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# PENSION CHANGE FACT SHEET

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AT BOSTON COLLEGE

AUGUST 2006

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COMPANY NAME: DuPont

U.S. EMPLOYEES: 30,000

TYPE OF PLAN(S): Traditional Defined Benefit

DATE ANNOUNCED: August 28, 2006

DATE EFFECTIVE: January, 2007

DESCRIPTION OF FREEZE: *Freeze for New Employees.* Additionally, DuPont will reduce its current contribution rate to existing workers' pensions.

PLAN SOLVENCY: At year end 2005, DuPont defined benefit pension obligations were \$22.9 billion and assets were \$19.8 billion.

REPORTED FINANCIAL IMPLICATION: The changes to the pension plan will have modest effects in 2006, and are expected to improve earnings by approximately 3 cents per share in 2007 and by about 5 cents per share in 2008.

NEW ARRANGEMENTS FOR EMPLOYEES: Beginning in 2007, new hires will not be allowed to enter the defined benefit plan but will instead be placed in the enhanced defined contribution plan. For current employees, the defined benefit pension plan calculation will remain the same in 2006 and 2007, but beginning in January 2008 DuPont will cut its contribution to workers' pensions by two-thirds. As of 2008 all employees will be automatically entered into DuPont's enhanced defined contribution plan. The enhanced defined contribution plan by DuPont will automatically make contributions of 3 percent of each employee's pay and will match dollar for dollar the first 6 percent that each employee contributes, for a maximum company contribution of 9 percent. This change represents a significant increase from its current company match of 50 percent up to 6 percent. The changes will not affect those already retired or current employees who retire before January 1, 2008.

BACKGROUND: DuPont is the third largest U.S. chemical maker, and one of the first 100 companies in Fortune 500, with over 60,000 employees operating in more than 70 countries. The company offers a wide range of products ranging from nutrition and electronics to safety and protection and apparel.

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## REFERENCES

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