

At December 31, 2019, the company's qualified defined benefit pension plans worldwide were 102 percent funded compared to the benefit obligations, with the U.S. Qualified PPP 107 percent funded. Overall, including nonqualified plans, the company's defined benefit pension plans worldwide were 93 percent funded.

**Defined Benefit Pension and Nonpension
Postretirement Benefit Plan Financial Information**

The following tables through page 129 represent financial information for the company's retirement-related benefit plans,

excluding defined contribution plans. The defined benefit pension plans under U.S. Plans consists of the Qualified PPP, the Excess PPP and the Retention Plan. The defined benefit pension plans and the nonpension postretirement benefit plans under non-U.S. Plans consists of all plans sponsored by the company's subsidiaries. The nonpension postretirement benefit plan under U.S. Plan consists of only the U.S. Nonpension Postretirement Benefit Plan.

The following tables present the components of net periodic (income)/cost of the retirement-related benefit plans recognized in the Consolidated Income Statement, excluding defined contribution plans.

(\$ in millions)

	Defined Benefit Pension Plans					
	U.S. Plans			Non-U.S. Plans		
	2019	2018	2017	2019	2018	2017
For the year ended December 31:						
Service cost	\$ —	\$ —	\$ —	\$ 370	\$ 413	\$ 410
Interest cost ⁽¹⁾	1,882	1,719	1,913	847	830	837
Expected return on plan assets ⁽¹⁾	(2,599)	(2,701)	(3,014)	(1,588)	(1,342)	(1,325)
Amortization of transition assets ⁽¹⁾	—	—	—	0	0	0
Amortization of prior service costs/(credits) ⁽¹⁾	16	16	16	(23)	(83)	(97)
Recognized actuarial losses ⁽¹⁾	559	1,525	1,337	1,249	1,401	1,507
Curtailments and settlements ⁽¹⁾	—	—	—	41	11	19
Multi-employer plans	—	—	—	32	38	40
Other costs/(credits) ⁽²⁾	—	—	—	28	16	(76)
Total net periodic (income)/cost	\$ (142)	\$ 559	\$ 253	\$ 955	\$ 1,284	\$ 1,315

(\$ in millions)

	Nonpension Postretirement Benefit Plans					
	U.S. Plan			Non-U.S. Plans		
	2019	2018	2017	2019	2018	2017
For the year ended December 31:						
Service cost	\$ 10	\$ 13	\$ 14	\$ 5	\$ 5	\$ 6
Interest cost ⁽¹⁾	145	132	154	55	45	57
Expected return on plan assets ⁽¹⁾	—	0	0	(5)	(6)	(7)
Amortization of transition assets ⁽¹⁾	—	—	—	—	0	0
Amortization of prior service costs/(credits) ⁽¹⁾	(2)	(7)	(7)	0	0	0
Recognized actuarial losses ⁽¹⁾	1	10	20	10	6	7
Curtailments and settlements ⁽¹⁾	—	—	—	0	0	0
Total net periodic cost	\$154	\$147	\$180	\$65	\$51	\$62

⁽¹⁾ These components of net periodic pension costs are included in other (income) and expense in the Consolidated Income Statement.

⁽²⁾ The non-U.S. defined benefit pension plans amount in 2017 includes a gain of \$91 million related to IBM UK pension litigation.

For the U.S. Qualified PPP, beginning in 2019, substantially all participants are considered inactive. The amortization period of unrecognized actuarial losses was changed to the average remaining life expectancy of inactive plan participants, which was 18 years as of December 31, 2018. As a result, there was a reduction to 2019 amortization expense of approximately \$900 million. There was no impact to the funded status, retiree benefit payments or funding requirements.