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**FOR IMMEDIATE RELEASE**

**Press Release**

## **Milliman analysis: Bad year for pensions ends badly**

**Deficit for 100 largest corporate pensions reaches a record \$464 billion**

Seattle – January 6, 2012 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index, which consists of 100 of the nation's largest defined benefit pension plans. In December, these pensions epitomized the poor performance of 2011, experiencing a \$59.7 billion decrease in pension funded status. The bad month cemented a bad year, leaving these 100 pensions with a \$236.4 billion increased deficit as corporate pensions faced record underfunding.

"This was an unusually dispiriting year for these 100 pensions," said John Ehrhardt, co-author of the Milliman Pension Funding Study. "Assets treaded water this year, producing an anemic \$12.3 billion increase in value as record-low interest rates increased pension liabilities by \$248.7 billion."

The full implications of this bad year have yet to be determined and will be illustrated in detail by the 2012 Milliman Pension Funding Study, due out in the spring of 2012.

While 2011 was a bad year, the year-end 72.4% funded ratio still could not eclipse the record of 70.5% set in May 2003.

To view the complete study, go to <http://ow.ly/4xFlt>. To receive regular updates of Milliman's pension funding analysis, contact us at [pensionfunding@milliman.com](mailto:pensionfunding@milliman.com).

### **About Milliman**

Milliman is among the world's largest independent actuarial and consulting firms. Founded in 1947 as Milliman & Robertson, the company currently has 54 offices in key locations worldwide. Milliman employs over 2,500 people. The firm has consulting practices in healthcare, employee benefits, property & casualty insurance, life insurance and financial services. Milliman serves the full spectrum of business, financial, government, union, education and nonprofit organizations. For further information, visit [www.milliman.com](http://www.milliman.com)

### **About the Milliman 100 Pension Funding Index**

For the past 11 years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The Milliman 100 Pension Funding Index projects the funded status for pension plans included in our study, reflecting the monthly impact of market returns and interest-rate changes on pension funded status, utilizing the actual reported asset values, liabilities, and asset allocations of the companies' pension plans.

The results of the Milliman 100 Pension Funding Index were based on the actual pension plan accounting



information disclosed in the footnotes to the companies' annual reports for the preceding fiscal year and for previous fiscal years. In addition to providing the financial information on the funded status of 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 funding standards different from those for U.S. qualified pension plans. The results do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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