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FOR IMMEDIATE RELEASE

Press Release

Milliman: Public pension plans' funded status improves in Q3

3.5% return on assets sees funded ratio rise to 71.0%

Seattle – November 29th, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today released the third quarter results of its Public Pension Funding Index, which consists of the nation's 100 largest public defined benefit pension plans. As of September 30th, the funded ratio of these plans rose to 71.0%, up from 69.8% at the end of June. The funded status improved by \$48 billion, the result of an estimated \$86 billion increase in plan assets thanks to relatively healthy investment returns of 3.5% for the quarter.

"While investment returns were healthier than expected, our Milliman 100 plans experienced a wide range of returns, from an estimated low of 1.33% to a high of 4.37%," said Becky Sielman, author of Milliman's Public Pension Funding Index. "Bond funds and commodities generally fared poorly, after having done well in the second quarter. It's yet to be seen whether they will rebound as we close out the year."

The Milliman 100 PPF total pension liability (TPL) increased from \$4.583 trillion at the end of Q2 to an estimated \$4.620 trillion at the end of Q3. The TPL is expected to grow modestly over time as interest on the TPL and the accrual of new benefits outpaces the benefits paid to retirees.

To view the Milliman 100 Public Pension Funding Index, go to <http://www.milliman.com/ppfi/>. 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 Public Pension Funding Index

For the past 5 years, Milliman has conducted an annual study of the 100 largest defined benefit plans sponsored by government jurisdictions in the U.S. The Milliman 100 Public Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of actual market returns, utilizing the actual reported asset values, liabilities, and asset allocations of the pension plans. The results of the Milliman 100 Public Pension Funding Index are based on the pension plan financial reporting information disclosed in the plan sponsors' Comprehensive Annual Financial Reports, which reflect measurement dates ranging from June 30, 2014 to December 31, 2015. This information was summarized as part of the Milliman 2016 Public Pension Funding Study, which was published on September 5, 2016.

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