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**FOR IMMEDIATE RELEASE**

**Press Release**

## **Milliman analysis: February's investment gains propel corporate pension funding ratio to 92.6%**

**Milliman 100 PFI deficit down by \$45 billion in first two months of 2019**

SEATTLE – MARCH 11, 2019 – 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 February, these pensions experienced a \$20 billion increase in funded status thanks to healthy investment gains and an increase in the benchmark corporate bond interest rates used to value pension liabilities. The market value of assets rose by \$15 billion as a result of February's robust investment gain of 1.24%. Pension liabilities also fell to \$1.648 trillion at the end of the month, the result of a two basis point increase in the monthly discount rate. The PFI deficit has dropped by \$45 billion in the first two months of 2019. The funding ratio of the Milliman 100 PFI rose from 91.4% at the end of January to 92.6% as of February 28.

"February's investment gains continue to propel corporate pension funding in the right direction, adding to an already positive start to the year," said Zorast Wadia, co-author of the Milliman 100 PFI. "While the gains of the past two months are good news for these pensions, we've still not fully recovered from the \$70 billion hole created last December."

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.58% by the end of 2019 and 5.18% by the end of 2020) and asset gains (10.8% annual returns), the funded ratio would climb to 105% by the end of 2019 and 121% by the end of 2020. Under a pessimistic forecast (3.58% discount rate at the end of 2019 and 2.98% by the end of 2020 and 2.8% annual returns), the funded ratio would decline to 87% by the end of 2019 and 81% by the end of 2020.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2018 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](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 Pension Funding Study**



For the past 18 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 2018 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2017 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.

Pension plan accounting information disclosed in the footnotes of the Milliman 100 companies' annual reports for the 2018 fiscal year is expected to be available during the first quarter of 2019 as part of the 2019 Milliman Pension Funding Study. We expect to publish our comprehensive recap during April of 2019 as part of the 2019 Milliman Pension Funding Study.

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