

Notes to Consolidated Financial Statements

International Business Machines Corporation and Subsidiary Companies

Plan Financial Information**Summary of Financial Information**

The following table presents a summary of the total retirement-related benefits net periodic (income)/cost recorded in the Consolidated Income Statement.

(\$ in millions)

For the year ended December 31:	U.S. Plans			Non-U.S. Plans			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Defined benefit pension plans	\$ (153)	\$ 542	\$ 237	\$ 955	\$ 1,284	\$ 1,315	\$ 803	\$ 1,827	\$ 1,552
Retention Plan	11	17	16	—	—	—	11	17	16
Total defined benefit pension plans (income)/cost	\$ (142)	\$ 559	\$ 253	\$ 955	\$ 1,284	\$ 1,315	\$ 813	\$ 1,843	\$ 1,568
IBM 401(k) Plus Plan and non-U.S. plans	\$ 588	\$ 588	\$ 616	\$ 427	\$ 412	\$ 404	\$ 1,015	\$ 1,000	\$ 1,020
Excess 401(k)	26	24	26	—	—	—	26	24	26
Total defined contribution plans cost	\$ 613	\$ 612	\$ 643	\$ 427	\$ 412	\$ 404	\$ 1,040	\$ 1,024	\$ 1,046
Nonpension postretirement benefit plans cost	\$ 154	\$ 147	\$ 180	\$ 65	\$ 51	\$ 62	\$ 219	\$ 198	\$ 242
Total retirement-related benefits net periodic cost	\$ 624	\$ 1,319	\$ 1,076	\$ 1,448	\$ 1,747	\$ 1,781	\$ 2,072	\$ 3,066	\$ 2,857

The following table presents a summary of the total PBO for defined benefit pension plans, APBO for nonpension postretirement benefit plans, fair value of plan assets and the associated funded status recorded in the Consolidated Balance Sheet.

(\$ in millions)

At December 31:	Benefit Obligations		Fair Value of Plan Assets		Funded Status*	
	2019	2018	2019	2018	2019	2018
U.S. Plans						
Overfunded plans						
Qualified PPP	\$ 48,471	\$ 46,145	\$ 51,784	\$ 48,213	\$ 3,313	\$ 2,069
Underfunded plans						
Excess PPP	\$ 1,473	\$ 1,395	\$ —	\$ —	\$ (1,473)	\$ (1,395)
Retention Plan	288	273	—	—	(288)	(273)
Nonpension postretirement benefit plan	3,857	3,912	3	29	(3,854)	(3,882)
Total underfunded U.S. plans	\$ 5,618	\$ 5,579	\$ 3	\$ 29	\$ (5,615)	\$ (5,550)
Non-U.S. Plans						
Overfunded plans						
Qualified defined benefit pension plans**	\$ 18,371	\$ 17,379	\$ 21,921	\$ 19,975	\$ 3,550	\$ 2,597
Nonpension postretirement benefit plans	19	0	21	0	2	0
Total overfunded non-U.S. plans	\$ 18,390	\$ 17,379	\$ 21,942	\$ 19,975	\$ 3,552	\$ 2,597
Underfunded plans						
Qualified defined benefit pension plans**	\$ 23,222	\$ 22,139	\$ 18,398	\$ 16,783	\$ (4,824)	\$ (5,356)
Nonqualified defined benefit pension plans	6,731	6,252	—	—	(6,731)	(6,252)
Nonpension postretirement benefit plans	828	704	44	65	(785)	(640)
Total underfunded non-U.S. plans	\$ 30,782	\$ 29,095	\$ 18,442	\$ 16,848	\$ (12,340)	\$ (12,248)
Total overfunded plans	\$ 66,861	\$ 63,524	\$ 73,726	\$ 68,190	\$ 6,865	\$ 4,666
Total underfunded plans	\$ 36,399	\$ 34,675	\$ 18,445	\$ 16,877	\$ (17,955)	\$ (17,798)

* Funded status is recognized in the Consolidated Balance Sheet as follows: Asset amounts as prepaid pension assets; (Liability) amounts as compensation and benefits (current liability) and retirement and nonpension postretirement benefit obligations (noncurrent liability).

**Non-U.S. qualified plans represent plans funded outside of the U.S. Non-U.S. nonqualified plans are unfunded.