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Press Release

Milliman analysis: Corporate pensions take a step back in November

Funded status decreased by \$22 billion during November

Seattle – December 13, 2010 – Milliman, Inc., a premier global consulting and actuarial firm, 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 November, these plans experienced asset decreases of \$8 billion and liability increases of \$14 billion, resulting in a \$22 billion decrease in pension funded status for the month. November's decline in funded status follows two months of improvement and leaves the pension funding deficit at \$335 billion.

"We were going strong for a couple months but that momentum faded in November, and it seems likely that these 100 pensions will end 2010 with a decline in funded status compared to where they were at the end of 2009," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "Companies are now turning their attention to 2011 and what it will take to improve funded status in what looks likely to be a big year for pension expense."

This month's study continues to offer projections for 2011 and 2012, illustrating how asset performance and discount rates may drive funded status. In the most optimistic scenario, which assumes a 12.1% annual asset return and an ultimate discount rate of 6.45%, pensions would reach full funded status in the fall of 2012. A pessimistic scenario (4.1% annual asset return, 3.95% ultimate discount rate) would dip funded status below 65% by the end of 2012.

To view the complete monthly update, go to <http://www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-index/>. 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 independent actuarial and consulting firms. Founded in Seattle in 1947 as Milliman & Robertson, the company currently has 54 offices in key locations worldwide. Milliman employs over 2,400 people. The firm has consulting practices in healthcare, employee benefits, property & 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.

About the Milliman 100 Pension Funding Index

For the past ten 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 monthly 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 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 preceding 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. The results do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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