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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funded status drops another \$8 billion in November

Strong investment gain of \$18 billion offset by liability increases of \$26 billion

Seattle – December 4, 2014, – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index (PFI), which consists of 100 of the nation's largest defined benefit pension plans. In November, these plans experienced a \$26 billion increase in pension liabilities and an \$18 billion increase in asset value, resulting in an \$8 billion increase in the pension funded status deficit.

"The story this year seems to be the same month after month, and in November it's exactly the same as it was in October—an \$8 billion increase in the funded status deficit, with liabilities exceeding positive asset performance," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "For the year, interest rates have dropped by 79 basis points, driving a \$167 billion liability increase."

Looking forward, if the Milliman 100 pension plans were to achieve the expected 7.4% median asset return for their pension portfolios, and if the current discount rate of 3.89% were maintained, funded status would improve, with the funded status deficit shrinking to \$230 billion (87% funded ratio) by the end of 2015 and to \$191 billion (89.2% funded ratio) by the end of 2016. This forecast assumes 2014 aggregate contributions of \$44 billion and 2015 and 2016 aggregate contributions of \$31 billion.

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.

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 14 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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