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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funding status improves in June for second straight month

Milliman 100 PFI funded ratio rises to 102.2%, driven by strong investment returns

SEATTLE – JULY 10, 2023 – 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 Milliman 100 PFI funding ratio rose from 100.7% at the end of May to 102.2% as of June 30. Monthly investment returns of 1.76% largely drove this result, boosting the market value of plan assets by \$17 billion, to \$1.346 trillion by the end of June. A slight rise in discount rates also contributed to the funded status improvement. As rates rose from 5.19% in May to 5.20% for June, the PFI plans' projected benefit obligation declined from \$1.320 trillion to \$1.316 trillion over the period.

"While June saw strong monthly investment returns and muted discount rate activity, over the second quarter the PFI plan assets declined an overall \$6 billion while a 20-basis-point jump in discount rates caused liabilities to fall by \$35 billion," said Zorast Wadia, author of the PFI. "The net result was a funded status improvement of \$29 billion since the end of March, when the PFI funded ratio was only 100.1%."

Looking forward, under an optimistic forecast with rising interest rates (reaching 5.50% by the end of 2023 and 6.10% by the end of 2024) and asset gains (9.8% annual returns), the funded ratio would climb to 108% by the end of 2023 and 122% by the end of 2024. Under a pessimistic forecast (4.90% discount rate at the end of 2023 and 4.30% by the end of 2024 and 1.8% annual returns), the funded ratio would decline to 98% by the end of 2023 and 89% by the end of 2024.

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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