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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Funding for corporate pensions improves by \$29 billion in April**

**Milliman 100 PFI funded ratio rises to 91.4% thanks to investment gains and discount rate increase**

SEATTLE – MAY 9, 2019 – 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 April, these pensions experienced a \$29 billion increase in funded status thanks to healthy investment gains and an increase in the benchmark corporate bond interest rates used to value pension liabilities. The market value of assets rose by \$13 billion thanks to April's robust investment gain of 1.09%. Discount rates also climbed in April, increasing seven basis points from 3.78% at the end of March to 3.85% as of April 30. Pension liabilities dropped by \$16 billion as a result. The funding ratio of the Milliman 100 PFI during April rose from 89.7% to 91.4%.

"April was a solid month for corporate pensions, with strong investment returns and a discount rate increase that helped to boost funding levels," said Zorast Wadia, co-author of the Milliman 100 PFI. "Overall 2019 is starting out quite well, with above-expected asset returns in each of the first four months of the year. Discount rates making their way north of 4.0% again would further add to the optimism around pension funding."

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.25% by the end of 2019 and 4.85% by the end of 2020) and asset gains (10.6% annual returns), the funded ratio would climb to 101% by the end of 2019 and 117% by the end of 2020. Under a pessimistic forecast (3.45% discount rate at the end of 2019 and 2.85% by the end of 2020 and 2.6% annual returns), the funded ratio would decline to 87% by the end of 2019 and 80% by the end of 2020.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2019 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 19 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 2019 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2018 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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