



Contact: Zorast Wadia
Milliman, Inc.
Tel: +1 646 473 3315
zorast.wadia@milliman.com

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Press Release

Milliman analysis: Corporate pension funding continues rebound in May as discount rates hit 20-month high

Milliman 100 PFI funded ratio improves to 104.9% as discount rates rise 14 basis points

SEATTLE – JUNE 6, 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.

During May, discount rates rose 14 basis points to 5.71%—a 20-month high—which shaved \$19 billion off PFI plan liabilities. Meanwhile, a 0.68% monthly investment return added \$2 billion to the market value of plan assets. As of May 31, the PFI asset value stood at \$1.254 trillion and the funded ratio reached 104.9%, up from 103.0% at the end of April and 103.6% at the start of the year.

“The large jump in discount rates was the primary reason the PFI funded ratio rose for the second straight month in May,” said Zorast Wadia, author of the PFI. “While this helped to offset the first-quarter funding slump, discount rates may not remain elevated indefinitely, underscoring the value of an asset-liability matching strategy for corporate pensions.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 6.06% by the end of 2025 and 6.66% by the end of 2026) and asset gains (10.53% annual returns), the funded ratio would climb to 112% by the end of 2025 and 126% by the end of 2026. Under a pessimistic forecast (5.36% discount rate at the end of 2025 and 4.76% by the end of 2026 and 2.53% annual returns), the funded ratio would decline to 100% by the end of 2025 and 91% 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.

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