
PENSION CHANGE FACT SHEET

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AT BOSTON COLLEGE

MARCH 2006

COMPANY NAME: Lockheed Martin Corporation

U.S. EMPLOYEES: 118,800

TYPE OF PLAN(S): Traditional Defined Benefit

DATE ANNOUNCED: October 6, 2005

DATE EFFECTIVE: January 1, 2006

DESCRIPTION OF FREEZE: *Freeze for New Employees.* As of January 1, 2006, new hires will not be eligible to participate in Lockheed Martin's defined benefit pension plan.

PLAN SOLVENCY: On April 15, 2005, Lockheed Martin reported an \$11 billion underfunding as of December 31, 2004. Total plan liabilities were \$37 billion with total assets of \$26 billion.

REPORTED FINANCIAL IMPLICATION: As a result of the freeze, Lockheed Martin Corporation expects annual savings of \$125-150 million a year.

NEW ARRANGEMENTS FOR EMPLOYEES: Employees hired after January 1, 2006 will be eligible to participate in the current 401(k) plan and a new savings program that is similar to a 401(k), in which some contributions may be matched by Lockheed Martin.

BACKGROUND: Lockheed Martin makes rockets, satellites, and the F-16 fighter jet. Of the company's roughly 130,000 employees, 85,000 are salaried.

REFERENCES

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