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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funding declines in August as assets suffer losses**

**Milliman 100 PFI funded ratio decreases to 103.3%**

SEATTLE – SEPTEMBER 11, 2023 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

The Milliman 100 PFI funding ratio dropped from 103.6% at the end of July to 103.3% as of August 31, ending the month with a \$43 billion surplus for these plans. Asset losses for the month outweighed liability gains, which fell as a result of the 16 basis point increase in the monthly discount rate. The market value of PFI plan assets decreased by \$27 billion because of August's -1.55% investment return, while the monthly discount rate climbed from 5.25% in July to 5.41% for August.

“Over the last 12 months, the cumulative asset return for the Milliman 100 plans was only 2.6%, yet the funded status for these plans improved by \$29 billion, underscoring the impact that increasing discount rates – which climbed 80 basis points from a year prior – can have on plan funding,” said Zorast Wadia, author of the PFI.

Looking forward, under an optimistic forecast with rising interest rates (reaching 5.61% by the end of 2023 and 6.21% by the end of 2024) and asset gains (9.8% annual returns), the funded ratio would climb to 107% by the end of 2023 and 120% by the end of 2024. Under a pessimistic forecast (5.21% discount rate at the end of 2023 and 4.61% by the end of 2024 and 1.8% annual returns), the funded ratio would decline to 100% by the end of 2023 and 91% by the end of 2024.

To view the complete Pension Funding Index, go to [www.milliman.com/pfi](http://www.milliman.com/pfi). To see Milliman's full range of annual Pension Funding Studies, go to <https://www.milliman.com/en/retirement-and-benefits/pension-funding-studies>. 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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