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SEI Releases Research on Pension Accounting Disclosure Assumptions for 2012

OAKS, PA -- (MARKET WIRE) -- 12/19/11 -- The tenth annual research study on pension accounting released by SEI (NASDAQ: SEIC) today indicates a growing consensus among defined benefit plan sponsors in selecting discount rates last year. According to the analysis of a database of 686 plan sponsors, the research shows a 140 basis point range of discount rates used for 2010 pension disclosure -- a 21 basis point decrease in range from 2009. The results of the study provide companies with guidance for setting the discount rate and return on asset (ROA) assumptions that pension plan sponsors will use for 2011 year-end disclosures.

"This narrowing of the discount rate range points to increased consensus among plan sponsors in selecting this assumption," said Jonathan Waite, Director, Investment Management Advice and Chief Actuary for SEI's Institutional Group. "Relative to last year's study, plan sponsors are being more conservative when setting the discount rate, with the high end of the range being more than 65 basis points (bps) lower than last year and the low end falling only 47 bps."

SEI's research outlines how some plan sponsors and auditors are interpreting the events in the current marketplace. Based on this analysis, and assuming no change during December 2011, plans with a Dec. 31 measurement date should consider decreasing their discount rates. The study also shows that more than half (63 percent) of plan sponsors in the database did not lower their ROA between 2009 and 2010, while just over one-third (37 percent) did. These results parallel the ROA assumption changes reported in 2010 and indicate that the majority of plan sponsors feel the return assumptions for prior years are still applicable.

This research series has drawn on SEI's industry-leading knowledge around defined benefit accounting to provide assumptions that can serve as a barometer in this complicated area. Data is derived from the 2010 SEI Plan Sponsor Accounting Database, which consists of data from Standard & Poor's Institutional Market Services database, as well as proprietary analysis created by SEI's Institutional Group.

For a full version of the research, please email seiresearch@seic.com.

About SEI's Institutional Group
SEI's Institutional Group is the first and largest global provider of fiduciary management investment services. The company began offering these services in 1992 and today acts as a fiduciary manager to more than 450 retirement, nonprofit and healthcare clients in six different countries. Through a flexible model designed to help our clients achieve financial goals, we provide asset allocation advice and modeling, investment management, risk monitoring and stress testing, active liability-focused investing and integrated goals-based reporting. For more information visit: http://www.seic.com/institutions.

About SEI
SEI (NASDAQ: SEIC) is a leading global provider of investment processing, fund processing, and investment management business outsourcing solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of September 30, 2011, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $395 billion in mutual fund and pooled assets or separately managed assets, including $162 billion in assets under management and $233 billion in client assets under administration. For more information, visit www.seic.com.

Source: SEI