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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funded status dips by \$2 billion in May**

**Funding ratio for Milliman 100 PFI plans remains level at 91.6%**

SEATTLE – JUNE 14, 2018 – 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 May, these pensions experienced a \$2 billion dip in funded status as investment gains mostly offset a four-point decrease in the monthly discount rate. The funded ratio for the Milliman 100 PFI remains unchanged at 91.6% as of May 31.

“Sometimes no news is good news for corporate pensions,” said Zorast Wadia, co-author of the Milliman 100 PFI. “May’s 0.73% investment gain exceeded monthly expectations, and helped balance out the month’s modest decrease in corporate bond rates.”

From April 30, 2018 through May 31<sup>st</sup>, Milliman 100 PFI plans experienced a \$7 billion increase in asset values, while the projected benefit obligations (PBO) rose by \$9 billion. As a result, the deficit increased from \$139 billion to \$141 billion for the month. Over the last year (June 2017 – May 2018), the Milliman 100 PFI funded status deficit has improved by \$116 billion.

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.34% by the end of 2018 and 5.03% by the end of 2019) and asset gains (10.8% annual returns), the funded ratio would climb to 100% by the end of 2018 and 116% by the end of 2019. Under a pessimistic forecast (3.64% discount rate at the end of 2018 and 3.03% by the end of 2019 and 2.8% annual returns), the funded ratio would decline to 87% by the end of 2018 and 81% by the end of 2019.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2018 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](mailto: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](http://milliman.com).

### **About the Milliman Pension Funding Study**



For the past 18 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 2018 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2017 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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