

## HEALTHY COMPANIES FREEZING, TERMINATING, OR CONVERTING DEFINED BENEFIT PENSIONS, 2004-2007

Company	U.S. employees	Participants affected	Type of change	Funding status <sup>a</sup>
<b>2007</b>				
Fidelity Investments	35,450	32,000	Termination	Fully funded %
Ryder System, Inc.	21,300	9,400	Freeze: Partial	78.2
<b>2006</b>				
Lexmark International, Inc.	13,000		Freeze: Total	85.0
DuPont	30,000		Freeze: New employees	86.5
Coca-Cola Bottling Co. <sup>b</sup>	6,100	4,500	Freeze: Total	89.1
Nissan NA, Inc.	15,200		Freeze: New employees	85.2
IBM Corp.	125,000	117,000	Freeze: Total	104.6
ALCOA	48,000		Freeze: New employees	85.0
<b>2005</b>				
Verizon Communications	240,000	50,000	Freeze: Partial	104.6
Sprint Nextel Corp.	82,900	39,000	Freeze: Partial	82.2
Sears Holdings Corp.	238,200	113,100	Freeze: Total	92.2
Milliken and Co.	10,200	9,300	Freeze: Total	97.8
Lockheed Martin Corp.	118,800		Freeze: New employees	70.3
Hewlett-Packard Co.	71,000	32,200	Freeze: Partial	90.6
Ferro Corp.	2,500	1,000	Freeze: Total	67.2
Russell Corp.	8,800	5,700	Freeze: Total	66.5
<b>2004</b>				
Circuit City Stores, Inc.	42,400	19,000	Freeze: Total	102.6
Motorola, Inc.	30,600		Freeze: New employees	74.5
Hospira, Inc.	9,800	8,250 <sup>c</sup>	Freeze: Total	87.7
NCR Corp.	11,400	9,200	Freeze: Partial	93.8
Aon Corp.	21,000		Freeze: New employees	89.6

Sources: Information for each company is derived from press releases and newspaper and magazine articles.<sup>3</sup> The specific sources can be found on each company's full-page description of its freeze shown on the Center's website, <http://www.bc.edu/crr>.

\*Note: In Q3 of 2004, a subsidiary of Berkshire Hathaway announced the freezing of its pension plan, effective January 1, 2006. A gain in income of \$70 million was recorded after the announcement.

a. Funding status is defined as assets divided by the projected benefit obligations (PBO) of the plan. Due to lack of data, the accumulated benefit obligation (ABO), rather than the PBO, is used in the denominator for the following companies: Coca-Cola Bottling Co.; Circuit City Stores, Inc.; Nissan NA, Inc.; Sears Holdings Corp.; Aon Corp.; and Milliken and Co. The PBO takes into account projected salary increases whereas the ABO measures the liability accrued based on salaries on the valuation date.

b. This is different from the Coca-Cola Company.

c. 8,000-8,500 participants affected.