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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pensions close 2024 at 105% funded thanks to rising discount rates

Milliman 100 PFI plans see \$68 billion funded status improvement for the year

SEATTLE – JANUARY 8, 2025 – Milliman, Inc., a premier global consulting and actuarial firm, today released the 2024 year-end results of its Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

The funded ratio of the Milliman PFI plans saw significant improvement in 2024, rising from 99.5% at the end of 2023 to 105.0% as of December 31, 2024. A 59-basis-point increase in discount rates for the year, up to 5.59% at the end of December, drove this result, reducing plan liabilities and making up for market underperformance. With a heavy allocation to fixed income, the Milliman PFI plans returned an aggregate 4.23% for 2024. While plan assets declined by \$26 billion for the year, liabilities dropped by \$94 billion. The resulting \$68 billion funded status improvement stood in sharp contrast to 2023's \$31 billion loss.

"The Milliman 100 plans were in a surplus funding position at the end of 2024 thanks to the large jump in discount rates, which led to a drop in plan liabilities that more than offset declines in plan assets," said Zorast Wadia, author of the PFI. "In 2025, the reverse could happen if expected interest rate cuts materialize. This underscores the continued importance for plan sponsors of keeping an eye on both sides of the balance sheet via prudent asset-liability management."

Looking forward, under an optimistic forecast with rising interest rates (reaching 6.19% by the end of 2025 and 6.79% by the end of 2026) and asset gains (10.4% annual returns), the funded ratio would climb to 117% by the end of 2025 and 131% by the end of 2026. Under a pessimistic forecast (4.99% discount rate at the end of 2025 and 4.39% by the end of 2026 and 2.4% annual returns), the funded ratio would decline to 95% by the end of 2025 and 87% by the end of 2026.

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 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. ###