

plans. Our defined benefit pension plans for salaried employees were fully frozen effective January 1, 2020, at which time such employees no longer earn additional benefits under the defined benefit pension plans and were transitioned to an enhanced defined contribution retirement savings plan.

During the second quarter of 2022, we purchased group annuity contracts to transfer \$4.3 billion of gross defined benefit pension obligations and related plan assets to an insurance company for approximately 13,600 U.S. retirees and beneficiaries. In connection with this transaction, we recognized a noncash, non-operating pension settlement charge of \$1.5 billion (\$1.2 billion, or \$4.33 per share, after-tax) for the affected plans in the quarter ended June 26, 2022, which represents the accelerated recognition of actuarial losses that were included in the accumulated other comprehensive loss (AOCL) account within stockholders' equity. During the third quarter of 2021, we purchased group annuity contracts to transfer \$4.9 billion of gross defined benefit pension obligations and related plan assets to an insurance company for approximately 18,000 U.S. retirees and beneficiaries, and in connection recognized a noncash pension settlement charge of \$1.7 billion (\$1.3 billion, or \$4.72 per share, after tax) in 2021. These group annuity contracts were purchased using assets from Lockheed Martin's master retirement trust and no additional funding contributions were required. These transactions had no impact on the amount, timing, or form of the monthly retirement benefit payments to the affected retirees and beneficiaries; and as a result of these transactions, we were relieved of all responsibility for the pension obligations and the insurance company is now required to pay and administer the retirement benefits.

Qualified Defined Benefit Pension Plans and Retiree Medical and Life Insurance Plans

FAS (Expense) Income

The pretax FAS (expense) income related to our qualified defined benefit pension plans and retiree medical and life insurance plans included the following (in millions):

	Qualified Defined Benefit Pension Plans			Retiree Medical and Life Insurance Plans		
	2022	2021	2020	2022	2021	2020
Operating:						
Service cost	\$ (87)	\$ (106)	\$ (101)	\$ (9)	\$ (13)	\$ (13)
Non-operating:						
Interest cost	(1,289)	(1,220)	(1,538)	(49)	(53)	(70)
Expected return on plan assets	1,854	2,146	2,264	136	141	127
Recognized net actuarial (losses) gains	(425)	(902)	(849)	46	—	4
Amortization of prior service credits (costs)	359	349	342	(27)	(37)	(39)
Settlement charge	(1,470)	(1,665)	—	—	—	—
Non-service FAS (expense) income	(971)	(1,292)	219	106	51	22
Total FAS (expense) income	\$ (1,058)	\$ (1,398)	\$ 118	\$ 97	\$ 38	\$ 9

We record the service cost component of FAS (expense) income for our qualified defined benefit plans and retiree medical and life insurance plans in the cost of sales accounts; the non-service components of our FAS (expense) income for our qualified defined benefit pension plans in the non-service FAS pension (expense) income account; and the non-service components of our FAS income for our retiree medical and life insurance plans as part of the other non-operating (expense) income, net account on our consolidated statements of earnings.