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Press Release

Milliman analysis: Public pension funded status ends 2021 at 85.5%, highest in over five years

Milliman PPFi deficit declines to \$833 billion, lowest in study history

SEATTLE – JANUARY 24, 2021 – Milliman, Inc., a premier global consulting and actuarial firm, today released the fourth quarter (Q4) 2021 results of its Public Pension Funding Index (PPFI), which consists of the nation’s 100 largest public defined benefit pension plans.

Public pensions closed out 2021 with a funded status of 85.5%, up from 83.9% in Q3 and the highest recorded funded status since Milliman began tracking the PPFI in 2016. In aggregate, these plans experienced an investment return of 3.21% for the quarter, though individual plans’ estimated returns ranged from 0.57% to 6.80%. Nearly half of the plans in our study (46) are now funded over 90%, while 18 plans are funded below 60% - down from 21 plans in Q3.

“Over the past two years, public pension funding has climbed from a low of 66% funded to a high of 85.5% – a jump that can be largely attributed to positive investment returns during almost every quarter since Q2 2020,” said Becky Sielman, author of Milliman’s Public Pension Funding Index. “Looking to 2022, however, declines in the stock market coupled with predicted rising interest rates could result in asset values falling from their Q4 heights.”

For more information and to view the full Milliman 100 Public Pension Funding Index, go to <http://www.milliman.com/ppfi/>. 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

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.

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