



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

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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Declining interest rates fuel record growth in pension funding deficit**

**Funded status decreased by \$124 million during September and by \$252 billion since June 30**

Seattle – October 6, 2011 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index, which consists of 100 of the nation's largest defined benefit pension plans. In September, these plans experienced a \$31 billion investment loss and a \$93 billion increase in pension liabilities. The massive increase in the pension funding deficit closes out a rough quarter for these pensions. Since June 30, the funded status deficit has grown by \$252 billion, making the third quarter of calendar year 2011 the second worst in the history of this study. The only previous quarter in which pensions have performed so poorly was the fourth quarter of calendar year 2008, which spanned the financial crisis.

“September was a historically awful month for pensions, and we’re getting uncomfortably close to the worst funded ratio in the history of our study,” said John Ehrhardt, co-author of the Milliman Pension Funding Study. “The continued march of the liability-driven funding deficit continues, leaving corporate pensions with some important decisions as they look to plan for 2012.”

Year-to-date, the cumulative asset return on these 100 pensions has been -1.31% and the Milliman 100 PFI funded status has decreased by \$211 billion, dropping the funded ratio from 84.1% to 72.8%.

To view the complete study, go to <http://ow.ly/4xFlt>. 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 1947 as Milliman & Robertson, the company currently has 53 offices in key locations worldwide. Milliman employs over 2,500 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 11 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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