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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Public pension funding gap falls below $1 trillion for the first time since 2021

Milliman PPFI plans end third quarter 85.4% funded thanks to strong market gains

SEATTLE – OCTOBER 20, 2025 – Milliman, Inc., a premier global consulting and actuarial firm, today released the latest results of its Public Pension Funding Index (PPFI), which analyzes data from the nation's 100 largest public defined benefit plans.

For the sixth straight month, the PPFI funded ratio improved in September, rising from 84.2% as of August 31 to 85.4% as of September 30—just below the previous high-water mark of 85.5% seen at the end of 2021. Aggregate monthly investment gains estimated at 1.7% drove this result. The PPFI asset value rose from $5.570 trillion to $5.657 trillion during the period while the total pension liability grew to $6.628 trillion as of September 30.

During September, the deficit between estimated plan assets and liabilities shrank from $1.043 trillion at the start of the month to $971 billion at month's end. The last time unfunded liabilities were less than $1 trillion was on December 31, 2021, when the gap was $833 billion.

"Thanks to continued strong investment performance, public pension funding levels continued to improve in September, and unfunded liabilities are now below the critical $1 trillion threshold for the first time since 2021," said Becky Sielman, co-author of the Milliman PPFI. "Now, 45 of the 100 PPFI plans are more than 90% funded while only 11 are less than 60% funded, underscoring the continued health of public pensions."

Read this month's complete Public Pension Funding Index or Milliman's full range of annual 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.

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