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Press Release

Milliman analysis: Public pension funded ratio dips to 75% as August market losses erode July's gains

Milliman PPFi plans see estimated investment losses of 2.6% in aggregate during August

SEATTLE – SEPTEMBER 22, 2022 – Milliman, Inc., a premier global consulting and actuarial firm, today released the latest results of its Public Pension Funding Index (PPFI), which consists of the nation's 100 largest public defined benefit pension plans.

During August, the Milliman 100 PPFi funded ratio declined from 77.3% at the end of July to 75.0% as of August 31. Public plans saw, in aggregate, investment losses of 2.6% for the month, which erased much of the short-term recovery experienced in July. Individual plans' estimated returns ranged from -4.1% to -0.9% for the period. The combined plans lost market value of approximately \$118 billion, on top of a net negative cash flow of approximately \$8 billion.

"Rising interest rates and weak equity returns pushed seven more plans below the 90% funded mark in August," said Becky Sielman, author of Milliman's PPFi. "Only 19 plans now have a funded status greater than this key ratio, down from 26 plans at the end of July and 46 at the end of 2021—highlighting once more the impact of market performance on public pension plan health."

For more information and to view the full Milliman 100 Public Pension Funding Index, go to <http://www.milliman.com/ppfi/>. 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 is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.

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