Actuarial Report

Gulf Power Company

Southern Company's Nonqualified Pension Plans
For 2010 Fiscal Year

Preparation of this Actuarial Valuation

For 2010 Fiscal Year

Southern Company's Nonqualified Pension Plans
Gulf Power Company—Allocable Portion

This report has been prepared to present to management the financial accounting and reporting requirements allocable to Gulf Power Company ("GULF") for the 2010 fiscal year for pension benefits under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715. This cost is a portion of the total cost of Southern Company's nonqualified pension benefit plans. GULF's cost is based on the benefit obligations of its employees. Determinations for purposes other than financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate. The results as of other dates may also be significantly different from the results shown in this report, and the scope of this report does not include an analysis of the potential range of results as of other dates.

In conducting the valuation, we have relied on personnel and plan design information supplied by the Company as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonability. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results. This information along with any adjustments or modifications is summarized in various sections of this report. In calculating 2010 pension expense, we have measured liabilities as of December 31, 2009. In calculating projected year-end disclosure results, we have measured liabilities as of December 31, 2009. Except as specifically noted elsewhere in this report, these projected results do not reflect changes in assumptions and other significant events between January 1, 2009 and the December 31, 2009 year-end measurement date.

- This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the requirements of ASC 715. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

- The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions section of this report. The Company selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 715. Hewitt Associates provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715.

Preparation of this Actuarial Valuation

The undersigned are familiar with the near-term and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions herein. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no associate of Hewitt Associates providing services to the Company has any direct financial interest or indirect material interest in the Company. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for the Company.

Hewitt Associates LLC

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Summary

Summary

Changes Between December 31, 2008 and December 31, 2009 Measurements

In general, the 2010 fiscal year costs are based on the same plan provisions and actuarial basis used to determine 2009 costs.

However, the following changes were recognized as of the December 31, 2009 measurement date.

- Two plan changes were recognized in this valuation due to indexing of the pay and benefit limits.

  — The IRC Section 415 benefit limit increased to $195,000 from $185,000.

  — The IRC Section 401(a)(17) pay limit increased to $245,000 from $230,000.

  These automatic increases in the limits were previously anticipated, so their impact has been treated as an experience item as required by ASC 715.

- The following assumptions have been changed:

  — The discount rate was decreased to 5.60% from 6.75%.

  — The single sum discount rate decreased to 4.25% from 4.75%.

  — The single sum prime rate decreased to 5.25% from 6.75%.

  The discount rate was decreased to comply with the ASC 715 requirements that the assumptions reflect market conditions as of the measurement date, and changes in the assumptions between measurement dates reflect changes in the market conditions. As required by ASC 715, the impact of all of these changes was treated as an experience item.

No other changes were reflected in the 2010 fiscal year costs.

Summary

Significant results of the 2010 valuation are shown below. Comparable results of the 2009 valuation are also shown.

	2009	2010
Projected Benefit Obligation	$ 12,885,348	$ 15,030,533
Accumulated Benefit Obligation	$ 11,483,029	$ 12,969,743
Service Cost	$ 220,459	$ 272,950
Assets	$ 0	$ 0
Accrued Costs	$ 7,777,734	$ 8,624,835
Pension Cost	$ 1,543,459	$ 1,746,329
Participant Counts		
Retirees and Beneficiaries	30	32
Terminated Vested	0	0
Actives	62	65
Total	92	97

Accounting Requirements for the SERP, Supplemental Benefit Plan, and Benefits Provided in Individual Agreements

Accounting Requirements: ASC 715 Expense/(Income)

Accounting Information under ASC 715

The following pages contain information about the Benefit Obligations and the Expense/(Income) calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

In particular, the following pages present:

- Reconciliation of Funded Status;
- Pension Cost;
- Plan Experience During Prior Plan Year;
- Amortizable Gain or Loss; and
- Unrecognized Prior Service Cost.

Benefit Obligations

The Accumulated Benefit Obligation (ABO) represents the actuarial present value of benefits based on service and pay earned as of the measurement date. The Projected Benefit Obligation (PBO) represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The Service Cost represents the actuarial present value of benefits that are attributed to the 2010 fiscal year, reflecting the effect of assumed future pay increases. The Service Cost includes interest to the end of the measurement period at the ASC 715 discount rate.

ASC 715 Expense/(Income)

The Net Periodic Pension Expense/(Income) is the annual amount to be recognized in the income statement as the cost of pension benefits for this plan for the period ending December 31, 2010.

Settlement/Curtailment Expense/(Income) is the amount to be recognized in the income statement as the cost of special events such as settlements, curtailments, and the provision of certain termination benefits during fiscal 2010.

Reconciliation of Funded Status

This schedule reconciles the funded status of the plan with amounts already accrued by the Company as of the current and prior measurement dates. The difference between the funded status and the prepaid/accrued pension cost represents amounts to be recognized in future periods as amortization payments.

A reconciliation of funded status is shown as of the current year's measurement date and at the prior year's measurement date.

	Fiscal 2009 (December 31, 2008)	Fiscal 2010 (December 31, 2009)
Projected Benefit Obligation	$ (12,885,348)	$ (15,030,533)
Market Value of Assets	0	0
Funded Status	$ (12,885,348)	$ (15,030,533)
Unrecognized Amounts		
■ Transition Liability/(Asset)	0	0
■ Prior Service Cost	1,577,618	1,319,395
■ (Gain)/Loss	3,529,996	5,086,303
Prepaid/(Accrued) Pension Cost	$ (7,777,734)	$ (8,624,835)

Accounting Requirements: ASC 715 Expense/(Income)

Pension Cost

The development of the pension cost for the fiscal year consists of payments for benefit accruals (service cost), interest on the current projected benefit obligation (interest cost), expected return on assets, and amortizations of unrecognized amounts.

	Fiscal 2009 Cost	Fiscal 2010 Cost
Service Cost	$ 220,459	$ 272,950
Interest Cost	840,631	817,020
Expected Return on Assets	0	0
Amortization of Unrecognized Amounts		
■ Transition Liability/(Asset)	0	0
■ Prior Service Cost	258,223	258,220
■ (Gain)/Loss	224,146	398,139
Total Pension Cost	**$ 1,543,459**	**$ 1,746,329**
Supplemental Data and Expected Values		
■ Market-Related Value of Assets	$ 0	$ 0
■ Annual Benefit Payments	$ 863,115	$ 881,781
■ Average Remaining Service	10 Years	9 Years

Accounting Requirements: ASC 715 Expense/(Income)

Plan Experience

During the current valuation, actual experience during the prior fiscal year is compared to anticipated experience. This comparison identifies experience gains or losses. These are measured as the difference between the expected funded position of the plan at year-end (based on the beginning of year actuarial assumptions and adjusted for plan changes) and the actual funded position of the plan at year-end.

		January 1, 2009 to December 31, 2009
(1)	Funded Status, As of Last Measurement Date	$ (12,885,348)
(2)	Service Cost for Period	(220,459)
(3)	Interest Cost for Period	(840,631)
(4)	Expected Return for Period	0
(5)	Contributions During Period (Benefit Payments)	696,358
(6)	Impact of Plan Amendment	0
(7)	Expected Funded Status, As of Current Measurement Date, (1)+(2)+(3)+(4)+(5)+(6)	$ (13,250,080)
(8)	Actual Funded Status, At Current Measurement Date	(15,030,533)
(9)	Experience (Gain)/Loss, (7)-(8)	$ 1,780,453

Accounting Requirements: ASC 715 Expense/(Income)

Development of (Gain)/Loss Amortization

Only gains and losses in excess of a corridor limit are subject to amortization. The corridor is 10% of the greater of:

- Market-Related Value of Assets (MRV); or
- Projected Benefit Obligation (PBO).

Only asset gains or losses which have been incurred and admitted into the market-related value of assets are subject to amortization. Gains and losses outside of the corridor, if any, are amortized over the average remaining service period of employees expected to receive benefits from the plan.

		Fiscal 2010
(1)	Unrecognized Net (Gain)/Loss	$ 5,086,303
(2)	Nonadmitted Asset (Gain)/Loss	0
(3)	(Gain)/Loss Subject to Corridor, (1)-(2)	$ 5,086,303
(4)	Corridor, 10% of Greater of PBO or MRV	
	(a) PBO	$ 15,030,533
	(b) MRV	$ 0
	(c) Corridor, 10% of Max [(a) or (b)]	$ 1,503,053
(5)	(Gain)/Loss to be Amortized, Excess of (3) over (4c), If Any	$ 3,583,250
(6)	Average Remaining Service Period	9 Years
(7)	(Gain)/Loss Amortization, (5)÷(6)	$ 398,139

Development of Unrecognized Prior Service Cost

Increases in the projected benefit obligation (PBO) attributable to plan amendments are amortized over the remaining service period of employees benefiting under the Plan. Prior service costs that are being amortized are shown below.

Date Established	Original Amounts to be Amortized	Remaining Amortization Period	Remaining Amounts to be Amortized	Annual Amortization Amount
01/01/2001	$ 884,347	1 Year	$ 88,432	$ 88,432
03/31/2007	$ 1,697,880	7.25 Years	1,230,963	169,788
Total			$ 1,319,395	$ 258,220

Appendix

Personnel Information

This page contains a summary of personnel data submitted and used for the measurement of cost for fiscal 2010. Benefit obligations as of the December 31 measurement date are based on projections using personnel data supplied as of the preceding January 1 complemented with pay data which includes the preceding March updates. See the actuarial assumptions and methods section for more details.

	For Fiscal 2009 (As of January 1, 2008)	**For Fiscal 2010 (As of January 1, 2009)**
Active Participants[1]	62	65
Retirees and Beneficiaries		
Number Receiving Average Monthly Benefit[1]	28	27
Average Monthly Benefit	$ 1,837	$ 1,938
Number Receiving Installment Benefit[1]	2	5
Average Remaining Installment Benefit	478,145	$ 229,785
Terminated Vesteds		
Number[1]	0	0
Average Monthly Benefit	N/A	N/A

[1] Includes participants who are currently active at, retired from, or terminated from other operating companies who will receive (or are receiving) a portion of their benefit from GULF due to prior service with GULF.

Plan Provisions

Supplemental Benefit Plan (Pension Provisions)

Participation	Eligibility to participate is determined by the plan's Administrative Committee.
Benefit	Monthly retirement income under The Southern Company Pension Plan that is not payable under that plan as a result of the exclusion of compensation deferred under the Southern Company Deferred Compensation Plan, the IRC section 401(a)(17) recognizable pay limit, and/or the IRC section 415 defined benefit plan maximum annual benefit.
Form of Payment (for actives eligible and electing installments and all future active participants retiring after March 1, 2007)	Ten annual installments derived from the single sum value of the monthly retirement income benefits. The initial single sum value is determined as of the date installments commence and is based on the monthly benefits expected to be paid over an average lifetime (based on the mortality table from Revenue Ruling 2001-62) and the Single Sum Discount Rate. Each annual installment is determined by dividing the remaining balance of the single sum value by the remaining number of installments. After its initial determination, the remaining balance is reduced by the amount of the installments paid and is increased monthly with interest at the monthly equivalent of the Single Sum Prime Rate.
Single Sum Discount Rate	The 30-year Treasury rate for September prior to the calendar year of separation from service (but no more than 6.00%)
Single Sum Prime Rate	The annual prime rate as published in the Wall Street Journal.

Supplemental Executive Retirement Plan

Participation	Eligibility to participate is determined by the plan's Administrative Committee.
Benefits	Monthly retirement income supplementing benefits provided under The Southern Company Pension Plan and Supplemental Benefit Plan related to recognition of incentive pay not included in determination of benefits provided under those plans.

Supplemental Executive Retirement Plan

Form of Payment (for actives eligible and electing installments and all future active participants retiring after March 1, 2007)	Ten annual installments derived from the single sum value of the monthly retirement income benefits. The initial single sum value is determined as of the date installments commence and is based on the monthly benefits expected to be paid over an average lifetime (based on the mortality table from Revenue Ruling 2001-62) and the Single Sum Discount Rate. Each annual installment is determined by dividing the remaining balance of the single sum value by the remaining number of installments. After its initial determination, the remaining balance is reduced by the amount of the installments paid and is increased monthly with interest at the monthly equivalent of the Single Sum Prime Rate.
Single Sum Discount Rate	The 30-year Treasury rate for September prior to the calendar year of separation from service (but no more than 6.00%)
Single Sum Prime Rate	The annual prime rate as published in the Wall Street Journal.

Benefits Provided in Individual Agreements

Participation	Employees who execute individual agreements with the Company that provide nonqualified pension benefits.
Benefits	Pension benefits specified in individual agreements.
Form of Payment (for actives eligible and electing installments and all future active participants retiring after March 1, 2007)	Ten annual installments derived from the single sum value of the monthly retirement income benefits. The initial single sum value is determined as of the date installments commence and is based on the monthly benefits expected to be paid over an average lifetime (based on the mortality table from Revenue Ruling 2001-62) and the Single Sum Discount Rate. Each annual installment is determined by dividing the remaining balance of the single sum value by the remaining number of installments. After its initial determination, the remaining balance is reduced by the amount of the installments paid and is increased monthly with interest at the monthly equivalent of the Single Sum Prime Rate.

Benefits Provided in Individual Agreements

Single Sum Discount Rate	The 30-year Treasury rate for September prior to the calendar year of separation from service (but no more than 6.00%)
Single Sum Prime Rate	The annual prime rate as published in the Wall Street Journal.

Certain Other Supplemental Pension Benefits

Participation	Employees who retired under nonqualified early retirement window offerings in the late 1980's and early 1990's.
Benefits	Benefits provided in window offerings.

Actuarial Assumptions

Measurement Date for Fiscal 2010 December 31, 2009.

Discount Rate 5.60% compounded annually.

Pay Increases 4.00% per year to age 65.

Social Security Projected based on the Social Security Act in effect during 2009 assuming:

(1) 2.75% per year increases in the formula breakpoints.

(2) 2.25% per year cost-of-living increases.

Single Sum Discount Rate 4.25% compounded annually.

Single Sum Prime Rate 5.25% compounded annually.

Retirement Age

Actives — According to the rates of retirement shown below:

Age	Percent Retiring	Age	Percent Retiring
50-54	0.5%	63	30.0%
55	5.0%	64	25.0%
56	5.0%	65	75.0%
57	5.0%	66	75.0%
58	7.5%	67	25.0%
59	10.0%	68	25.0%
60	12.5%	69	25.0%
61	15.0%	70	100.0%
62	45.0%		

These rates produce a weighted average retirement age of 60.

Terminated Vesteds — Age 57.

Mortality Rates

Healthy Lives — Retired Pensioners 2000 Combined Healthy Mortality Table, Fully Generational.

Disabled Lives — Retired Pensioners 2000 Combined Healthy Mortality Table.

Withdrawal Rates	According to select and ultimate rates based on Company experience. See Table B for specific rates.
Disability Rates	According to rates which vary by age. See Table A for specific rates.
Incentive Payments	Future incentives are anticipated to pay out at 130% of target.
Marital Status	75% of males and 65% of females are married. Husbands are two years older than wives.
Payment Form	Based on participants' election.
Cost Method	Projected Unit Credit.
Market-Related Value of Assets	These benefits are currently unfunded.
Pay and Benefit Limits Indexing	2.25% per year.
Participants Included	All employees designated by the Company as active, transfers in or transfers out, and eligible to participate, plus any others currently receiving benefits or entitled to benefits in the future.
Participant Data	Benefit obligations are based on reasonable and normal actuarial projections of participant data supplied prior to the measurement date. For the development of fiscal 2010 costs, demographic information as of January 1, 2009 and pay data including the March 2009 updates were used.
Asset Data	Benefits under the plan are currently unfunded for ASC 715 purposes and are paid out of the Company's general assets.

Table A

Disability Rates

Age	Disabilities Per 1,000 Participants
Under 40	0.85
40 to 44	1.76
45 to 49	3.80
50 to 54	6.39
55 to 59	11.60
60 to 64	15.52
65 & Over	0.00

Table B

Withdrawals per 1,000 Participants

	Years of Service					
Age	**0**	**1**	**2**	**3**	**4**	**Ultimate**
20 & Under	180.0	130.5	115.0	99.0	84.5	70.0
21	176.0	130.5	115.0	99.0	82.5	66.0
22	171.0	126.9	115.0	99.0	80.0	61.0
23	166.0	122.4	111.0	99.0	77.5	56.0
24	163.0	117.9	106.0	94.6	73.8	53.0
25	159.0	115.2	101.0	89.1	69.1	49.0
26	156.0	111.6	98.0	83.6	64.8	46.0
27	152.0	108.9	94.0	80.3	61.2	42.0
28	149.0	105.3	91.0	75.9	57.5	39.0
29	146.0	102.6	87.0	72.6	54.3	36.0
30	144.0	99.9	84.0	68.2	51.1	34.0
31	141.0	98.1	81.0	64.9	48.0	31.0
32	139.0	95.4	79.0	61.6	45.3	29.0
33	137.0	93.6	76.0	59.4	43.2	27.0
34	135.0	91.8	74.0	56.1	40.6	25.0
35	133.0	90.0	72.0	53.9	38.5	23.0
36	131.0	88.2	70.0	51.7	36.4	21.0
37	129.0	86.4	68.0	49.5	34.3	19.0
38	128.0	84.6	66.0	47.3	32.7	18.0
39	126.0	83.7	64.0	45.1	30.6	16.0
40	125.0	81.9	63.0	42.9	29.0	15.0
41	123.0	81.0	61.0	41.8	27.4	14.5
42	122.0	79.2	60.0	39.6	25.8	14.0
43	121.0	78.3	58.0	38.5	24.8	13.5
44	119.5	77.4	57.0	36.3	22.9	13.0
45	118.5	76.1	56.0	35.2	21.9	12.5
46	117.5	75.2	54.5	34.1	20.8	12.0
47	116.5	74.3	53.5	32.5	19.5	11.5
48	115.5	73.4	52.5	31.4	18.5	11.0
49	115.0	72.5	51.5	30.3	17.7	10.5
50	114.0	72.0	50.5	29.2	16.6	10.5
51	113.0	71.1	50.0	28.1	15.6	10.5
52	112.5	70.2	49.0	27.5	15.0	10.5
53	111.5	69.8	48.0	26.4	14.0	10.5
54	110.0	68.9	47.5	25.3	13.2	10.5
55	110.0	67.5	46.5	24.8	12.4	10.5
56	110.0	67.5	45.0	23.7	11.9	10.5
57 & Over	110.0	67.5	45.0	22.0	11.0	10.5

Actuarial Assumptions

Accounting Method

Valuations to determine the net periodic pension cost for the ongoing plan use the **Projected Unit Credit Cost Method**.

Under this actuarial method, the ultimate retirement benefit is first projected to retirement using the salary scale assumptions. The cost attributed to past service **(projected benefit obligation)** is determined on the measurement date as the present value of the projected benefits actually earned (accrued) as of that date. (The actual attribution of each portion of the benefit for accounting purposes follows the benefit accrual pattern as defined in the plan.) The **funded status** is the amount by which the fair value of assets exceeds the projected benefit obligation.

The current year's **service cost**, determined on the measurement date, is the amount required to fund the projected benefit expected to be earned in the current year (based on the attribution pattern of the benefit).

The calculations for any disability, termination, or death benefits take into consideration that the entitlement to benefits may begin at various future times. Each age prior to retirement has associated with it appropriate probabilities of disability, termination, and death.

Overview of ASC 715

Background

The Financial Accounting Standards Board issued Statement No. 87, "Employers' Accounting for Pensions" and Statement No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" in December 1985.

Statement No. 87 deals with three aspects of pension accounting: the income statement, the balance sheet, and financial footnotes. The expense and disclosure portions of Statement No. 87 were effective for fiscal years beginning after December 15, 1986. Compliance with the balance sheet and non-U.S. plans portion of the statement became mandatory for plan years beginning after December 15, 1988. Statement No. 88 was effective upon adoption of Statement No. 87.

Statement of Financial Accounting Standards No. 132 (Employers' Disclosures about Pensions and Other Postretirement Benefits) was published in February 1998. Statement No. 132 amended the disclosure requirements of FAS Statements No. 87 and 88. The new disclosure requirements under Statement No. 132 are effective for fiscal years beginning after December 15, 1997.

The Financial Accounting Standards Board introduced the FASB Accounting Standards Codification (ASC) as a single source of authoritative non-governmental U.S. Generally Acceptable Accounting Principles in July 2009. Codification does not change any provisions of the underlying accounting standards but reorganizes them and changes the terminology used to reference them.

The sections dealing with the income statement define components, positive or negative, which are added together to provide the expense for the year. Since some of these components are negative, the pension plan expense may also be negative. That is, pensions can be a source of corporate income.

The sections dealing with the balance sheet require that in some circumstances, certain liabilities and assets be recorded. Some companies with poorly funded plans may discover their reported corporate equity diminished by poor pension asset performance.

The disclosure requirements of Topic 715 are designed to assist readers of annual reports in accurately assessing the financial position of the company. The required disclosure includes expense and liability items, as well as assumptions used in deriving the results.

Actuarial computations under Accounting Standards Codification Topic 715 (ASC 715) (formerly known as Statement of Financial Accounting Standards No. 87 (FAS 87)) are for purposes of fulfilling employer accounting requirements. The calculations reported herein have been made on a basis consistent with our understanding of ASC 715. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from these results. Accordingly, additional determinations are needed for other purposes, such as judging benefit security at termination or adequacy of funding for an ongoing plan.

The following list briefly discusses the items shown on the ASC 715 valuation summary.

Components of the Reconciliation of Funded Status

Accumulated Benefit Obligation	The actuarial present value[1] of vested and nonvested benefits accrued to date based on current service and compensation.
Projected Benefit Obligation	The actuarial present value[1] of accrued benefits based on current service and projected salaries.
Fair Value of Assets	Market value of assets (excluding contributions owed to the plan but not yet paid by the Company).
Funded Status	A measurement of the overall financial position of a pension plan. Difference between the projected benefit obligation and fair value of assets.
Unrecognized:	
Transition (Asset) Liability	The unrecognized portion of the difference (on the date of adoption of ASC 715) between the funded status of the plan and the (accrued) prepaid pension expense.
Prior Service Cost	The unrecognized cost of a plan amendment which grants benefits retroactively.
Net Actuarial (Gain)/Loss	The unrecognized cost of (gains)/losses resulting from experience different than assumed or from changes in assumptions.
Prepaid/(Accrued)	The amount by which past cash contributions to the plan exceed (fall short of) the pension expense recognized in past income statements.

[1] The value, as of a specified date, of pension benefit amounts payable now and in the future, with each amount adjusted to reflect the time value of money and the probability of payment using the discount rate and assumptions of mortality, withdrawal, and retirement.

Components of Expense

Service Cost	Present value of benefits attributed to service rendered during the period. Equal to projected unit credit normal cost with interest to year-end.
Interest Cost	The increase in the projected benefit obligation due to the passage of time. Basically, the interest cost on the PBO adjusted for benefit payments expected during the period.
Expected Return on Assets	The return on plan assets expected during the period adjusted for expected benefit payments and cash contribution.
Amortization of Unrecognized Transition Liability, Prior Service Cost, and Net Actuarial (Gain)/Loss	Recognition through the income statement of a portion of the liabilities recognized in the funded status of the plan but not yet on the balance sheet of the Company.
Net Periodic Pension Cost (Income)	Represents the ASC 715 pension cost (income) for the fiscal year.
Contribution	Represents the cash contribution made during the fiscal year.
Expected Benefit Payments	Represents the expected benefit payments (both monthly annuity payments and lump sum payments) that will be made during the fiscal year.
Average Remaining Service	Represents the average remaining working lifetime of those current active employees who are expected to receive a benefit.

Components of Expense

The expense is calculated as of the first day of the plan year using assumptions that are appropriate as of that date. Using the components described above, the annual expense under ASC 715 equals:

(1) Service cost; plus

(2) Interest cost; minus

(3) Expected return on plan assets, if any; plus

(4) Amortization of transition (asset) or liability; plus

(5) Amortization of prior service cost; plus

(6) Required amortization of actuarial (gains) or losses.

Disclosure

Unlike expense, footnote items disclosed in the plan sponsor's annual report are determined as of the last day of the plan year, using assumptions that are current as of the end of the year. The disclosure items required by ASC 715 include:

- Components of expense as listed above;
- The amount of gain or loss due to settlements, curtailments, and the additional costs of providing special termination benefits;
- Reconciliation of assets and liabilities from previous year–end to the current year–end;
- Reconciliation of the funded status of the plan;
- The projected benefit obligation, accumulated benefit obligation and assets for pension plans with underfunded ABO.
- The long-term rate of return on assets, the discount rate, and the salary increase rate assumption used to develop expense;
- The amount of other comprehensive income (arising from the change in additional minimum liability, if any).