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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pensions begin 2011 with improvement in funded status

Funded status improves to 82.2% in January thanks to \$41 billion reduction in pension funding deficit

Seattle – February 9, 2011 – 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 January, these plans experienced asset increases of \$6 billion and liability decreases of \$35 billion, resulting in a \$41 billion increase in pension funded status for the month and the second consecutive month of positive performance. For the last 12 months, these pensions experienced a \$15 billion improvement in funded status, which compares favorably to the performance over the course of calendar year 2010, when these pensions saw the funded status deficit increase by \$49 billion.

"We're off to a good start in 2011," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "If you look at the funded ratio, this is the first time we've been above 80% since last April. At the same time, the pension deficit has been yo-yoing between \$200 billion and \$450 billion for the last two years, and we are still susceptible to that kind of volatility."

The study offers projections for 2011 and 2012, which help to illustrate the challenge posed by the pension funded status deficit. If interest rates continue along their current lines and these 100 pensions achieve their 8.1% median return, the deficit will shrink to \$223 billion by the end of 2012. More optimistic performance—12.1% annual returns and eventual interest rates of 6.67%—would help these pensions reach 90% funded status by the end of September and would eliminate the deficit and put the funded ratio at 108% 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 2,500 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

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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