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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: July's corporate pension funded status steady amid investment gains, discount rate decline

Milliman 100 PFI plans' July funded ratio lands at 83.7%, sees little movement in first seven months of 2017

SEATTLE – AUGUST 10, 2017 – 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 July, the funded status of these plans rose by \$4 billion as the Milliman 100 PFI deficit shrank from \$286 billion at the end of June to \$282 billion at the end of July. The slight increase in funded status resulted from strong investment gains that compensated for a decrease in the benchmark corporate bond interest rates used to value pension liabilities. The funded ratio inched up from 83.5% the previous month to 83.7% as of July 31. Over the past seven months the funded ratio of these plans has been teetering between 83% and 84%.

“Given the relatively strong market returns contrasted with persistently low interest rates, it’s no surprise that there’s been little movement this year in the funded ratio for the Milliman 100 plans,” said Zorast Wadia, co-author of the Milliman 100 PFI. “With the lack of funded ratio improvement, we’re seeing a number of sponsors make additional contributions with an eye towards shoring up funded status in the future.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 3.96% by the end of 2017 and 4.56% by the end of 2018) and asset gains (11.0% annual returns), the funded ratio would climb to 89% by the end of 2017 and 102% by the end of 2018. Under a pessimistic forecast (3.46% discount rate at the end of 2017 and 2.86% by the end of 2018 and 3.0% annual returns), the funded ratio would decline to 81% by the end of 2017 and 74% by the end of 2018.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2017 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.

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.

About the Milliman Pension Funding Study

For the past 17 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 2017 Pension Funding Study are



based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2016 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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