



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

---

FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Pension funding deficit grows in November**

**Funded status fell by \$8 billion during November; year-to-date deficit increased by \$175 billion**

Seattle – December 7, 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 November, these plans experienced a \$7 billion decline in market value and a \$1 billion increase in pension liabilities. While declining assets drove the deficit growth, the 4.53% discount rate—the lowest in the 11-year history of this study—continues to be the big story.

“So long as we have low discount rates we’ll have no choice but to hope for improved asset performance,” said John Ehrhardt, co-author of the Milliman Pension Funding Study. “As 2011 draws to a close it seems increasingly likely that this will be a lost year for pension funding. In the coming weeks, plan sponsors will be closely monitoring both the discount rate and the market value of these assets, with the hope of starting off 2012 with at least some upward momentum.”

Year-to-date, the cumulative asset return on these 100 pensions has been 2.27% and the Milliman 100 PFI funded status has decreased by \$175 billion, dropping the funded ratio from 84.1% to 75.0%.

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 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](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.

####