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Press Release

Milliman analysis: Corporate pension funded ratio approaches 90% in July due to robust investment performance

Corporate pension funded status improved by \$23 billion in July and by a stunning \$388 billion over the last 12 months, resulting in lowest pension deficit since June of 2011

Seattle – August 6, 2013 – 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 July, these plans experienced a \$26 billion increase in asset value and a \$2 billion increase in pension liabilities. The pension funding deficit dropped from \$182 billion at the end of June to \$158 billion at the end of July.

"The last 12 months were the best 12-month period for corporate pension funded status in the history of our study," said John Ehrhardt, co-author of the Milliman Pension Funding Study. "We've seen gains in nine out of the last 12 months for a total improvement of \$388 billion. Just to put that improvement in its proper perspective, consider that the total projected benefit obligation for these 100 pensions stood at \$762 billion when we started analyzing these 100 plans 13 years ago. This has been a historic rally for pensions—hopefully it will continue."

Year-to-date, assets have improved by \$60 billion and the projected benefit obligation has been reduced by \$172 billion, resulting in a \$233 billion improvement in funded status and increasing the funded ratio to 89.7%.

Looking forward, if the Milliman 100 pension plans were to achieve the expected 7.5% median asset return for their pension plan portfolios, and if the current discount rate of 4.73% were maintained, funded status would improve, with the funded status deficit narrowing to \$128 billion (91.7% funded ratio) by the end of 2013 and \$44 billion (97.2% funded ratio) by the end of 2014.

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.

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 www.milliman.com

**About the Milliman 100 Pension Funding Index**

For the past 13 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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