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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Investment gains, higher discount rates lead to \$28 billion corporate funded status improvement in March

Funded status improves by \$33 billion during the first quarter of 2017

SEATTLE – April 20th, 2017 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans. In March, the deficit for these pension plans decreased from \$275 billion to \$247 billion, a \$28 billion improvement that resulted from robust asset returns and an increase in benchmark corporate bond rates used to value pension liabilities. The funded ratio for these pensions climbed from 83.8% to 85.3% as of March 31.

“The first quarter of 2017 has seen the cumulative asset values of the Milliman 100 pension plans exceed expectations – increasing by \$37 billion thanks to strong recurring investment returns – while discount rates are just shy of where they were at the beginning of the year,” said Zorast Wadia, co-author of the Milliman 100 PFI. “Overall, funded status has increased by \$33 billion during the quarter.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.41% by the end of 2017 and 5.01% by the end of 2018) and asset gains (11.0% annual returns), the funded ratio would climb to 95% by the end of 2017 and 108% by the end of 2018. Under a pessimistic forecast (3.51% discount rate at the end of 2017 and 2.91% by the end of 2018 and 3.0% annual returns), the funded ratio would decline to 80% by the end of 2017 and 73% by the end of 2018.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2017 Milliman Pension Funding Study, go to <http://us.milliman.com/PFS/>. 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 Pension Funding Study

For the past 17 years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The results of the Milliman 2017 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies’ annual reports for the 2016 fiscal year and for previous fiscal years. These figures represent the GAAP accounting information that public companies are required to report under Financial Accounting Standards Board



Accounting Standards Codification Subtopics 715-20, 715-30, and 715-60. In addition to providing the financial information on the funded status of their U.S. qualified pension plans, the footnotes may also include figures for the companies' nonqualified and foreign plans, both of which are often unfunded or subject to different funding standards from those for U.S. qualified pension plans. The information, data, and footnotes do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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