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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pensions experience funded status decrease for first time in 2021

After eight months of funding improvement, PFI funded ratio decreased to 97.2% in June.

SEATTLE – July 12, 2021 – 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 June, the market value of assets for PFI plans increased by \$20 billion. However, increases in pension liabilities offset those gains. Overall, corporate pension funded status decreased by \$30 billion for the month, and the funded ratio slid to 97.2%.

“We’ve had a great run of pension funding improvements over the last eight months, pulling within 2% of full funding, but that momentum ran out in June,” said Zorast Wadia, author of the Milliman 100 PFI. “Full funding remains within reach, thanks to our year-to-date 6.9% improvement in funded status.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 3.04% by the end of 2021 and 3.64% by the end of 2022) and asset gains (10.2% annual returns), the funded ratio would climb to 105% by the end of 2021 and 122% by the end of 2022. Under a pessimistic forecast (2.44% discount rate at the end of 2021 and 1.84% by the end of 2022 and 2.2% annual returns), the funded ratio would decline to 93% by the end of 2021 and 85% by the end of 2022.

To view the complete Pension Funding Index, go to www.milliman.com/pfi. To see the 2021 Milliman Pension Funding Study, go to www.milliman.com/pfs. 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 milliman.com.

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