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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Flat returns for multiemployer pensions in first half of 2018 dampen funding progress**

**Multiemployer plans' shortfall grows by \$15 billion, aggregate funded percentage dips to 81% as of June 30, 2018**

SEATTLE – OCTOBER 11, 2018 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its Fall 2018 Multiemployer Pension Funding Study (MPFS), which analyzes the funded status of all multiemployer pension plans in the United States. As of June 30, 2018, the aggregate funded ratio of these plans was at 81%, down from 83% at the end of 2017.

The drop in funded ratio is largely due to lackluster performance by investment returns, which were flat through the first six months of 2018. Milliman's simplified portfolio earned about 0.2% for the first half of the year, well below the 3% to 4% assumed rate of return for most plans and in stark contrast to the 16% aggregate return experienced in 2017.

"We've said it before and we'll say it again: the funded status of multiemployer pensions is primarily driven by investment performance," says Kevin Campe, a principal and consulting actuary at Milliman and co-author of the report. "As Congress explores potential solutions to improve the solvency of these pensions, plans need to continue looking for ways to reduce risk exposure and protect their members in the case of a potential stock market downturn."

As of June 30, 2018, 355 of the plans studied had a funded ratio at or above 100%, while 258 plans had a funded ratio at or under 70%. To view the complete study, go to [www.milliman.com/mpfs](http://www.milliman.com/mpfs). To receive regular updates of Milliman's pension funding analysis, contact us at [pensionfunding@milliman.com](mailto:pensionfunding@milliman.com).

### **About Milliman**

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