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SEI Releases Research on Pension Accounting Disclosure Assumptions for 2014

OAKS, PA -- (Marketwired) -- 12/19/13 -- An annual pension accounting research study released by SEI (NASDAQ: SEIC) today found that while plan sponsors were increasingly conservative by selecting lower discount rates for valuing pension liabilities last year, the rates are increasing for 2013. Now in its twelfth year, the study analyzed a database of 688 corporate defined benefit plan sponsors, revealing a 102 basis point (bps) range of discount rates used for 2012 pension expense. The study also points to the effects of discount rates increasing 90 bps during 2013. 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 2013 year-end disclosures.

"Plan sponsors that have struggled with setting the discount rate for several years will finally see some relief as we end 2013," said Jonathan Waite, Director, Investment Management Advice and Chief Actuary for SEI's Institutional Group. "Discount rates increasing 90 bps will lower liabilities and 2014 P&L expense somewhat, which is welcome news after years of steadily falling rates."

SEI's research outlines how some plan sponsors and auditors are interpreting the events in recent years and also potential changes to those interpretations brought by the current economic environment. Based on this analysis, and assuming no change during December 2013, plans with a Dec. 31 measurement date should consider increasing the discount rate they are using.

ROA assumptions were also reviewed in SEI's study. In looking at year-end 2012 assumptions, there is a tighter range of selected assumptions with the low end moving up and the high end falling slightly as well. According to the paper, plan sponsors should be wary in using other plans' asset return assumptions as a guide in setting their own. Rather, they should continue to look at long-term capital market assumptions as a guide, but customize the results for their asset allocations.

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 2012 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 the full paper, please visit www.seic.com/ASC2013.

About SEI's Institutional Group
SEI's Institutional Group is one of the first and largest global providers of outsourced 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 seven 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, 2013, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $529 billion in mutual fund and pooled or separately managed assets, including $219 billion in assets under management and $310 billion in client assets under administration. For more information, visit www.seic.com.

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