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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funding improves in October after discount rates rise for the first time since April**

**Milliman PFI funded ratio climbs to 103.4% after discount rates increase by 35 basis points**

SEATTLE – NOVEMBER 7, 2024 – 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.

During October, the Milliman 100 PFI plans' funded ratio improved from 102.5% at the end of September to 103.4% as of October 31. Rising discount rates—which jumped from 4.96% in September to 5.31% in October—drove this result and reduced the PFI plans' combined projected benefit obligation by \$51 billion. The gains came despite monthly investment losses of -2.53%, which reduced plan assets by \$41 billion to \$1.322 trillion at the end of October.

“After the funded ratio declined the past two months, October’s increase came thanks to a 35-basis-point rise in discount rates—the first rise in rates in six months,” said Zorast Wadia, author of the PFI. “The resulting decline in plan liabilities offset October’s investment returns of -2.53%, which was the second-worst monthly performance of the year. The oscillating funded ratio serves as a reminder that managing funded status volatility should remain a top priority for plan sponsors as we head toward year-end.”

Looking ahead, under an optimistic forecast with rising interest rates (reaching 5.41% by the end of 2024 and 6.01% by the end of 2025) and annual asset returns of 10.4%, the funded ratio would reach 105% by the end of 2024 and 118% by the end of 2025. Under a pessimistic forecast with similar interest rate and asset movements (5.21% discount rate at the end of 2024 and 4.61% by the end of 2025 and 2.4% annual asset returns), the funded ratio would be 102% by the end of 2024 and 92% by the end of 2025.

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).

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Milliman leverages deep expertise, actuarial rigor, and advanced technology to develop solutions for a world at risk. We help clients in the public and private sectors navigate urgent, complex challenges—from extreme weather and market volatility to financial insecurity and rising health costs—so they can meet their business, financial, and social objectives. Our solutions encompass insurance, financial services, healthcare, life sciences, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. Visit us at [milliman.com](http://milliman.com).

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