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Press Release

Milliman analysis: Competitive pension risk transfer cost inches up to 100.5% during September

Competitive bidding process saves about 3.1% of buyout costs as of September 30

SEATTLE – October 23, 2025 – [Milliman, Inc.](#), a premier global consulting and actuarial firm, today announced the latest results of its [Milliman Pension Buyout Index \(MPBI\)](#). During September, the estimated cost to transfer retiree pension risk to an insurer in a competitive bidding process increased from 100.0% to 100.5% of a plan's accounting liabilities (accumulated benefit obligation, or ABO). That means the estimated retiree PRT cost is now 100.5% of a plan's ABO.

During the same time period, the average annuity purchase cost across all insurers in our index increased from 103.4% to 103.6%. The competitive bidding process is estimated to save plan sponsors about 3.1% of PRT costs as of September 30, 2025.

"Despite the small rise in the MPBI, annuity purchase buyout costs remain favorable for plan sponsors looking to facilitate a pension risk transfer," said Jake Pringle, Milliman principal and co-author of the MPBI. "Second quarter results published by LIMRA show there's been over a 50% drop in activity in 2025 vs. 2024, so insurer capacity remains strong as we look toward year-end."

The MPBI compares the FTSE Above Median AA Curve to the 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.

View the complete [Milliman Pension Buyout Index](#). To receive regular updates with Milliman's pension buyout analysis, contact us at 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.

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