



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

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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funded status declines for first time this year**

**A \$35 billion increase in liabilities and a \$4 billion decrease in assets raises the pension deficit to \$267 billion**

Seattle – May 9, 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 April, these pensions experienced a \$39 billion decrease in pension funded status based on a \$35 billion increase in the pension benefit obligation (PBO) and a \$4 billion decline in the asset value. April's drop in funded status is the first of 2012 and comes following a strong improvement in March.

"These pensions were doing well in 2012 until April reversed the momentum," said John Ehrhardt, co-author of the Milliman Pension Funding Study. "As has been the case with so many of our negative months, the decline in funded status was mostly interest-rate driven."

In April, the discount rate used to calculate pension liabilities fell from 4.88% to 4.76%, pushing the PBO up to \$1.561 trillion at the end of the month. The overall asset value for these 100 pensions decreased from \$1.298 trillion to \$1.294 trillion.

Looking forward, if these 100 pensions were to achieve their expected 7.8% median asset return and if the current discount rate of 4.76% were to be maintained throughout 2012 and 2013, these pensions would improve the pension funding ratio from 82.9% to 85.6% by the end of 2012 and to 90.7% 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](mailto:pensionfunding@milliman.com).

### **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](http://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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