

Source Document

Return On Plan Assets 8.50%

The following table presents significant weighted average assumptions used to determine benefits cost for the years ended December 31:

	Pension Plans			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
Discount rate:						
-- U.S.	5.20 %	5.75 %	6.50 %	4.62 %	5.45 %	6.50 %
-- Non-U.S.	5.54	5.68	6.31	6.52	6.79	7.71
Expected long term return on plan assets:						
-- U.S.	8.50	8.50	8.50	N/A	N/A	N/A
-- Non-U.S.	6.29	6.60	6.46	10.50	10.00	11.50
Rate of compensation increase:						
-- U.S.	N/A	N/A	N/A	N/A	N/A	N/A
-- Non-U.S.	3.43	3.94	3.71	3.99	4.21	4.20

For 2011, an assumed weighted average discount rate of 5.20% was used for the U.S. pension plans. This rate was developed from a portfolio of bonds from issuers rated AA or higher by S&P as of December 31, 2010, with cash flows similar to the timing of our expected benefit payment cash flows. For our non-U.S. locations, a weighted average discount rate of 5.54% was used. This rate was developed based on the nature of the liabilities and local environments, using available bond indices, yield curves, and long term inflation.

For 2011, an expected long term rate of return of 8.50% was used for the U.S. pension plans. In developing this rate, we evaluated the compound annualized returns of our U.S. pension fund over a period of 15 years or more through December 31, 2010. In addition, we evaluated input from our pension fund consultant on asset class return expectations and long term inflation. For our non-U.S. locations, a weighted average assumed long term rate of return of 6.29% was used. Input from local pension fund consultants concerning asset class return expectations and long term inflation form the basis of this assumption.

The following table presents estimated future benefit payments from the plans as of December 31, 2011. Benefit payments for other postretirement benefits are presented net of retiree contributions:

(In millions)	Pension Plans		Other Postretirement Benefits			
	U.S.	Non-U.S.	Without Medicare	Part D Subsidy	Medicare Part D Subsidy	Receipts
2012	\$ 406	\$ 145	\$	58	\$	(4)
2013	402	152		53		(4)
2014	402	153		50		(4)
2015	420	159		47		(3)
2016	418	166		44		(3)
2017-2021	2,057	877		204		(13)

The following table presents selected information on our pension plans:

(In millions)	U.S.		Non-U.S.	
	2011	2010	2011	2010
All plans:				
Accumulated benefit obligation	\$ 5,961	\$ 5,629	\$ 2,659	\$ 2,624
Plans not fully-funded:				
Projected benefit obligation	\$ 5,975	\$ 5,641	\$ 2,572	\$ 2,191
Accumulated benefit obligation	5,961	5,629	2,505	2,138
Fair value of plan assets	3,523	3,714	1,899	1,537