



Contact: Zorast Wadia
Milliman, Inc.
Tel: +1 646 473 3315
zorast.wadia@milliman.com

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Press Release

Milliman analysis: Corporate pension funded status rose \$4 billion during May in fifth straight month of improvement

Milliman PFI plans' funded status climbed to 103.4% on strong investment returns

SEATTLE – JUNE 10, 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 May, the Milliman 100 PFI funded ratio rose from 103.1% at the end of April to 103.4% as of May 31, driven by investment returns of 2.29%, the best-performing month of 2024. These gains lifted the net market value of PFI plan assets by \$22 billion for the month, to \$1.296 trillion. They helped offset the decline in discount rates, which fell in May by 15 basis points, to 5.53%, and caused plan liabilities to rise \$18 billion to \$1.253 trillion as of May 31.

“May marks the fifth consecutive month of funding improvements, though the reason was the opposite of what we saw in April,” said Zorast Wadia, author of the PFI. “While discount rates fell in May, driving up liabilities, robust market returns helped the Milliman PFI plan assets and funded ratio continue to rise.”

Looking ahead, under an optimistic forecast with rising interest rates (reaching 5.88% by the end of 2024 and 6.48% by the end of 2025) and annual asset returns of 10.4%, the funded ratio would climb to 110% by the end of 2024 and 123% by the end of 2025. Under a pessimistic forecast with similar interest rate and asset movements (5.18% discount rate at the end of 2024 and 4.58% by the end of 2025 and 2.4% annual returns), the funded ratio is projected to decline to 98% by the end of 2024 and 89% 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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