



Contact: Kevin Campe
Milliman, Inc.
Tel: +1 312 499 5580
kevin.campe@milliman.com

FOR IMMEDIATE RELEASE

Press Release

Milliman: Multiemployer pension funding levels experience slight uptick overall, but poor plans grow poorer

Aggregate funded percentage increases to 77% in last six months of 2016

SEATTLE – May 8th, 2017 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its Spring 2017 Multiemployer Pension Funding Study, which analyzes the funded status of all multiemployer pension plans. As of December 31, 2016, these plans have an aggregate funding percentage of 77%, a 1% increase since June 2016. During that six-month period, the market value of assets increased by \$17 billion while pension liabilities increased by \$13 billion, resulting in a \$4 billion-decrease in the aggregate funding status shortfall. But results vary by plan; while non-critical plans experienced an aggregate funding percentage of nearly 85%, the funding level for critical plans is under 60%.

“The gap continues to widen between critical and non-critical plans,” says Kevin Campe, consulting actuary and co-author of the Milliman Multiemployer Pension Funding Study. “While the funding percentage of healthier plans has increased slightly, critical plans have seen no appreciable increase. Persistent strong returns would be needed to see any appreciable improvement in funded status.”

A closer look into how contributions are distributed shows that plans facing severe funding challenges only spend 38 cents of each contribution dollar on new benefit accruals, while 50 cents of every dollar goes to pay down funding shortfalls. Healthier plans spend 56 cents per contribution dollar on benefit accruals and 32 cents on funding shortfalls. The remaining 12 cents in both scenarios is spent on expenses.

This is the first of three pension funding studies Milliman will be releasing this week. To view the complete study, go to www.milliman.com/mpfs. 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.

####