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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funded ratio climbs to 106.7% in April

Milliman 100 PFI plans experience 78 basis-point monthly increase

SEATTLE – MAY 9, 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.

As of April 30, the funded status for these plans improved by \$48 billion, despite a monthly investment loss of 4.66%. A 78 basis-point increase in discount rates – from 3.62% to 4.30% during April – drove the improvement. This is the highest the PFI monthly discount rate has been since November 2018.

The Milliman 100 PFI projected benefit obligation (PBO) decreased by \$133 billion during April, but this improvement was offset by an \$85 billion drop in the market value of assets. As of April 30, the funded ratio shot upward to 106.7%, from 103.2% at the end of March, while the funded status surplus increased to \$99 billion.

“Despite the value of assets dropping by over 4% for the month, rising interest rates continue to propel pension funding higher,” said Zorast Wadia, co-author of the PFI. “The last time the funding surplus was this close to \$100 billion was in 2007, prior to the Great Recession.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.70% by the end of 2022 and 5.30% by the end of 2023) and asset gains (9.9% annual returns), the funded ratio would climb to 116% by the end of 2022 and 132% by the end of 2023. Under a pessimistic forecast (3.90% discount rate at the end of 2022 and 3.30% by the end of 2023 and 1.9% annual returns), the funded ratio would decline to 100% by the end of 2022 and 91% 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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