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Press Release

Milliman analysis: Corporate pension funded ratio holds steady at 97.3% in September

September's investment losses interrupt five months of Milliman 100 PFI asset gains

SEATTLE – OCTOBER 11, 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.

A rise in discount rates during September countered a 1.68% investment loss for corporate pensions, leaving the funded status of the Milliman 100 PFI nearly flat for the month. The market value of assets declined by \$38 billion while the monthly discount rate climbed from 2.65% in August to 2.78% in September, resulting in just a slight funded status increase of \$1 billion compared to the month prior. The funded ratio remained flat during this time, at 97.3%.

“September's investment losses interrupted five consecutive months of asset gains for corporate pensions, dampening an otherwise strong third quarter,” said Zorast Wadia, author of the Milliman 100 PFI. “Meanwhile discount rates have been headed in the right direction for the past two months, but still remain low compared to prior years.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 2.93% by the end of 2021 and 3.53% by the end of 2022) and asset gains (10.2% annual returns), the funded ratio would climb to 101% by the end of 2021 and 117% by the end of 2022. Under a pessimistic forecast (2.63% discount rate at the end of 2021 and 2.03% by the end of 2022 and 2.2% annual returns), the funded ratio would decline to 95% by the end of 2021 and 87% by the end of 2022.

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

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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