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FOR IMMEDIATE RELEASE

Press Release

Milliman: Public pension funding status inches back down in Q4 as asset returns fall short of benchmark

PPFI plans experienced a \$54 billion decline in assets, bringing funded ratio to 70.1%

SEATTLE – February 2nd, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today released the fourth quarter results of its Public Pension Funding Index, which consists of the nation’s 100 largest public defined benefit pension plans. By December 31st 2016, the funded ratio of these plans had fallen to 70.1%, down from 71.0% at the end of September. The funded status declined by \$54 billion, the result of modest investment returns for the fourth quarter that fell short of their quarterly benchmark.

“The robust market performance seen post-election helped moderate the losses suffered in October, with Q4 investment returns of about 0.45% in aggregate for the quarter,” said Becky Sielman, author of Milliman’s Public Pension Funding Index. “If the recent surge in the equity market holds up and interest rates remain stable, the returns in 2017 Q1 should be much more promising.”

The Milliman 100 PPFI total pension liability (TPL) increased from \$4.620 trillion at the end of Q3 to an estimated \$4.659 trillion at the end of Q4. The TPL is expected to grow modestly over time as interest on the TPL and the accrual of new benefits outpaces the benefits paid to retirees.

To view the Milliman 100 Public Pension Funding Index, go to <http://www.milliman.com/ppfi/>. To receive regular updates of Milliman’s pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information visit milliman.com.

About the Milliman Public Pension Funding Index

For the past 5 years, Milliman has conducted an annual study of the 100 largest defined benefit plans sponsored by government jurisdictions in the U.S. The Milliman 100 Public Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of actual market returns, utilizing the actual reported asset values, liabilities, and asset allocations of the pension plans. The results of the Milliman 100 Public Pension Funding Index are based on the pension plan financial reporting information disclosed in the plan sponsors’ Comprehensive Annual Financial Reports, which reflect measurement dates ranging from June 30, 2014 to December 31, 2015. This information was summarized as part of the Milliman 2016 Public Pension Funding Study, which was published on September 5, 2016.

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