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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Multiemployer pensions reach highest aggregate funding level since 2007

SEATTLE – August 15, 2024 – Milliman, Inc., a premier global consulting and actuarial firm, today released the midyear 2024 results of its Multiemployer Pension Funding Study (MPFS), which analyzes the funded status of all multiemployer defined benefit (DB) pension plans in the United States. As of June 30, 2024, the aggregate funded percentage for U.S. multiemployer plans has reached 93%, up from 89% at the end of 2023, marking the highest funding level since 2007.

The study highlights several key findings:

- **Funded status:** As of June 30, 2024, 73% of all plans are in the green zone. The funding shortfall for all plans improved by approximately \$29 billion during the first six months of 2024.
- **Investment Returns:** The estimated investment return for Milliman's simplified portfolio was approximately 5.3% for the first half of 2024.
- **Special Financial Assistance (SFA):** As of June 30, 2024, 73 plans received nearly \$54 billion in SFA under the American Rescue Plan Act of 2021 (ARP), contributing an additional 7% to the aggregate funded percentage since the program's inception.
- **Future Projections:** The Pension Benefit Guaranty Corporation (PBGC) estimates a total SFA payout of about \$80 billion to 198 plans by 2027. If all remaining estimated SFA were included in the market value of assets as of June 30, 2024, the aggregate funded percentage would rise from 93% to 96%.

"The infusion of special financial assistance, positive market performance, increases in contributions, and prudent changes to benefit levels and plan design have all played a pivotal role in multiemployer plan recovery, with these plans now reaching an aggregate funding level not seen since before the 2008 financial crisis," said Tim Connor, Principal at Milliman and co-author of the study. "Plan sponsors should continue to explore changes in investment and funding strategies and contribution levels, and look at plan design and de-risking strategies, to leverage this improved funded status with the goal of securing long-term solvency as best they can."

The findings in this study were derived from publicly available IRS Form 5500 data filed through June 2024 for approximately 1,200 multiemployer DB plans. The analysis reflects the use of a simplified portfolio and standard actuarial approximation techniques to project asset values and liabilities.

To view the complete study, go to www.milliman.com/mpfs. 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.



About Milliman

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