



Contact: Nina Lantz
Milliman, Inc.
Tel: +1 503 227 0634
Nina.Lantz@milliman.com

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Press Release

Milliman analysis: Multiemployer pension plans' aggregate funding percentage reaches 85% in 2019, matching pre-financial crisis levels

Higher percentage of these plans are now above 100% funded compared with 2007

SEATTLE – FEBRUARY 25, 2020 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Multiemployer Pension Funding Study (MPFS), which analyzes the funded status of all multiemployer defined benefit pension plans in the United States.

As of December 31, 2019, the aggregate funded percentage of multiemployer plans rose to 85%, up from 74% a year prior, due primarily to double-digit asset returns that exceeded expectations for the year. Overall, multiemployer plan funding levels are now back to where they were in 2007, before the financial crisis, with a greater percentage of plans over 100% funded compared with 12 years ago. However, the picture is much less rosy for troubled multiemployer pensions, with 104 plans now funded below 50%, compared with just 28 in 2007.

“While about 130 plans continue on a path toward insolvency, the majority of non-critical plans have improved since 2007 and are at higher funding levels today,” says Nina Lantz, a principal and consulting actuary at Milliman and co-author of the MPFS. “In addition to investment performance, many plans are seeing funding levels increase due to benefit and/or contribution adjustments made during the past decade.”

Milliman’s most recent MPFS also explores the latest trends in the average discount rate assumption for all plans as well as what may lie ahead for multiemployer plans given potential legislation and unknown investment returns. To view the complete study, go to www.milliman.com/mpfs. To receive regular updates of Milliman’s pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

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