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# PENSION CHANGE FACT SHEET

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AT BOSTON COLLEGE

MARCH 2006

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COMPANY NAME: Milliken and Company

U.S. EMPLOYEES: 10,200

TYPE OF PLAN(S): Traditional Defined Benefit — 9,300 participants affected

DATE ANNOUNCED: November 2005

DATE EFFECTIVE: December 31, 2005

DESCRIPTION OF FREEZE: *Total Freeze*. Members in Milliken and Company's defined benefit pension plan stopped accruing benefits on December 31, 2005.

PLAN SOLVENCY: At year end 2003, defined benefit pension assets were \$176 million and obligations were \$180 million.

REPORTED FINANCIAL IMPLICATION: Due to the pension freeze, Milliken's long-term savings are estimated to be \$12 million.

NEW ARRANGEMENTS FOR EMPLOYEES: Milliken has enhanced its 401(k) plan to compensate for the pension freeze.

BACKGROUND: Milliken is a privately-held textile company owned by Roger Milliken and his family. Richard Dillard, spokesman for Milliken and Company, said that the changes were a result of "the very competitive global cost competitiveness, and pension cost volatility, which all companies are facing."

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## REFERENCES

- Dillard, Richard (spokesman for Milliken and Company). 2006. Personal communication.
- Moore, Rebecca. 2006. "Textile Giant Announces Pension Plan Freeze." *Plan Sponsor*. (January 10). *The Charlotte Observer*. 2006. "Textile Giant Milliken Freezes Pensions." (January 10).
- U.S. Department of Labor. 2003. *Form 5500*.

## Notes:

'Reported Financial Implication' is authors' calculation.

The details of the 'New Arrangements for Employers' are not public information since Milliken is a privately-held company.