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SAFeway INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Information for Safeway's pension plans, all of which have an accumulated benefit obligation in excess of plan assets as of year-end 2014 and 2013, is shown below (in millions):

	2014	2013
Projected benefit obligation	\$ 2,244.0	\$ 2,023.4
Accumulated benefit obligation	2,179.6	1,978.3
Fair value of plan assets	1,561.2	1,644.2

The following tables provide the components of net expense for the retirement plans and other changes in plan assets and benefit obligations recognized in other comprehensive income (in millions):

Components of net expense:	Pension			Other Post-Retirement Benefits		
	2014	2013	2012	2014	2013	2012
Estimated return on plan assets	\$(119.3)	\$(107.9)	\$(101.0)	\$ —	\$ —	\$ —
Service cost	42.5	42.0	40.3	0.9	0.7	0.6
Interest cost	96.4	85.4	91.8	3.4	3.2	3.6
Settlement loss	—	—	5.9	—	—	—
Curtailment loss	—	—	1.8	—	—	—
Amortization of prior service cost (credit)	9.7	12.8	15.3	(0.1)	(0.1)	(0.1)
Amortization of net actuarial loss	42.3	77.8	70.3	0.4	0.9	0.5
Net expense	<u>\$ 71.6</u>	<u>\$ 110.1</u>	<u>\$ 124.4</u>	<u>\$ 4.6</u>	<u>\$ 4.7</u>	<u>\$ 4.6</u>
Changes in plan assets and benefit obligations recognized in other comprehensive income:						
Net actuarial loss (gain)	\$ 290.6	\$(216.9)	\$ 97.8	\$ 12.7	\$(5.0)	\$ 6.6
Recognition of net actuarial loss	(42.3)	(77.8)	(76.3)	(0.4)	(0.9)	(0.5)
Prior service credit	0.2	0.2	0.5	—	—	—
Recognition of prior service (cost) credit	(9.7)	(12.8)	(17.0)	0.1	0.1	0.1
Changes relating to discontinued operations	—	(55.5)	9.0	—	(3.0)	(5.0)
Total recognized in other comprehensive income	<u>238.8</u>	<u>(362.8)</u>	<u>14.0</u>	<u>12.4</u>	<u>(8.8)</u>	<u>1.2</u>
Total net expense and changes in plan assets and benefit obligations recognized in comprehensive income	<u>\$ 310.4</u>	<u>\$(252.7)</u>	<u>\$ 138.4</u>	<u>\$ 17.0</u>	<u>\$(4.1)</u>	<u>\$ 5.8</u>

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Actuarial gains and losses are amortized over the average remaining service life of active participants when the accumulation of such gains and losses exceeds 10% of the greater of the projected benefit obligation and the fair value of plan assets. The Company uses its fiscal year-end date as the measurement date for its plans. In 2014, Safeway adopted the Society of Actuaries' 2014 mortality rate table. This had the effect of increasing Safeway's projected benefit obligation by \$168 million.