



Contact: Zorast Wadia
Milliman, Inc.
Tel: 646 473 3315
zorast.wadia@milliman.com

FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Investment gains and favorable interest rate movement power improvement in pension funded status

Discount rates improve by 3 basis points, help fuel a \$10 billion improvement in pension funded status

Seattle – June 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 May, these pension plans experienced a \$10 billion increase in funded status due to increases in pension asset values and decreases in in pension liabilities. The funded status for these pensions increased from 77.0% to 77.5%.

“For the first time this year we saw positive interest rate movement,” said Zorast Wadia, co-author of the Milliman 100 PFI. “Declining discount rates have increased pension liabilities by more than \$100 billion for the year. Last month’s modest \$7 billion decrease in liabilities is a move in the right direction.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.03% by the end of 2016 and 4.63% by the end of 2017) and asset gains (11.2% annual returns), the funded ratio would climb to 84% by the end of 2016 and 96% by the end of 2017. Under a pessimistic forecast (3.33% discount rate at the end of 2016 and 2.73% by the end of 2017 and 3.2% annual returns), the funded ratio would decline to 73% by the end of 2016 and 67% 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.

#####