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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funded status improves by \$14 billion in June**

**Interest rates rise for the first time this year—but only by two basis points**

Seattle –July 10, 2014 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index (PFI), which consists of 100 of the nation’s largest defined benefit pension plans. In June, these plans experienced a \$3 billion decrease in pension liabilities and an \$11 billion increase in asset value, resulting in a \$14 billion decrease in the pension funded status deficit.

“If you want to understand why pension funded status is down this year, consider the fact that June was the first month in 2014 with rising interest rates—and it’s not like we saw a massive swing,” said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. “Interest rates continue to be the story with these pensions.”

Looking forward, if the Milliman 100 pension plans were to achieve the expected 7.4% median asset return for their pension portfolios, and if the current discount rate of 4.08% were maintained, funded status would improve, with the funded status deficit shrinking to \$228 billion (86.7% funded ratio) by the end of 2014 and to \$173 billion (89.9% funded ratio) by the end of 2015.

To view the complete study, go to <http://us.milliman.com/pfi/>. 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 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 [www.milliman.com](http://www.milliman.com)

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

For the past 14 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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