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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Competitive pension risk transfer cost inches up to 101.7% in February

Competitive bidding process saves about 2.6% of buyout costs as of February 28

SEATTLE – March 25, 2025 – [Milliman, Inc.](#), a premier global consulting and actuarial firm, today announced the latest results of its Milliman Pension Buyout Index (MPBI). During February, the estimated cost to transfer retiree pension risk to an insurer in a competitive bidding process ticked up from 101.6% to 101.7% of a plan’s accounting liabilities (accumulated benefit obligation, or ABO). That means the estimated retiree PRT cost is now 101.7% of a plan’s ABO.

During the same time period, the average annuity purchase cost across all insurers in our index remained level, at 104.3%. The competitive bidding process is estimated to save plan sponsors about 2.6% of PRT costs as of February 28, 2025.

“LIMRA recently released US-based PRT results for 2024, and despite a slower 4th quarter it was a record-setting year for contracts,” said Jake Pringle, Milliman principal and co-author of the MPBI.

“The industry saw 794 single-premium contracts for the year, representing almost \$52 billion in premiums paid to insurers. As we near the end of Q1 with steady retiree buyout costs and high insurer capacity, plan sponsors may find this is an opportunistic time to pursue PRT projects.”

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.

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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