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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funded status sees sixth straight month of improvement in June

Milliman PFI funding ratio rises to 103.7% as of June 30

SEATTLE – JULY 9, 2024 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

During June, the Milliman 100 PFI funded status held steady at its \$46 billion surplus level, while the funded ratio rose slightly to 103.7% from 103.6% at the end of May. Discount rates fell by 7 basis points in June to 5.46%, which led to a \$9 billion increase in pension liabilities, to \$1.262 trillion. However, the market value of plan assets also increased by \$9 billion for the month thanks to June's 1.22% investment return, reaching \$1.308 trillion as of June 30, compared with \$1.299 trillion as of May 31.

"The first half of 2024 has seen nothing but funded ratio improvements," said Zorast Wadia, author of the PFI. "However, with markets at all-time highs and concerns that discount rates may eventually fall, the forecast for the second half of 2024 may not be as sanguine, and liability-matching portfolios will continue to be prudent strategies for plan sponsors."

Looking ahead, under an optimistic forecast with rising interest rates (reaching 5.76% by the end of 2024 and 6.36% by the end of 2025) and annual asset returns of 10.4%, the funded ratio would climb to 110% by the end of 2024 and 122% by the end of 2025. Under a pessimistic forecast with similar interest rate and asset movements (5.16% discount rate at the end of 2024 and 4.56% by the end of 2025 and 2.4% annual asset returns), the ratio is projected to decline to 99% by the end of 2024 and 90% by the end of 2025.

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 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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