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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman Analysis: Corporate pension funded ratio in September exceeds 91%; a level last observed in 2008**

### **Pension funded status improves by \$32 billion during September.**

Seattle – October 8, 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 September, the funded status of the 100 largest corporate defined benefit pension plans improved by \$32 billion as measured by the Milliman 100 Pension Funding Index (PFI). The deficit dropped to \$132 billion from \$164 billion at the end of August, primarily due to a robust investment gain of more than 2% during September. The PFI funded ratio increased to 91.4% from 89.3% at the end of August. This marked the fourth consecutive quarter of improvement in funded status.

"It looks like the good news surrounding pension funded status has returned, at least temporarily, after a slight reversal of direction in August," said John Ehrhardt, co-author of the Milliman Pension Funding Index. "The market value of assets increased by \$27 billion as a result of September's investment gain of 2.10%," Ehrhardt noted.

Under an optimistic forecast with rising interest rates (reaching 4.95% by the end of 2013 and 5.55% by the end of 2014) and asset gains (11.5% annual returns), the funded ratio would climb to 95% by the end of 2013 and 113% by the end of 2014. Under a pessimistic forecast with similar interest rate and asset movements (4.65% discount rate at the end of 2013 and 4.05% by the end of 2014 and 3.5% annual returns), the funded ratio would decline to 90% by the end of 2013 and 84% by the end of 2014.

To view the complete study, go to <http://us.milliman.com/pfi/>. 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 [www.milliman.com](http://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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