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SEI Releases 2009 Update of FAS 87 Disclosure Assumption Research for Pension Plan Sponsors

Recent Market Experience Aside, Research Suggest a Longer Term View When Setting Assumptions

OAKS, Pa., Dec. 18 /PRNewswire-FirstCall/ -- Despite current market conditions and returns for 2008, plan sponsors should not drastically adjust Return On Asset (ROA) assumptions for 2009, according to SEI's 2009 update of an annual research study on Financial Accounting Standards No. 87 (FAS 87). The study, released today by SEI (NASDAQ: SEIC), can be used by companies in the calculation of pension expense and obligations by providing guidance for the discount rate and ROA assumptions plan sponsors will use for 2008 year-end calculations. In a year where plan sponsors may receive increased pressure from auditors to review whether their ROA assumptions are reasonable, SEI's research suggests more of a long-term view in selection of an ROA.

"Given the market performance, this will be a difficult year for determining the appropriate ROA assumption, but recent market conditions are just a consideration in the selection process," said Jon Waite, Chief Actuary for SEI's Institutional Group. "Plan sponsors should still consider what they expect the portfolio to return over the long-term when selecting this assumption."

SEI's research suggests short term average returns may be extremely time dependent. For example, the 20 year average ROA of a 60/40 portfolio is 7.5 percent as of Nov. 30, 2008; however, it was 10.2 percent as of Nov. 30, 2007. These are considerations plan sponsors should take into account when setting assumptions.

Now in its seventh year, this research series has drawn on SEI's industry leading knowledge around FAS 87 and defined benefit accounting to provide assumptions that can serve as a barometer in this complicated area. Data is derived from the 2008 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. A copy of the research is available by emailing seiresearch@seic.com.

About SEI's Global Institutional Group

SEI's Global Institutional Group delivers integrated nonprofit, retirement and healthcare solutions to over 340 U.S. institutional clients and 500 global institutional clients in seven different countries. SEI enables clients to 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 other balance sheet assets. For more information, visit http://www.seic.com/institutions.

About SEI

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Company Contact:
Frank Wilkinson
SEI
610-676-1483
fwilkinson@seic.com

Media Contact:
Elisabeth Behr
Braithwaite Communications
215-564-3200 x 113
ebehr@braithwaitepr.com

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