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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funded ratio rises to 103.4% in April despite investment losses

Milliman PFI plans mark four straight months of funding status improvements

SEATTLE – MAY 13, 2024 – 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 April, the Milliman 100 PFI funded ratio improved from 102.2% at the end of March to 103.4% as of April 30. Rising discount rates again drove this result, as they increased 44 basis points, from 5.24% in March to 5.68% in April and reduced plan liabilities by \$60 billion. This offset April's investment returns of -3.00%, which reduced the market value of PFI plan assets by \$46 billion.

“April's investment performance was the worst of the year so far, and we would not typically expect to see a funding improvement in a month with 3% losses,” said Zorast Wadia, author of the PFI. “But with discount rates soaring 44 basis points for the period, the liability reduction far outweighed the drop in assets, resulting in further progress for the plans toward a funding surplus and enhancing the risk-management options available to plan sponsors.”

Looking ahead, under an optimistic forecast with rising interest rates (reaching 6.08% by the end of 2024 and 6.68% by the end of 2025) and annual asset returns of 10.4%, the funded ratio would climb to 111% by the end of 2024 and 124% by the end of 2025. Under a pessimistic forecast with similar interest rate and asset movements (5.28% discount rate at the end of 2024 and 4.68% by the end of 2025 and 2.4% annual returns), the funded ratio is projected to decline to 97% by the end of 2024 and 88% by the end of 2025.

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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