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SEI Releases 2011 Update of Research on Pension Accounting Disclosure Assumptions

OAKS, Pa., Dec. 16, 2010 /PRNewswire/ -- According to an annual research study on pension accounting released today by SEI (Nasdaq: SEIC), the range of discount rates being used by defined benefit plan sponsors continues to widen compared to years past. The database of plan sponsors used for the research shows a 161 basis-point range of discount rates used for 2009 pension disclosure – a 20 basis-point increase in range from the previous year. Companies can use the study as guidance for setting the discount rate and return on asset (ROA) assumptions plan sponsors will use for 2010 year-end disclosures.

"Last year most companies lowered their discount rate; however, some plan sponsors actually increased it, thus widening the range," said Jon Waite, Director, Investment Management Advice and Chief Actuary for SEI's Institutional Group. "The wide range of discount rates suggests diversity among companies in measurement date, liability structure, investment philosophy and willingness to be aggressive when setting rates."

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 2010, plans with a December 31 measurement date should consider decreasing their discount rates. The paper also shows that of the 662 plan sponsors in the database reporting ROA changes, more than half (61 percent) did not lower their ROA between 2008 and 2009, while a significant portion (39 percent) decreased it. This demonstrates the forward looking basis of the ROA assumption, especially given the events of recent capital market experiences.

Now in its ninth year, 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 2009 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 Institutional Group

SEI's Institutional Group delivers integrated healthcare, retirement and nonprofit investment solutions to more than 500 global institutional clients (of which 340 are U.S. based) in six different countries. SEI enables clients to meet financial objectives, reduce business risk, and fulfill their due diligence requirements through implemented fiduciary management strategies for defined benefit plans, defined contribution plans, endowments, foundations and other balance sheet assets. For more information, visit www.seic.com/institutions.

About SEI

SEI (Nasdaq: SEIC) is a leading global provider of outsourced asset management, investment processing and investment operations solutions. The company's innovative solutions help corporations, financial institutions, financial advisors, and affluent families create and manage wealth. As of September 30, 2010, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers \$402 billion in mutual fund and pooled assets and manages \$164 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from numerous offices worldwide. For more information, visit www.seic.com.

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