
PENSION CHANGE FACT SHEET

CENTER FOR
RETIREMENT
RESEARCH
AT BOSTON COLLEGE

MARCH 2006

COMPANY NAME: Nissan North America, Inc.

U.S. EMPLOYEES: 15,200

TYPE OF PLAN(S): Traditional Defined Benefit

DATE ANNOUNCED: January 2006

DATE EFFECTIVE: January 2006

DESCRIPTION OF FREEZE: *Freeze for New Employees.* Employees hired after January 1, 2006 will not be eligible to participate in Nissan North America, Inc.'s defined benefit pension plan.

PLAN SOLVENCY: At year end 2003, defined benefit pension assets were \$575 million and obligations were \$675 million.

REPORTED FINANCIAL IMPLICATION: Nissan North America Inc.'s Global Pension Committee is to hold a meeting that will determine the financial impact.

NEW ARRANGEMENTS FOR EMPLOYEES: It has not been decided whether new employees will be offered entry into a new defined contribution plan or the company's existing \$1.1 billion 401(k) plan. Nissan currently matches employee contributions up to 5 percent of salary. The Global Pension Committee will decide on the details at their meeting.

BACKGROUND: Nissan opened its first U.S. assembly plant in 1983 and has about 500 retirees from its manufacturing division. But the automaker has expanded rapidly and now has 12,200 manufacturing employees in the U.S., plus 3,000 in sales, engineering, administration and design. Nissan expects its U.S. retiree population to top 4,000 in the next decade. After near bankruptcy in 1999, Nissan recovered and today stands as one of the most profitable automakers, with over 6 percent of the U.S. auto market.

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