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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Competitive pension risk transfer cost ticks up to 101.4% during December**

**Competitive bidding process saves about 2.6% of buyout costs as of December 31**

SEATTLE – January 22, 2025 – Milliman, Inc., a premier global consulting and actuarial firm, today announced the latest results of its Milliman Pension Buyout Index (MPBI). During December, the estimated cost to transfer retiree pension risk to an insurer in a competitive bidding process increased from 101.2% to 101.4% of a plan’s accounting liabilities (accumulated benefit obligation, or ABO). That means the estimated retiree PRT cost is now 101.4% of a plan’s ABO. During the same time period, the average annuity purchase cost across all insurers in our index also increased, from 103.9% to 104.0%. The competitive bidding process is estimated to save plan sponsors about 2.6% of PRT costs as of December 31.

“Retiree buyout costs open 2025 with little change from where we ended 2024, as increases in annuity purchase rates matched the movement in accounting discount rates,” said Jake Pringle, Milliman principal and co-author of the MPBI. “After a quiet 4th quarter, the pipeline for January and February PRT deals is very active. With a new year and a new entrant into the space, insurer capacity is at full strength, which is good news for plan sponsors looking to de-risk through PRT.”

The MPBI uses the FTSE Above Median AA Curve, along with annuity purchase composite interest rates from nine insurers, to estimate the competitive and average costs of a PRT annuity de-risking strategy. Individual plan annuity buyouts can vary based on plan size, complexity, and competitive landscape.

To view the complete Milliman Pension Buyout Index, go to <https://www.milliman.com/mpbi>. To receive regular updates with Milliman’s pension buyout analysis, contact us at [pensionbuyout@milliman.com](mailto:pensionbuyout@milliman.com).

### **About Milliman**

Milliman leverages deep expertise, actuarial rigor, and advanced technology to develop solutions for a world at risk. We help clients in the public and private sectors navigate urgent, complex challenges—from extreme weather and market volatility to financial insecurity and rising health costs—so they can meet their business, financial, and social objectives. Our solutions encompass insurance, financial services, healthcare, life sciences, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. Visit us at [milliman.com](http://milliman.com).

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