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Press Release

Milliman analysis shows multiemployer pension funded status has remained steady so far in 2016

Aggregate funded percentage improves from 75% at end of last year to 76% at the end of June

Seattle – November 11, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its Fall 2016 Multiemployer Pension Funding Study, which analyzes the funded status of all multiemployer pension plans. So far this year, these pension plans experienced a funding percentage increase of 1%, rising from 75% at the end of 2015 to reach 76% as of June 30. Most multiemployer pensions estimated investment returns of over 3%, slightly below expectations. Pension liabilities for these plans increased by \$9 billion.

“These plans haven’t seen much movement, though it’s worth noting that about half of the total underfunding for multiemployer plans continues to be attributable to plans that are less than 65% funded and have entered critical status,” says Kevin Campe, consulting actuary and co-author of the Multiemployer Pension Funding Study. “About 40% of these critical plans are projected to be insolvent at some point.”

Where do multiemployer plans go from here? In the aggregate, the return for the rest of 2016 needs to be 3% in order to preserve the current 76% funded status. A 9% return for the second half of the year would result in aggregate funding above 80%, while a -3% return would pull it down toward 70%.

To view the complete study, go to <http://www.milliman.com/mpfs/>. To receive regular updates of Milliman’s pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

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