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PLATINUM-PLATED PENSIONS

The Retirement Fortunes of CEOs Who Want to Cut Your Social Security

Center for Effective Government

Institute for Policy Studies

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Key Findings

In the current budget debate, the loudest calls for Social Security cuts are coming from two lobby groups led by CEOs who will never have to worry about their own retirement security.

Fix the Debt is a PR and lobby machine launched in 2012 and led by more than 135 CEOs of major corporations. Seeking broad public support, this campaign has publicly couched their calls for reduced spending in vague euphemisms like "protecting and strengthening Social Security."

The **Business Roundtable**, a 40-year-old association made up of about 200 CEOs of America's largest corporations, has not attempted to sugarcoat their draconian agenda. They are calling for an increase in the Social Security retirement age to 70 and a change in inflation calculations that would further reduce benefits.

Meanwhile, Business Roundtable and Fix the Debt CEOs are sitting on massive nest eggs of their own. This report focuses on the retirement funds of Business Roundtable members, but the two groups have considerable overlap. More than half of the Roundtable's Executive Committee members and a quarter of their total members are affiliated with Fix the Debt.

Retirement assets of Business Roundtable CEOs are 1,200 times larger than typical U.S. workers

- These CEOs' retirement accounts average $14.5 million— more than 1,200 times as much as the $12,000 median retirement savings of U.S. workers near retirement age.
- A retirement fund of $14.5 million, combined with Social Security, would generate a monthly retirement check for these CEOs of $88,576. That's 68 times what a typical U.S. retiree can expect to receive.

Three CEOs pushing Social Security cuts have $100 million-plus retirement funds

- Of the 168 Business Roundtable CEOs who lead U.S.-based publicly held corporations, 10 (including four who are also members of Fix the Debt) have corporate retirement plans valued at more than $50 million.
- At the very top are three CEOs who have retirement assets of more than $100 million:
  John Hammergren, CEO of McKesson, has the largest retirement fortune, having amassed $144.3 million in his retirement nest egg.
  Honeywell's David Cote, a leading spokesperson for both the Roundtable and Fix the Debt, has a $134.5 million retirement pot of gold after just 11 years at the helm.
  Mike Duke, CEO of Wal-Mart Stores, is sitting on $113.2 million in retirement assets, compared to his employees' average 401(k) account balance of $15,000.

While gilding their personal pensions, many Roundtable CEOs have allowed massive deficits to grow in their employee retirement funds

- Of the Business Roundtable CEOs whose firms provide pension funds for their workers, 10 have deficits in these funds of between $4.9 billion and $22.6 billion.
- The Roundtable CEO with the largest deficit in his company's worker pension fund is Jeffrey Immelt of General Electric, with $22.6 billion. Immelt's personal retirement fund is worth more than $59 million, the sixth-largest among Roundtable CEOs.

CEO-Led Groups Lobbying for Social Security Cuts

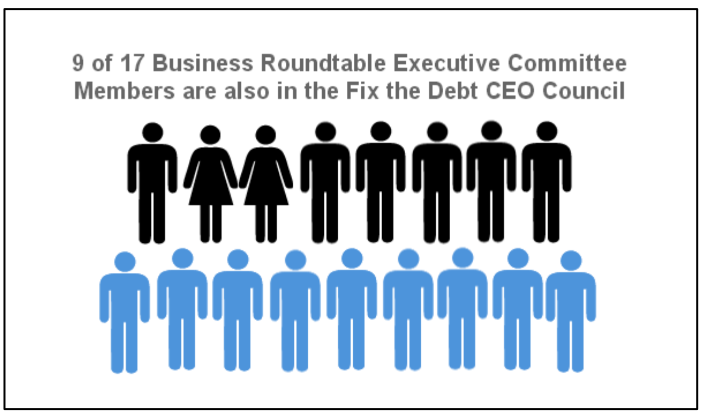
The CEOs of large U.S. corporations who want to cut Social Security benefits have two main vehicles for advancing their austerity agenda. For an unvarnished approach to slashing this earned benefit program, they use the Business Roundtable. And when they want to project a glossier, more moderate image, they can simply switch hats and say they're speaking for the Fix the Debt campaign.

More than half (9 out of 17) of the Business Roundtable's Executive Committee members belong to Fix the Debt's CEO Council.[1] A quarter of the Roundtable's total members (52 out of 199) are among Fix the Debt's ranks. Honeywell CEO David Cote serves on the Steering Committee of Fix the Debt and is the Vice Chair of the Business Roundtable.

Fix the Debt and Business Roundtable – Different Styles, Same Goal

Fix the Debt was launched in 2012 to lead a high-profile communications and lobbying campaign for deficit reduction – complete with a youth outreach arm that has organized a multi-city college campus bus tour, state chapters led by prominent business and political leaders of both parties, aggressive advertising, and intense social media efforts.

Honeywell's Cote takes credit for building Fix the Debt's "CEO Council." Frustrated with the limited impact of the Bowles-Simpson Commission, Cote explains, "We started the Fix the Debt effort and I got about 100 other CEOs to participate in it with me as we funded – to the tune of $45 million – this effort." According to the Center for Media and Democracy, billionaire deficit hawk Pete Peterson put up $5 million of the campaign's initial funding.



Fix the Debt spokespeople insist they have not officially endorsed any particular deficit reduction agenda. However, they have supported proposals to replace the current measure of inflation used to set annual cost of living adjustments with "chained CPI." The AARP and many others argue this is a poor measure of the real costs faced by seniors. After 20 years, "chained CPI" would lower the average Social Security recipient's benefit check by about $100 a month.

Fix the Debt spokespeople also insist on the need for spending reductions on so-called "entitlements," but decline to give more specifics. This is hardly surprising, given the popularity of the Social Security program. According to a recent National Journal poll, 76 percent of Americans oppose any cuts to this earned benefit program.

The **Business Roundtable** appears less concerned with public opinion. In a January policy paper, this 40-year-old club for America's most powerful CEOs outlined the specifics of their Social Security plan. They call for a shift to "chained CPI" as well a hike in the Social Security retirement age to 70, which would make it the highest in the world. Together, these two changes would reduce the average beneficiary's lifetime benefits by about 20 percent.

Why Do CEOs Care About Cutting Social Security?

What's the motivation for pushing cuts to such a popular program for retirees? The CEOs claim it's all about patriotism. "As an American," Cote says, "I couldn't know about this problem and not try to do something about it." As the Baby Boom generation ages, Cote says, we're facing a "demographic time bomb."

Economists Dean Baker and others dismiss such dire predictions as nothing but a "phony crisis." What's clear is there are far more effective ways to ensure Social Security's sustainability than cutting benefits. The Congressional Budget Office estimates, for example, that if the current cap on wages subject to Social Security taxes were eliminated, it would reduce Social Security's long-term projected shortfall by three times as much as raising the retirement age to 70. But that would mean highly paid CEOs would have to pay substantially more into the system.

These CEOs' deficit-cutting fervor also wanes when it comes to corporate taxes. Both the Business Roundtable and Fix the Debt are calling for lower corporate tax rates. Despite the highest level of corporate profits and the lowest share of corporate taxes as a percent of the economy over the past 50 years, these leaders think their businesses should pay no more. Instead, seniors, many of them living at poverty's doorstep, should sacrifice.

In 1952 when Republican Dwight Eisenhower was President, corporate income taxes paid 32 percent of the government's bills. Last year, corporate taxes accounted for less than 10 percent of government revenues. A recent study by the Congressional Budget Office found that large corporations paid just 12.6 percent of their U.S. income in federal income taxes, almost two-thirds less than the posted 35 percent corporate tax rate. By contrast, small businesses pay a 19 percent effective tax rate on average.

Business Roundtable and Fix the Debt Member CEO Retirement Assets

The average Business Roundtable CEO has $14.5 million in his gilded nest egg, more than 1,200 times as much as the $12,000 median retirement savings of U.S. workers who are within 10 years of retirement. Based on these savings, the CEOs can expect to receive a monthly retirement fund check of $86,043 starting at age 65, compared to only $71 for the typical retiree. If you add in what they can expect to receive from Social Security, the CEOs will still pocket 68 times more each month on average.

	Average Business Roundtable CEO	Median Worker within 10 years of retirement	Ratio
Retirement fund	$14,550,089	$12,000	1,212-to-1
Expected monthly retirement fund payment	$86,043	$71	1,212-to-1
Expected Social Security monthly payment (CEO figure is Social Security maximum, worker figure is average for all U.S. workers)	$2,533	$1,237	2-to-1
Total monthly	$88,576	$1,308	68-to-1

Top Ten Largest CEO Retirement Funds

Ten CEO members of the Business Roundtable (four of whom are also members of Fix the Debt) have corporate retirement plans valued at more than $50 million. Of these, three have retirement assets of more than $100 million.

CEO	COMPANY	Total CEO retirement assets	Estimated CEO monthly pension
John Hammergren	McKesson	$144,278,492	$853,205
David Cote*	Honeywell	$134,458,619	$795,134
Michael Duke	Wal-Mart	$113,157,559	$669,169
Rex Tillerson	ExxonMobil	$69,414,577	$410,490
John Strangfeld	Prudential Financial	$62,915,609	$372,058
Jeffrey Immelt*	General Electric	$59,289,731	$350,616
Brian Roberts	Comcast	$57,203,495	$338,279
Larry Merlo*	CVS Caremark	$56,888,413	$336,415
Randall Stephenson*	AT&T	$52,152,319	$308,408
Alan Lafley	Procter & Gamble	$50,263,265	$297,237

*Also a member of the Fix the Debt campaign. Sources: Retirement assets from most recent company 10-K reports and proxy statements. Monthly pension derived from www.immediateannuities.com. For details on methodology and the full list of publicly held Fix the Debt members and their retirement benefits, see Appendices.

The $100 Million Men

John Hammergren, McKesson

John Hammergren, CEO of McKesson, the nation's largest drug distribution company, has amassed the largest retirement fortune of any Business Roundtable member over his 18 years at the company. The firm's most recent proxy statement reported the value of Hammergren's retirement assets at $144.3 million. His retirement plan also has an unusual bonus feature that adds extra years of service if the benefits are taken as a lump sum, goosing up the value of the plan by 11 percent.

David Cote, Honeywell

Given how sweet his company executive retirement plan is, David Cote might think of it as his personal honey well. During his 11 years as CEO, Cote's employer-sponsored retirement fund has swelled to $134.5 million. In addition to being Vice Chair of the Business Roundtable, Cote is one of the most outspoken members of the Fix the Debt Steering Committee. In a recent appearance on Wall Street Journal TV, Cote said another $3 trillion to $4 trillion in spending cuts are needed over the next decade, "especially when it comes to entitlements."

Michael Duke, Wal-Mart

As CEO of Wal-Mart, Duke knows a bargain when he sees one. Last year he saved an estimated $6 million on his personal income taxes by adding more than $17.4 million into his Wal-Mart retirement account. In total, he has squirreled away $113.2 million in retirement assets in Wal-Mart's tax-deferred defined contribution plan for executives. Ordinary workers face an annual cap of $23,000 in contributions to such plans. CEOs like Duke face no such limits. The retail giant recently revealed that more than half of its hourly employees – more than 525,000 people — are paid less than $25,000 a year. Though 86 percent of Wal-Mart's employees participated in the company's 401(k) plan in 2010, the company does not offer any guaranteed match of employee contributions. The average Wal-Mart worker had just $15,000 in their 401(k). In comparison, the average 401(k) balance at other large companies is $63,000, according to the Employee Benefit Research Institute. Duke's company retirement account could yield him a monthly retirement check of $669,169 to supplement his Social Security. The average Wal-Mart employee's 401(k) will generate a monthly retirement check of $89 to supplement their Social Security.

Typical Components of CEO Retirement Accounts

1) **Supplemental executive retirement plans (SERPS).** These plans are available only to a handful of executives at each firm and vary widely from company to company. Where they exist they generally represent a far larger pool of money than exists in the CEO's traditional pension account. Shareholder pressure has led many companies to eliminate their SERPs, but those who were already participating were grandfathered in.

2) **Executive deferred compensation plans.** Whereas ordinary workers face limits on how much of their pre-tax pay they can set aside each year (currently $23,000 per year) in a 401(k), CEOs face no such limits on special deferred compensation plans set up by their companies. In 2010, 79 percent of Fortune 100 firms offered deferred compensation plans to their executives. For instance, Wal-Mart CEO Michael Duke put $17.4 million into his company deferred compensation plan last year, reducing his federal tax bill by more than $6 million. Duke's pile of gold will continue to grow tax-free until it is withdrawn after retirement.

3) **Regular employee pension plans.** If the company operates a retirement plan for its entire workforce, the CEO as an employee participates just like everyone else. But because the value of these retirement assets are affected by salary and tenure, CEOs' funds are typically worth far more than other employees. CEOs who have worked for the same company for decades can easily have $1-$2 million accumulated in these plans.

Employee Pension Fund Deficits

Many of the CEOs who are lecturing the public on the need to cut Social Security seem to be trying the old carnival worker trick of distracting a contestant in a memory game with a shiny object in the corner. In this case, the CEOs are trying to distract attention away from the large deficits many of them have accumulated in their employees' pension funds.

Ten Business Roundtable CEOs lead companies that have deficits in their employee pension funds of between $4.9 billion and $22.6 billion. The CEO with the largest deficit in his company's worker pension fund is Jeffrey Immelt of General Electric, with $22.6 billion. Meanwhile, Immelt has amassed one of the 10 largest CEO retirement funds, with $59.3 million.

America's corporate pensions as a whole face large pension funding shortfalls. Despite improved stock market performance, pension funds operated by S&P 500 corporations were still around $225 billion as of July 2013.

Such pension deficits mean employees face great uncertainty about whether the benefits promised to them will actually be paid. This is especially true for firms that wind up in bankruptcy. Current federal law requires that these pension deficits be reduced through increased corporate funding, but many CEOs are responding to this requirement by pressuring workers into accepting reduced pension benefits.

The following table highlights the ten largest pension fund shortfalls among firms run by CEO members of the Business Roundtable (seven of whom are current or former members of Fix the Debt). The table reports just the shortfall in pension funds covering U.S. employees. Many firms also have large shortfalls in their funds for non-U.S. employees as well as enormous deficits in their funding of post-retirement health benefits promised to their retirees. For example, Verizon has a more than $24 billion shortfall in funds needed to pay expected claims on its employee post-retirement health care account – on top of its $8.5 billion worker pension plan deficit.

Top Ten Largest Employee Pension Fund Deficits

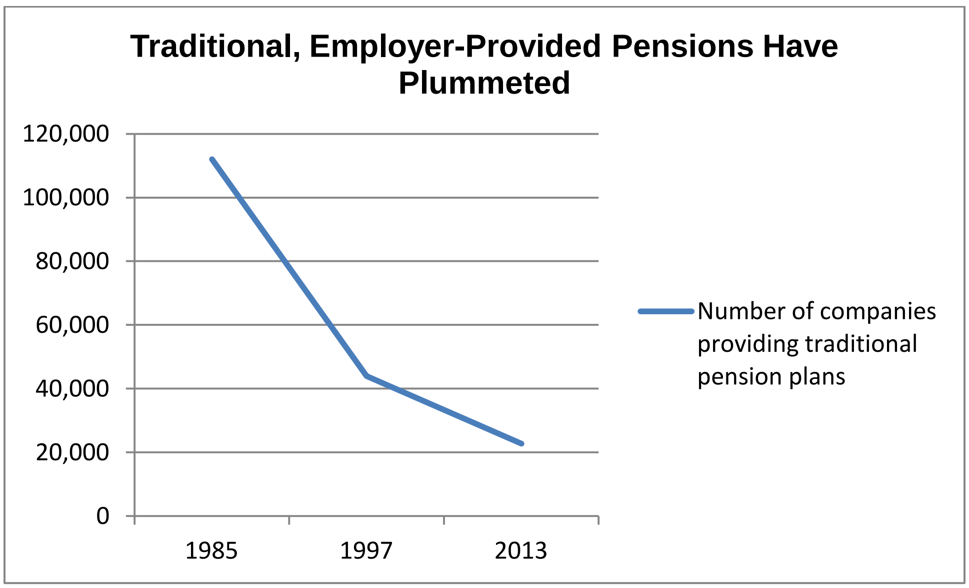
CEO	Company	Employee pension fund deficit	Total CEO retirement assets
Jeffrey Immelt*	General Electric	$22.6 billion	$59,289,731
W. James McNerney#	Boeing	$19.7 billion	$45,873,226
Randall Stephenson*	AT&T	$13.8 billion	$52,152,319
Alan Mulally	Ford	$9.7 billion	$937,959
Andrew Liveris*	Dow Chemical	$9.1 billion	$30,212,412
Lowell C McAdam*	Verizon	$8.5 billion	$9,792,578
Rex Tillerson	ExxonMobil	$7.2 billion	$69,414,577
D. Scott Davis*	UPS	$6.9 billion	$8,921,609
Alan Lafley	Procter & Gamble	$5.9 billion	$50,623,265
Douglas Oberhelman*	Caterpillar	$4.9 billion	$21,978,436

*Current member of the Fix the Debt campaign. #Former member of Fix the Debt. Sources: see Appendix 2.

CEO Responsibility for the Retirement Crisis

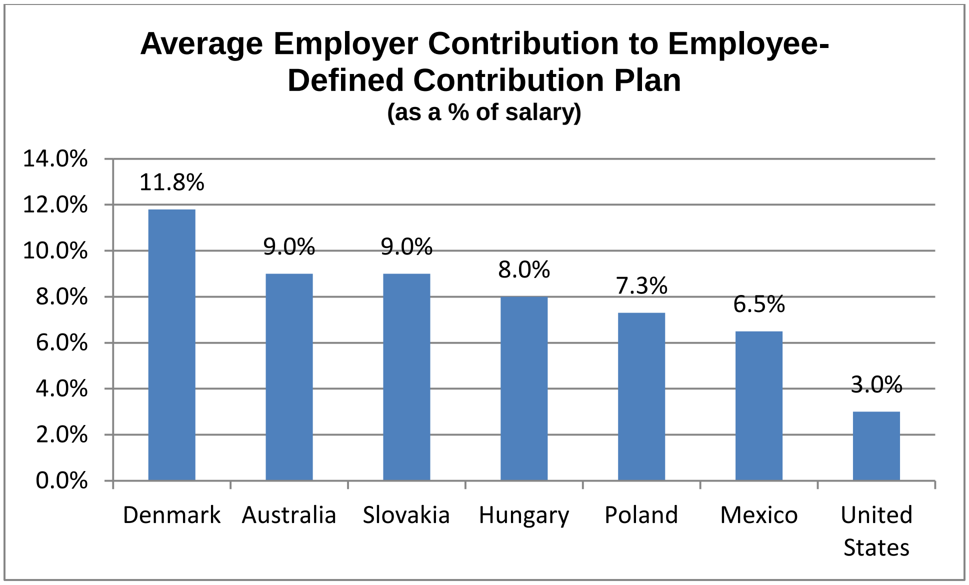
While setting themselves up with gilded retirement fortunes, CEOs of many of America's largest corporations have played a direct role in increasing retirement insecurity in this country.

Over the past several decades, chief executives have slashed retirement benefits for their employees. Traditional defined benefit corporate pensions covered 38 percent of private sector workers in the early 1990s, versus just 18 percent today, according to the Bureau of Labor Statistics. The number of companies providing traditional pension plans has dropped from just over 112,000 in 1985 to 22,697 in 2013.



Source: Pension Benefit Guarantee Corporation.

Instead, corporations may offer defined contribution plans, like 401(k)s or 403(b)s, which shift the risk of stock market volatility from employers to employees. The market collapse in 2008 eroded hundreds of billions of dollars of retirement security, and though stock markets have largely recovered, workers have lost five years of normal stock market growth. Those lucky enough to have a 401(k) find their retirement balances only now returning to 2008 levels. Moreover, big companies today tend to contribute only a paltry sum to new defined contribution plans, relative to businesses in other nations.



Source: Jane White, *America, Welcome to the Poorhouse*.

American workers face a "retirement income deficit" (i.e., the difference between the amount of money needed to maintain one's lifestyle in retirement and the amount of money saved in retirement accounts) of $6.6 trillion, according to the Center for Retirement Research at Boston College. Six million American workers lived in poverty in 2010. This number is expected to grow by a third – to 8 million – by 2020. Without Social Security, 43.6 percent of all retired Americans would be living in poverty, according to the Center on Budget and Policy Priorities.

Among Americans approaching retirement (age 50-64), the bottom 75 percent by wealth had just $26,395 in retirement assets, on average. This is enough to generate a $156 monthly check to supplement their Social Security. The wealthiest 25 percent of this age cohort is slightly better off with $52,000 in retirement savings, enough for an expected $308 monthly check in their golden years.

CEO-Worker Divide in Retirement Security

Annual cap for ordinary workers' tax-deductible contributions to 401(k) defined contribution plan:	$23,000
Annual cap for CEO tax-deductible contributions to defined contribution plans:	No limits
Percentage of Fortune 100 firms operating such plans for CEO and other executives:	79
Percentage of Fortune 100 firms offering traditional pension for employees in 2012:	11
Percentage of Fortune 100 firms offering traditional pensions to employees in 1980:	89

Fair Retirement Security Reforms

1. Eliminating the Cap on Wages Subject to Social Security Taxes

Presently just the first $113,700 of an American worker's wage income is subject to a 12.4 percent Social Security tax. Several bills have been introduced in the U.S. Congress to eliminate the cap on Social Security taxes for upper income earners. The Congressional Research Service analyzed one proposal in 2010 and found that it would eliminate 95 percent of the expected Social Security shortfall over the next 75 years.

Eliminating this cap would be preferable to proposals for "means testing" of Social Security. Reducing benefits for the wealthy through means-testing would erode the principle that Social Security is an earned benefit. If the wealthy are denied benefits, it wouldn't be long before there are calls to allow high-income Americans to opt out of paying Social Security taxes for benefits they would not receive when they retire.

Policymakers should also consider removing the exemption for stock-based compensation from Social Security and Medicare taxes. Extending payroll taxes to this increasingly common form of compensation for CEOs (and hedge fund managers) would raise tens of billions of dollars of additional revenue annually.

2. End the Ability of CEOs and Other High-Income Executives to Defer Unlimited Amounts of Pay in Their Retirement Plans

Regular employees 50 years old and older can set aside no more than $23,000 tax-free each year in their 401(k) plans. Corporate executives face no such limits. As noted above, for example, Wal-Mart CEO Michael Duke last year saved an estimated $6 million on his personal income taxes by adding more than $17.4 million into his Wal-Mart deferred compensation account. In the past, Congress has considered legislation to close this CEO-friendly loophole, but no legislation to address this is currently pending.

President Obama included in his FY2014 budget another proposal to address the problem of mega-million-dollar pension fortunes benefiting from tax-free growth. His approach would cap all tax-exempt retirement accounts at no more than the amount necessary to provide a $205,000 annuity. (This year, that would've been about $3.4 million). The White House estimates such a cap would raise almost $1 billion in additional tax revenue each year.

3. Support Universal, Secure and Adaptable (USA) Retirement Funds

Senator Tom Harkin (D-IA) has proposed a plan that recognizes the shared responsibility between employees, employers, and government to ensure that every worker enjoys a secure retirement. To provide this, Harkin's proposal would require employers currently not providing retirement benefits to contribute to a USA Retirement Fund on their workers' behalf. These funds would be pooled and professionally managed, ensuring that all workers have some pension assets to supplement their Social Security.

Appendix 1: CEO Retirement Assets – Detailed Data

Business Roundtable CEOs Who Lead U.S.-based, Publicly Held Firms

(*Member of Fix the Debt CEO Council)

Company	CEO	Pension	Non-Qualified Deferred Compensation	Total CEO Retirement Assets
3M Corp	Inge Thulin	$10,199,908	$448,059	$10,647,967
A.O. Smith	Ajita G. Rajendra	$2,855,330	$203,221	$3,058,551
Abbott Labs	Miles D. White	$36,662,770	$0	$36,662,770
Accenture plc	Jorge I. Benitez	$0	$147,963	$147,963
ACE Limited	Evan G. Greenberg*	$0	$10,161,839	$10,161,839
AES Corporations	Andrés Gluski	$0	$2,332,468	$2,332,468
Aetna	Mark T. Bertolini*	$333,658	$921,963	$1,255,621
AGCO	Martin Richenhagen	$7,614,807	$0	$7,614,807
AK Steel	James L. Wainscott	$24,586,311	$287,032	$24,873,343
Alcoa	Klaus Kleinfeld*	$6,332,144	$652,837	$6,984,981
American Electric Power	Nicholas K. Akins	$905,264	$2,512,866	$3,418,130
American Express	Kenneth I. Chenault	$8,145,326	$29,366,256	$37,511,582
Ameriprise Financial	James Cracchiolo	$7,326,956	$15,250,538	$22,577,494
Amgen	Robert A. Bradway	$0	$3,107,554	$3,107,554
Anadarko Petroleum	R. A. Walker	$6,903,425	$700,450	$7,603,875
Apache	G Steven Farris	$0	$5,660,925	$5,660,925
Arch Coal	John W. Eaves	$1,598,617	$3,072,498	$4,671,115
AT&T	Randall Stephenson*	$42,744,354	$9,407,965	$52,152,319
Automatic Data Processing	Carlos A. Rodriquez	$1,598,807	$469,982	$2,068,789
Avery Dennison	Dean A Scarborough	$16,868,016	$3,599,887	$20,467,903
Avis Budget Group	Ronald L Nelson	$0	$556,759	$556,759
Ball Corp	John A. Hayes	$520,681	$10,781,501	$11,302,182
Bank of America	Brian T. Moynihan*	$7,698,032	$1,748,358	$9,446,390
BlackRock	Laurence D. Fink*	$0	$1,206,248	$1,206,248
Blackstone Group	Stephen A. Schwartzman	$0	$0	$0
Boeing	W. James McNerney	$42,910,774	$2,962,452	$45,873,226
BorgWarner	James Verrier	$144,877	$456,773	$601,650
CA Technologies	Wlliam E. McCracken*	$0	$0	$0
Caesars Entertainment	Gary W. Loveman*	$0	$58,240	$58,240
Campbell Soup	Denise M. Morrison	$4,656,925	$821,381	$5,478,306
Cardinal Health	George S. Barrett	$0	$871,418	$871,418
Caterpillar	Douglas R. Oberhelman*	$16,943,243	$5,035,193	$21,978,436
CBRE Group	Bob Sulentic	$0	$0	$0
CF Industries	Stephen R. Wilson	$5,598,203	$3,297,976	$8,896,179
Charles Schwab	Walter W. Bettinger	$0	$0	$0
Chevron	John S. Watson	$25,553,646	$6,812,555	$32,366,201
CIGNA	David Cordani	$1,062,756	$166,463	$1,229,219
Cisco Systems	John T. Chambers*	$0	$0	$0

Company	CEO	Pension	Non-Qualified Deferred Compensation	Total CEO Retirement Assets
Citigroup	Michael Corbat*	$96,610	$7,330,285	$7,426,895
Coca-Cola	Muhtar Kent	$31,355,712	$1,550,313	$32,906,025
Cognizant Technology Solutions	Francisco D'Souza	$0	$0	$0
Comcast Corp	Brian Roberts	$0	$57,203,495	$57,203,495
Computer Sciences	J. Michael Lawrie	$0	$0	$0
Conoco Phillips	Ryan M. Lance	$7,517,914	$2,353,387	$9,871,301
Convergys	Andrea J. Ayers	$221,089	$66,463	$287,552
Corning	Wendell P. Weeks*	$19,866,606	$2,979,644	$22,846,250
Covidien plc	Jose E. Almeida	$1,729	$2,584,254	$2,585,983
Crane	Eric C. Fast	$4,197,374	$0	$4,197,374
CSX	Michael J. Ward*	$22,932,830	$8,226,617	$31,159,447
Cummins Inc	Thomas Linebarger	$12,609,367	$1,327,612	$13,936,979
CVS Caremark	Larry J. Merlo*	$21,792,523	$35,095,890	$56,888,413
Danaher	H Lawrence Culp, Jr.	$48,748	$18,305,539	$18,354,287
Darden Restaurants	Clarence Otis, Jr.	$0	$4,957,571	$4,957,571
DaVita Inc	Kent J. Thiry	$0	$5,387,817	$5,387,817
Deere and Company	Samuel R. Allen*	$8,462,480	$6,649,689	$15,112,169
Dell Inc	Michael S. Dell	$0	$6,819,318	$6,819,318
DIRECTV	Michael D. White*	$364,740	$26,855,053	$27,219,793
Dominion Resources	Thomas L. Farrell, II	$25,227,697	$0	$25,227,697
Dow Chemical	Andrew N. Liveris*	$28,125,318	$2,087,094	$30,212,412
Duke Energy	Lynn J. Good*	$5,078,605	$473,654	$5,552,259
DuPont	Ellen J. Kullman	$14,901,319	$3,572,279	$18,473,598
Eastman Chemical	James P. Rogers	$2,992,418	$1,108,542	$4,100,960
Eaton	Alexander M. Cutler*	$22,073,886	$945,960	$23,019,846
Edison Intl	Theodore Craver, Jr.	$13,533,769	$20,225,104	$33,758,873
Eli Lilly	John C. Lechleiter	$29,967,719	$11,769,709	$41,737,428
EMC	Joseph M. Tucci*	$0	$10,363,143	$10,363,143
Exelis	David F. Melcher	$694,411	$84,366	$778,777
Express Scripts	George Paz*	$0	$6,098,284	$6,098,284
ExxonMobil	Rex Tillerson	$68,072,125	$1,342,452	$69,414,577
FedEx	Frederick W. Smith	$25,338,827	$0	$25,338,827
Fifth & Pacific Cos	William L. McComb	$0	$62,972	$62,972
First Solar	James A. Hughes	$0	$0	$0
Fluor	David T. Seaton	$126,531	$2,179,742	$2,306,273
FMC	Pierre Brondeau	$0	$744,994	$744,994
Ford Motor	Alan R. Mulally	$0	$937,959	$937,959
Freeport-McMoRan Copper & Gold	Richard Adkerson	$0	$30,076,071	$30,076,071
Frontier Communications	Mary Agnes Wildrotter	$0	$0	$0
Gannett	Gracia C. Martore	$10,336,076	$2,515,568	$12,851,644
General Electric	Jeffrey R. Immelt*	$53,184,790	$6,104,941	$59,289,731
General Mills	Kendall J. Powell	$18,832,953	$1,314,208	$20,147,161
Goldman Sachs	Lloyd C. Blankfein*	$33,945	$9,847,780	$9,881,725
Hanes Brands	Richard A. Noll	$464,058	$0	$464,058
Harman Intl	Dinesh C. Paliwal	$9,496,460	$0	$9,496,460
Harris Corp	William M. Brown	$0	$154,877	$154,877

Company	CEO	Pension	Non-Qualified Deferred Compensation	Total CEO Retirement Assets
Hartford Financial Services	Liam E. McGee	$549,414	$262,608	$812,022
Hertz	Mark P. Frissora	$5,123,600	$0	$5,123,600
Hess	John B. Hess	$41,105,738	$0	$41,105,738
Honeywell Intl	David M. Cote*	$52,649,783	$81,808,836	$134,458,619
Humana Inc	Bruce D. Broussard*	$0	$48,750	$48,750
Huntington Ingalls	C. Michael Petters	$11,963,643	$2,729,491	$14,693,134
Ingersoll Rand plc	Michael W. Lamach*	$14,104,319	$3,052,007	$17,156,326
Intel	Brian M. Krzanich	$88,000	$618,600	$706,600
Interpublic Group	Michael I. Roth	$1,091,752	$2,636,089	$3,727,841
Intl Business Machines	Virginia M. Rometty	$4,388,557	$11,489,965	$15,878,522
Intl Paper	John V. Faraci	$39,019,930	$4,793,348	$43,813,278
ITC Holdings	Joseph L. Welch	$20,961,078	$582,393	$21,543,471
ITT	Denise L. Ramos	$723,233	$3,241,368	$3,964,601
Johnson & Johnson	Alex Gorsky	$5,397,000	$4,500,871	$9,897,871
Johnson Controls	Alex Molinaroli	$6,094,812	$2,589,600	$8,684,412
JP Morgan Chase	James Dimon*	$466,996	$139,085	$606,081
Kelly Services	Carl T. Camden*	$0	$2,891,617	$2,891,617
Kindred Healthcare	Paul J. Diaz	$0	$283,411	$283,411
Macy's	Terry J. Lundgren*	$19,252,706	$0	$19,252,706
Marathon Oil	Clarence Cazalot, Jr.	$13,852,170	$3,123,530	$16,975,700
MasterCard Worldwide	Ajay Banga	$0	$0	$0
McDermott International	Stephen M. Johnson	$0	$315,501	$315,501
McGraw Hill	Harold McGraw III	$14,271,298	$6,729,977	$21,001,275
McKesson	John H. Hammergren	$115,822,288	$28,456,204	$144,278,492
Medtronic	Omar Ishrak	$224,380	$0	$224,380
Merck	Kenneth C. Frazier*	$12,966,331	$7,229,538	$20,195,869
Meredith	Stephen M. Lacy	$7,867,579	$2,493,024	$10,360,603
MetLife	Steven A. Kandarian	$1,186,057	$3,754,049	$4,940,106
Microsoft	Steven A. Ballmer*	$0	$0	$0
Motorola Solutions	Gregory Q. Brown*	$105,832	$0	$105,832
NASDAQ OMX	Robert Greifeld*	$4,801,356	$160,337	$4,961,693
Navistar	Troy Clarke	$3,071,400	$111,989	$3,183,389
NextEra Energy	James L. Robo	$1,724,949	$3,179,298	$4,904,247
Norfolk Southern	Charles W. Moorman*	$20,426,789	$897,198	$21,323,987
Northrop Grumman	Wesley G. Bush	$22,331,934	$5,899,922	$28,231,856
Nucor Corporation	John F. Ferriola	$0	$0	$0
Owens Corning	Michael H. Thaman	$584,000	$0	$584,000
Peabody Energy	Gregory H. Boyce	$0	$4,690,877	$4,690,877
PepsiCo	Indra Nooyi	$14,572,633	$9,475,526	$24,048,159
Pfizer	Ian C. Read	$34,704,315	$14,386,491	$49,090,806
PG&E	Anthony F. Earley, Jr.	$371,418	$52,366	$423,784
Phillips 66	Greg C. Garland	$6,539,680	$1,098,425	$7,638,105
Principal Financial Group	Larry D. Zimpleman	$16,483,049	$2,386,118	$18,869,167
Procter & Gamble	A. G. Lafley	$0	$50,623,265	$50,623,265
Prudential Financial	John R. Strangfeld	$56,473,474	$6,442,135	$62,915,609
Public Services Enterprise Group	Ralph Izzo	$10,286,000	$9,771,764	$20,057,764
QUALCOMM	Paul E. Jacobs*	$0	$18,172,970	$18,172,970

Company	CEO	Pension	Non-Qualified Deferred Compensation	Total CEO Retirement Assets
Realogy	Richard A. Smith	$0	$0	$0
Rockwell Automation	Keith D. Nosbusch	$21,622,151	$1,386,734	$23,008,885
RR Donnelley	Thomas J. Quinlan III*	$442,256	$237,076	$679,332
Ryder Systems	Robert E. Sanchez	$570,968	$369,004	$939,972
Simon Properties	David E. Simon	$0	$15,451,678	$15,451,678
Southern Company	Thomas A. Fanning	$13,070,288	$2,312,749	$15,383,037
Stanley Black & Decker	John F. Lundgren*	$7,571,835	$2,016,360	$9,588,195
Steelcase	James P. Hackett	$4,141,879	$291,348	$4,433,227
Target Corp	Gregg Steinhafel	$1,217,542	$42,814,897	$44,032,439
Telephone and Data Systems	LeRoy T. Carlson	$0	$1,724,006	$1,724,006
Tenet Healthcare	Trevor Fetter	$12,106,584	$1,386,294	$13,492,878
Tenneco	Gregg Sherill*	$0	$1,419,800	$1,419,800
Texas Instruments	Richard K. Templeton	$1,050,115	$3,982,172	$5,032,287
Textron	Scott C. Donnelley*	$4,124,130	$189,000	$4,313,130
The Brink's Co	Thomas C. Schievelbein	$0	$210,680	$210,680
Thermo Fisher Scientific	Marc N. Casper*	$0	$1,387,608	$1,387,608
Time Warner Cable	Glenn A. Britt*	$649,140	$93,295	$742,435
Travellers Corp	Jay S. Fishman	$4,044,781	$1,229,300	$5,274,081
Tyco International	George R. Oliver	$0	$416,469	$416,469
United Parcel Service	D. Scott Davis*	$8,058,728	$862,881	$8,921,609
United Technologies	Louis R. Chenevert	$20,286,894	$2,767,118	$23,054,012
UnitedHealth Group*	Stephen J. Hemsley	$10,703,229	$8,707,353	$19,410,582
Universal Health Services	Alan B. Miller	$1,872,015	$1,097,577	$2,969,592
Verizon	Lowell C. McAdam*	$2,946,131	$6,846,447	$9,792,578
Viacom	Philippe Dauman	$274,761	$526,641	$801,402
W. W. Grainger	James T. Ryan	$0	$6,579,200	$6,579,200
Wal-Mart	Michael T. Duke	$0	$113,157,559	$113,157,559
WellPoint	Joseph Swedish	$0	$0	$0
WESCO International	John J. Engel	$0	$1,107,536	$1,107,536
Whirlpool	Jeff M. Fettig	$17,601,263	$14,256,034	$31,857,297
Williams Companies	Alan S. Armstrong	$2,998,384	$0	$2,998,384
Windstream Corp	Jeffrey R. Gardner	$2,831,570	$1,539,617	$4,371,187
World Fuel Services	Michael J. Kasbar*	$0	$184,277	$184,277
Wyndham Worldwide	Stephen P. Holmes	$0	$6,036,686	$6,036,686
Xerox Corp	Ursula M. Burns	$14,122,749	$388,982	$14,511,731
Yahoo	Marissa Mayer	$0	$0	$0
Zoetis	Juan Ramón Alaix	$2,918,363	$4,951,011	$7,869,374
Total				$2,444,414,906
Average				$14,550,089

*Member of Fix the Debt CEO Council

Business Roundtable CEOs Who Lead Privately Held and Foreign-Based Firms (no retirement asset information available)

Company	CEO
ABB Inc USA	Enrique O. Sanacana
Altec	Lee J. Styslinger, III
Barclays	Vacant
Bayer AG	Marijn Dekkers
Bechtel Group	Riley P. Bechtel
BNSF Railway	Matthew K. Rose
Case New Holland	Richard Tobin*
CH2M Hill	Lee A. McIntire
CV Starr & Co	Maurice Greenberg
Deloitte Touche Tohmatsu	Barry Salzberg*
Deutsche Bank	Jacques Brand*
Grant Thornton	Stephen M. Chipman
KPMG	John B. Veihmeyer
Liberty Mutual Group	David H. Long
Mass Mutual Financial Group	Roger W. Crandall
National Gypsum	Thomas C. Nelson
New York Life Insurance	Theodore A. Mathas
Peter Kiewit Sons	Bruce E. Grewcock
Pricewaterhouse Coopers	Dennis M. Nally*
Sanofi-Aventis	Christopher A. Viehbacher
SAP AG	Bill R. McDermott
SAS Institute	James Goodnight
Shell Oil	Marvin Odum
Siemens	Eric Spiegel
State Farm Insurance	Edward B. Rust Jr.*
Suffolk Construction	John F. Fish
SunGard	Russell Fradin*
Tishman Speyer Properties	Jerry I. Speyer*
TransCanada	Russell K. Girling
Western & Southern Financial	John F. Barrett
WL Ross & Co	Wilbur L. Ross Jr.*

*Member of Fix the Debt CEO Council

Appendix 2: Methodology and Terms

Methodology

All Business Roundtable and Fix the Debt member CEOs are current as of the two organizations' web sites on October 23, 2013.

CEO retirement assets: based on figures from company's most current proxy statement (SEC FORM DEF-14A) which can be found on the Securities and Exchange Commission's website at www.sec.gov. Tables listing present value of pension assets and non-qualified deferred compensation plans are found after the summary compensation table.

Estimated CEO monthly pension: derived from www.immediateannuities.com annuity calculator, using total retirement assets and assuming payments would start at age 65. Based on rates for men and assuming payments to one individual with no survival benefits for spouse.

Employee pension fund deficit: taken from the appropriate footnote in the company's most recent 10-K. This footnote can variously be labeled: Pension, Employee Benefit Plans, or Post-Retirement Benefits. Funding status is determined by subtracting plan assets from projected benefit obligation. We report only underfunding of U.S. pension plans and note underfunding of non-U.S. pensions and post-retirement health plans in endnotes. Form 10-Ks can be found on the Securities and Exchange Commission's website at www.sec.gov.

Terms

Defined benefit plans: traditional plans that provide a retiree a fixed monthly retirement check based on the employees' earnings. Corporations bear the risk for assuring there are sufficient funds available to pay the promised monthly amount. If market declines reduce pension assets, it is the company's responsibility to provide adequate funding to pay promised monthly pensions.

Defined contribution plans: commonly known as 401(k) or 403(b) plans, these plans shift the risk to employees. Companies typically contribute a fixed percentage of the employee's annual salary to these plans, sometimes by matching employee contributions. Monthly income in retirement is not fixed and is based on investment returns. If markets do well, employees will have more retirement assets available to them, but if markets decline, money available to employees in their retirement will also shrink. Corporations bear no responsibility to make up assets lost due to stock market losses.

Ironically, today's 401(k) plans were originally intended as a tax perk for corporate executives. Passed by Congress in 1978 as an obscure provision in the tax code, 401(k) plans were adopted by several firms to allow executives to shelter part of their income from taxes. By the early 1980s, corporations discovered that the provision could be used to supplement pension benefits provided to workers. By the 1990s, the 401(k) became seen as a cheaper alternative to traditional pensions.

Annuities: An annuity is a contract with an insurance company that, like a traditional pension, pays a fixed monthly amount for life. Terms of individual annuity contracts vary, but for our purposes we assumed the CEO taking the value of their pension assets and purchasing an annuity contract at age 65, that would pay for the duration of the CEOs life. Other variations are possible, including ones that would cover a surviving spouse.

Endnote

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[1] These nine include: Edward B. Rust Jr., State Farm Insurance; David M. Cote, Honeywell; Jeffrey R. Immelt, General Electric; Randall L. Stephenson, AT&T; Andrew N. Liveris, Dow Chemical; Alexander M. Cutler, Eaton Corp; Douglas R. Oberhelman, Caterpillar; James Dimon, JP Morgan Chase; and Gary W. Loveman, Caesars Entertainment. Another two members of the Business Roundtable Executive Committee – the CEOs of Boeing and Wal-Mart — were Fix the Debt members but later withdrew. The Business Roundtable Executive Committee list is current as of Nov. 5, 2013. http://businessroundtable.org/about-us/executive-committee/