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Press Release

Milliman analysis: Corporate pension funded ratio improves in January to new 27-month high

Milliman 100 PFI plans start 2025 with \$12 billion funded status improvement

SEATTLE – FEBRUARY 10, 2025 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of the latest monthly Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

The funded ratio of the Milliman PFI plans climbed in January from 104.8% as of December 31, 2024, to 105.8% as of January 31, 2025. The rise was due in part to a 1.19% monthly market return, which surpassed the expected 0.52% and lifted plan assets by \$9 billion to \$1.308 trillion at month's end. Meanwhile, a slight increase of 1 basis point in the monthly discount rate, to 5.60% for the period, reduced plan liabilities from \$1.240 trillion at the end of last year to \$1.237 trillion as of January 31.

“The funded status surplus of the Milliman 100 plans reached a 27-month high at the end of January—the perfect start to the year as plan liabilities declined while plan assets grew after market gains exceeded expectations,” said Zorast Wadia, author of the PFI. “With Fed rate cuts still a possibility this year, prudent asset-liability management remains a key directive for plan sponsors to preserve the funded status gains achieved thus far.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 6.15% by the end of 2025 and 6.75% 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 130% by the end of 2026. Under a pessimistic forecast (5.05% discount rate at the end of 2025 and 4.45% by the end of 2026 and 2.4% annual returns), the funded ratio would decline to 97% by the end of 2025 and 88% 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.

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