A Tale of Two Retirements

Changing the rules that allow platinum pensions for CEOs and increase retirement insecurity for the rest of us

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Key findings

Company-sponsored retirement assets of just 100 CEOs are equal to those of more than 40 percent of American families.

- The 100 largest CEO retirement funds are worth a combined $4.9 billion. That's equal to the entire retirement account savings of 41 percent of American families (more than 50 million families and more than 116 million people).
- On average, the CEOs' nest eggs are worth more than $49.3 million, enough to generate a $277,686 monthly retirement check for the rest of their lives.
- David Novak of YUM Brands had the largest retirement nest egg in the Fortune 500 in 2014, with $234 million, while hundreds of thousands of his Taco Bell, Pizza Hut, and KFC employees have no company retirement assets whatsoever. Novak transitioned from CEO to Executive Chairman in 2015.

Fortune 500 CEOs have $3.2 billion in special tax-deferred compensation accounts that are exempt from the annual contribution limits imposed on ordinary 401(k)s.

- Fortune 500 CEOs saved $78 million on their 2014 tax bills by putting $197 million more in these tax-deferred accounts than they could have if they were subject to the same rules as other workers. These special accounts grow tax-free until the executives retire and begin to withdraw the funds.
- The Fortune 500 CEOs had more in their company-sponsored deferred compensation accounts than 53.8 percent of American families had in their deferred compensation accounts.
- Glenn Renwick, CEO of The Progressive Corporation, transferred $26.2 million of his pay into his deferred compensation account last year, the most of any Fortune 500 CEO. That reduced his income tax bill by more than $10 million in 2014.

Fifteen CEOs of major federal contractors can expect to receive monthly retirement checks that are larger than President Obama's will be.

- David Cote of Honeywell has the largest nest egg among major federal contractor CEOs, with $168 million. This will deliver him a monthly retirement check of more than $950,000—56 times larger than the $16,975 monthly check President Obama is set to receive after he leaves office.

The retirement asset gap between white male CEOs and other CEOs mirrors the racial and gender divides among ordinary Americans.

- The top 10 largest CEO retirement funds—all held by white males—add up to $1.4 billion, compared to $280 million for the 10 largest retirement funds held by female CEOs, and $196 million for the 10 largest held by CEOs who are people of color.

- The far more disturbing racial and gender gaps among lower-income Americans are even wider. For example, 62 percent of working age African-Americans and 69 percent of Latinos have no retirement savings, compared to just 37 percent of white workers.

While feathering their own nests, CEOs are increasing retirement insecurity for others.

- Last year 18 percent of private sector workers were covered by a defined benefit pension, which guarantees monthly payments, down from 35 percent in the early 1990s. In contrast, 52 percent of Fortune 500 CEOs are covered by a company-sponsored pension.
- Nearly half of all working age Americans have no access to any retirement plan at work. The median balance in a 401(k) plan at the end of 2013 was $18,433, enough to generate a monthly retirement check of $104.
- Of workers aged 50-64, 29 percent have no defined benefit pension or retirement savings in a 401(k) or IRA. These workers will be wholly dependent on Social Security, which pays an average benefit of $1,223 per month.

The retirement divide is caused by a shift in the rules to favor corporate executives over other working people. Proposals to change the rules to limit CEO retirement subsidies and instead incentivize a dignified and secure retirement for ordinary Americans:

- End unlimited tax-deferred compensation for corporate executives
- Cap tax-deferred corporate-sponsored retirement accounts at $3 million
- Eliminate tax breaks for companies that increase worker retirement insecurity
- Eliminate the "performance pay" loophole that allows unlimited corporate tax deductions for executive pay
- Prohibit large government contractors from providing executives with retirement benefits that are larger than the those of the President of the United States
- Expand Social Security benefits and require CEOs to pay their fair share
- Safeguard public pensions
- Strengthen the ability of all workers to unionize
- Support universal retirement plans

Introduction

This report is a "Tale of Two Retirements": one for CEOs of large U.S. corporations and the other for the rest of us.

Executive retirement benefits are now so large they dwarf not only those of ordinary Americans, but even those of our nation's Commander-in-Chief. These massive nest eggs are not the result of CEOs working harder or investing more wisely. They are the result of rules intentionally tipped to reward those already on the highest rungs of the ladder.

While the guaranteed monthly retirement check until death is a thing of the past for the vast majority of Americans, more than half of Fortune 500 CEOs receive company-sponsored pension plans. Their firms are allowed to deduct the cost of these often exorbitant plans from their taxes, even if they have cut worker pensions or never offered them at all.

Nearly three-quarters (73 percent) of Fortune 500 firms have also set up special tax-deferred compensation accounts for their executives. These are similar to the 401(k) plans that some Americans receive through their employers. But ordinary workers face strict limits on how much pre-tax income they can invest each year in these plans, while top executives do not. These privileged few are free to shelter unlimited amounts of compensation in these special pots, where their money can grow, tax-free, until they retire and start spending it.

The CEO-worker retirement divide turns our country's already extreme income divide into an even wider economic chasm. New analysis by the Government Accountability Office shows that 29 percent of workers approaching retirement (aged 50-65) have neither a pension nor retirement savings in a 401(k) or Individual Retirement Account (IRA). According to a study by the Schwartz Center for Economic Policy Research at the New School, 55 percent of those aged 50-64 will be forced to rely almost solely on Social Security (which averages $1,233 a month).

Younger Americans face a particularly difficult time saving for retirement. More than half of millennials have not yet begun to save for retirement, as they lack access to good jobs, and have staggering amounts of student loan debt. Americans under 40 today have saved 7 percent less for retirement than people in that age group were able to save in 1983.

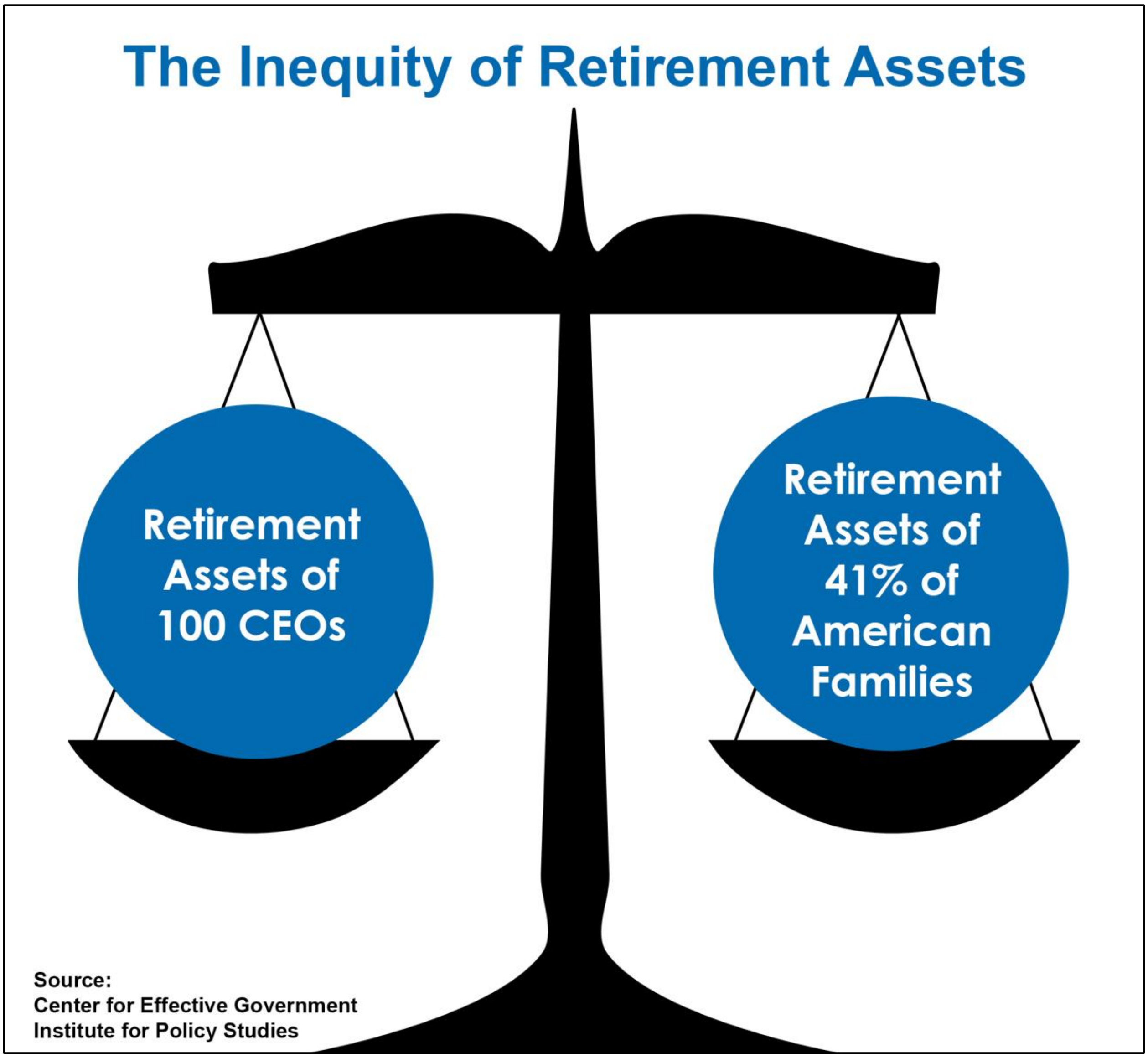
The lavish retirement packages for executives and growing retirement insecurity for the rest of us are inextricably linked. The rules now in place create powerful incentives to slash worker retirement benefits as a way of boosting corporate profits and stock prices. And since more than half of executive compensation is tied to the company's stock price, every dollar not spent on employee retirement security is money in the CEO's pocket.

This report ends with a series of proposals to narrow the divide by eliminating subsidies for CEOs' golden years while ensuring a dignified retirement for other Americans.

Retirement Divide: CEOs v. the Rest of Us

On top of their massive annual compensation, CEOs of most large U.S. corporations have amassed gilded retirement fortunes. We analyzed SEC filings of publicly held Fortune 500 firms and found that the 100 largest CEO nest eggs were worth a combined $4.9 billion at the end of 2014. That sum is equal to the entire retirement account savings of 41 percent of American families (50 million families in total).

On average, the CEOs' nest eggs are worth nearly $49.3 million. If converted to an annuity at age 65, this would be enough to generate a $277,686 monthly retirement check for the rest of their lives.



Typical Components of a CEO's Company-Sponsored Retirement Assets

1. **Regular employee pension plans.** A dwindling number of companies operate defined benefit retirement plans for their workforce that offer a monthly benefit after retirement. The CEO, as an employee, participates just like everyone else. The value of these retirement assets are affected by salary and tenure, and so CEOs who have worked for the same company for decades can easily have $1 million to $2 million accumulated in these plans. Nevertheless, this is usually the smallest component of their total retirement assets.

2. **Supplemental executive retirement plans (SERPs).** These defined benefit plans are available only to a handful of executives at each firm and vary widely from company to company. Shareholder pressure has led some companies to eliminate their SERPs, but those who were already participating were grandfathered in. Among the 465 Fortune 500 CEOs for whom we have data, 252 have corporate-sponsored executive pensions. The value of their SERPs and their regular employee pensions added up to about 53 percent of their total retirement assets.

3. **Executive tax-deferred compensation plans.** Whereas ordinary workers face limits on how much of their pre-tax pay they can set aside each year (currently $24,000 per year for employees approaching retirement) in defined contribution plans like the 401(k), CEOs face no such limits on special deferred compensation plans set up by their companies. Among Fortune 500 CEOs, we found that about 47 percent of total retirement assets are in the form of deferred compensation.

David Novak, YUM Brands

Fast food executive has largest nest egg, with $234 million

Presiding over the low-wage fast food empire that includes Taco Bell, Pizza Hut, and KFC has been extremely lucrative for YUM Brands's David Novak. His $234 million retirement fund was the biggest nest egg in the Fortune 500 in 2014. In 2015, Novak transitioned from CEO to Executive Chairman. Based on data the company provided to the U.S. Department of Labor, 8,828 of YUM's U.S. employees had account balances in a 401(k) plan at the end of 2014, with average balances of $70,167. If converted to an annuity, this would generate about $395 per month, compared to the $1.3 million monthly check Novak can expect to receive from his $234 million in retirement assets. It's not possible to determine what percentage of YUM employees are covered by the 401(k) plan because the company does not report the number of people they employ in this country. At the global level, YUM employs 537,000 people, approximately 87 percent of whom are part-time.

Of all the Fortune 500 CEOs for which data is available, 383 had company-sponsored retirement accounts, with an average value per CEO of $17.7 million. Among these 383 CEOs, the retirement wealth was highly concentrated. Just 31 CEOs account for nearly 40 percent of the total retirement assets of $6.8 billion. Two CEOs had retirement assets worth more than $200 million and seven had balances of more than $100 million. Eighty-two of the Fortune 500 CEOs had no company sponsored retirement assets, but all but two of these leaders have been given generous amounts of company stock that will assure them a lavish retirement. The median stock ownership among CEOs without retirement accounts is $35.6 million. (See Appendix 1 for details on all the firms)

10 Largest CEO Retirement Funds

CEO in 2014	Corporation	Total retirement assets	Monthly retirement check
David C. Novak	YUM Brands	$234,210,564	$1,318,605
Richard B. Handler	Leucadia National	$201,349,976	$1,133,600
David M. Cote	Honeywell	$168,434,646	$948,287
Glenn M. Renwick	Progressive	$150,313,667	$846,266
John H. Hammergren	McKesson	$145,513,853	$819,243
Larry J. Merlo	CVS Health	$126,953,058	$714,746
Michael F. Neidorff	Centene	$110,078,703	$619,743
Brian L. Roberts	Comcast	$96,641,079	$544,089
John Strangfeld	Prudential Financial	$85,134,431	$479,307
John D. Finnegan	Chubb	$83,191,909	$468,370

Special Tax Loopholes for CEO Retirement Assets

One major reason CEO retirement assets are so large is that loopholes in the tax code give these executives preferential treatment. The 50 percent of Americans who are offered a 401(k) plan at their workplace face strict limits on how much they can set aside tax-free each year toward their retirement. Workers 50 and older can contribute $24,000 each year, while younger workers can contribute $18,000 tax-free into their 401(k).

CEOs have no such limits. While slashing worker pensions, CEOs take advantage of special loopholes that allow them to invest unlimited amounts of compensation into tax-deferred accounts set up by their employers. Nearly three-fourths of Fortune 500 firms offer executive deferred compensation plans. As of the end of 2014, 341 Fortune 500 CEOs had accumulated $3.2 billion in these deferred compensation accounts—more than 53.8 percent of American families had in their deferred compensation accounts.

These tax-deferred accounts deprive both the U.S. Treasury and state treasuries of millions of dollars of revenue a year. In 2007, the Senate passed a minimum wage bill that would have limited annual executive pay deferrals to $1 million, but the provision was dropped in the conference committee. According to the Joint Tax Committee, at that time the measure would've saved taxpayers $806 million over 10 years. With today's even larger tax-deferred accounts, the taxpayer benefits of eliminating this loophole are likely much larger.

In 2014, 198 Fortune 500 CEOs invested a combined $197 million more of their pre-tax income in these plans than they would have been able to invest if they'd been subject to the maximum $24,000 cap that applies to ordinary workers. If they had been subject to this limit, they would've owed the U.S. Treasury $78 million more in income taxes last year.

10 Largest CEO Deferred Compensation Accounts

CEO in 2014	Company	Total deferred compensation
David C. Novak	YUM Brands	$232,612,208
Richard B. Handler	Leucadia National	$201,130,237
Glenn M. Renwick	Progressive	$150,313,667
David M. Cote	Honeywell	$113,231,240
Michael F. Neidorff	Centene	$110,078,703
Brian L. Roberts	Comcast	$96,641,079
Larry J. Merlo	CVS Health	$88,627,753
C. Douglas McMillon	Walmart	$65,678,164
A.G. Lafley	Procter & Gamble	$63,653,604
John P. Wiehoff	CH Robinson Worldwide	$63,302,121

The funds in these special tax-deferred accounts grow tax-free for the rest of the executives' lives or until they are withdrawn. At that point, the executives make a one-time tax payment at an ordinary income rate. The Joint Committee on Taxation has produced a useful analysis of the financial benefits of tax deferral from the compounding of investment returns.[1]

Executives can also choose where they live when they receive this compensation, including in a low-tax state. For example, CEOs who move after they retire from relatively high-tax New York to Florida, which has no state income tax, would pay substantially lower state taxes on this deferred compensation. These accounts can even be passed on to the executive's heirs, allowing our country's extreme wealth concentration to be passed on to future generations. These rules are contributing to the perpetuation of a new aristocracy.

Glenn Renwick, Progressive

Largest deferred compensation in 2014

In 2014, Glenn Renwick, CEO of the Progressive Corporation, invested $26.2 million in his special executive tax-deferred compensation account—the largest of any Fortune 500 CEO that year. This tax-sheltered investment saved Renwick more than $10 million on his IRS bill in 2014 and this special pot will grow tax-free until he retires and begins withdrawing from it.

Retirement Divide: Contractor CEOs v. President of the United States

Of the top 100 CEOs of federal government contractors, 15 are sitting on retirement assets that will provide monthly retirement checks which are larger than those received by the President of the United States ($16,975 a month).

Taxpayers are overpaying twice when large corporations are given large contracts. First, the inflated salaries and benefits of CEOs and executive staff in the contract companies push up the costs of goods and services for taxpayers.[2] Second, when the CEOs shelter part of their salaries from taxation in deferred accounts, it reduces the money available for public programs and prevents the government from investing in infrastructure or other productive enterprises that could help generate jobs and growth.

Contractor CEOs Who Stand to Receive Larger Retirement Checks than the President of the United States

Company	CEO	Federal government contracts, 2014	Contractor rank, 2014	Total CEO retirement assets	Monthly retirement check
Honeywell	David Cote	$517,992,000	42	$168,434,646	$948,287
General Electric	Jeffrey Immelt	$189,679,000	81	$82,266,394	$463,160
AT&T	Randall Stephenson	$1,875,331,000	14	$69,859,480	$393,309
Lockheed Martin	Marillyn Hewson	$11,700,962,000	1	$60,683,585	$341,649
Boeing	Jim McNerney	$5,256,827,000	3	$51,063,582	$287,488
Northrop Grumman	Wesley G. Bush	$6,893,607,000	2	$42,672,476	$240,246
IBM	V.M. Rometty	$1,349,206,000	20	$18,371,740	$103,433
L-3 Communications	Michael Strianese	$1,725,575,000	15	$17,716,160	$99,742
Raytheon	Thomas Kennedy	$4,815,472,000	4	$13,604,057	$76,591
Verizon	Lowell McAdam	$2,029,767,000	11	$11,832,182	$66,615
United Technologies	Gregory Hayes	$1,072,515,000	27	$9,438,587	$53,139
CenturyLink	Glen F. Post, III	$654,805,000	37	$7,543,445	$42,470
Computer Sciences	J. Michael Lawrie	$2,379,495,000	10	$5,836,210	$32,858
Fluor	David T. Seaton	$1,197,994,000	24	$3,544,691	$19,957
General Dynamics	Phebe Novakovic	$4,071,992,000	5	$3,064,014	$17,250
President Obama					$16,975

David Cote, Honeywell

Pro-austerity contractor will receive 56 times more retirement income than Obama

David Cote, CEO of Honeywell, our nation's 42nd-largest government contractor, has $168 million in his corporate retirement account. If converted to an annuity at age 65, Cote can expect a monthly retirement check of about $950,000—56 times greater than the retirement income of the retired CEO of the United States, the President, who manages a workforce 32 times larger than that overseen by Cote at Honeywell.

Most Honeywell workers still have traditional pensions, in plans that are close to fully funded. And virtually all active employees participate in the company's 401(k) plan, where the average balance exceeds $162,000. Nevertheless, CEO Cote is noteworthy for his outside political activities to promote cuts to Social Security. Cote was a founding member of the pro-austerity group Fix the Debt, and remains on the organization's Steering Committee. Fix the Debt CEOs like Cote led the failed charge to raise the Social Security retirement age as a way of reducing Social Security's costs.

Retirement Divide: White Male CEOs v. Other CEOs

The rules of the executive retirement system have been rigged to privilege those who have traditionally led large U.S. corporations—white males. Even when women and people of color break into Fortune 500 corner offices, their retirement assets still don't measure up to those of their white male counterparts.

The top 10 largest retirement funds among Fortune 500 CEOs—all held by white males—add up to $1.4 billion. By contrast, the 10 largest retirement funds held by female CEOs add up to $277 million and the 10 largest held by CEOs who are people of color add up to $196 million. These disparities at the top rungs of the corporate ladder exist despite the fact that the female and people of color CEOs we analyzed had longer tenures at their companies than the white men (25.7 years on average for the women, 24.2 for people of color, and 22.2 years for the white men).

These racial and gender disparities among CEOs mirror the far more disturbing gaps among lower-income Americans. Since corporate retirement plans are based in part on earnings, women and people of color, who earn on average significantly lower wages than their white male counterparts, fare worse in retirement. Sixty-two percent of working age African-Americans and 69 percent of Latinos have no retirement savings, compared to just 37 percent of white workers, according to the National Institute on Retirement Security. Overall, white families had more than $130,000 in retirement savings on average. By contrast, the typical African-American family has only $19,049 and the typical Latino family had even less, just $12,329, according to The Urban Institute. These amounts invested in an annuity at age 65 would generate monthly retirement checks of $107 and $69 a month respectively, in addition to their Social Security.

Throughout their work lives women typically earn 77 cents for every dollar earned by a man. They also are more likely than men to leave the workforce for a number of years in order to tend to their children. Because defined benefit and defined contribution plans as well as Social Security are all based in part on the earnings of the worker, both of these factors contribute to women having fewer retirement assets than men. Women 65 and older have median incomes 45 percent less than their male counterparts ($16,031 vs. $29, 347). Once retired, women must stretch their more meager retirement savings because they live longer than men. This makes the retirement years particularly vulnerable for women.

Largest Retirement Assets by Demographic Group			
CEO in 2014	**Company**	**Years of service**	**Total retirement assets**
10 largest held by while male CEOs: $1.4 billion total			
David C. Novak	YUM Brands	28	$234,210,564
Richard B. Handler	Leucadia National	16	$201,349,976
David M. Cote	Honeywell	13	$168,434,646
Glenn M. Renwick	Progressive	25	$150,313,667
John H. Hammergren	McKesson	19	$145,513,853
Larry J. Merlo	CVS Health	30	$126,953,058
Michael F. Neidorff	Centene	18	$110,078,703
Brian L. Roberts	Comcast	24	$96,641,079
John Strangfeld	Prudential Financial	37	$85,134,431
John D. Finnegan	Chubb	12	$83,191,909
10 largest held by female CEOs: $277 million total			
Marillyn A. Hewson	Lockheed Martin	32	$60,683,585
Irene Rosenfeld	Mondelez	32	$52,711,711
Debra L. Reed	Sempra Energy	37	$32,479,090
Indra K. Nooyi	PepsiCo	21	$30,601,715
Carol Meyrowitz	TJX	28	$27,893,420
Ellen J. Kullman	DuPont	26	$22,729,406
Virginia M. Rometty	IBM	26	$18,371,740
Ursula M. Burns	Xerox	32	$16,995,319
Denise M. Morrison	Campbell Soup	11	$8,408,932
Lynn J. Good	Duke Energy	12	$6,542,885
10 largest held by CEOs who are people of color: $196 million total			
Muhtar Kent	Coca-Cola	27	$43,002,910
Kenneth I. Chenault	American Express	33	$42,566,278
Indra K. Nooyi	PepsiCo	21	$30,601,715
Kenneth C. Frazier	Merck	23	$27,639,660
Ursula M. Burns	Xerox	32	$16,995,319
Dinesh Paliwal	Harman International	28	$12,965,956
George Paz	Express Script	17	$9,001,340
J. Mario Molina, M.D	Molina Healthcare	24	$5,309,947
Donald Thompson	McDonald's	25	$4,373,177
Carlos A. Rodriguez	Automatic Data Processing	14	$3,211,552

Marillyn Hewson, Lockheed Martin

Female CEO with largest pension

Hewson's $60.7 million in retirement assets ranks her 23rd on the list of Fortune 500 CEOs. She was an Executive Vice President at the company in 2012, when thousands of Lockheed Martin workers went on a 10-week strike over the phase-out of defined benefit pensions. In the end, the workers backed down on the pension issue in exchange for a modest pay increase. Hewson became CEO in January 2013.

Retirement Security for Whom?

Top executives have long sought to limit their companies' responsibilities toward worker retirement security. The first private pension plan was started in 1875 (by American Express) and in the early 20th century newly unionized workers successfully pushed for pensions at railroad and steel companies. However, most early plans included disclaimers that the pensions were mere gratuities, that no enforceable rights were intended to be created, and that the pension promise could be revoked at any time.

1946-1980: Expanding Pension Benefits for Working People

At the close of World War II, workers organized and went on strike for better benefits. In 1946, there were nearly 5,000 strikes involving 4.6 million American workers. Better pensions were one of the demands. And while it took several years to win the gains unions sought, eventually they prevailed and pension coverage broadened. By 1960, 41 percent of private sector workers were covered by defined benefit pensions, up from 15 percent in 1940.

Workers' pension security has always depended on strong protections by the federal government. Starting in 1926, in response to legislation exempting income generated by pension trusts from taxation, corporations shoveled money into pension accounts in order to shield it from taxes, only to withdraw it when it was needed for other corporate purposes. In 1938, Congress ended that abuse, outlawing the diversion of pension assets for other purposes. Those early plans were generally structured to benefit primarily—or even exclusively—those at the top. In 1942, Congress sought to end that practice by limiting the favorable tax treatment only to plans that do not discriminate in favor of highly compensated employees.

Congress also imposed other rules to ensure that private pensions delivered on their promises. In the late 1950s, the federal government increased disclosure requirements governing pensions and in 1962 the federal government enacted legislation regulating pensions to safeguard workers from fraud and poor management. Unions continued to press for more and better pensions and the number of workers receiving pension continued to grow. In 1974, Congress enacted the Employee Retirement Income Security Act (ERICA), which establishes standards for private sector pensions. Defined benefit pensions reached a high in 1980, when 46 percent of the private sector workforce was covered.

1980 – Present: Rule Shifts Prioritize Corporate Profits Over Worker Retirement Security

In 1981, the federal government dramatically reversed several decades of supporting and protecting labor unions when President Ronald Reagan broke the air traffic controllers union strike by bringing in replacement workers. With labor power on the decline, companies began to adopt new defined contribution programs, such as 401(k)s, where workers, not employers, bear the investment risk. These soon became the standard employee retirement arrangement.

Jeff Immelt, General Electric

Freezing and underfunding worker pensions while padding his own

GE used to operate a contributory pension plan which employees funded each month from their paychecks. But because rising markets offset the company's expected contribution, the company wound up not putting a penny into their employee pension plans between 1987 and 2011. After stock market losses in the Great Recession eroded pension assets, CEO Jeff Immelt decided to freeze the company's pensions and close them to new participants rather than investing the billions of dollars necessary to make up for market losses.[3] Workers were offered a riskier and less generous 401(k) plan. Since 2011, when its pension was closed, GE's pension deficit (the amount which it owes its workers less the value of assets in the pension plan) has widened from $18 billion to more than $22 billion. Over the same period, Immelt's company-sponsored retirement assets have ballooned from $53.3 million to more than $82 million.

Rather than providing employees a guaranteed monthly income throughout their retirement years, these new plans allowed workers to set aside money deducted from their pay, with the company sometimes, but not always, matching a portion of the employee contribution. There was no guarantee of monthly benefits at retirement. The amount workers received depended on how much the individual contributed, the success of their investments, and the size of administrative costs and fees, which are often hidden from view. This move slashed corporate employee retirement costs, boosting earnings and stock prices.

Another strategy companies began to use in the 1980s to shield their pension liabilities was to convert their traditional pensions into cash balance plans. While technically considered pensions, these plans have more in common with defined contribution plans, like 401(k)s. Companies place a percentage of the employee's salary into their account, with retirement benefits determined by the account's performance over their career. There is no guaranteed monthly income upon retirement. These plans have been heavily criticized for undercutting the retirement security of older workers, since traditional pensions were funded with small contributions in the early years of an employee's career and much larger payments as workers reached retirement. Cash balance plans make equal payments throughout the worker's life. Unions have claimed these plans are a form of age discrimination, but courts have consistently ruled the plans non-discriminatory and Congress further clarified the rules with the passage of the Pension Protection Act of 2006, which made all future conversions to cash balance plans legal. The number of cash balance plans has tripled since the 2006 Act was passed and now account for a quarter of all defined benefit plans.

The decline of traditional pensions was indirectly fueled by the way CEOs were compensated. This changed dramatically in 1993, when Congress responded to outrage over CEO pay by capping the deductibility of executive pay at $1 million, but leaving a massive loophole that only exacerbated the problem. The cap didn't apply to stock options and other so-called "performance-based" pay. To maximize their tax deductions, companies began shoveling out huge amounts of stock-based compensation, which bloated paychecks and encouraged CEOs to fixate on short-term stock prices. Cutting employee retirement costs was one way to do that.

Remaining traditional pensions have often been inadequately funded. Companies were allowed to forego pension contributions in years when stock market returns boosted the value of their pension plan assets more than the growth of their liabilities to beneficiaries. Strong markets throughout much of the 1980s, 1990s, and early 2000s meant that companies needed to contribute very little, if at all, to keep their pension accounts healthy. But falling stock prices during the Great Recession meant companies needed to invest hundreds of billions of dollars to make up for market declines and shore up pensions. Instead, many executives chose to freeze benefits for current workers and close plans to new employees. Defined contribution plans, such as 401(k)s, became the standard employee retirement account.

By 2011, three times as many private sector workers had access to a defined contribution plan as were covered by a traditional defined benefit pension. Many defined contribution plans require employees to contribute before the company will match the employee's contribution, if there is any match at all. For many low-wage workers who are struggling to pay rent and put food on the table, 401(k)s are out of reach, even when their employers offer generous matches. One in four American workers do not save enough in their 401(k) plans to receive the full match offered by their companies. In 2014, the average amount of employer match not received was $1,336, according to Missing Out, published by Financial Engines, Inc.

According to the Pension Rights Center, between 2006 and today, 54 Fortune 500 companies have made changes to their defined benefits that have reduced coverage or benefits for employees, either by converting traditional plans to cash balance plans, freezing the plans so that participating employees stop accruing additional benefits, closing plans to new hires or terminating plans altogether.

ERISA, the nation's pension protection law, allows companies to not fully fund employee pensions. Last year, as a part of a highway funding deal, Congress gave corporations additional rights to put off required funding of employee pensions. (Their convoluted logic was that since pension contributions are tax deductible, if corporations made fewer pension contributions, they would pay more in taxes, adding to the revenue available for paving a few more roads.) As a result, pension contributions in 2014 fell to their lowest levels in six years, leaving pension deficits $50 billion greater than they were in 2008, according to a Towers Perrin study of 100 large company pension funds. The average large pension fund had enough assets to cover 82 percent of their obligations last year.

Pension Status and Funding at 10 Corporations with Largest CEO Retirement Accounts

Company	Pension status	Amount owed to pension fund	% of pension obligations funded
YUM Brands	Closed to New Hires in 2001	$310 million	76%
Leucadia	Benefits Frozen in 2005	$112 million	68%
Honeywell	Open and Active	$969 million	95%
Progressive	No Pension, Only 401(k)	NA	
McKesson	Closed to New Hires in 1996	$285 million	51%
CVS Health	Open and Active	$161 million	80%
Centene	No Pension, Only 401(k)	NA	
Comcast	Pension Terminated – 2014	NA	
Prudential	Open and Active	Overfunded	104%
Chubb	Converted to Cash Balance -- 2001	$489 million	86%

The erosion of pension protections continues through "risk-stripping" moves that transfer risk from employer to employee. One common risk-stripping move is to offer workers a one-time lump-sum payment rather than a guaranteed monthly check. This is a high-risk option for most retirees, who must then manage the funds to last throughout the rest of their lives. New IRS rules ban corporations from offering lump sum payments to workers already receiving pensions, starting in July 2015. Retired workers in more than two dozen large firms have already received lump sum offers.

Select Fortune 500 Firms Offering Workers Lump Sum Pension Buyouts

Company	Number of workers affected	Date of announcement
Newell Rubbermaid	3,300	8/24/2015
Ryder	11,000	10/22/2014
Motorola Solutions	32,000	9/25/2014
Boeing	40,000	9/15/2014
Computer Sciences Corp.	Undisclosed	9/2014
Hartford Financial Services Group	13,500	9/2014
Archer Daniels Midland	10,000	8/5/2014
Lockheed Martin	33,000	unknown
Baxter International	16,000	10/19/2012
YUM Brands	Undisclosed	10/9/2012
Sears Holdings	Undisclosed	9/14/2012
J. C. Penney	35,000	9/2012
Visteon	Nearly 10,000	9/19/2012
General Motors	42,000	6/1/2012
Ford Motor	90,000	4/27/2012

Source: Pension Rights Center

The other common risk-stripping move is to transfer employee pension accounts to insurance companies. This weakens employee security by replacing a pool of protected corporate assets to fund employee retirement with unprotected insurance company assets. If the insurance company suffers large losses, employee pensions could be at risk. By contrast, when corporations maintained pension responsibility, pension assets were in separate pools, protected even from corporate bankruptcies and basic benefits were insured against loss by the Pension Benefit Guaranty Corporation.

Select Fortune 500 Companies Transferring Pensions to Insurance Companies

Company	Number of workers/retirees affected	Date of snnouncement
Kimberly Clark	21,000	2/23/2015
Bristol-Myers Squibb	8,000	9/30/2014
Motorola Solutions	30,000	9/25/2014
Visteon	Undisclosed	7/16/2014
Verizon	41,000	10/17/2012
General Motors	Portion of 42,000 not taking lump sum	6/1/2012

Source: Pension Rights Center

Today's emphasis by CEOs on short-term corporate profits, together with government's failure to prevent employers from engaging in union busting (and sometimes even engaging in union-busting directly) help explain the decline in private sector employees receiving a pension at work from 43 percent in 1980 to just 13 percent in 2013.

John Hammergren, McKesson

Closing worker pensions while feathering a $145 million nest egg

A few months after John Hammergren joined McKesson in 1996, the drug wholesaling giant froze its employee pension fund, closing it to employees who started work in 1997. But that didn't stop the company from launching a lavish Executive Benefit Retirement Account that has showered Hammergren with $114 million in McKesson pension assets. That works out to $23,000 per day during the 19 years he's spent as CEO.[4]

Hammergren has another $31.5 million socked away in his tax-deferred compensation account and more than $438 million of McKesson stock. His total McKesson retirement nest egg of $145 million is enough to generate a monthly check of $819,243 when he retires. By contrast, McKesson employees have an average of only $83,778 in their 401(k) plans, which would generate a monthly check of just $472 to supplement their Social Security.[5]

Reforms to Narrow the Retirement Divide

The retirement divide is not the result of natural law, but rather the rules established that disproportionately reward company executives far more than ordinary workers. The following are rule changes to rein in the accumulation of retirement assets at the top, while expanding the funds available to ensure a dignified retirement for all.

1. End unlimited tax-deferred compensation for corporate executives

Corporate executives should be subject to the same rules that govern the retirement assets of the people they employ. At present older workers may set aside a maximum of $24,000 in their corporate 401(k) accounts; younger workers, $18,000. The same limits should apply to CEOs.

2. Cap tax-deferred corporate-sponsored retirement accounts at $3 million

In 2013, President Obama proposed capping IRAs and other deferred tax retirement accounts at $3 million, an amount sufficient to generate about $200,000 a year in annual income during retirement. The President estimated such a cap would raise an additional $9 billion of tax revenue over 10 years. We support establishing an annual excise tax on assets greater than $3 million, the funds from which will go to the Social Security Trust Fund for the benefit of all workers.

3. Eliminate tax breaks for companies that increase worker retirement insecurity

Taxpayers should not have to subsidize lavish executive retirement packages for employers who have reduced employee retirement security. Corporations should not be allowed to deduct executive pension and retirement costs from their federal taxes if they have frozen worker pensions, closed plans to new hires, or have employee pension accounts that are not at least 90 percent funded.

4. Eliminate the "performance pay" loophole that allows unlimited corporate tax deductions for executive pay

CEO retirement assets have ballooned because CEO pay has ballooned and executives have stuffed a large share of their expanding paychecks in deferred compensation accounts. One reason for the explosion of executive pay in the past two decades is a 1993 tax reform that capped the tax deductibility of executive compensation at $1 million but with a huge loophole—corporations could still deduct unlimited amounts of stock options and other "performance-based" pay from their federal income taxes. As a result, the more corporations pay their CEO, the less they pay in taxes. The Joint Committee on Taxation estimates that eliminating this perverse loophole would generate more than $50 billion over 10 years.

5. Prohibit large government contractors from providing executives with retirement benefits that are larger than those received by the President of the United States

Taxpayer money should not be used to widen the pension divide. Corporations that earn at least 50 percent of their revenue from federal contracts, grants, and loans or that have received at least $500 million in federal contracts the previous year should be prohibited from providing their executives retirement benefits that is more than what we provide to the President.

6. Expand Social Security and require CEOs to pay their fair share

While we can take steps to reduce public subsidies for lavish CEO retirement accounts, the real answer to the retirement divide lies in expanding Social Security to provide for the millions of soon-to-be-retiring American workers who have worked all of their lives for employers who provided little or nothing for their retirement security. In direct contrast to the private sector retirement divide, Social Security's benefits are progressive, favoring low and middle income workers. A worker earning around $20,000 in 2014 and retiring at age 65 receives a benefit equal to about 54 percent of his or her pay. A worker earning around $46,000 would receive a benefit equal to about 40 percent of that pay. In contrast, a CEO earning $10.5 million (the average pay last year of the Fortune 500 CEOs) who retires at age 65 would receive a Social Security benefit that replaced just 0.28 percent of that pay.

As these percentages reveal, across the board Social Security benefit increases, whether structured to provide the increase progressively or simply proportionately, is the best method of addressing the retirement income divide. In addition to across the board increases, targeted increases for low income workers, the very old, who are disproportionately women, and other groups of seniors who experience disproportionately high levels of poverty should also be enacted. There should also be a caregiver credit, which would mostly help women by giving them 5-8 years of work credit if they were out of the labor force caring for a family member.

Requiring the wealthiest to pay more for Social Security will pay for the increased benefits as well as the projected shortfall. It has the side benefit of ameliorating somewhat the nation's dangerously high levels of income and wealth inequality, of which the retirement divide is only one symptom. Some common sense steps to pay for Social Security expansion fairly include requiring the wealthiest to contribute to Social Security on all their earned income, as almost all workers now do, as well as the unearned income of those at the top, including stock-based pay such as that commonly received by CEOs. Other potential revenue sources include a new tax on annual incomes in excess of $1 million, a more robust federal estate tax, and, as recommendation #2 proposes, capping tax-deferred compensation accounts at $3 million.

7. Safeguard public pensions

The public sector is the one sector where traditional defined benefit pension plans remain strong. More than 75 percent of state and local employees and nearly all federal employees participate in these plans. But these plans are under sustained, ideological assault. Some of the fiercest attacks are on the strongest public plans. Most state and local government employees do not participate in Social Security, which means they must fully rely on their public pension benefits. According to an Economic Policy Institute report, Wisconsin, Florida, and North Carolina all had the most solvent public employee pension funds at the start of 2011, yet all three enacted dramatic cut-backs. To keep the retirement divide from increasing, it is important to protect and strengthen these plans. To reduce the divide, their benefits should be increased.

8. Strengthen the ability of all workers to unionize

Since the election of Ronald Reagan in 1981 and his firing of 13,000 striking air traffic controllers, the federal government has failed to adequately protect workers' rights to unionize and bargain collectively. The impact of Reagan's action is in the numbers: In 1983, 21.6 percent of workers were members of unions. Today, it is only 12.4 percent—and half of those work in the public sector. Only 6.7 percent of today's private sector workers are unionized. The percentage of workers covered by private pensions is higher when and where unions are strongest. Increasing unionization increases pressure on employers to provide strong retirement benefits.

9. Support universal retirement funds

Twenty states have considered legislation that would deal with the looming retirement crisis facing their citizens by starting state-run pensions that would be professionally managed and at much lower costs than the mutual fund investments typically found in 401(k) plans. Eight states have passed legislation either calling for additional study or authorizing state pension officials to begin the process of implementation. The U.S. Department of Labor and the IRS both need to approve these sorts of plans before they can begin to operate. The Pension Rights Center has gathered additional information on these state proposals here. In the last Congress, now-retired Senator Tom Harkin proposed a similar plan at the federal level called USA Retirement Fund.

Employers that are currently not providing retirement benefits should be required to contribute to a retirement fund on their workers' behalf. These funds would be pooled and professionally managed, ensuring that all workers have some pension assets to supplement their Social Security.

Appendix 1: Fortune 500 CEO retirement assets

Fortune 500 Corporations with Pension Data (383 firms)

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
1	YUM Brands	David C. Novak	1.6	232.6	234.2	1,318,605
2	Leucadia National	Richard B. Handler	0.2	201.1	201.3	1,133,600
3	Honeywell	David M. Cote	55.2	113.2	168.4	948,287
4	Progressive	Glenn M. Renwick	0	150.3	150.3	846,266
5	McKesson	John H. Hammergren	114	31.5	145.5	819,243
6	CVS Health	Larry J. Merlo	38.3	88.6	127	714,746
7	Centene	Michael F. Neidorff	0	110.1	110.1	619,743
8	Comcast	Brian L. Roberts	0	96.6	96.6	544,089
9	Prudential Financial	John Strangfeld	75.9	9.3	85.1	479,307
10	Chubb	John D. Finnegan	35.3	47.9	83.2	468,370
11	General Electric	Jeffrey R. Immelt	72.2	10.1	82.3	463,160
12	Twenty-First Century Fox	K. Rupert Murdoch	82.1	0	82.1	462,285
13	Eversource Energy	Thomas J. May	23.2	56.6	79.9	449,673
14	Freeport McMoRan	Richard C. Adkerson	28.7	47.8	76.6	431,021
15	Pfizer	Ian C. Read	41	29.1	70.1	394,682
16	AT&T	Randall Stephenson	48.3	21.5	69.9	393,309
17	Exxon Mobil	Rex Tillerson	66.5	1.8	68.3	384,653
18	Walmart	C. Douglas McMillon	0	65.7	65.7	369,768
19	Procter & Gamble	A.G. Lafley	0	63.7	63.7	358,370
20	CH Robinson Worldwide	John P. Wiehoff	0	63.3	63.3	356,391
21	AFLAC	Daniel P. Amos	62.3	0	62.3	350,558
22	W.R. Berkley	William R. Berkley	59.4	2.3	61.7	347,251
23	Lockheed Martin	Marillyn A. Hewson	38.6	22.1	60.7	341,649
24	Ralph Lauren	Ralph Lauren	0	55.6	55.6	313,295
25	Union Pacific	John J. Koraleski	31.4	23.9	55.4	311,727
26	Hess	John Hess	54.7	0	54.7	307,768
27	Mondelez	Irene Rosenfeld	35.1	17.6	52.7	296,767
28	Oneok	John W. Gibson	18.1	34.4	52.4	295,231
29	Discovery Communications	David M. Zaslav	0	52.3	52.3	294,401
30	Community Health Systems	Wayne T. Smith	44.3	7.5	51.8	291,705
31	Boeing	W. James McNerney, Jr.	46.6	4.5	51.1	287,488
32	Whirlpool	Jeff M. Fettig	21.6	27.5	49.1	276,509
33	DirecTV	Michael White	0.8	47.8	48.6	273,787

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
34	Eli Lilly	John C. Lechleiter	33.3	15.1	48.4	272,322
35	Chevron	J.S. Watson	36.7	9.8	46.5	261,631
36	International Paper	John V. Faraci	39.5	6	45.5	256,329
37	Praxair	Stephen F. Angel	34.8	9.2	44	247,811
38	Coca-Cola	Muhtar Kent	40.7	2.3	43	242,106
39	Northrop Grumman	Wesley G. Bush	33.6	9.1	42.7	240,246
40	American Express	Kenneth I. Chenault	8.7	33.9	42.6	239,648
41	FirstEnergy	Anthony J. Alexander	33.8	8.8	42.5	239,382
42	Edison International	Theodore F. Craver, Jr.	18.3	23.9	42.2	237,857
43	PPG Industries	C. E. Bunch	30.3	9.7	40.1	225,489
44	Ameriprise Financial	James M. Cracchiolo	9.7	30.1	39.9	224,478
45	Seaboard	Steven J. Bresky	20.5	18.2	38.6	217,589
46	CSX	Michael J. Ward	21.7	15.4	37.1	208,688
47	Dow Chemical	Andrew Liveris	33.7	2.6	36.4	204,683
48	Abbott Laboratories	Miles D. White	36.3	0	36.3	204,299
49	Goldman Sachs	Lloyd C. Blankfein	0	34.8	34.9	196,264
50	Devon Energy	John Richels	31.4	3.3	34.7	195,462
51	CBS	Leslie Moonves	10.7	23.3	34	191,367
52	Crown Holdings	John Conway	33.6	0	33.6	189,027
53	US Bancorp	Richard K. Davis	30.3	3.1	33.4	188,173
54	Marathon Petroleum	Gary R. Heminger	28.7	4.6	33.3	187,331
55	Public Service Enterprise	Ralph Izzo	12.5	20.7	33.2	187,031
56	Discover Financial Services	David W. Nelms	0.2	32.9	33.1	186,353
57	BB&T	Kelly S. King	25.9	6.6	32.5	183,033
58	Sempra Energy	Debra L. Reed	23.9	8.6	32.5	182,857
59	Monsanto	Hugh Grant	6.4	25.7	32.1	180,673
60	Parker-Hannifin	Donald E. Washkewicz	25.6	6.4	32.1	180,576
61	Morgan Stanley	James P. Gorman	0.1	31.5	31.6	178,074
62	TJX	Carol Meyrowitz	27.3	3.4	30.7	172,676
63	Pepsico	Indra K. Nooyi	19.1	11.5	30.6	172,288
64	Caterpillar	Douglas R. Oberhelman	24.4	5.9	30.4	170,902
65	Ashland	James J. O'Brien	13.5	16.4	30	168,712
66	Loews	James S. Tisch	29.1	0	29.1	163,858
67	Air Products & Chemicals	John E. McGlade	25.8	3.2	29.1	163,586
68	Principal Financial	Larry D. Zimpleman	25.1	3.8	28.9	162,847
69	General Mills	Kendall J. Powell	27.2	1.6	28.9	162,589
70	Regions Financial	O. B. Grayson Hall, Jr	26.1	2.5	28.5	160,595

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
71	Hershey Foods	John P. Bilbrey	19.7	8.8	28.5	160,520
72	Mead Westvaco	John A. Luke, Jr.	22.2	6.2	28.5	160,333
73	AK Steel Holding	James L. Wainscott	28.1	0.3	28.4	160,114
74	Assurant	Robert B. Pollock	22.7	5.7	28.4	159,845
75	Lowe's Companies	Robert A. Niblock	0	28.1	28.1	158,167
76	Dominion Resources	Thomas F. Farrell II	27.9	0	27.9	157,225
77	Colgate Palmolive	Ian Cook	26.8	1.1	27.9	156,819
78	Merck	Kenneth C. Frazier	17.5	10.1	27.6	155,611
79	Precision Castparts	Mark Donegan	27.6	0	27.6	155,277
80	Corning	Wendell P. Weeks	22.6	4.7	27.3	153,500
81	Genuine Parts	Thomas C. Gallagher	24.5	2	26.5	149,376
82	Emerson	David N. Farr	19	7.4	26.4	148,522
83	Macy's	Terry J. Lundgren	23.7	2.7	26.4	148,478
84	Capital One Financial	Richard Fairbank	0.1	25.7	25.8	145,115
85	Dillard's	William Dillard, II	25.8	0	25.8	145,021
86	Deere	Samuel R. Allen	12.7	13	25.7	144,653
87	VF Corp	Eric C. Wiseman	16.1	9.3	25.3	142,558
88	ConAgra	Gary M. Rodkin	17.4	8	25.3	142,538
89	Well Fargo	John G. Stumpf	20.9	4.3	25.2	141,644
90	Federal Express	Frederick W. Smith	25	0	25	140,723
91	Avery Dennison	Dean A. Scarborough	20.1	4.8	24.9	140,227
92	ConocoPhillips	R.M. Lance	21	3.6	24.7	138,929
93	Huntington Ingalls Industries	C. Michael Petters	21.4	3.1	24.5	138,188
94	Mattel	Bryan G. Stockton	20.8	3.7	24.5	137,734
95	L Brands	Leslie H. Wexner	0	24.2	24.2	136,083
96	Rockwell Automation	Keith D. Nosbusch	21.7	2.2	23.9	134,405
97	Lincoln National	Dennis Glass	2.6	20.9	23.5	132,262
98	Disney	Robert A. Iger	19.4	4	23.4	131,765
99	Norfolk Southern	Charles W. Moorman, IV	22.2	1.1	23.3	131,317
100	Kimberly Clark	Thomas J. Falk	19.4	3.8	23.3	131,113
101	UNUM	Thomas R. Watjen	21.6	1.2	22.8	128,528
102	DuPont	Ellen J. Kullman	17	5.8	22.7	127,967
103	State Street Corp	Joseph L. Hooley	19.5	3.1	22.7	127,615
104	J.M. Smucker	Richard K. Smucker	14.7	7.9	22.6	127,116
105	3M	Inge G. Thulin	21	1.1	22.1	124,393
106	Philip Morris International	André Calantzopoulos	21.7	0	21.7	121,974
107	Integrys Energy Group	Charles A. Schrock	11.7	9.7	21.4	120,739
108	Ball Corp	John A. Hayes	0.8	20.6	21.4	120,513

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
109	Ecolab	Douglas M. Baker, Jr.	17.6	3.6	21.2	119,616
110	Hormel Foods	Jeffrey M. Ettinger	11.3	10	21.2	119,487
111	Google	Eric E. Schmidt	0	20.7	20.7	116,623
112	Phillips 66	Greg C. Garland	18.7	1.8	20.6	115,731
113	UnitedHealth Group	Stephen J. Hemsley	10.7	9.5	20.2	113,997
114	Southern Company	Thomas A. Fanning	16.8	3.4	20.1	113,363
115	Cummins	N. T. Linebarger	16.9	2.8	19.7	110,892
116	Johnson & Johnson	Alex Gorsky	11.6	7.9	19.5	109,840
117	Tegna	Gracia C. Martore	16.6	2.8	19.4	109,088
118	Kroger	W. Rodney McMullen	10.8	7.8	18.6	104,987
119	HCA Holdings	R. Milton Johnson	17.9	0.7	18.6	104,589
120	Bank of New York Mellon	Gerald L. Hassell	18.4	0	18.4	103,641
121	IBM	V.M. Rometty	5	13.4	18.4	103,433
122	Xcel	Ben Fowke	16.5	1.4	18	101,186
123	NiSource	Robert C. Skaggs, Jr.	5.5	12.3	17.8	100,388
124	Tenet Healthcare	Trevor Fetter	15.8	1.9	17.8	100,080
125	Oracle	Lawrence J. Ellison	0	17.7	17.7	99,763
126	L-3 Communications	Michael T. Strianese	17.7	0	17.7	99,742
127	Huntsman	Peter R. Huntsman	12.2	5.2	17.3	97,542
128	Ally Financial	Michael A. Carpenter	0	17.2	17.2	96,962
129	FMC Technologies	John T. Gremp	15.8	1.3	17.2	96,555
130	General Cable	Gregory B. Kenny	0	17	17	95,748
131	Agilent Technologies	William P. Sullivan	4.5	12.5	17	95,748
132	Xerox	Ursula M. Burns	16.5	0.5	17	95,684
133	Clorox	Donald R. Knauss	10.5	6.1	16.6	93,529
134	Trinity Industries	Timothy R. Wallace	11.1	5.3	16.4	92,426
135	Terex	Ronald M. DeFeo	16.2	0.1	16.3	91,604
136	Health Net	Jay M. Gellert	16.1	0	16.1	90,761
137	CMS Energy	John G. Russell	15.5	0.4	16	89,941
138	Johnson Controls	Alex A. Molinaroli	9.1	6.2	15.3	85,934
139	ARRIS Group	Robert J. Stanzione	13.9	1	14.9	83,977
140	Allergan	David E.I. Pyott	14.8	0	14.8	83,153
141	Anadarko Petroleum	R. A. Walker	13.3	1.3	14.6	82,078
142	Bristol-Myers Squibb	Lamberto Andreotti	7	7.5	14.5	81,513
143	Old Republic	Aldo C. Zucaro	7.6	6.8	14.4	81,175
144	Baxter International	Robert L. Parkinson, Jr.	14.2	0	14.2	79,855
145	Halliburton	David J. Lesar	0	14.2	14.2	79,826
146	Ford Motor	Mark Fields	13.8	0.4	14.2	79,784

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
147	Allstate	Thomas J. Wilson	13.4	0.8	14.2	79,750
148	Arrow Electronics	Michael J. Long	14.1	0	14.1	79,196
149	Alcoa	Klaus Kleinfeld	12.7	1.3	14	78,810
150	PPL	William H. Spence	13.3	0.7	14	78,629
151	Allegheny	Weston M. Hicks	11.4	2.5	13.9	78,150
152	Altria	Martin J. Barrington	12.7	1.1	13.8	77,848
153	Dover	Robert A. Livingston	13.3	0.4	13.6	76,807
154	Reinsurance Group of America	Greig Woodring	12.5	1.1	13.6	76,615
155	Raytheon	Thomas A. Kennedy	12.1	1.5	13.6	76,591
156	Coca-Cola Enterprises	John Brock	0	13.6	13.6	76,566
157	Nordstrom's	Michael G. Koppel	10	3.5	13.5	76,120
158	DTE Energy	Gerard M. Anderson	10.7	2.7	13.4	75,557
159	PVH	Emanuel Chirico	8.4	4.8	13.3	74,679
160	Exelon	Christopher M. Crane	12.2	0.9	13.2	74,063
161	Goodyear Tire and Rubber	Richard J. Kramer	12.9	0.1	13.1	73,720
162	Harman International	Dinesh Paliwal	13	0	13	72,998
163	United Continental Holdings	Jeffery Smisek	12.8	0	12.8	72,336
164	Verizon	Lowell McAdam	2.7	9.1	11.8	66,615
165	Becton Dickinson	Vincent A. Forlenza	10.1	1.7	11.8	66,246
166	Tesoro	Gregory J. Goff	11.5	0	11.6	65,228
167	Stanley Black & Decker	John F. Lundgren	8.5	2.8	11.3	63,338
168	AGCO	Martin H. Richenhagen	11.2	0	11.2	63,165
169	Owens & Minor	Craig R. Smith	11.1	0.1	11.2	63,152
170	Reliance Steel & Aluminum	David H. Hannah	11.1	0	11.1	62,509
171	Abbvie	Richard A. Gonzalez	10.9	0	10.9	61,322
172	NIKE	Mark G. Parker	0	10.9	10.9	61,173
173	EMC Corp	Joseph M. Tucci	0	10.6	10.6	59,906
174	Omnicom Group	John D. Wren	0	10.5	10.5	59,313
175	Bank America	Brian T. Moynihan	8.3	2.2	10.5	58,884
176	Metlife	Steven A. Kandarian	2.5	7.9	10.4	58,509
177	Sysco	William J. DeLaney	8.6	1.6	10.2	57,394
178	Celgene	Robert J. Hugin	0	9.9	9.9	55,464
179	Best Buy	Hubert Joly	0	9.8	9.8	54,948
180	United Technologies	Gregory Hayes	7.2	2.2	9.4	53,139
181	SunTrust Banks	William H. Rogers, Jr.	7.7	1.5	9.2	52,069
182	Tyson Foods	Donnie Smith	5.8	3.4	9.2	51,940
183	W W Grainger	James T. Ryan	0	9.1	9.1	51,453
184	Wyndham Worldwide	Stephen P. Holmes	0	9	9	50,905

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
185	Express Script	George Paz	0	9	9	50,678
186	Hanesbrands	Richard A. Noll	0.5	8.3	8.9	50,034
187	United Parcel Service	David P. Abney	6.3	2.5	8.8	49,573
188	DaVita Health Care Partners	Kent J. Thiry	0	8.5	8.5	47,866
189	Costco	W. Craig Jelinek	0	8.5	8.5	47,847
190	Campbell Soup	Denise M. Morrison	7.1	1.3	8.4	47,342
191	Texas Instruments	Richard K. Templeton	1.1	7.2	8.4	47,058
192	Amgen	Robert A. Bradway	0	8.2	8.2	46,392
193	Time Warner	Jeffrey L. Bewkes	2.4	5.8	8.2	46,294
194	NextEra Energy	James L. Robo	2.6	5.5	8.1	45,858
195	Apache	G. Steven Farris	0	8.1	8.1	45,730
196	Dr. Pepper Snapple Group	Larry D. Young	0.4	7.7	8.1	45,594
197	Valero Energy	Joseph Gorder	7.7	0.3	8	45,078
198	PNC Financial Services	William S. Demchak	2.8	5	7.8	44,024
199	AutoZone	William C. Rhodes III	0.1	7.6	7.8	43,738
200	Kellogg	John Bryant	5.7	2.1	7.8	43,673
201	Consolidated Edison	John McAvoy	7.5	0.1	7.7	43,160
202	Pioneer Natural Resources	Scott D. Sheffield	0	7.7	7.7	43,111
203	Oshkosh	Charles L. Szews	6.1	1.5	7.6	42,566
204	CenturyLink	Glen F. Post, III	4.2	3.4	7.5	42,470
205	Danaher	Thomas P. Joyce	0.1	7.2	7.3	40,891
206	Travelers	Jay S. Fishman	5.4	1.8	7.2	40,578
207	Dick's Sporting Goods	Edward W. Stack	0	7.2	7.2	40,487
208	Biogen	George A. Scangos	0	7.2	7.2	40,443
209	Illinois Tool Works	E. Scott Santi	4.6	2.3	6.9	39,008
210	Con-way	D.W. Stotlar	4.8	2.1	6.9	38,854
211	Paccar	R. E. Armstrong	6.6	0	6.6	37,065
212	Spectra Energy	Gregory L. Ebel	4.4	2.2	6.6	37,031
213	Staples	Ronald L. Sargent	0	6.6	6.6	36,929
214	Duke Energy	Lynn J. Good	5.5	1	6.5	36,836
215	Domtar	John D. Williams	1.3	4.7	6	33,898
216	Alliance Data Systems	Edward J. Heffernan	0	6	6	33,718
217	Textron	Scott C. Donnelly	5.5	0.4	5.9	33,310
218	Computer Sciences	J. Michael Lawrie	0	5.8	5.8	32,858
219	Republic Services	Donald W. Slager	0	5.8	5.8	32,636
220	Owens-Illinois	Albert P. L. Stroucken	5.8	0	5.8	32,457
221	AGL Resources	John W. Somerhalder II	3	2.6	5.7	31,812
222	CDW	Thomas E. Richards	0	5.6	5.6	31,735

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
223	Waste Management	David P. Steiner	0	5.6	5.6	31,385
224	Reynolds American	Susan M. Cameron	5.4	0	5.4	30,312
225	Molina Healthcare	J. Mario Molina, M.D	0	5.3	5.3	29,895
226	Murphy Oil	Roger W. Jenkins	4.6	0.7	5.3	29,819
227	Casey's General Stores	Robert J. Myers	2.8	2.4	5.2	29,434
228	General Motors	Mary Barra	1.8	3.4	5.2	29,263
229	Avnet	Richard Hamada	5.1	0	5.1	28,860
230	Anixter	Robert J. Eck	4	1.1	5.1	28,601
231	Peabody Energy	Gregory H. Boyce	0	5	5	28,038
232	Interpublic Group of Companies	Michael I. Roth	1.1	3.5	4.5	25,510
233	McDonald's	Donald Thompson	0	4.4	4.4	24,621
234	Walgreen's	*Gregory D. Wasson*	0	4.3	4.3	24,181
235	Ebay	John J. Donahoe	0	4.3	4.3	24,151
236	Gilead Sciences	John C. Martin	0	4.2	4.2	23,788
237	Williams Companies	Alan S. Armstrong	4.2	0	4.2	23,369
238	Navistar	Troy A. Clarke	3.7	0.4	4.1	23,006
239	News Corp	Robert J. Thomson	3.6	0.4	4	22,771
240	Packaging Corporation of America	Mark W. Kowlzan	4	0	4	22,412
241	UGI	J. L. Walsh	3.7	0.3	3.9	22,162
242	Kelly Services	Carl T. Camden	0	3.9	3.9	22,056
243	Harley-Davidson	Keith E. Wandell	2.2	1.6	3.9	21,781
244	Cablevision	James L. Dolan	2	1.7	3.6	20,437
245	CarMax	Thomas J. Folliard	1.9	1.7	3.6	20,178
246	Fluor	David T. Seaton	0.2	3.4	3.5	19,957
247	Ameren	Warner L. Baxter	1.6	1.9	3.5	19,849
248	Marriott International	Arne M. Sorenson	0	3.5	3.5	19,813
249	Citigroup	Michael Corbat	0.1	3.4	3.5	19,565
250	Fifth Third Bank	Kevin T. Kabat	0.7	2.8	3.5	19,563
251	Baker Hughes	Martin S. Craighead	0.1	3.3	3.4	19,288
252	Univeral Health Services	Alan B. Miller	2	1.4	3.4	19,132
253	Alaska Airlines	Bradley D. Tilden	3.4	0	3.4	19,066
254	Estee Lauder	Fabrizio Freda	3.3	0	3.3	18,701
255	FootLocker	Richard A. Johnson	1.8	1.5	3.3	18,609
256	Automatic Data Processing	Carlos A. Rodriguez	2.7	0.5	3.2	18,081
257	O'Reilly Automotive	Greg Henslee	0	3.1	3.1	17,543
258	American International Group	Peter Hancock	0.2	2.9	3.1	17,504
259	Archer Daniels Midland	Patricia A. Woertz	2.7	0.3	3.1	17,336
260	Ingredion	Ilene S. Gordon	0.5	2.6	3.1	17,280

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
261	General Dynamics	Phebe N. Novakovic	2.1	1	3.1	17,250
262	Group 1 Automotive	Earl J. Hesterberg	0	3.1	3.1	17,229
263	Kohl's	Kevin Mansell	0	3	3	17,059
264	Charles Schwab	Walter W. Bettinger II	0	3	3	17,046
265	American Financial Group	Carl H. Lindner III	0	2.9	2.9	16,113
266	PG&E	Anthony F. Earley, Jr.	2	0.8	2.8	15,734
267	AES	Andrés Gluski	0	2.8	2.8	15,616
268	Thermo Fisher Scientific	Marc N. Casper	0	2.8	2.8	15,531
269	Jones Lake LaSalle	Colin Dyer	0	2.7	2.7	15,438
270	Cameron International	Jack B. Moore	0	2.7	2.7	15,396
271	Lear	Matthew J. Simoncini	0.4	2.2	2.6	14,468
272	Henry Schein	Stanley M. Bergman	0	2.5	2.5	14,230
273	Home Depot	Craig A. Menear	0	2.5	2.5	14,016
274	Erie Indemnity	Terrence W. Cavanaugh	1.6	0.9	2.5	13,966
275	Dollar General	Richard W. Dreiling	0	2.5	2.5	13,945
276	Mosaic	James T. Prokopanko	0	2.4	2.4	13,702
277	Tenneco	Gregg M. Sherrill	0	2.3	2.3	12,943
278	Amerisource Bergin	Steven H. Collis	0	2.3	2.3	12,921
279	Host Hotels & Resorts	W. Edward Walter	0	2.3	2.3	12,719
280	Sherwin-Williams	Christopher M. Connor	0	2.3	2.3	12,683
281	Rite Aid	John T. Standley	0	2.2	2.2	12,520
282	Occidental Petroleum	Stephen I. Chazen	0	2.2	2.2	12,400
283	Spirit AeroSystems Holding	Larry A. Lawson	0	2.2	2.2	12,244
284	Family Dollar Stores	Howard R. Levine	0	2.2	2.2	12,128
285	Advanced Auto Parts	Darren R. Jackson	0	2.1	2.1	11,714
286	Sanmina	Jure Sola	0	2.1	2.1	11,678
287	Holly Frontier	Michael C. Jennings	0	2.1	2.1	11,578
288	Marsh & McLennan	Daniel S. Glaser	1.4	0.5	2	11,090
289	Wesco International	John J. Engel	0	1.9	1.9	10,951
290	DR Horton	Donald J. Tomnitz	0	1.9	1.9	10,580
291	BlackRock	Laurence D. Fink	0	1.8	1.8	10,181
292	JC Penney	Myron E. Ullman, III	1.5	0.2	1.7	9,751
293	EOG Resources	William R. Thomas	0	1.7	1.7	9,548
294	Qualcomm	Steven M. Mollenkopf	0	1.7	1.7	9,401
295	Manpower	Jonas Prising	0	1.7	1.7	9,331
296	Newell Rubbermaid	Michael B. Polk	0	1.6	1.6	9,281
297	United Natural Foods	Steven L. Spinner	0	1.5	1.5	8,627
298	Borg Warner	James R. Verrier	0.2	1.3	1.5	8,526

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
299	Ryder Systems	Robert E. Sanchez	0.7	0.9	1.5	8,474
300	Kraft Foods	W. Anthony Vernon	0	1.5	1.5	8,363
301	Starwood Hotels and Resorts	Frits van Paasschen	0	1.4	1.4	8,112
302	PBF Energy	Thomas J. Nimbley	1.4	0	1.4	8,078
303	American Electric Power	Nicholas K. Akins	1.4	0	1.4	7,999
304	Cardinal Health	George S. Barrett	0	1.4	1.4	7,829
305	St. Jude Medical	Daniel J. Starks	0	1.4	1.4	7,689
306	Cigna	David M. Cordani	1	0.3	1.4	7,674
307	Quest Diagnostics	Stephen H. Rusckowski	0	1.3	1.3	7,547
308	Darden Restaurants	Eugene I. Lee, Jr.	0	1.3	1.3	7,490
309	NRG Energy	David Crane	0.3	1	1.3	7,485
310	Visteon	Timothy D. Leuliette	0	1.3	1.3	7,137
311	Amphenol	R. Adam Norwitt	0.1	1.1	1.2	6,948
312	National Oilwell Varco	Clay C. Williams	0	1.2	1.2	6,502
313	Laboratory Corp of America	David P. King	1.1	0	1.1	6,428
314	McGraw Hill Financial	Douglas L. Peterson	0	1.1	1.1	6,280
315	Intel	Brian M. Krzanich	0.1	1	1.1	6,187
316	Western Digital	Stephen D. Milligan	0	1.1	1.1	6,184
317	GAP Stores	Glenn Murphy	0	1.1	1.1	6,064
318	Newmont Mining	Gary Goldberg	1.1	0	1.1	6,011
319	Viacom	Philippe P. Dauman	0.3	0.7	1	5,836
320	Booz Allen Hamilton	Horacio D. Rozanski	0.1	0.9	1	5,582
321	Tech Data	Robert M. Dutkowsky	0	1	1	5,575
322	R.R. Donnelley & Sons	Thomas J. Quinlan	0.7	0.3	1	5,564
323	Dana Holding	Roger J. Wood	0	1	1	5,532
324	SpartanNash	Dennis Eidson	0.3	0.7	1	5,419
325	Eastman Chemical	Mark J. Costa	0.7	0.3	0.9	5,204
326	Western Refining	Jeff A. Stevens	0	0.9	0.9	5,167
327	AutoNation	Mike Jackson	0	0.9	0.9	4,921
328	Commercial Metals	Joseph Alvarado	0	0.9	0.9	4,862
329	Pulte Group	Richard J. Dugas, Jr.	0	0.9	0.9	4,810
330	Lithia Motors	Bryan B. DeBoer	0	0.8	0.8	4,734
331	Stryker	Kevin A. Lobo	0	0.8	0.8	4,589
332	Southwest Airlines	Gary C. Kelly	0	0.8	0.8	4,563
333	Ingram Micro	Alain Monié	0	0.8	0.8	4,426
334	Hartford Financial Group	Christopher Swift	0.4	0.4	0.7	4,148
335	Owens Corning	Michael H. Thaman	0.6	0.1	0.7	4,134
336	Calumet Specialty Products Partners	F. William Grube	0	0.7	0.7	4,081

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
337	Voya Financial	Rodney O. Martin, Jr	0.1	0.6	0.7	3,998
338	Starbucks	Howard Schultz	0	0.7	0.7	3,783
339	Jacobs Engineering Group	Craig L. Martin	0	0.7	0.7	3,730
340	J P Morgan Chase	James Dimon	0.5	0.1	0.6	3,652
341	CenterPoint Energy	Scott M. Prochazka	0.3	0.3	0.6	3,645
342	WellCare Health Plans	David J. Gallitano	0	0.6	0.6	3,485
343	Aetna	Mark T. Bertolini	0.4	0.2	0.6	3,407
344	Genworth Financial	Thomas J. McInerney	0	0.6	0.6	3,401
345	Navient	Jack Remondi	0	0.6	0.6	3,386
346	Avis Budget Group	Ronald L. Nelson	0	0.5	0.5	2,951
347	Boston Scientific	Michael F. Mahoney	0.5	0	0.5	2,826
348	Marathon Oil	Lee M. Tillman	0.3	0.2	0.5	2,747
349	Humana	Bruce D. Broussard	0	0.5	0.5	2,654
350	Tractor Supply	Gregory A. Sandfort	0	0.5	0.5	2,576
351	Whole Foods Market	John Mackey	0	0.5	0.5	2,569
352	Bed, Bath & Beyond	Steven H. Temares	0	0.4	0.4	2,068
353	Time Warner Cable	Robert D. Marcus	0.4	0	0.4	2,050
354	Fannie Mae	Timothy Mayopoulos	0	0.4	0.4	2,027
355	LKQ	Robert L. Wagman	0	0.4	0.4	1,989
356	Kindred Holdings	Paul J. Diaz	0	0.4	0.4	1,986
357	United States Steel	M. Longhi	0	0.3	0.3	1,948
358	Windstream Holdings	Anthony W. Thomas	0.1	0.2	0.3	1,838
359	Chesapeake Energy	Robert D. ("Doug") Lawler	0	0.3	0.3	1,805
360	Buckeye Partners	Clark C. Smith	0	0.3	0.3	1,779
361	Autoliv	Jan Carlson	0.3	0	0.3	1,726
362	VISA	Charles W. Scharf	0.3	0	0.3	1,702
363	Masco	Keith J. Allman	0	0.3	0.3	1,427
364	Murphy USA	R. Andrew Clyde	0	0.2	0.2	1,387
365	Anthem	Joseph R. Swedish	0	0.2	0.2	1,149
366	Hilton Worldwide	Christopher J. Nassetta	0	0.2	0.2	1,129
367	World Fuel Services	Michael J. Kasbar	0	0.2	0.2	1,107
368	Weyerhaeuser	Doyle R. Simons	0.2	0	0.2	1,070
369	Aramark	Eric J. Foss	0	0.2	0.2	994
370	Quanta Services	James F. O'Neil III	0	0.2	0.2	986
371	Supervalu	Sam Duncan	0.2	0	0.2	947
372	Emcor	Anthony J. Guzzi	0	0.2	0.2	923
373	Microsoft	Satya Nadella	0	0.2	0.2	884
374	Omnicare	Nitin Sahney	0	0.1	0.1	682

	Corporation, ranked by total retirement assets	CEO	Pension 2014 ($mill)	Deferred compensation 2014 ($mill)	Total retire-ment assets 2014 ($mill)	Monthly check ($)
375	MGM Resorts	James J. Murren	0	0.1	0.1	512
376	Essendant	P. Cody Phipps	0.1	0	0.1	502
377	United Rentals	Michael Kneeland	0	0.1	0.1	382
378	Freddie Mac	Donald H. Layton	0	0.1	0.1	317
379	Motorola Solutions	Gregory Q. Brown	0	0.1	0.1	302
380	Avon Products	Sheri McCoy	0.1	0	0.1	300
381	CST Brands	Kimberly S. Lubel	0	0	0	242
382	Celanese	Mark C. Rohr	0	0	0	146
383	Target	Brian C. Cornell	0	0	0	42
	TOTAL - FORTUNE 500		3,617.4	3,179.5	6,797.0	38,267,062
	AVERAGE - FORTUNE 500		9.4	8.3	17.7	99,914
	TOTAL- TOP 100		2,542.6	2,389.6	4,932.3	27,768,600
	AVERAGE - TOP 100		25.4	23.9	49.3	277,686

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Remaining Fortune 500 Corporations without Pension Data

No executive pension plans (82 firms): Advanced Micro Devices, AECOM, A-Mark Precious Metals, Amazon.com,American Airlines Group Apple, Applied Materials, Ashbury Auto Group, Barnes & Noble, Berkshire Hathaway, Blackstone Group, Broadcom, Caesar Entertainment, Calpine, CBRE Group, Charter Communications, Cisco Systems, Cognizant Technology, Core-Mark Holdings, Dean Foods, Delek US Holdings, Delta Airlines, DISH Network, Dollar Tree, Energy Transfer Equity, Entergy, Enterprise Products Partners, Expedia, Expeditors International of Washington, Facebook, Fidelity National Financial, Fidelity National Info Services, Franklin Resources, GameStop, Global Partners, HD Supply Holdings, Hewlett Packard, HRG Group, Icahn Enterprises, iHeartMedia, Insight Enterprises, J.B. Hunt, Jabil Circuit, Jarden, JetBlue Airways, KBR, Kinder Morgan, KKR, Las Vegas Sands, Lennar, Level 3 Communications, Liberty Interactive, LifePoint Health, Live Nation Entertainment, MasterCard, Micron Technology, Mohawk Industries, MRC Global, NCR, NetApp, Netflix, NGL Energy Partners, Nucor, Office Depot, Penske Automotive Group, Plains GP Holdings, Priceline, Quintiles Transnational Holdings, Realogy Holdings, Ross Stores, salesforce.com, SanDisk, Sealed Air, Sears Holdings, Sonic Automotive, Steel Dynamics, Symantec, Synnex, Targa Resources, Travel Centers of America, Western Union, Wynn Resorts.

Privately held (33 firms): American Family Insurance Group, Auto Owners Insurance, CH2M Holdings, CHS, Energy Future Holdings, Farmers Insurance, First Data, Graybar Electric, Guardian Life, International FC Stone, Jones Financial, Land O'Lakes, Lansing Trade Group, Liberty Mutual, Massachusetts Mutual, Mutual of Omaha, Nationwide, New York Life, Northwestern Mutual, Pacific Life, Pantry, Peter Kiewit Sons', PetSmart, Publix Supermarkets, Safeway,State Farm, Thrivent Financial for Lutherans, TIAA-CREF, Toys R Us, TRW Automotive, US Foods, USAA, Western and Southern Financial Group.

Recently merged (2 firms) (no compensation data): HJ Heintz, WestRock.

Appendix 2: Methodology and sources

Firms studied: Fortune magazine's annual list of the 500 largest U.S. firms, by revenue. We excluded 35 firms from our analysis because they were either privately held corporations, and thus not required to disclose the details of their executive's pay, or firms that had recently undergone corporate mergers which led them to suspend public reports from which executive retirement information could be derived.

Total CEO retirement assets: Pension and nonqualified deferred compensation data reported by the companies to the U.S. Securities and Exchange Commission (SEC). In most instances CEO retirement data can be found in the firm's annual proxy statement, Form DEF 14-A. In some cases, especially when firms are awaiting a special meeting of shareholders to consider a merger or other corporate restructuring, executive compensation data will be published in the company's annual report, FORM 10-K. All retirement data is drawn from the most recent accounting made by the company and is current through reports filed on September 4, 2015. In several cases corporations either replaced their CEO mid-year or had two co-CEOs. In each of these cases we reported the individual with the largest retirement assets.

American family retirement assets: Calculated by Monique Morrisey, Economist, Economic Policy Institute. Aggregate defined benefit pension entitlements and defined contribution plan and IRA assets are from Federal Reserve Flow of Funds data, Table L.117 Private and Public Pension Funds, September 18, 2015. Aggregated defined benefit, defined contribution, and IRA data from 2013 and 2015 were used to adjust CEO values for comparison with 2013 Survey of Consumer Finances data and to impute defined benefit pension wealth for families identified as having a defined benefit plan in the Federal Reserve Survey of Consumer Finances (SCF). All other statistics were based on EPI analysis of SCF microdata, using the following variables:

RETQLIQ: Total value of quasi-liquid [assets in retirement accounts]. Includes IRAs, Keoghs, thrift-type accounts, and future and current account-type pensions.

DBPLANT: Either head or spouse/partner has DB plan on current job or some type of pension from a past job to be received in the future.

NORMINC: Value of income the family would expect to receive in a "normal" year.

WGT: Sample weight.

Years of service: Corporations that provide executive pensions list the years of credited service in the pension tables found in the executive compensation section of the company's annual proxy statement (SEC Form DEF 14-A). Various plans have different numbers of credited service. We took the highest number for this report. In cases where companies did not provide this disclosure, we looked to the biographical information about each executive provided in the proxy statement to derive the number of years of service to the company.

Monthly retirement checks: In order to add meaning to large amount of corporate retirement assets, we calculated how large a monthly check if the retirement assets were converted into an annuity at age 65. In order to assure an apples to apples comparison, we used the annuity calculator found at www.immediateannuities.com and selected, Male, Age 65 and immediate payout where choices were required. The calculation was performed on September 18, 2015 at 4 pm, when the multiplier was .00563. Amounts for female CEOs would generally be lower owing to women's longer life expectancies. Corporate pension plans have their own formulas for determining annuitized payments, but we believe the use of an annuity calculator provides a useful estimate of the size of executive retirement wealth in terms the average person can easily understand, the size of a monthly retirement check.

Funding position of corporate employee retirement plans: If a company operates a defined benefit pension plan for employees, they report on the funding status of these plans in the annual report, FORM 10-K, filed annually with the SEC. This disclosure is found in the financial footnotes, that immediately follow the income statement, balance sheet and statements of cash flow and shareholder equity, typically near the end of the report. Information about employee pensions is generally posted under a heading like "Pensions" or "Post-Retirement Benefits." Companies report a variety of information pertaining to their pension assets and liabilities. In presenting their funded status and level of underfunding, we divided the total plan assets by the total projected benefit obligation. The average U.S. corporate pension fund had a 76 percent funded status as of July 2015.

Number of employees: Corporations disclose the number of their employees as of the end of their fiscal year in the Business section at the beginning of the annual report, FORM 10-K. They must report total workers, but some firms add additional information including things like number of U.S. employees and how many are part-time or members of labor unions.

Endnotes

[1] Joint Committee On Taxation, "Present Law and Analysis Relating to Tax Treatment of Partnership Carried Interests and Related Issues, Part II," September 4, 2007, p. 8. http://www.jct.gov/x-63-07.pdf

[2] The Office of Management and Budget establishes a maximum benchmark for contractor compensation, which is currently $487,000 per executive. Nevertheless, this only limits the executive pay a company can directly bill the government for reimbursement. Companies remain free to pay their executive excessive sums, which drains resources from company operations and creates extreme gaps in CEO-worker pay that can lower worker morale and productivity.

[3] For more information on other large corporations freezing or otherwise changing their pension plans, visit the Pension Rights Center.

[4] Based on average business days per year of 261.

[5] Based on McKesson report to the Department of Labor that 42,910 of its employees are enrolled in its 401(k) plan, though only 32,164 have balances greater than zero. McKesson's plan has $3,594,924,000 in it, $83,778 on average for each of the 42,910 employees eligible to participate.