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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Multiemployer pension plans' overall funding jumps to 87% at mid-year 2023, up from 79% at the end of 2022

SEATTLE – AUGUST 15, 2023 – Milliman, Inc., a premier global consulting and actuarial firm, today released the 2023 mid-year results of its Multiemployer Pension Funding Study (MPFS), which analyzes the funded status of all multiemployer defined benefit pension plans in the United States.

As of June 30, 2023, the funding shortfall for all multiemployer plans fell by about \$65 billion, resulting in an aggregate funded percentage of 87%, up from 79% on December 31, 2022. By mid-year, about 45 plans received nearly \$50 billion in special financial assistance (SFA), which increased the aggregate funded percentage by about 6%. Without the SFA, the aggregate funded percentage would be approximately 81%, an increase driven by an estimated investment return of 6.3% for the first six months of 2023.

Most of the plans that have received SFA up to this point were insolvent or going insolvent in the near future. As expected, their funded status improved substantially after receiving SFA. Plans that are not in critical and declining status have largely recovered from the 2008 global financial crisis and continue to weather the ups and downs of the market.

“The funded status of most plans will continue to be influenced primarily by investment returns,” said Tim Connor, a principal at Milliman and co-author of the MPFS. “The plans that receive SFA may be able to pursue new strategies that weren’t feasible before thanks to a boosted funded percentage. With nearly 30 years of expected solvency ahead of them, these plans can consider a merger with another plan or changes in plan design that may improve their chances to extend solvency indefinitely.”

To view the complete study, go to www.milliman.com/mpfs. 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

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