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Press Release

Milliman analysis: Multiemployer pension plans experience slight decline in funded status during the first six months of 2015, may face further funding challenges ahead

Seattle- November 6, 2015- Milliman, a premier global consulting and actuarial firm, today released the results of its Fall 2015 Multiemployer Pension Funding Study (MPFS), which analyzes the cumulative funded status of all U.S. multiemployer pension plans. These pension plans showed little movement in the last six months, dropping from 80% as of December 31, 2014, to 79% as of June 30, 2015.

The study noted that the market value of assets for all multiemployer plans decreased by \$1 billion. The liability for accrued benefits grew by \$7 billion and resulted in an increase in the funded status shortfall of \$8 billion.

“Multiemployer pension plans have not experienced the kind of equity returns hoped for this year, and recent stock market volatility has only compounded the funding challenges,” said Kevin Campe, co-author of the MPFS. “We’ve added a new twist to this latest study, forecasting how various returns would affect funded status. A strong six months of double-digit returns could push pension funding for multiemployer plans slightly over 87%, while a 7% decline would drop funded status below 72%.”

As of June 30, 279 multiemployer plans are over 100% funded, with an aggregate surplus of approximately \$6 billion, unchanged from December 31, 2014. The shortfall for multiemployer plans less than 65% funded grew from \$60 billion to \$65 billion. This group now represents about 17% of all plans and continues to account for more than half of the aggregate deficit for all multiemployer plans of \$125 billion.

The study also found that there has been significant recovery from the low point in 2009, but that the aggregate funded percentage has yet to return to pre-2008 levels.

To view the complete study, go to <http://www.milliman.com/mpfs>.

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.

About the Milliman Multiemployer Pension Funding Study



This study aims to provide a current and comprehensive examination of all the nearly 1,300 multiemployer plans in the country. The results are based on estimates derived from publicly available Form 5500 data as of August 2015.