

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 17. RETIREMENT BENEFITS (Continued)

Defined Benefit Plans – Expense and Status

The assumptions used to determine benefit obligation and net periodic benefit cost/(income) were as follows:

	Pension Benefits						Worldwide OPEB					
	U.S. Plans			Non-U.S. Plans								
	2021		2022	2021		2022	2021		2022	2021		2022
Weighted Average Assumptions at December 31												
Discount rate	2.91	%	5.51	%	1.75	%	4.42	%	2.97	%	5.48	%
Average rate of increase in compensation	3.50		3.70		3.19		3.42		3.46		3.65	
Weighted Average Assumptions Used to Determine Net Benefit Cost for the Year Ended December 31												
Discount rate - Service cost	3.02	%	3.12	%	1.44	%	1.78	%	3.14	%	3.27	%
Effective interest rate on benefit obligation	2.00		2.40		1.06		1.54		1.96		2.49	
Expected long-term rate of return on assets	6.00		5.75		3.42		3.29		—		—	
Average rate of increase in compensation	3.50		3.50		3.34		3.19		3.44		3.46	

The pre-tax net periodic benefit cost/(income) for our defined benefit pension and OPEB plans for the years ended December 31 was as follows (in millions):

	Pension Benefits						Worldwide OPEB		
	U.S. Plans			Non-U.S. Plans					
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Service cost	\$ 520	\$ 526	\$ 500	\$ 529	\$ 557	\$ 416	\$ 47	\$ 49	\$ 42
Interest cost	1,291	928	1,054	514	420	504	169	127	146
Expected return on assets	(2,795)	(2,728)	(2,569)	(1,067)	(1,130)	(1,006)	—	—	—
Amortization of prior service costs/(credits)	4	2	2	32	24	22	(16)	(12)	(3)
Net remeasurement (gain)/loss	377	(254)	1,720	499	(3,241)	(436)	556	(376)	(1,314)
Separation programs/other	35	19	46	226	156	63	—	—	—
Settlements and curtailments	5	70	438	103	(2)	(2)	(2)	—	(1)
Net periodic benefit cost/(income)	\$ 563)	\$ 1,437)	\$ 1,191	\$ 836	\$ 3,216)	\$)	\$ 754	\$ 212)	\$ 1,130)

In 2020, we recognized an expense of \$ 367 million related to separation programs, settlements, and curtailments, which included a \$ 61 million settlement loss related to a non-U.S. pension plan and \$ 268 million related to ongoing redesign programs.

In 2021, we recognized an expense of \$ 244 million related to separation programs, settlements, and curtailments, which included \$ 70 million of settlement losses related to a U.S. pension plan and separation expenses of \$ 156 million for non-U.S. pension plans related to ongoing redesign programs.

In 2022, we recognized an expense of \$ 544 million related to separation programs, settlements, and curtailments, which included \$ 438 million of settlement losses related to a U.S. pension plan and separation and curtailment expenses of \$ 57 million for non-U.S. pension plans related to ongoing redesign programs. Until our Global Redesign programs are completed, we anticipate further adjustments to our plans in subsequent periods.