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Press Release

Milliman: Multiemployer pension plans nearing healthiest funding since market collapse of 2008

Plans' aggregate funded percentage increased from 77% to 81% in first six months of 2017

Average funding level for critical plans remains near 60%

SEATTLE – OCTOBER 20, 2017 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its Fall 2017 Multiemployer Pension Funding Study, which analyzes the funded status of all multiemployer pension plans. As of June 30, 2017, these plans are nearing the healthiest they've been since U.S. financial markets collapsed in 2008. In the first six months of 2017, the aggregate funding percentage for all multiemployer pensions climbed from 77% to 81%, reducing the system's shortfall by \$21 billion – an improvement driven largely by favorable investment returns.

“In aggregate, asset growth for multiemployer plans far outpaced assumptions for the first half of 2017,” says Kevin Campe, consulting actuary at Milliman and co-author of the MPFS. “But that bears little weight for critical plans, which are hurt by their substantially lower asset base. Despite the bull market, we’re seeing the funding gap continue to widen between critical and noncritical plans.”

While noncritical plans are nearing an aggregate funded percentage of 90%, the funding level for critical plans remains around 60%. Currently about a quarter of the plans tracked by Milliman's Multiemployer study fall within critical levels, with some of the most troubled on track to rely on assistance from the PBGC – which itself is facing severe financial challenges. Comparatively, of the approximately 1,250 plans analyzed in the study, around 75% are considered noncritical.

To view the complete study, go to www.milliman.com/mpfs. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

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