005, in efforts to remain competitive. The pension freeze came after layoffs in 2003, which, along with other cost saving strategies, saved the company \$100 million.

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## REFERENCES

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