

Publications

Managing Defined Benefit Pension Plan Funding

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Despite massive infusions of contributions to defined benefit plans in the past few years, rising interest rates, and stock market recovery, many defined benefit pension plans remain underfunded and face significant contribution obligations. The deficit reduction contribution or “DRC” rules exacerbate this problem, and often require additional contributions at a time when an employer can least afford to make them.

This article describes methods for managing defined benefit plan funding, ranging from changing actuarial assumptions to more drastic measures, such as a reducing or freezing benefits.

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