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Press Release

Milliman: Public pensions regain ground lost in Q4, experience \$78 billion improvement in funded status

Five additional plans cross 90% funded mark thanks to strong asset performance

SEATTLE – May 10, 2017 – Milliman, Inc., a premier global consulting and actuarial firm, today released the first quarter results of its Public Pension Funding Index (PPFI), which consists of the nation's 100 largest public defined benefit pension plans. In Q1 2017, the funded ratio of these plans regained ground lost at the end of last year, climbing from 70.1% at the end of December to 72.0% as of March 31, 2017. These plans saw their funded status improve by \$78 billion for the quarter, the result of strong investment returns (measuring 4.29% in aggregate) that led public plan asset growth to outpace the rise in pension liabilities.

“Thanks to robust market performance in Q1, the funded ratios for our Milliman 100 plans improved across the board, with five additional pensions crossing the 90% funded mark,” said Becky Sielman, author of Milliman’s PPFI. “And while quarterly investment returns dwarfed those of Q4, the wide range in performance—from a low of 2.12% to a high of 5.06%—highlights the challenge that lies ahead for many poorly funded plans.”

Of the Milliman 100 plans, 15 have funded ratios above 90%, 64 have funded ratios between 60% and 90%, and 21 have funded ratios lower than 60%. The Milliman 100 PPFI total pension liability (TPL) increased from \$4.659 trillion at the end of Q4 to an estimated \$4.698 trillion at the end of Q1. 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 five 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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