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FOR IMMEDIATE RELEASE

**Press Release**

## **Public pension assets rebound by 7.34% in Q1 2019, funding improves by \$185 billion**

**Milliman PPFi funded ratio jumps from 67.2% at the end of December to 71.0% as of March 31**

SEATTLE – MAY 28, 2019 – Milliman, Inc., a premier global consulting and actuarial firm, today released the first quarter 2019 results of its Public Pension Funding Index (PPFI), which consists of the nation's 100 largest public defined benefit pension plans. In Q1 2019, these plans experienced a \$185 billion jump in funding, largely due to stellar investment gains of 7.34% in aggregate. This improvement was the largest quarterly funding increase since the PPFI began in September 2016 and helped offset Q4 2018's investment losses, which marked the PPFI's largest quarterly *decrease* at \$306 billion. Estimated investment returns for plans in the first three months of 2019 ranged from a low of 3.52% to a high of 11.57%. As a result, the funding ratio of the Milliman PPFi climbed from 67.2% at the end of December to 71.0% as of March 31 2019.

"The first quarter of 2019 was a welcome relief for public pensions after the dismal investment performance at the end of 2018," said Becky Sielman, author of the Milliman 100 Public Pension Funding Index. "But even with the market fluctuations of the past six months, it's important to bear in mind that these pensions have time horizons measured in decades. Plan sponsors should take this volatility as a reminder to review their asset smoothing policies, to ensure the short-term market fluctuations don't translate into short-term contribution volatility."

As of March 31, 2019, the PPFI deficit stands at \$1.508 trillion compared to \$1.693 trillion at the end of December 2018. The total pension liability (TPL) continues to grow, and stood at an estimated \$5.205 trillion at the end of Q1, up from \$5.164 trillion at the end of Q4 2018. Funded ratios overall moved higher this quarter, with six plans moving above the 90% funded mark; there are now 14 plans above this mark compared to eight at the end of 2018.

To view the Milliman 100 Public Pension Funding Index, go to <http://www.milliman.com/ppfi/>. 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 Public Pension Funding Index**



Since 2012, Milliman has conducted an annual study of the 100 largest defined benefit plans sponsored by government jurisdictions in the U.S. The Milliman 100 Public Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of actual market returns, utilizing the actual reported asset values, liabilities, and asset allocations of the pension plans. The results of the Milliman 100 Public Pension Funding Index are based on the pension plan financial reporting information disclosed in the plan sponsors' Comprehensive Annual Financial Reports, which reflect measurement dates ranging from June 30, 2016, to December 31, 2017. This information was summarized as part of the Milliman 2018 Public Pension Funding Study, which was published on January 15, 2019.

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