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Press Release

Milliman analysis: Corporate pension funding ratio improves to 109.2% in September despite 2022's worst month of market losses

Milliman 100 PFI funded status increases by \$31 billion

SEATTLE – OCTOBER 12, 2022 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

During September, the Milliman 100 PFI funded ratio climbed from 106.3% on August 31, 2022, to 109.2% as of September 30, the highest ratio of the year. The improvement was driven by a large 75-basis point increase in the monthly discount rate. The PFI projected benefit obligation fell by \$118 billion as the discount rate rose from 4.61% in August to 5.36% for September—the highest rate since June 2011. This increase helped to offset September's investment losses of 5.24%, which lowered the Milliman 100 PFI asset value by \$87 billion.

"September's massive increase in the discount rate had quite the upward effect on the PFI funded ratio," said Zorast Wadia, co-author of the PFI. "This jump more than negated September's asset losses, which were the worst of the year to date."

Looking forward, under an optimistic forecast with rising interest rates (reaching 5.51% by the end of 2022 and 6.11% by the end of 2023) and asset gains (9.9% annual returns), the funded ratio would climb to 113% by the end of 2022 and 126% by the end of 2023. Under a pessimistic forecast (5.21% discount rate at the end of 2022 and 4.61% by the end of 2023 and 1.9% annual returns), the funded ratio would decline to 107% by the end of 2022 and 97% by the end of 2023.

To view the complete Pension Funding Index, go to www.milliman.com/pfi. To see Milliman's full range of annual Pension Funding Studies, go to <https://www.milliman.com/en/retirement-and-benefits/pension-funding-studies>. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

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