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Press Release

Milliman analysis: Pension plans continue modest 2012 improvement

Despite discount rates hitting an all-time low, corporate pensions improve funding by \$20 billion

Seattle – March 6, 2012 – 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 February, these pensions experienced a \$20 billion improvement in pension funding thanks to a \$24 billion improvement in asset value that offset a \$4 billion increase in the pension benefit obligation (PBO). The asset-driven improvement continues the modest rally that has so far characterized 2012.

"Slowly but steadily, these 100 pensions are chipping away at the pension funding deficit," said John Ehrhardt, co-author of the Milliman Pension Funding Study. "Interest rates are again at an all-time low, driving pension liabilities to an all-time high, but so far this year we've seen enough positive asset performance to move funding status in the right direction."

In February, the projected benefit obligation (PBO) for these pensions reached \$1.689 trillion as interest rates slid back to 4.25%, a level last seen at the end of 2011. The overall asset value for these 100 pensions grew from \$1.252 trillion to \$1.276 trillion.

Looking forward, if these 100 pensions were to achieve an 8.0% median asset return and if the current discount rate of 4.25% were to be maintained throughout 2012 and 2013, these pensions would narrow the pension funding gap from 75.5% to 79.9% by the end of 2012 and to 85.4% by the end of 2013.

To view the complete study, go to <http://ow.ly/4xFIt>. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com. And for more on pension funding, be sure to check back in late March when Milliman releases its 2012 Pension Funding Study.

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.



About the Milliman 100 Pension Funding Index

For the past 12 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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