

Source Document

FAIR_VALUE_OF_PLAN_ASSETS \$8,353.00

and, in some cases, age and service.

U. S. Steel uses a December 31 measurement date for its plans and may have an interim measurement date if significant events occur. Details relating to Pension Benefits and Other Benefits are below.

(In millions)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Change in benefit obligations				
Benefit obligations at January 1	\$ 10,630	\$ 9,988	\$ 4,340	\$ 4,224
Service cost	111	101	25	21
Interest cost	511	543	209	227
Plan amendments	5	10	(26)	22
Actuarial losses (gains)	505	761	(26)	132
Exchange rate (gain) loss	(59)	175	(13)	40
Settlements, curtailments and termination benefits	(20)	(13)	-	-
Benefits paid	(913)	(935)	(323)	(326)
Benefit obligations at December 31	\$ 10,770	\$ 10,630	\$ 4,186	\$ 4,340
Change in plan assets				
Fair value of plan at January 1	\$ 8,655	\$ 8,280	\$ 1,407	\$ 1,333
Actual return on plan assets	419	941	80	164
Employer contributions	229	220	-	-
Exchange rate (loss) gain	(42)	141	-	-
Benefits paid from plan assets	(908)	(927)	(14)	(90)
Fair value of plan assets at December 31	\$ 8,353	\$ 8,655	\$ 1,473	\$ 1,407
Funded status of plans at December 31	\$ (2,417)	\$ (1,975)	\$ (2,713)	\$ (2,933)

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FAIR_VALUE_OF_PLAN_ASSETS \$8,655.00

U. S. Steel uses a December 31 measurement date for its plans and may have an interim measurement date if significant events occur. Details relating to Pension Benefits and Other Benefits are below.

	Pension Benefits		Other Benefits	
(In millions)	2010	2009	2010	2009
Change in benefit obligations				
Benefit obligations at January 1	\$ 9,988	\$ 9,572	\$ 4,224	\$ 4,235
Service cost	101	106	21	19
Interest cost	543	605	227	251
Plan amendments	10	-	22	-
Actuarial losses (gains)	761	493	132	(89)
Exchange rate loss	175	399	40	101
Settlements, curtailments and termination benefits	(13)	(37)	-	17
Benefits paid	(935)	(1,150)	(326)	(310)
Benefit obligations at December 31	\$ 10,630	\$ 9,988	\$ 4,340	\$ 4,224
Change in plan assets				
Fair value of plan at January 1	\$ 8,280	\$ 7,587	\$ 1,333	\$ 1,102
Actual return on plan assets	941	1,374	164	244
Employer contributions	220	219	-	12
Exchange rate gain	141	244	-	-
Benefits paid from plan assets	(927)	(1,144)	(90)	(25)
Fair value of plan assets at December 31	\$ 8,655	\$ 8,280	\$ 1,407	\$ 1,333
Funded status of plans at December 31	\$ (1,975)	\$ (1,708)	\$ (2,933)	\$ (2,891)

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PROJECTED_BENEFIT_OBLIGATION (\$9,988.00)

(2) retirees, dependent spouses, and certain surviving spouses covered by a cap who are eligible for reductions in their premiums under certain limited provisions including when certain annual Company profit levels are met. After the remeasurement, annual net periodic OPEB expense for these main plans as of September 1, 2008, increased to \$143 million as compared to \$72 million at the January 1, 2008 measurement date.

U. S. Steel uses a December 31 measurement date for its plans and may have an interim measurement date if significant events occur. Details relating to Pension Benefits and Other Benefits are below.

(In millions)	Pension Benefits		Other Benefits	
	2009	2008	2009	2008
Change in benefit obligations				
Benefit obligations at January 1	\$ 9,572	\$ 10,638	\$ 4,235	\$ 4,089
Service cost	106	117	19	18
Interest cost	605	547	251	229
Acquisitions	-	-	-	1
Plan spin-offs and mergers	-	(1)	-	-
National addition	-	-	-	154
Plan amendments	-	127	-	655
Actuarial losses (gains)	493	(301)	(89)	(459)
Exchange rate (gain) loss	399	(643)	101	(181)
Settlements, curtailments and termination benefits	(37)	(15)	17	-
Benefits paid	(1,150)	(897)	(310)	(271)
Benefit obligations at December 31	\$ 9,988	\$ 9,572	\$ 4,224	\$ 4,235
Change in plan assets				
Fair value of plan at January 1	\$ 7,587	\$ 10,861	\$ 1,102	\$ 1,166
Actual return on plan assets	1,374	(2,022)	244	(256)
Employer contributions	219	212	12	228
Exchange rate loss (gain)	244	(580)	-	-
Benefits paid from plan assets	(1,144)	(884)	(25)	(36)
Fair value of plan assets at December 31	\$ 8,280	\$ 7,587	\$ 1,333	\$ 1,102
Funded status of plans at December 31	\$ (1,708)	\$ (1,985)	\$ (2,891)	\$ (3,133)

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OVER_FUNDED_PENSIONS (\$3,133.00)

dependent spouses, and certain surviving spouses covered by a cap who are eligible for reductions in their premiums under certain limited provisions including when certain annual Company profit levels are met. After the remeasurement, annual net periodic OPEB expense for these main plans as of September 1, 2008, increased to \$143 million as compared to \$72 million at the January 1, 2008 measurement date.

U. S. Steel uses a December 31 measurement date for its plans and may have an interim measurement date if significant events occur. Details relating to Pension Benefits and Other Benefits are below.

(In millions)	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
Change in benefit obligations				
Benefit obligations at January 1	\$ 10,638	\$ 7,306	\$ 4,089	\$ 2,867
Service cost	117	102	18	14
Interest cost	547	435	229	167
Acquisitions	-	3,807	1	1,137
Plan spin-offs and mergers	(1)	-	-	-
National addition	-	-	154	314
Plan amendments	127	-	655	2
Actuarial (gains) losses	(301)	(51)	(459)	(116)
Exchange rate (gain) loss	(643)	(201)	(181)	(60)
Settlements, curtailments and termination benefits	(15)	3	-	-
Benefits paid	(897)	(763)	(271)	(236)
Benefit obligations at December 31	\$ 9,572	\$ 10,638	\$ 4,235	\$ 4,089
Change in plan assets				
Fair value of plan at January 1	\$ 10,861	\$ 7,516	\$ 1,166	\$ 660
Actual return on plan assets	(2,022)	664	(256)	45
Employer contributions	212	162	228	498
Acquisitions	-	3,465	-	-
Exchange rate loss	(580)	(187)	-	-
Benefits paid from plan assets	(884)	(759)	(36)	(37)
Fair value of plan assets at December 31	\$ 7,587	\$ 10,861	\$ 1,102	\$ 1,166
Funded status of plans at December 31	\$ (1,985)	\$ 223	\$ (3,133)	\$ (2,923)

Amounts recognized in accumulated other

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OVER_FUNDED_PENSIONS (\$2,923.00)

(In millions)	Prior to FAS 158 Adjustments	FAS 158 Adjustment	After FAS 158 Adjustments
Payroll and benefits payable	\$ (270)	\$ -	\$ (270)
Employee benefits	(1,448)	(489)	(1,937)
Deferred income tax benefits	\$ -	\$ 186	\$ 186
Accumulated other comprehensive loss	-	303	303
(AOCI, pre-tax)	-	489	489

U. S. Steel uses a December 31 measurement date for its plans and may have an interim measurement date if significant events occur. Below are details relating to Pension Benefits and Other Benefits.

	Pension Benefits		Other Benefits	
(In millions)	2007	2006	2007	2006
Change in benefit obligations				
Benefit obligations at January 1	\$ 7,306	\$ 7,784	\$ 2,867	\$ 2,811
Service cost	102	98	14	14
Interest cost	435	407	167	148
Acquisitions	3,807	-	1,137	-
National addition	-	-	314	-
Plan amendments	-	(103)	2	105
Actuarial (gains) losses	(51)	(120)	(116)	64
Exchange rate (gain) loss	(201)	5	(60)	-
Settlements, curtailments and termination benefits	3	(1)	-	-
Benefits paid	(763)	(764)	(236)	(275)
Benefit obligations at December 31	\$ 10,638	\$ 7,306	\$ 4,089	\$ 2,867
Change in plan assets				
Fair value of plan at January 1	\$ 7,516	\$ 7,178	\$ 660	\$ 532
Actual return on plan assets	664	951	45	71
Employer contributions	162	140	498	80
Acquisitions	3,465	-	-	-
Exchange rate loss	(187)	-	-	-
Benefits paid from plan assets	(759)	(753)	(37)	(23)
Fair value of plan assets at December 31	\$ 10,861	\$ 7,516	\$ 1,166	\$ 660
Funded status of plans at December 31	\$ 223	\$ 210	\$ (2,923)	\$ (2,207)

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OVER_FUNDED_PENSIONS \$210.00

	Pension Benefits		Other Benefits	
(In millions)	2006	2005	2006	2005
Change in benefit obligations				
Benefit obligations at January 1	\$ 7,784	\$ 7,935	\$ 2,811	\$ 2,730
Service cost	98	95	14	12
Interest cost	407	430	148	150
Plan amendments	(103)	1	105	13
Actuarial (gains) losses	(120)	185	64	152
Exchange rate (gain) loss	5	(3)	-	-
Settlements, curtailments and termination benefits	(1)	14	-	-
Benefits paid	(764)	(873)	(275)	(246)
Benefit obligations at December 31	\$ 7,306	\$ 7,784	\$ 2,867	\$ 2,811
Change in plan assets				
Fair value of plan at January 1	\$ 7,178	\$ 7,554	\$ 532	\$ 466
Actual return on plan assets	951	349	71	12
Employer contributions	140	130	80	82
Settlements paid from plan assets	-	(3)	-	-
Benefits paid from plan assets	(753)	(852)	(23)	(28)
Fair value of plan assets at December 31	\$ 7,516	\$ 7,178	\$ 660	\$ 532
Funded status of plans at December 31	\$ 210	\$ (606)	\$ (2,207)	\$ (2,279)
Unrecognized prior service cost		252		(432)
Unrecognized actuarial losses		2,608		771
Net amount recognized		\$ 2,254		\$ (1,940)

Amounts recognized in accumulated other comprehensive income:
(In millions)
Prior service cost

Pension Benefits
2006
\$ 86

Other Benefits
2006
\$ (281)

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OVER_FUNDED_PENSIONS (\$606.00)

termination							
benefits	14	(33)	-	-			
Benefits paid	(873)	(939)	(246)	(250)			
	=	=	=	=			
Benefit obligations at							
December 31	\$ 7,784	\$ 7,935	\$ 2,806	\$ 2,730			
Change in plan assets							
Fair value of plan at							
January 1	\$ 7,554	\$ 7,567	\$ 466	\$ 460			
Actual return on plan assets	349	625	12	35			
Exchange rate loss	-	1	-	-			
Employer contributions	130	295	82	35			
Settlements paid from plan assets	(3)	-	-	-			
Benefits paid from plan assets	(852)	(934)	(28)	(64)			
	=	=	=	=			
Fair value of plan assets at							
December 31	\$ 7,178	\$ 7,554	\$ 532	\$ 466			
Funded status of plans at							
December 31	\$ (606)	\$ (381)	\$ (2,274)	\$ (2,264)			
Unrecognized prior service cost	252	346	(432)	(490)			
Unrecognized actuarial losses	2,608	2,385	771	633			
	=	=	=	=			
Net amount recognized	\$ 2,254	\$ 2,350	\$ (1,935)	\$ (2,121)			

Amounts for Pension Benefits and Other Benefits recognized in the balance sheet consist of:

	Pension Benefits		Other Benefits	
(In millions)	2005	2004	2005	2004
Pension asset	\$ -	\$ 2,538	\$ -	\$ -

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OVER_FUNDED_PENSIONS (\$2,264.00)

Exchange rate loss		3		6		-		-
Plan merger and acquisition (c)		1		25		-		213
Settlements, curtailments and termination benefits (d)		(33)		114		-		83
Benefits paid		(939)		(819)		(250)		(234)
	==	=====	==	=====	==	=====	==	=====
Benefit obligations at December 31	\$	7,935	\$	8,089	\$	2,730	\$	2,689
Change in plan assets								
Fair value of plan at January 1	\$	7,567	\$	7,247	\$	460	\$	544
Actual return on plan assets		625		1,260		35		72
Acquisition		-		1		-		-
Exchange rate loss		1		5		-		-
Employer contributions		295		75		35		19
Settlements paid from plan assets		-		(210)		-		-
Benefits paid from plan assets		(934)		(811)		(64)		(175)
	==	=====	==	=====	==	=====	==	=====
Fair value of plan assets at December 31	\$	7,554	\$	7,567	\$	466	\$	460
Funded status of plans at December 31	\$	(381)	\$	(522)	\$	(2,264)	\$	(2,229)
Unrecognized transition asset		-		(1)		-		-
Unrecognized prior service cost		346		440		(490)		(534)

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OVER_FUNDED_PENSIONS (\$522.00)

acquisition (c)	25		213	
Settlements, curtailments and termination benefits(d)	114	(215)	83	
Benefits paid	(819)	(688)	(234)	(212)
Benefit obligations at December 31	\$ 8,089	\$ 7,638	\$ 2,689	\$ 3,171
Change in plan assets				
Fair value of plan assets at January 1	\$ 7,247	\$ 8,583	\$ 544	\$ 728
Actual return on plan assets	1,260	(434)	72	(21)
Acquisition	1	1		
Exchange rate loss	5			
Employer contributions	75		19	17
Trustee distributions (e)		(18)		
Settlements paid from plan assets	(210)	(197)		
Benefits paid from plan assets	(811)	(688)	(175)	(180)
Fair value of plan assets at December 31	\$ 7,567	\$ 7,247	\$ 460	\$ 544
Benefit obligations at December 31	\$ 8,089	\$ 7,638	\$ 2,689	\$ 3,171
Funded status of plans at December 31	\$ (522)	\$ (391)	\$ (2,229)	\$ (2,627)
Unrecognized transition				

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OVER_FUNDED_PENSIONS (\$2,627.00)

benefits (b)	(215)	21				
Benefits paid	(688)	(748)	(212)	(183)		
Benefit obligations at December 31	\$ 7,638	\$ 7,358	\$ 3,171	\$ 2,555		
Change in plan assets						
Fair value of plan assets at January 1	\$ 8,583	\$ 9,312	\$ 728	\$ 842		
Actual return on plan assets	(434)	(26)	(21)	21		
Acquisition	1	62				
Employer contributions			17	17		
Trustee distributions (c)	(18)	(17)				
Settlements paid from plan assets	(197)					
Benefits paid from plan assets	(688)	(748)	(180)	(152)		
Fair value of plan assets at December 31	\$ 7,247	\$ 8,583	\$ 544	\$ 728		
Funded status of plans at December 31	\$ (391) (d)	\$ 1,225 (d)	\$ (2,627)	\$ (1,827)		
Unrecognized transition asset	(1)	(1)				
Unrecognized prior service cost	532	629	6	7		
Unrecognized actuarial losses	2,581	866	770	57		
Additional minimum liability (e)	(1,663)	(32)				
Prepaid (accrued) benefit cost	\$ 1,058	\$ 2,687	\$ (1,851)	\$ (1,736)		
Prepaid (accrued) benefit cost is reflected in the balance sheet as follows:						
Pension asset	\$ 1,654	\$ 2,745	\$			
Payroll and benefits payable	(5)	(20)	(56)	(27)		
Employee benefits	(591)	(38)	(1,795)	(1,736)		

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OVER_FUNDED_PENSIONS (\$1,827.00)

Benefits under these plans are based upon years of service and final average pensionable earnings, or a minimum benefit based upon years of service, whichever is greater. In addition, pension benefits are also provided to most U.S. salaried employees based upon a percent of total career pensionable earnings. United States Steel also participates in multiemployer plans, most of which are defined benefit plans associated with coal operations. United States Steel also has defined benefit retiree health care and life insurance plans (other benefits) covering most U.S. employees upon their retirement. Health care benefits are provided through comprehensive hospital, surgical and major medical benefit provisions or through health maintenance organizations, both subject to various cost sharing features. Life insurance benefits are provided to nonunion retiree beneficiaries primarily based on employees' annual base salary at retirement. For U.S. union retirees, life insurance benefits are provided primarily based on fixed amounts negotiated in labor contracts with the appropriate unions.

(In millions)	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
Change in benefit obligations				
Benefit obligations at January 1	\$ 6,921	\$ 6,716	\$ 2,149	\$ 1,896
Service cost	89	76	15	12
Interest cost	496	505	161	147
Plan amendments	4	-	-	-
Actuarial losses	469	430	261	260
Plan merger and acquisition	106/(a)/	-	152/(a)/	-
Settlements, curtailments and termination benefits	21/(b)/	-	-	-
Benefits paid	(748)	(806)	(183)	(166)
Benefit obligations at December 31	\$ 7,358	\$ 6,921	\$ 2,555	\$ 2,149
Change in plan assets				
Fair value of plan assets at January 1	\$ 9,312	\$ 9,995	\$ 842	\$ 281
Actual return on plan assets	(26)	139	21	26
Acquisition	62	(1)	-	-
Employer contributions	-	-	17	576/(c)/
Trustee distributions/(d)/	(17)	(16)	-	-
Benefits paid from plan assets	(748)	(805)	(152)	(41)
Fair value of plan assets at December 31	\$ 8,583	\$ 9,312	\$ 728	\$ 842
Funded status of plans at December 31	\$ 1,225/(e)/	\$ 2,391/(e)/	\$ (1,827)	\$ (1,307)
Unrecognized net gain from transition	(1)	(2)	-	-
Unrecognized prior service cost	629	719	7	12
Unrecognized actuarial (gains) losses	866	(474)	57	(241)
Additional minimum liability	(32)/(f)/	(7)/(f)/	-	-
Prepaid (accrued) benefit cost	\$ 2,687	\$ 2,627	\$ (1,763)	\$ (1,536)

/(a)/ Reflects merger of Transtar benefit plans and LTV Steel's tin mill employee obligations and recognition of the obligation associated with retiree medical benefits for the pre-1989 Lorain Works' retirees which had been assumed by USS/Kobe Steel Company (USS/Kobe) in 1989 at the formation of the joint venture. Republic Technologies International Holdings, LLC (Republic) became responsible for all of USS/Kobe's employee benefit liabilities, except for active employees of the tubular processing facility, when USS/Kobe was merged into Republic in 1999. Republic filed for bankruptcy in April 2001, as discussed in Note 16. Subsequently, Republic stopped reimbursing United States Steel for the pre-1989 Lorain Works' retiree medical benefits. Due to these events, United States