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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funded status improved by \$19 billion in September

Pension funded status has declined by \$130 billion this year

Seattle – October 13, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans. In September, these pension plans experienced a \$19 billion improvement in funded status primarily due a \$24 billion decrease in pension liabilities. The funded status for these pensions inched upward from 75.6% to 76.3%.

"It had been a lousy quarter for pension funding but this month made up for it," said Zorast Wadia, co-author of the Milliman 100 PFI. "These plans are still down by \$130 billion for the year, largely due to ballooning liabilities, but at least September ended with discount rates rising by 10 basis points, in a year where we've otherwise since discount rates mostly decline."

Looking forward, under an optimistic forecast with rising interest rates (reaching 3.57% by the end of 2016 and 4.17% by the end of 2017) and asset gains (11.2% annual returns), the funded ratio would climb to 79% by the end of 2016 and 91% by the end of 2017. Under a pessimistic forecast (3.27% discount rate at the end of 2016 and 2.67% by the end of 2017 and 3.2% annual returns), the funded ratio would decline to 75% by the end of 2016 and 68% by the end of 2017.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2016 Milliman Pension Funding Study, go to <http://us.milliman.com/PFS/>. 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 milliman.com.

About the Milliman Pension Funding Study

For the past 16 years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The results of the Milliman 2016 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2015 fiscal year and for previous fiscal years. These figures represent the GAAP accounting information that public companies are required to report under Financial Accounting Standards Board Accounting Standards Codification Subtopics 715-20, 715-30, and 715-60. In addition to providing the financial information on the funded status of their 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 different funding standards from those for U.S. qualified pension plans. The information, data, and footnotes do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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