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SEI Releases Research on Pension Accounting Disclosure Assumptions for 2015

OAKS, PA -- (Marketwired) -- 12/22/14 -- SEI (NASDAQ: SEIC) today released its annual pension accounting research study, which found that while 99 percent of plan sponsors increased their discount rates last year, a falling yield curve will likely result in large decreases in rates for 2014.

SEI's research outlines how some plan sponsors and auditors are interpreting the events in recent years and the impact of the current economic environment. Based on this analysis, and assuming no change during December 2014, plan sponsors with a December 31 measurement date should consider decreasing the discount rate they are using.

"As 2014 has unfolded, we have seen the yield curve fall significantly, with corporate bond indices falling 80 to 90 basis points," said Jonathan Waite, Director, Advisory Team and Chief Actuary for SEI's Institutional Group. "Falling discount rates will result in higher plan liabilities and higher pension expense for the upcoming year. Additionally, new mortality tables might further increase liabilities at year-end."

Now in its thirteenth year, the study analyzed a database of 679 corporate defined benefit plan sponsors, revealing a 90 basis point (bps) range of discount rates used for 2013 pension expense. 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 2014 year-end disclosures.

In looking at year-end 2013 ROA 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 2013 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/ASC2014.

About SEI's Institutional Group
SEI's Institutional Group is one of the first and largest global providers of outsourced investment management services. The company delivers integrated retirement, healthcare and nonprofit solutions to more than 475 clients in eight countries. Our solutions are designed to help clients meet financial objectives, reduce business risk and fulfill their due diligence requirements through implemented strategies for the management of defined benefit plans, defined contribution plans, endowments, foundations and board designated funds. For more information visit: seic.com/institutions.

About SEI
SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of September 30, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $612 billion in mutual fund and pooled or separately managed assets, including $249 billion in assets under management and $363 billion in client assets under administration. For more information, visit seic.com.

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