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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pension funded status drops by \$25 billion in April**

**Further discount rate declines sink funded ratio to 77.1%**

Seattle – May 9, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans. In April, these pension plans experienced a \$25 billion decrease in funded status due to a \$4 billion increase in asset values and a \$29 billion increase in pension liabilities. The funded status for these pensions decreased from 78.1% to 77.1%.

“For the year these pensions have now declined more than \$100 billion in funded status, despite a \$6 billion increase in asset values” said Zorast Wadia, co-author of the Milliman 100 PFI. “As we’ve seen so many times, interest rates are driving funded status for these 100 pensions. The discount rate of 3.65% is the second lowest in the history of this study.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.05% by the end of 2016 and 4.65% by the end of 2017) and asset gains (11.2% annual returns), the funded ratio would climb to 84% by the end of 2016 and 96% by the end of 2017. Under a pessimistic forecast (3.25% discount rate at the end of 2016 and 2.65% by the end of 2017 and 3.2% annual returns), the funded ratio would decline to 72% by the end of 2016 and 66% by the end of 2017.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2016 Milliman Pension Funding Study, go to <http://us.milliman.com/PFS/>. 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 [milliman.com](http://milliman.com).

### **About the Milliman Pension Funding Study**

For the past 16 years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The results of the Milliman 2016 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies’ annual reports for the 2015 fiscal year and for previous fiscal years. These figures represent the GAAP accounting information that public companies are required to report under Financial Accounting Standards Board Accounting Standards Codification Subtopics 715-20, 715-30, and 715-60. In addition to providing the financial information on the funded status of their 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 different funding standards from those for U.S. qualified pension plans. The information, data, and footnotes do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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