



Contact: John Ehrhardt
Milliman, Inc.
Tel: 646.473.3300
john.ehrhardt@milliman.com

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Press Release

Milliman analysis: Corporate pension funded status drops by \$22 billion in August

Discount rates fall below 4% to reach an all-time low

Seattle –September 8, 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 August, these plans experienced a \$46 billion increase in pension liabilities and a \$24 billion increase in asset value, resulting in a \$22 billion increase in the pension funded status deficit.

"It was a strong month of asset improvement, but there's no counteracting record-low interest rates," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "Year to date, rates have swollen pension liabilities by \$165 billion."

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 3.89% were maintained, funded status would improve, with the funded status deficit shrinking to \$265 billion (84.9% funded ratio) by the end of 2014 and to \$228 billion (87.1% 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.

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

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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