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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funded ratio improves to 106.4% in August despite double-digit investment losses year-to-date**

**Milliman 100 PFI funded status increases by \$19 billion**

SEATTLE – SEPTEMBER 8, 2022 – 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 August, the Milliman 100 PFI funded ratio climbed from 104.8% on July 31, 2022, to 106.4% as of August 31. The funded ratio improvement was driven by a 36-basis point increase in the monthly discount rate. The PFI projected benefit obligation (PBO) lessened by \$65 billion as discount rates rose from 4.25% to 4.61% for the month. Meanwhile the market value of assets fell by \$46 billion because of August's 2.47% investment loss.

"Despite year-to-date investment losses of 11.6% through the end of August, the funded status surplus for these plans climbed to \$91 billion," said Zorast Wadia, co-author of the PFI. "This gain is attributable to the steep rise in discount rates, 36 basis points in August and 181 basis points year-to-date."

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.81% by the end of 2022 and 5.41% by the end of 2023) and asset gains (9.9% annual returns), the funded ratio would climb to 111% by the end of 2022 and 125% by the end of 2023. Under a pessimistic forecast (4.41% discount rate at the end of 2022 and 3.81% by the end of 2023 and 1.9% annual returns), the funded ratio would decline to 103% by the end of 2022 and 94% by the end of 2023.

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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