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**FOR IMMEDIATE RELEASE**

**Press Release**

## **Milliman analysis: A second consecutive month of pension gains**

**Funded status increased by \$79 billion during October**

Seattle – November 12, 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 October, these plans experienced asset increases of \$15 billion and liability decreases of \$64 billion, resulting in a \$79 billion increase in pension funded status for the month. October marks the second consecutive month of pension gains, following a 10-year low in August.

"In the last two months alone, we've seen a \$146 billion improvement in pension funded status, driven both by positive asset returns, as well as by a combined 49 basis point increase in the relevant interest rates," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "This has been one of the more impressive two-month improvements that we have seen, though as our projections show, we still have a long climb in front of us."

This month's study introduces new projections for 2011 and 2012, illustrating how asset performance and discount rates may drive funded status. If these pensions could muster a 12.1% annual asset return and if the ultimate discount rate climbed to 6.57%, pensions would reach full funded status in the summer of 2012. Alternatively, the study offers a pessimistic scenario where pension funded status could decline even further, to 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](mailto: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](http://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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