

Notes to Consolidated Financial Statements

International Business Machines Corporation and Subsidiary Companies

The following table presents the changes in benefit obligations and plan assets of the company's retirement-related benefit plans, excluding DC plans.

(\$ in millions)

	Defined Benefit Pension Plans				Nonpension Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans		U.S. Plan		Non-U.S. Plans	
	2019	2018	2019	2018	2019	2018	2019	2018
Change in benefit obligation								
Benefit obligation at January 1	\$47,812	\$52,444	\$45,770	\$49,111	\$ 3,912	\$ 4,184	\$ 705	\$ 732
Service cost	—	—	370	413	10	13	5	5
Interest cost	1,882	1,719	847	830	145	132	55	45
Plan participants' contributions	—	—	23	25	57	59	—	—
Acquisitions/divestitures, net	—	—	(32)	(27)	—	0	0	0
Actuarial losses/(gains)	4,040	(2,743)	3,467	(240)	148	(71)	141	43
Benefits paid from trust	(3,378)	(3,484)	(1,902)	(1,976)	(389)	(383)	(6)	(7)
Direct benefit payments	(124)	(124)	(403)	(390)	(6)	(22)	(27)	(31)
Foreign exchange impact	—	—	134	(2,012)	—	—	(1)	(86)
Amendments/curtailments/ settlements/other	—	—	50	34	(21)	—	(23)	3
Benefit obligation at December 31	\$50,232	\$47,812	\$48,324	\$45,770	\$ 3,857	\$ 3,912	\$ 848	\$ 705
Change in plan assets								
Fair value of plan assets at January 1	\$48,213	\$52,694	\$36,758	\$40,798	\$ 29	\$ 18	\$ 65	\$ 70
Actual return on plan assets	6,949	(997)	4,896	(610)	1	1	7	12
Employer contributions	—	—	243	325	304	335	—	0
Acquisitions/divestitures, net	—	—	(25)	(22)	—	0	—	0
Plan participants' contributions	—	—	23	25	57	59	—	0
Benefits paid from trust	(3,378)	(3,484)	(1,902)	(1,976)	(389)	(383)	(6)	(7)
Foreign exchange impact	—	—	333	(1,754)	—	—	(1)	(10)
Amendments/curtailments/ settlements/other	—	—	(7)	(28)	—	0	0	0
Fair value of plan assets at December 31	\$51,784	\$48,213	\$40,319	\$36,758	\$ 3	\$ 29	\$ 65	\$ 65
Funded status at December 31	\$ 1,551	\$ 401	\$ (8,005)	\$ (9,012)	\$(3,854)	\$(3,882)	\$(783)	\$(640)
Accumulated benefit obligation*	\$50,232	\$47,812	\$47,645	\$45,161	N/A	N/A	N/A	N/A

* Represents the benefit obligation assuming no future participant compensation increases.

N/A—Not applicable