Funded Status of Top 100 Pensions Dropped to 75% in Last Year: Milliman

By Editor Test Fri, Sep 18, 2009

In the past year, the funded ratio of the top 100 U.S. pension plans has fallen to 75% from 100.3%, according to Milliman.

Milliman, Inc., the global consulting and actuarial firm, today released the latest update to the Milliman 100 Pension Funding Index, which consists of 100 of the nation's largest defined benefit pension plans. In August, pensions experienced asset increases of \$14 billion and liability increases of roughly \$26 billion, resulting in a \$12 billion decrease in funded status.

The decline reduced funded status to 75.0% based on \$1.007 trillion in assets and a projected benefit obligation of \$1.341 trillion. Over the last 12 months, the cumulative asset return has been 9.78% and the funded status has fallen by \$338 billion. For these 12 months, the funded ratio of the Milliman 100 companies has fallen from 100.3% to 75.0%.

"August was something of a milestone month," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "Not only did pension liabilities hit an all-time high for the second straight month, but it was one year ago exactly that pension funding last stood above 100%." View the complete monthly update at www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-study/index.php.

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