

Net Periodic Benefit Cost

The following table provides information about the net periodic benefit cost for the plans for fiscal years 2019, 2018 and 2017 (in thousands):

	Pension		
	2019	2018	2017
Service cost	\$ 1,437	\$ 1,063	\$ 1,068
Interest cost	3,715	3,807	2,942
Expected long-term return on plan assets	(5,291)	(5,954)	(4,206)
Recognized actuarial loss	741	1,127	1,929
Amortization of prior service credit	(44)	(88)	(138)
Net settlement loss	634	116	1,472
Net periodic benefit cost	<u>\$ 1,192</u>	<u>\$ 71</u>	<u>\$ 3,067</u>

On September 1, 2018, the Company adopted a new accounting standard, which changes the presentation of net periodic benefit cost in the Consolidated Statements of Operation. The Company adopted the standard on a retrospective basis which results in reclassifications for the service cost component of net periodic benefit cost from selling, general and administrative expense to cost of revenue and for the other components from selling, general and administrative expense to other expense. Prior periods have not been reclassified due to immateriality.

Assumptions

Weighted-average actuarial assumptions used to determine net periodic benefit cost and projected benefit obligation for the plans for the fiscal years 2019, 2018 and 2017 were as follows:

	Pension		
	2019	2018	2017
Net periodic benefit cost:			
Expected long-term return on plan assets ⁽¹⁾	3.6%	3.8%	3.3%
Rate of compensation increase	4.4%	3.3%	2.7%
Discount rate	2.2%	2.1%	1.9%
Projected benefit obligation:			
Expected long-term return on plan assets	2.0%	3.6%	4.0%
Rate of compensation increase	4.3%	4.4%	4.4%
Discount rate ⁽²⁾	1.7%	2.2%	2.3%

(1) The expected return on plan assets assumption used in calculating net periodic benefit cost is based on historical return experience and estimates of future long-term performance with consideration to the expected investment mix of the plan.

(2) The discount rate is used to state expected cash flows relating to future benefits at a present value on the measurement date. This rate represents the market rate for high-quality fixed income investments whose timing would match the cash outflow of retirement benefits. Other assumptions include demographic factors such as retirement, mortality and turnover.

Plan Assets

The Company has adopted an investment policy for a majority of plan assets, which was set by plan trustees who have the responsibility for making investment decisions related to the plan assets. The plan trustees oversee the investment allocation, including selecting professional investment managers and setting strategic targets. The investment objectives for the assets are (1) to acquire suitable assets that hold the appropriate liquidity in order to