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Press Release

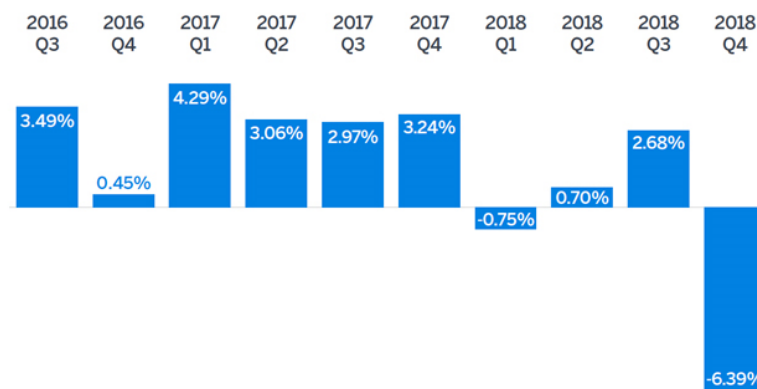
Public pension assets plummet in 2018 Q4, experiencing largest quarterly losses in two years

Milliman PPFi assets drop by 6.39%, funded status decreases by \$306 billion in fourth quarter

SEATTLE – FEBRUARY 15, 2019 – Milliman, Inc., a premier global consulting and actuarial firm, today released the 2018 fourth quarter results of its Public Pension Funding Index (PPFI), which consists of the nation’s 100 largest public defined benefit pension plans. In 2018 Q4, these plans experienced a \$306 billion loss in funding, largely due to a disappointing quarterly investment return of -6.39% in aggregate. This marks the largest quarterly funding decrease since the PPFi began in September 2016. Estimated investment returns for plans in Q4 ranged from a low of -10.27% to a high of -2.18%. As a result, the funding ratio of the Milliman PPFi dropped from 72.9% at the end of September to 67.2% as of December 31.

“Public pensions took a huge hit in the fourth quarter of 2018,” said Becky Sielman, author of the Milliman 100 Public Pension Funding Index. “And for those plans in which benefits paid out exceed contributions coming in, this is especially difficult news, as investment returns are critical to slow the outflow of funding.”

QUARTERLY INVESTMENT RETURNS



As of December 31, 2018, the PPFi deficit stands at \$1.693 trillion, compared to \$1.387 trillion at the end of September 2018. The total pension liability (TPL) continues to grow, and stood at an estimated \$5.164 trillion at the end of Q4, up from \$5.123 trillion at the end of Q3. Funded ratios overall moved lower this quarter, with nine plans dropping below the 90% funded mark; there are now just eight plans above this mark, compared to 17 at the end of Q3.

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.



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 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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