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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Public pension funded ratio climbs to estimated 85.0%, stunning improvement from 70.7% a year prior

Market returns help drive Milliman PPFS funding deficit below \$1 trillion for first time since 2012

SEATTLE – OCTOBER 25, 2021 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its 2021 Public Pension Funding Study (PPFS), which analyzes funding levels of the nation's 100 largest public pension plans, including an independent assessment on the expected real return of each plan's investments.

For Milliman's 2021 PPFS, the estimated aggregate funded ratio of the nation's largest public pension plans is 85.0% as of June 30, 2021, a stunning improvement from the 70.7% funded ratio reported in our 2020 study. Market returns helped propel asset gains far beyond previous levels, driving the estimated funding deficit down below \$1 trillion for the first time since 2012. We estimate that nearly half of the plans in the study now stand at 90% funded or higher, compared to only 13 in last year's PPFS.

"The stellar funding improvement in the first half of 2021 is likely welcome news to plan sponsors, given the volatility of the previous 12 months," says Becky Sielman, author of the PPFS. "But with the lingering impacts of the COVID-19 pandemic and systems' volatility dampening mechanisms in place, we're not likely to see budgetary relief from this improvement, at least in the short-term."

The 2021 PPFS also includes in-depth analysis around the following metrics:

- Aggregate asset allocations for PPFS plans
- Comparison of plans by Total Pension Liability
- Net service cost as a percentage of payroll
- Independently determined and plan-reported interest rates
- Plan maturity metrics including reported cash flows

To view the full Milliman 100 Public Pension Funding Study, go to <http://www.milliman.com/ppfs/>.

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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