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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funded ratio drops to 104.8% in February following discount rate declines

Milliman 100 PFI plans see \$13 billion funded status decrease

SEATTLE – MARCH 7, 2025 – Milliman, Inc., a premier global consulting and actuarial firm, today released its monthly Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

After four consecutive months of improvement, the funded ratio of the Milliman PFI plans dropped from 106.0% to 104.8% as of February 28. A decrease in the benchmark corporate bond interest rates resulted in an increase in pension liabilities, with monthly discount rates dropping from 5.60% to 5.36% for the month.

Pension assets increased by \$18 billion as a result of January's 1.90% investment return, but the gains were not enough to offset the liability increase in the PFI. Overall, the Milliman 100 PFI plans' funded status fell by \$13 billion during February.

"Gains in fixed income investments helped shore up the Milliman 100 pension assets, but were not strong enough to counter the sharp discount rate decline," said Zorast Wadia, author of the PFI. "With more Fed rate cuts possibly coming in 2025, plan sponsors with prudent asset-liability matching strategies will be able to preserve their funded status improvement seen over the past year."

Looking forward, under an optimistic forecast with rising interest rates (reaching 5.86% by the end of 2025 and 6.46% by the end of 2026) and asset gains (10.4% annual returns), the funded ratio would climb to 115% by the end of 2025 and 129% by the end of 2026. Under a pessimistic forecast (4.86% discount rate at the end of 2025 and 4.26% 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.

Read this month's complete [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. ###