



Contact: John Ehrhardt  
Milliman, Inc.  
Tel: 646.473.3300  
[john.ehrhardt@milliman.com](mailto:john.ehrhardt@milliman.com)

---

FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Pension funding status declines to start year**

**Combination of a \$7 billion decrease in assets and a \$60 billion increase in liabilities leads to \$67 billion increase in the pension funding deficit following a year of unprecedented improvement**

Seattle – Feb. 7, 2014 – 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 January, following a year of major improvement, these plans experienced a \$7 billion decrease in asset value and a \$60 billion increase in pension liabilities, driving a \$67 billion decline in pension funded status. The blow to pension funded status follows an historic year that saw \$318 billion in funded status improvement.

"After a win-win year that combined market growth and cooperative interest rates, we're back to the lose-lose ways where assets fall and liabilities increase," said John Ehrhardt, co-author of the Milliman Pension Funding Index. "Hopefully this is just a speed bump on the way to 100% funded status. Unfortunately we're not quite as well positioned to achieve full funded status now as we were at the end of the year."

Looking forward, if the Milliman 100 pension plans were to achieve the expected 7.5% median asset return for their pension portfolios, and if the current discount rate of 4.55% were maintained, funded status would improve, with the funded status deficit shrinking to \$62 billion (96.1% funded ratio) by the end of 2014 and turning into a surplus of \$29 billion (101.8% funded ratio) accumulating by the end of 2015.

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.