



Contact: Zorast Wadia  
Milliman, Inc.  
Tel: 646.473.3315  
[zorast.wadia@milliman.com](mailto:zorast.wadia@milliman.com)

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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Pension funding status climbs to 95.2% at year-end**

**Combination of an 87-basis point surge in interest rates and an 11.2% investment gain powers a \$318 billion improvement in 2013**

Seattle – Jan. 7, 2014 – 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 plans experienced a \$10 billion increase in asset value and a \$10 billion decrease in pension liabilities, powering a \$20 billion improvement in pension funded status. The improvement drove the pension funded status deficit down to \$73 billion at year end, culminating a year that saw \$318 billion in funded status improvement.

"This was the first win-win year for pensions since 2007, with assets improving by \$128 billion and liabilities decreasing by \$190 billion," said John Ehrhardt, co-author of the Milliman Pension Funding Index. "Just to put this rally in perspective: These pensions saw a \$337 billion decrease in funded status in 2008, and in the past year we saw a \$318 billion improvement. These plans' performance in 2013 nearly erased the losses of 2008. We are getting back on track."

Looking forward, if the Milliman 100 pension plans were to achieve the expected 7.5% median asset return for their pension portfolios, and if the current discount rate of 4.83% were maintained, funded status would improve, with the funded status deficit turning positive (100.9% funded ratio) by the end of 2014 and a surplus of \$106 billion (106.8% funded ratio) accumulating 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 13 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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