



Contact: John Ehrhardt  
Milliman, Inc.  
Tel: 646.473.3300  
john.ehrhardt@milliman.com

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FOR IMMEDIATE RELEASE

Press Release

## **Milliman says 2008 ended with biggest pension funding loss of the year**

### **One-hundred largest corporate pensions suffered \$130 billion in liability losses in December**

Seattle – January 16, 2009 – Milliman, Inc., one of the premier global consulting and actuarial firms, today released the latest update to the Milliman 100 Pension Funding Index, which consists of 100 of the nation's largest defined benefit pension plans. In December, pensions saw a 141-basis-point drop in interest rates, resulting in \$130 billion in liability losses to end the year. Accounting for investment gains of \$16 billion, pensions lost \$114 billion in December. After starting the year with a 104.9% funded ratio, the 100 largest pensions ended the year at 77.2%.

"The sting is in the tail," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "The asset losses in September and October were the biggest we've seen, but in terms of funded status, the months of November and December were more crippling for pensions due to massive liability losses. The 100 largest pensions lost a quarter of their funded status last year."

The cumulative asset return for the year ended at -21%, a loss of \$348 billion. These results are expected to produce an estimated increase of \$65 billion in pension expense for 2009.

To view the complete monthly update, go to [www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-study/index.php](http://www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-study/index.php).

### **About Milliman**

Milliman is among the world's largest independent actuarial and consulting firms. Founded in Seattle in 1947 as Milliman & Robertson, the company currently has 49 offices in key locations worldwide. Milliman employs more than 2000 people, with a professional staff of more than 1000 qualified consultants and actuaries, including specialists ranging from clinicians to economists. The firm has consulting practices in healthcare, employee benefits, property and casualty insurance, life insurance, and financial services. Milliman serves the full spectrum of business, financial, government, union, education, and nonprofit organizations. For further information, visit [www.milliman.com](http://www.milliman.com).

### **About the Milliman 100 Pension Funding Index**

For the past eight years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The Milliman 100 Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of market returns and interest-rate changes on pension funded status, utilizing the actual reported asset values, liabilities, and asset allocations of the companies' pension plans.

The results of the 2008 Milliman 100 Pension Funding Index were based on the actual pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2007 fiscal year and for previous fiscal years. In addition to providing the financial information on the funded status of



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 funding standards different from those for U.S. qualified pension plans. They do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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