



NEWS

Institutional Investor Features Rick Ratkowski on Pension Funded Status

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NISA's Managing Director, Investment Strategies, [Rick Ratkowski](#), was recently featured in Institutional Investor, offering a perspective on how corporate pension plans can think about their portfolios in today's environment.

With aggregate funded status for large U.S. defined benefit plans now exceeding 100%, Ratkowski argues that many plans, particularly those funded at 110-115%, may be well-positioned to modestly increase their allocation to return-seeking assets. Having already de-risked significantly from pre-global financial crisis levels, when most plans held 70% equities, these plans now have the

cushion to add equity exposure without meaningfully threatening full funding.

As Ratkowski explains, "given plans have already de-risked from where they were 25 years ago, you can add more equity in a measured way." He suggests plans currently holding 20-30% in equities could potentially add another 5-10%, while still remaining in a comfortable risk position.

Beyond asset allocation, Ratkowski also highlights a broader strategic opportunity for sponsors: growing surpluses may open the door to redesigning, maintaining or even reopening pension plans. For sponsors considering a reopening, Ratkowski notes that plans don't have to be recreated exactly as they were originally structured, with alternatives like cash-balance plans worth exploring.

Read the full article [here](#).

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