TEAMSTERS LOCAL UNION NO. 716 PENSION PLAN

Actuarial Valuation Report
For Plan Year Commencing
April 1, 2024

United Actuarial
Services, Inc.
Actuaries and Consultants

March 4, 2025

Board of Trustees
Teamsters Local Union No. 716 Pension Plan

Dear Trustees:

We have been retained by the Board of Trustees of the Teamsters Local Union No. 716 Pension Plan to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning April 1, 2024. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Pile CPAs. Participant data was provided by the Fund Office. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

This report has been prepared in order to (1) assist the Trustees in evaluating the current actuarial position of the plan, (2) determine the minimum required and maximum deductible contribution amounts under Internal Revenue Code §431 and §404, (3) provide the fund's auditor with information necessary to comply with Accounting Standards Codification 960, and (4) document the plan's certified status under Internal Revenue Code §432 for the current year and provide the basis to certify such status for the subsequent year. In addition, information contained in this report will be used to prepare Schedule MB of Form 5500 that is filed annually with the IRS and could be used to calculate employer withdrawal liability. We are not responsible for the use of, or reliance upon, this report for any other purpose.

We have prepared this report in accordance with generally accepted actuarial principles and practices and have performed such tests as we considered necessary to assure the accuracy of the results. The results have been determined on the basis of actuarial assumptions that, in my opinion, are appropriate for the purposes of this report, are individually reasonable and in combination represent my best estimate of anticipated experience under the plan. Actuarial assumptions may be changed from previous valuations due to changes in mandated requirements, plan experience resulting in changes in expectations about the future, and/or other factors. An assumption change does not indicate that prior assumptions were unreasonable when made. For purposes of current liability calculations, assumptions are prescribed by regulation or statute. By relying on this valuation report, the Trustees confirm they have accepted the assumptions contained in the report.

The results are based on my best interpretation of existing laws and regulations and are subject to revision based on future regulatory or other guidance.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan’s funded status), and changes in plan provisions or applicable law.

United Actuarial Services, Inc. does not provide, nor charge for, investment, tax or legal advice. None of the comments made herein should be construed as constituting such advice. I am not aware of any direct or material indirect financial interest or relationship that could create a conflict of interest that would impair the objectivity of our work.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. I am available to respond to any questions you may have about this report.

UNITED ACTUARIAL SERVICES, INC.

Enrolled Actuary

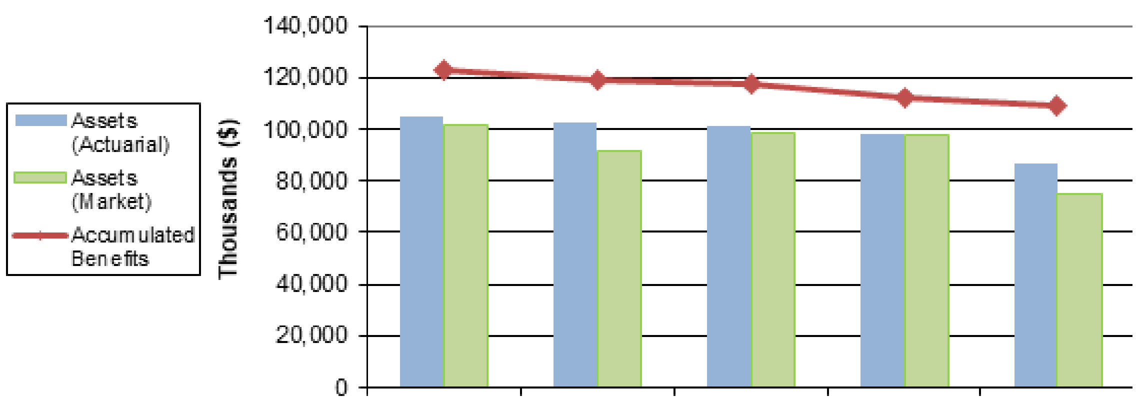
Erika L. Creager

Erika L. Creager, EA, MAAA
Senior Consulting Actuary

PART I: SUMMARY OF RESULTS

5 - YEAR SUMMARY OF VALUATION RESULTS

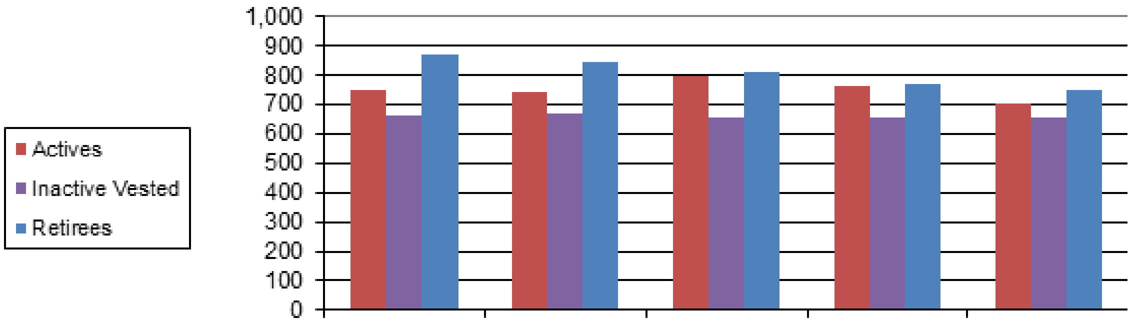
Actuarial Study as of April 1,	*2024*	*2023*	*2022*	*2021*	*2020*
PPA funded status	Safe	Safe	Safe	Safe	Endngrd
Improvements restricted*	No	No	No	No	Yes
Funded ratio					
Valuation report (AVA)	85.1%	86.5%	86.2%	86.9%	79.4%
Valuation report (MVA)	82.4%	76.9%	83.7%	86.9%	68.6%
PPA certification (AVA)	86.9%	85.8%	88.2%	80.7%	79.2%
Proj. year of insolvency	None	None	None	None	None
Credit balance ($ 000)	22,311	21,657	21,174	20,895	22,461
Date of first projected funding deficiency					
Valuation report	None	None	None	None	3/31/28
PPA certification	None	None	None	None	3/31/28
Net investment return					
On market value	14.17%	-4.63%	3.41%	35.49%	-9.42%
On actuarial value	4.65%	3.99%	6.48%	16.77%	1.95%
Asset values ($ 000)					
Market	101,414	91,286	98,378	97,887	74,714
Actuarial	104,834	102,735	101,342	97,887	86,465
Accum. ben. ($ 000)	123,117	118,722	117,585	112,598	108,914



* Benefit improvement restrictions due to fund being in endangered status.

5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of April 1,	2024	2023	2022	2021	2020
Participant counts					
Active	750	744	800	763	700
Inactive vested	661	671	654	658	656
Receiving benefits	870	847	808	769	753
Total	2,281	2,262	2,262	2,190	2,109
Average entry age	39.7	40.0	39.5	39.6	38.7
Average attained age	48.1	48.6	48.0	48.7	49.2



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

The plan provisions underlying this valuation are the same as those valued last year.

Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- We changed the assumed contribution rates according to the schedule in Appendix A to reflect the negotiated rates.

- The assumed future weeks worked increased from 42 weeks to 43 weeks per future year. The base for assumed future annual contributions increased from $42,500 to $44,000 for gross earnings contributions. This will produce our best estimate of future contributions based on recent plan experience.

- The assumed operational expenses were increased from $238,703 to $260,000 for the 2024-25 plan year while the assumed annual increase remains at 3% to reflect our best estimate of future expenses based on recent plan experience and expected inflationary increases.

- The assumed withdrawal rates were changed according to the schedule in Appendix B to represent our best estimate of future withdrawal patterns based on recent plan experience.

- The load of 1.2% on inactive vested liabilities used to value the pre-retirement death benefits was removed and replaced with explicit calculations on an individual basis. This change was made in coordination of our transition to a new valuation software that includes enhanced capabilities in valuing the inactive vested death benefits.

- The expense load on ASC 960 liabilities was changed from 3.25% to 3.50% based on recent plan experience.

- The current liability interest rate was changed from 2.28% to 2.91%. The new rate is within established statutory guidelines.

Additionally, the projection assumptions used in this valuation differ from those used in the prior valuation in the following respects:

- The 2025 increase of the PBGC premium to $39 per participant is now reflected <u>for projection purposes</u>. (The 2031 increase of the PBGC premium to $52 per participant was already included in last year's projections.)

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of April 1,				
	2024	2023	2022	2021	2020
Future rate of net investment return	7.25%	7.25%	7.25%	7.25%	7.25%
Mortality table	PRI-2012	PRI-2012	PRI-2012	PRI-2012	PRI-2012
Adjustment	105%M 115%F	105%M 115%F	105%	110%M 105%F	110%
Projection scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020
Future expenses					
Initial year	$260,000	$231,750	$225,000	$210,000	$185,000
Annual increase	3.00%	3.00%	3.00%	3.00%	n/a
Basis for future annual contributions					
Avg. Months	10	10	10	10	11
Hours	1,850	1,850	1,850	1,850	1,900
Weeks	43	42	42	42	44
Days	n/a	n/a	n/a	n/a	130
Gross earnings	$44,000	$42,500	$40,000	$39,000	$37,000
Average expected retirement age*					
Actives	63.5	63.7	63.6	63.6	62.7
Inactive-vested	64.0	64.0	63.8	63.6	63.5

* Actual average derived from application of assumptions specified in Appendix B.

EXPERIENCE VS. ASSUMPTIONS

Comparing the prior year's experience to assumptions provides indications as to why overall results may differ from those expected

Actuarial assumptions are used to project certain future events related to the pension plan (e.g. deaths, withdrawals, investment income, expenses, etc.). While actual results for a single plan year will rarely match expected experience, it is intended that the assumptions will provide a reasonable long term estimate of developing experience.

The following table provides a comparison of expected outcomes for the prior plan year with the actual experience observed during the same period. This display may provide insight as to why the plan's overall actuarial position may be different from expected.

Plan Year Ending March 31, 2024	*Expected*	*Actual*
Decrements		
Terminations		157
less*: Rehires*		36
Terminations (net of rehires)	110.7	121
Active retirements	27.4	15
Active disabilities	1.1	-
Pre-retirement deaths	5.6	3
Post-retirement deaths	29.4	27
Monthly benefits of deceased retirees	$ 17,277	$ 11,701
Financial assumptions		
Rate of net investment return on actuarial value	7.25%	4.65%
Administrative expenses	$ 231,750	$ 287,275
Other demographic assumptions		
Average retirement age from active (new retirees)	64.5	62.6
*Average retirement age from inactive (new retirees)**	64.0	64.0
Average entry age (new entrants)	40.0	40.4
Basis for future contributions		
Average: Months	10	10
Hours	1,850	1,852
Weeks	42	47
Gross earnings	42,500	44,825
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 2,632,004
(Gain)/loss due to liability experience		2,416,574
Total (gain)/loss		$ 5,048,578

* Expected average based on the average for the total group of participants.

PLAN MATURITY

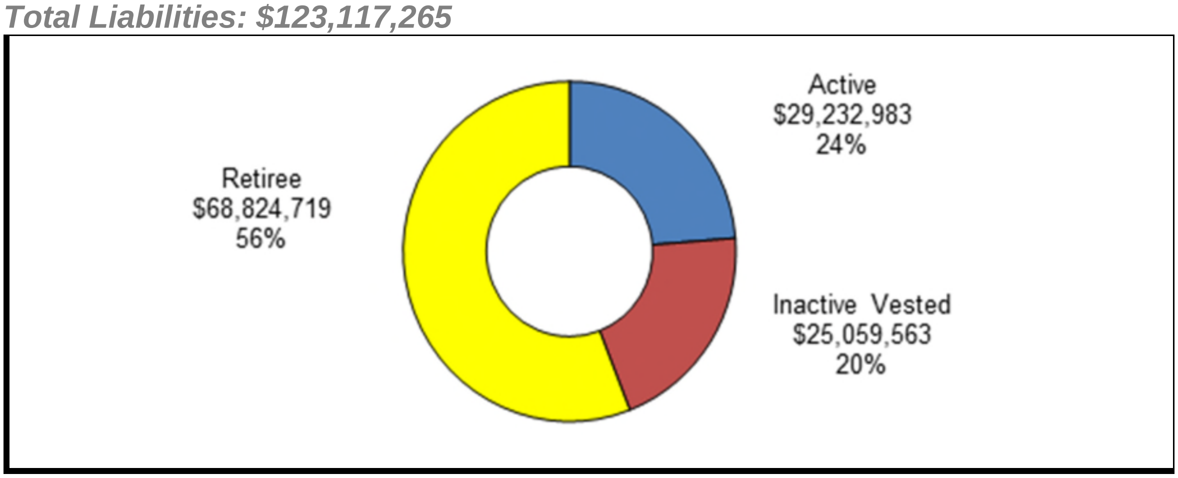
Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

When a new pension plan is first established, its liabilities are typically limited to active plan participants. However, as people become vested and retire, a plan begins to develop liabilities attributable to nonactive participants (retirees and inactive vested participants). The process of adding nonactive liabilities (often referred to as "maturing") is a natural outgrowth of the operation of the plan. As a plan matures, its liabilities tend to balloon in relation to its contribution base, making it more difficult to correct for adverse outcomes by increasing contribution rates or reducing future benefit accruals.

Headcount ratios show the number of retired or inactive participants supported by each active participant. While there is no hard and fast rule, we generally consider a plan to be mature if each active is supporting more than 1 retiree or more than 2 nonactives. A negative net cash flow (benefits payments and expenses greater than contributions) can also be an indicator of a mature plan. A negative cash flow, when expressed as a percentage of assets, in excess of the assumed rate of return on fund assets may not be sustainable in the long term.

Actuarial Study as of April 1,	*2024*	*2023*	*2022*	*2021*	*2020*
Retiree/active headcount ratio	1.16	1.14	1.01	1.01	1.08
Nonactive/active headcount ratio	2.04	2.04	1.83	1.87	2.01
Cash flow					
Contr.-ben.-exp. ($000)	(2,622)	(2,598)	(2,800)	(2,838)	(2,966)
Percent of assets	-2.59%	-2.85%	-2.85%	-2.90%	-3.97%

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: $123,117,265



UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

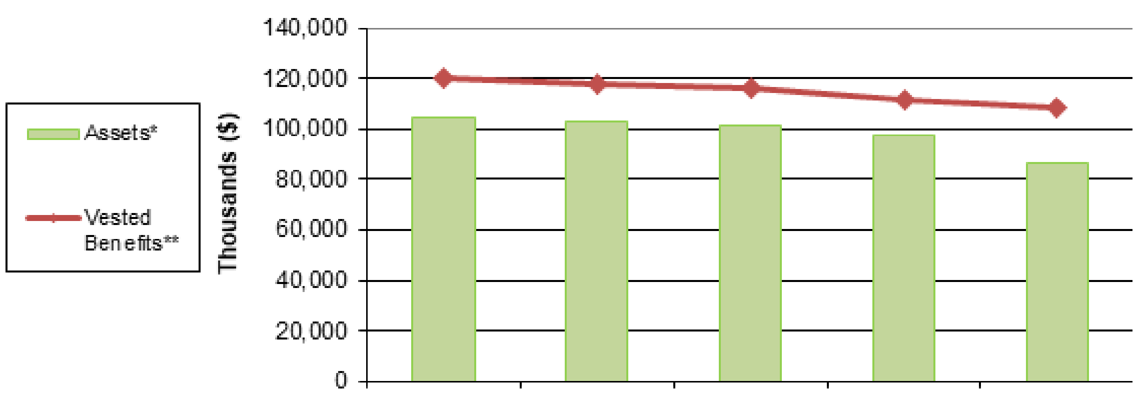
An employer withdrawing during the coming year may have withdrawal liability

The following table shows a history of the plan's unfunded vested benefits (UVB) required to compute a specific employer withdrawal liability under the presumptive method. If all unfunded vested benefits since the inception of the Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) are zero ($0) or less, there will be no withdrawal liability assessed to a withdrawing employer. Otherwise, an employer may be assessed withdrawal liability payments pursuant to MPPAA. The display does not reflect adjustments for prior employer withdrawals.

In accordance with IRC Section 432(e)(9)(A) and PBGC Technical Update 10-3, the impact of reducing adjustable benefits is reflected by adding the unamortized portion of the value of affected benefits (VAB) to the most recent year's unfunded vested benefits pool. An employer who is assessed withdrawal liability will be assessed a portion of the UVB and the VAB.

Presumptive Method ($ 000)

March 31,	*2024*	*2023*	*2022*	*2021*	*2020*
Vested benefits interest	7.25%	7.25%	7.25%	7.25%	7.25%
Vested benefits	120,355	117,416	116,002	110,782	107,512
less: Asset value*	104,834	102,735	101,342	97,887	86,465
UVB	15,521	14,681	14,660	12,895	21,047
Unamortized VAB	317	458	590	713	827
UVB + VAB	15,838	15,139	15,250	13,608	21,874



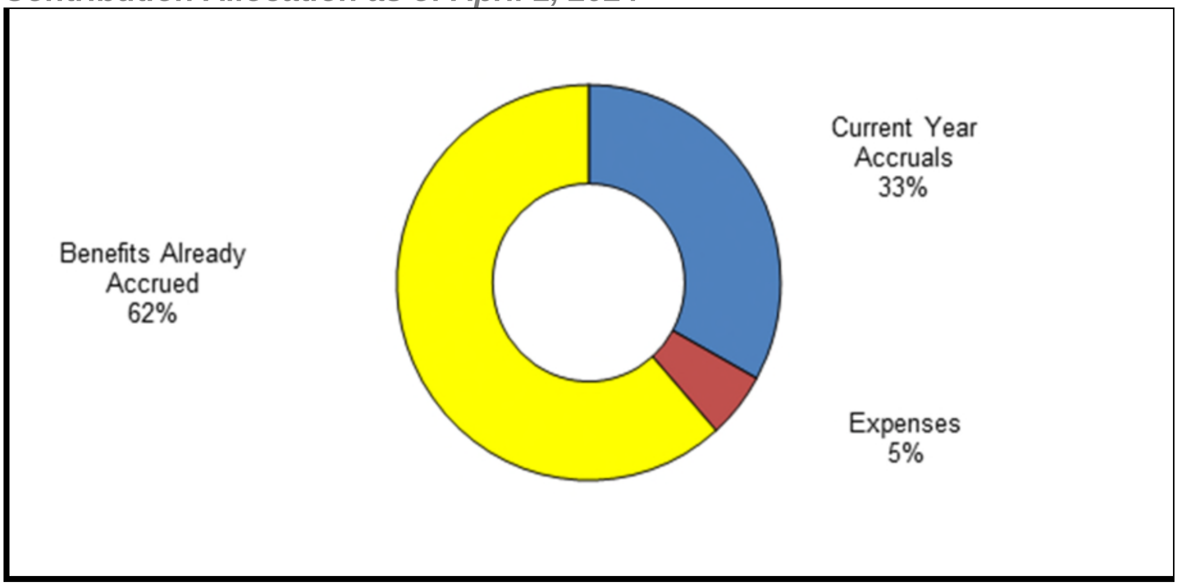
* Actuarial value
** Includes VAB

CONTRIBUTION ALLOCATION

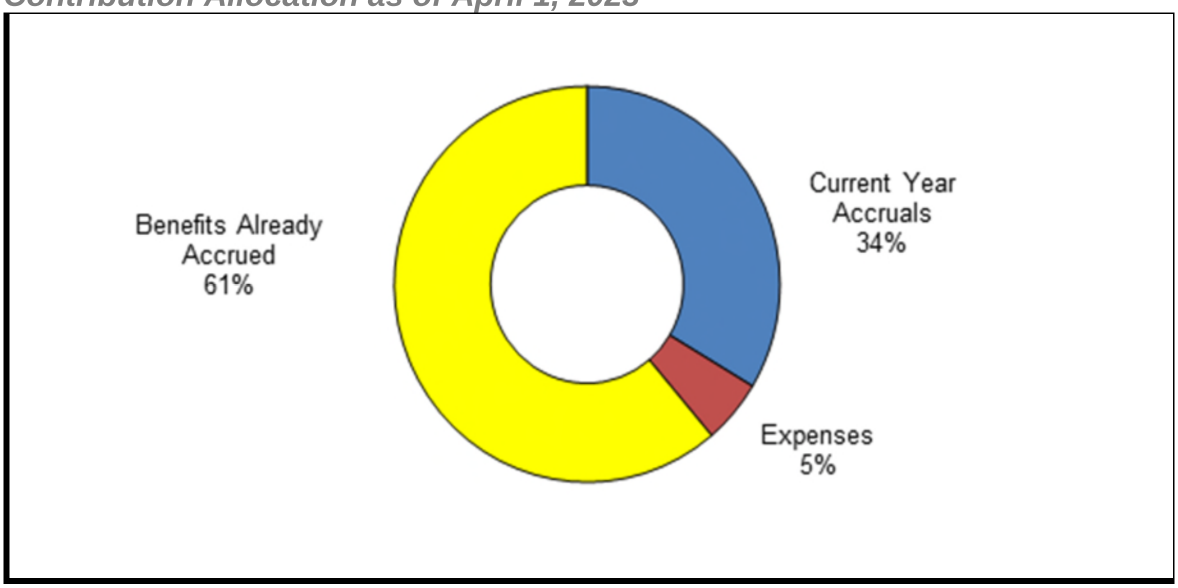
These graphs show how the contributions are being spent

The following allocation charts illustrate how the expected contribution rate for the coming plan year will be "spent" to pay for benefits being earned in the current year, plan expenses, and funding of past unfunded liabilities.

Contribution Allocation as of April 1, 2024



Contribution Allocation as of April 1, 2023



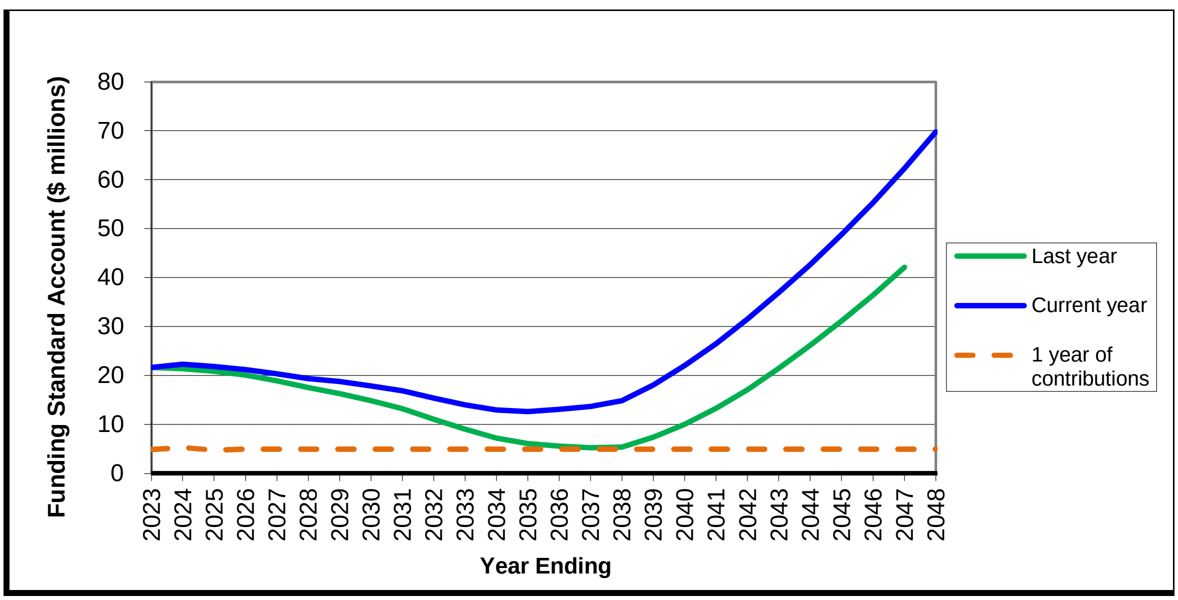
FUNDING STANDARD ACCOUNT PROJECTION

The funding standard account projection is a major driver of PPA status

The funding standard account (FSA) was established by ERISA as a means of determining compliance with minimum funding standards. The FSA is hypothetical in the sense that it does not represent actual assets held by a custodian. Rather, a positive FSA balance (called a "credit balance") means that the plan has exceeded minimum funding standards on a cumulative basis, while a negative balance (called a "funding deficiency") means that the plan has fallen short of such standards.

Actuaries must project the plan's FSA each year in order to determine PPA status. If a funding deficiency is projected in a future year, the plan could be forced into yellow (endangered) or red (critical) status depending how far into the future the first projected funding deficiency is. The plan's FSA projection appears below. These projections are based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B.

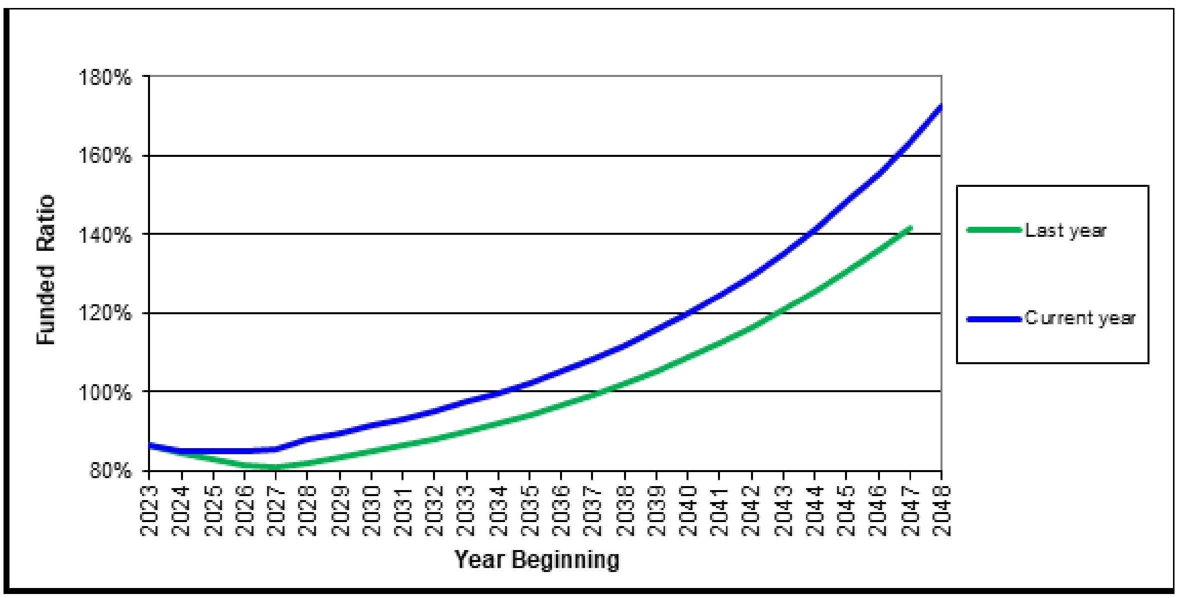
As a rule of thumb, UAS recommends in non-Critical status year that plans maintain a projected credit balance of at least one year's contributions (shown as an orange dotted line in the graph below) in each future year. Maintaining a "cushion" in the Funding Standard Account helps minimize the risk of a surprise funding deficiency at the end of a non-Critical status plan year. Such a deficiency could trigger an excise tax payable directly by employers. If the Plan is in Critical status at the start of plan year, it is protected from these excise taxes so long as scheduled progress has been satisfied in at least one of the past three plan years.



FUNDED RATIO PROJECTION

The plan's funded ratio is a major driver of PPA status

The funded ratio is defined as the actuarial value of plan assets divided by the plan's liabilities for accrued benefits. Along with the funding standard account projection, funded ratio is one of the two major drivers of PPA funded status. In order for a plan to enter the green zone (also called "safe") the funded ratio must be at least 80%. An insolvency, which is the plan year when the plan would run out of money, occurs if the funded ratio is projected to be 0%. In order for a plan to enter critical and declining status, an insolvency needs to be projected within 20 plan years of the PPA certification (it may need to be within 15 years under certain conditions) and they must meet one of the initial critical tests. The projection of the funded ratio appears below. These projections are based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B.

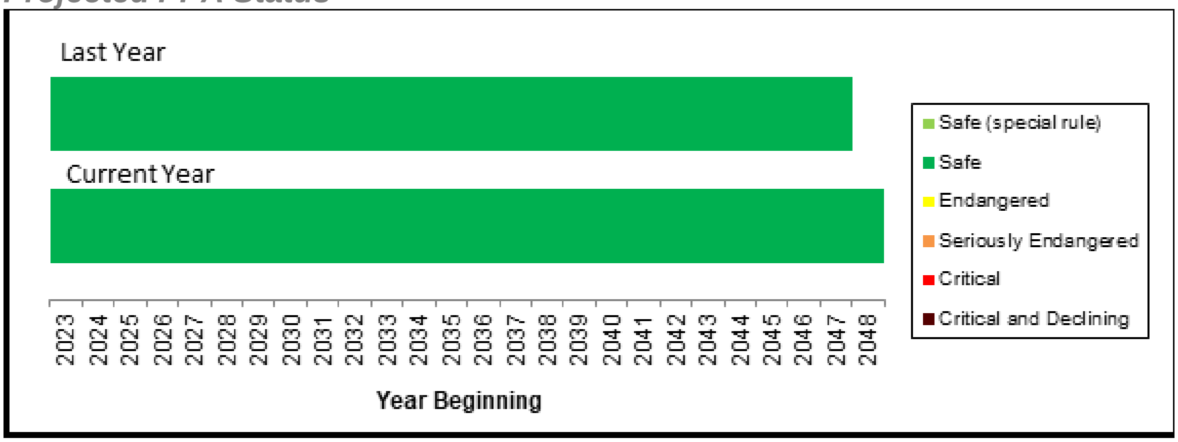


PPA STATUS PROJECTION

A plan that is not in green (i.e. safe) zone is subject to additional requirements and restrictions

The following graph shows the projection of PPA status based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B. The projection is based on the current plan and does not assume any changes in plan provisions or contribution rates, even if the plan moves to a worse PPA zone.

Projected PPA Status

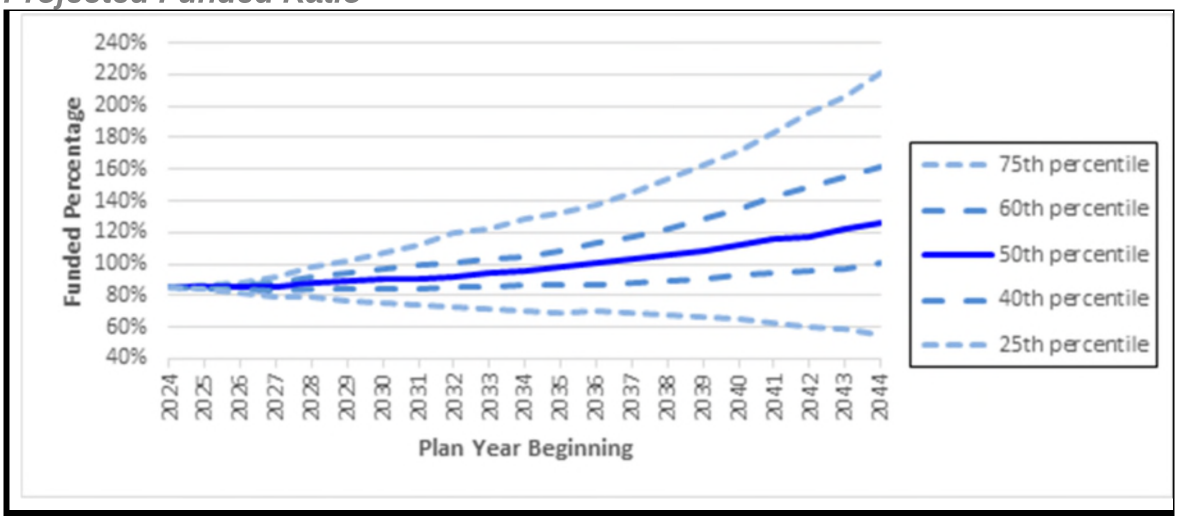


Stochastic Projections

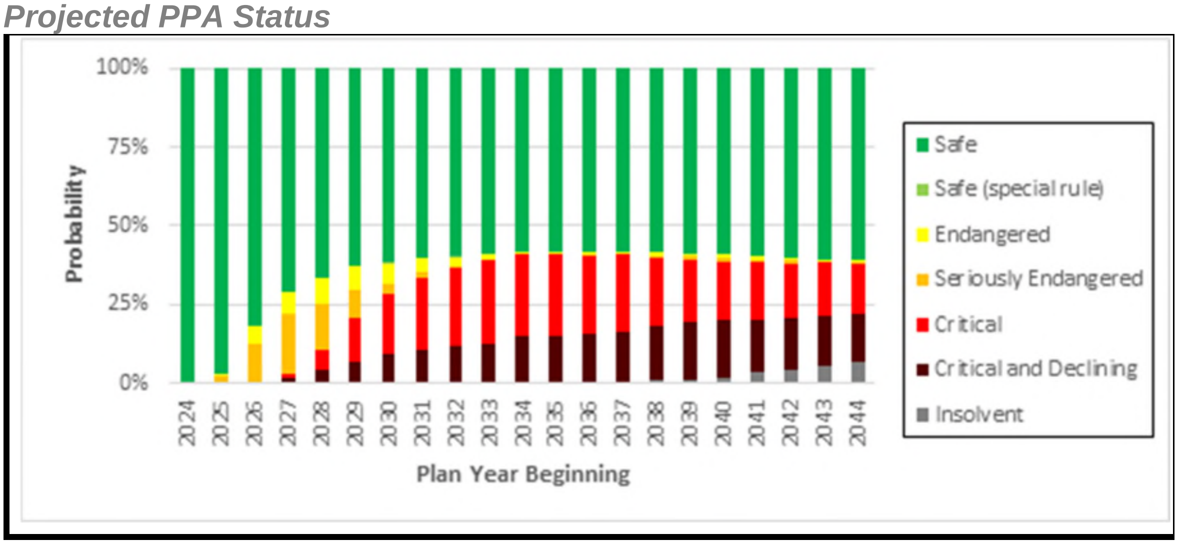
Stochastic projections show the probability of being in a certain status or the projected percentiles of funded ratio.

The stochastic projections below show the estimated probability of being in each status and the projected percentiles of funded ratios based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B. The projections are based on the current plan and do not assume any changes in plan provisions or contribution rates, even if the plan moves to a worse PPA zone. The distribution of returns is based on the mean and standard deviation of the Plan's investment portfolio. The mean for years 1-10 is based on short-term expectations, while the mean for years 11-20 is based on long-term expectations.

Projected Funded Ratio



Projected PPA Status



SENSITIVITY ANALYSIS AND SCENARIO/STRESS TESTING

Sensitivity analysis along with scenario and stress testing can help Trustees gauge a plan's key risks

Sensitivity analysis studies the funding impact to the plan when a given assumption changes. *Scenario testing* studies the funding impact from actual experience for one or more possible outcomes. *Stress testing* studies the funding impact from poor experience. The sensitivity analysis along with the scenario and stress testing below can be used to gauge a plan's key risks from investments and hours.

Currently, the plan is projected to be 100% funded by 2035, is projected to have no unfunded vested benefits in 2033, and is projected to have no funding deficiencies. In the table below we use these results to perform scenario and stress testing on the investment return assumption by assuming asset returns for the 2024-25 plan year of 16.20%, 7.25%, and -1.70%. The 7.25% return represents the assumed return on assets. The other two returns are 75% of one standard deviation from the expected return. Statistically, the return has about a 55% probability of being within this range for the year. We also perform sensitivity analysis on the future hours assumption by showing the effect of varying it by ±5%. We also show the minimum return in the 2024-25 plan year needed for the plan to project no deficiencies and the green zone in all future years.

Assumptions		Funding Stats	Scenario Testing: Return for 2024-25 PY (7.25% thereafter)			Minimum 2024-25 Return to Project Green in All Years
			16.20%	7.25%	-1.70%	
5% Lower Work Units		100% Funded:	2030	2035	2044	1.9%
Months	9.5	No UVB:	2029	2034	2042	
Hours	1,758	2029 Funded %:	98.3%	89.0%	79.6%	
Weeks	40.85	Yrs Endangered:	None	None	2027-30	
Income	$41,800	Yrs Critical:	None	None	2031+	
Baseline Work Units		100% Funded:	2030	**2035**	2042	0.0%
Months	10	No UVB:	2029	**2033**	2040	
Hours	1,850	2029 Funded %:	99.1%	**89.8%**	80.4%	
Weeks	43	Yrs Endangered:	None	**None**	2029-31	
Income	$44,000	Yrs Critical:	None	**None**	2032-39	
5% Higher Work Units		100% Funded:	2030	2034	2040	-1.9%
Months	10.5	No UVB:	2029	2033	2039	
Hours	1,943	2029 Funded %:	99.9%	90.6%	81.3%	
Weeks	45.15	Yrs Endangered:	None	None	None	
Income	$46,200	Yrs Critical:	None	None	None	

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

The participant data reconciliation table below provides information as to how the plan's covered population changed since the prior actuarial study. Such factors as the number of participants retiring, withdrawing and returning to work have an impact on the actuarial position of the pension fund.

Participants Valued As	*Active*	*Inactive Vested*	*Receiving Benefits*	*Total Valued*
April 1, 2023	744	671	847	2,262
Change due to:				
New hire	142	-	-	142
Rehire	36	(17)	-	19
Termination	(157)	36	-	(121)
Disablement	-	-	-	-
Retirement	(15)	(25)	40	-
Death	-	(3)	(27)	(30)
Cash out	-	-	-	-
New beneficiary	-	-	10	10
Certain pd. expired	-	-	-	-
*Data adjustment**	-	(1)	-	(1)
Net change	6	(10)	23	19
April 1, 2024	750	661	870	2,281

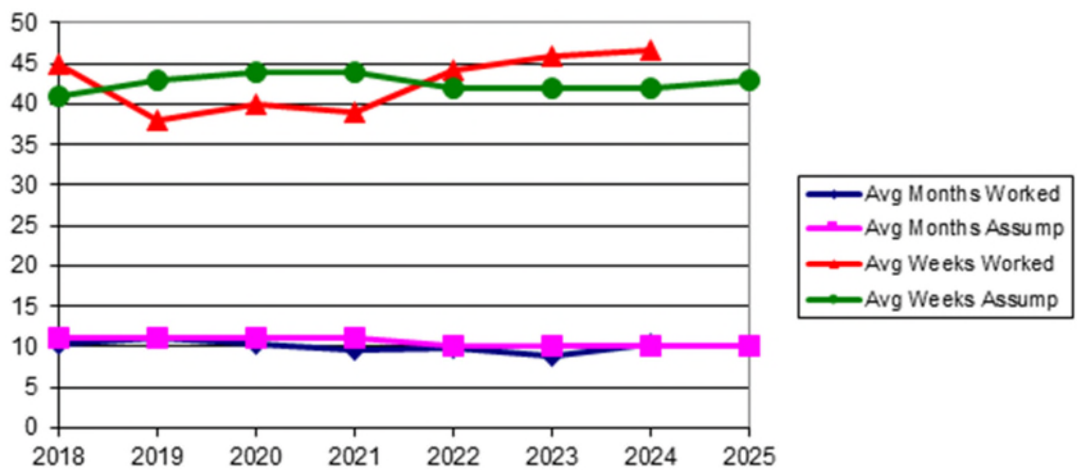
* Inactive vested data adjustment: Less 1 inactive vested now assumed deceased due to age.

AVERAGE WORK BASIS DURING PLAN YEAR

Hours Worked Per Participant

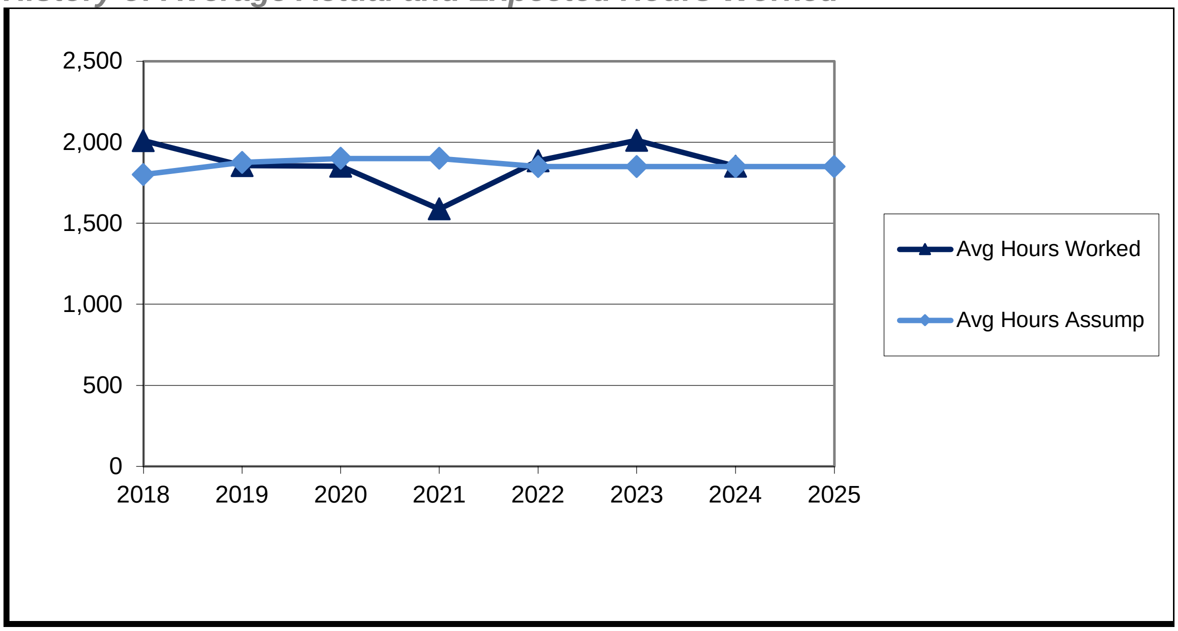
Plan Year Ending March 31, 2023	Number	Average Basis for Annual Contributions
Actives		
Months	23	10
Hours	290	1,852
Weeks	13	47
Gross Earnings	424	44,825
Total for plan year	750	

History of Average Actual and Expected Weeks and Months Worked

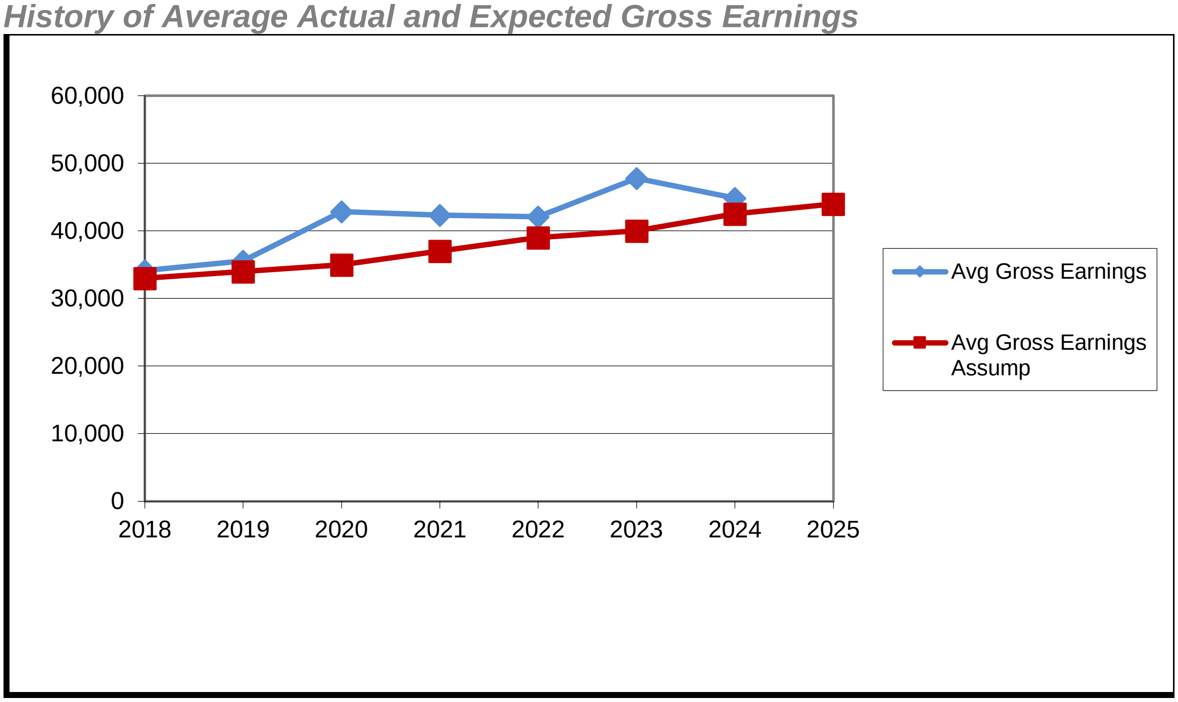


AVERAGE WORK BASIS DURING PLAN YEAR (CONT.)

History of Average Actual and Expected Hours Worked



History of Average Actual and Expected Gross Earnings



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Contributions Reported in Employee Data

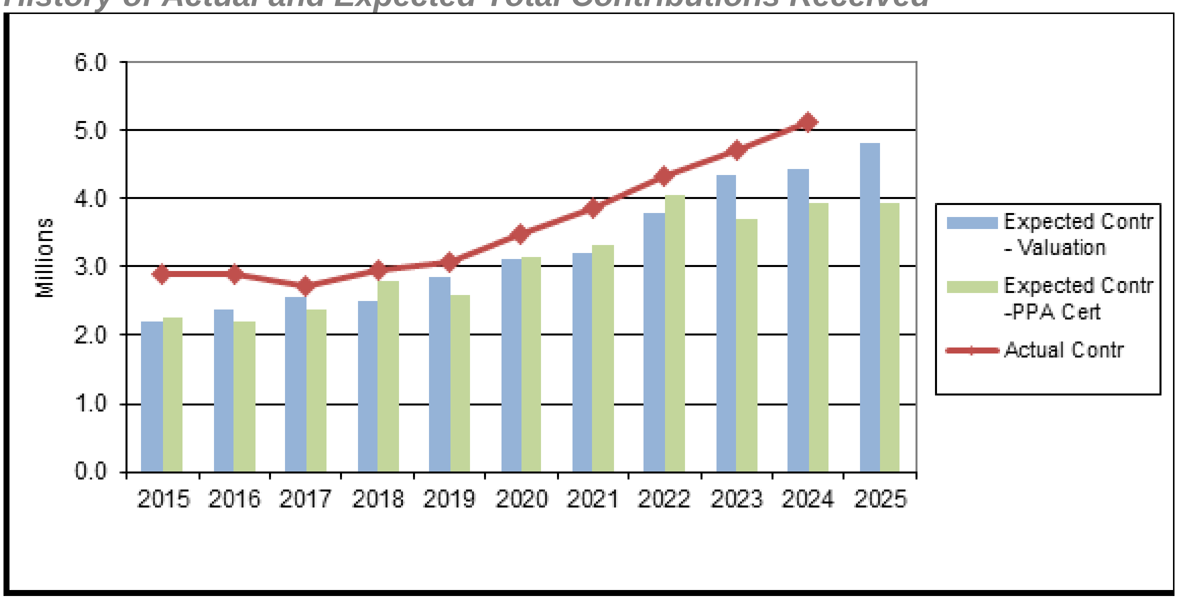
Plan Year Ending March 31, 2024	*Number*	*Contributions Reported*
Actives		
Vested	343	$ 2,672,261
Non-vested, continuing	265	1,546,857
Non-vested, new entrant	142	528,654
Total valued as active	750	4,747,772
Others	10	52,495
Total for plan year	760	$ 4,800,267

Comparison with Audited Employer Contributions

Employer contributions reported in data	$	4,800,267
Total audited employer contributions*	$	5,138,500
Percent reported		93%

* Excludes employer withdrawal liability payments.

History of Actual and Expected Total Contributions Received



ACTIVE INFORMATION

Active Participants by Age and Service as of April 1, 2024

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	4	16	-	-	-	-	-	-	-	-	20
25-29	8	27	5	-	-	-	-	-	-	-	40
30-34	12	40	9	1	-	-	-	-	-	-	62
35-39	10	36	14	1	-	-	-	-	-	-	61
40-44	14	36	18	6	4	-	-	-	-	-	78
45-49	14	32	24	9	8	7	2	-	-	-	96
50-54	12	35	21	8	13	10	6	-	-	-	105
55-59	10	21	21	12	10	11	16	2	1	-	104
60-64	6	25	15	11	15	10	8	7	2	1	100
65-69	1	3	12	2	1	6	2	2	2	-	31
70+	1	3	2	1	-	-	-	-	-	-	7
Totals	92	274	141	51	51	44	34	11	5	1	704
Unrecorded DOB	28	13	5	-	-	-	-	-	-	-	46
Total Active Lives	120	287	146	51	51	44	34	11	5	1	750

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of April 1, 2024

Age Group	Number	Estimated Monthly Deferred Vested Benefits*
< 30	3	$ 1,557
30-34	8	2,657
35-39	19	5,448
40-44	46	14,714
45-49	75	31,828
50-54	115	42,864
55-59	150	66,992
60-64	168	78,384
65-69	51	20,920
70+	24	14,699
Totals	659	280,063
Unrecorded birth date	2	505
Total inactive vested lives	661	$ 280,568

* Amount payable at assumed retirement age as used in the valuation process.

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of April 1, 2024

Form of Payment	Number	Monthly Benefits Being Paid Total	Average	Smallest	Largest
Life only*	447	$ 368,672	$ 825	$ 23	$ 6,574
Joint & survivor	273	232,622	852	41	4,518
Disability	4	1,291	323	191	500
Beneficiaries	146	49,574	340	13	3,714
Totals	870	$ 652,159	$ 750	$ 13	$ 6,574

* Includes retirees receiving life and certain benefits.

Retirees by Age and Form of Payment as of April 1, 2024

Age Group	Form of Benefits Being Paid: Life Only*	Joint & Survivor	Disability	Beneficiaries	Total
< 40	-	-	-	4	4
40-44	-	-	-	11	11
45-49	-	-	2	2	4
50-54	-	-	2	3	5
55-59	17	6	-	14	37
60-64	50	37	-	12	99
65-69	151	82	-	19	252
70-74	106	70	-	17	193
75-79	63	41	-	22	126
80-84	36	24	-	19	79
85-89	14	6	-	13	33
90-94	9	6	-	7	22
95+	1	1	-	3	5
Totals	447	273	4	146	870

* Includes retirees receiving life and certain benefits.

RETIREE INFORMATION (CONT.)

Age of Participants Retired During Last 5 Plan Years
(excludes beneficiaries and disability retirements)

Age at Retirement	Plan Year Ending March 31, 2024	2023	2022	2021	2020
<55	-	-	1	-	-
55	3	2	2	5	4
56	1	1	-	-	-
57	1	2	1	3	-
58	-	1	1	-	1
59	-	1	5	5	1
60	4	2	2	2	3
61	-	1	5	1	3
62	1	7	6	5	5
63	4	5	2	3	1
64	6	3	5	-	4
65	16	8	17	8	9
66+	4	8	9	11	9
Totals	40	41	56	43	40
Average retirement age	63.5	63.4	63.3	62.6	63.3

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

Asset information extracted from the fund's financial statements audited by Pile CPAs.

Market/Actuarial Value of Fund Investments as of March 31,	*2024*	*2023*	*2022*
Invested assets			
Common stocks	$ 73,184,539	$ 65,611,151	$ 71,179,922
Preferred stocks	1,270,644	713,413	523,685
U.S. gov't and mortg. sec.	3,498,734	2,496,586	1,342,892
Mutual funds	1,112,089	553,516	429,240
Municipal bonds	4,728,561	4,243,021	2,633,680
Corporate and other debt	15,600,678	15,377,380	20,570,291
Cash	1,533,397	1,913,252	1,356,213
Real estate	132,273	101,140	76,564
Prop., Plant, and Equip., Net	33,422	31,200	
	101,094,337	91,040,659	98,112,487
Net receivables*	319,593	245,321	265,872
Market value	$ 101,413,930	$ 91,285,980	$ 98,378,359
Fund assets - Actuarial value			
Market value	$ 101,413,930	$ 91,285,980	$ 98,378,359
less*: Deferred investment gains and (losses)*	(3,419,759)	(11,448,526)	(2,963,341)
Actuarial value	$ 104,833,689	$ 102,734,506	$ 101,341,700
Actuarial value as a percentage of market value	103.37%	112.54%	103.01%

* Equals receivables, less any liabilities

FLOW OF FUNDS

Asset information extracted from the fund's financial statements audited by Pile CPAs.

Plan Year Ending March 31,	*2024*	*2023*	*2022*
Market value at beginning of plan year	$ 91,285,980	$ 98,378,359	$ 97,886,974
Additions			
Employer contributions	5,308,500	4,924,726	4,328,439
*Net investment income**	12,749,967	(4,494,275)	3,291,139
Other income	-	-	-
	18,058,467	430,451	7,619,578
Deductions			
Benefits paid	7,643,242	7,296,143	6,904,538
*Net expenses**	287,275	226,687	223,655
	7,930,517	7,522,830	7,128,193
Net increase (decrease)	10,127,950	(7,092,379)	491,385
Adjustment	-	-	-
Market value at end of plan year	$ 101,413,930	$ 91,285,980	$ 98,378,359
Cash flow			
Contr.-ben.-exp.	(2,622,017)	(2,598,104)	(2,799,754)
Percent of assets	-2.59%	-2.85%	-2.85%
Estimated net investment return			
On market value	14.17%	-4.63%	3.41%
On actuarial value	4.65%	3.99%	6.48%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending March 31, 2024

Expected market value at end of plan year		
Market value at beginning of plan year	$	91,285,980
Employer contributions and non-investment income		5,308,500
Benefits and expenses paid		(7,930,517)
Expected investment income (at 7.25% rate of return)		6,523,185
		95,187,148
Actual market value at end of plan year		101,413,930
less: Expected market value		95,187,148
Investment gain or (loss)	$	6,226,782

History of Gains and (Losses)

Plan Year Ending March 31,		Investment Gain or (Loss)		Amount Recognized This Year
2024	$	6,226,782	$	1,245,356
2023		(11,532,525)		(2,306,505)
2022		(3,704,176)		(740,835)
Total	$	(9,009,919)	$	(1,801,984)

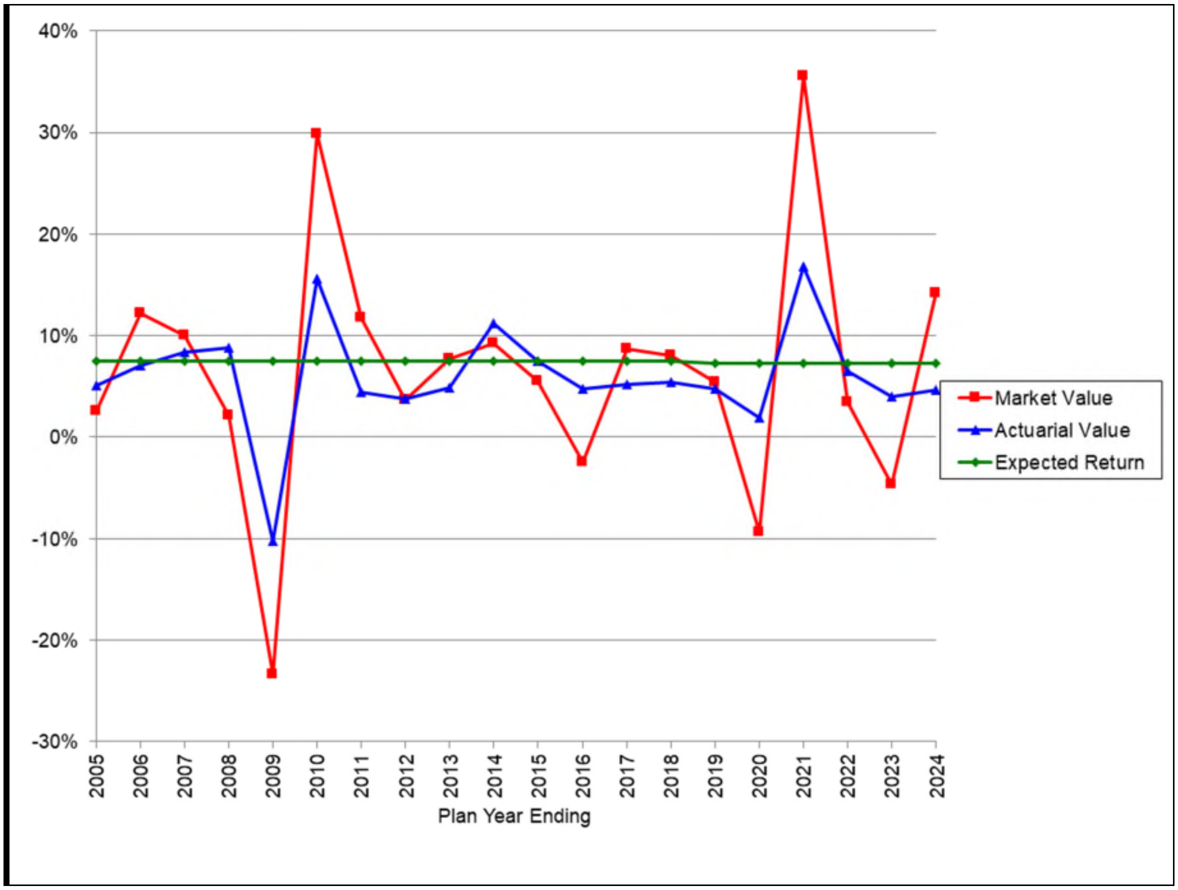
Deferred Investment Gains and (Losses)

Plan Year Ending March 31,	Amount of Gain or (Loss) Deferred as of March 31, 2024		2025		2026		2027	
2024	$	4,981,426	$	3,736,069	$	2,490,713	$	1,245,356
2023		(6,919,515)		(4,613,010)		(2,306,505)		-
2022		(1,481,670)		(740,835)		-		-
Totals	$	(3,419,759)	$	(1,617,776)	$	184,208	$	1,245,356

* Prior gains and losses fully recognized as of April 1, 2021 due to change in asset valuation method

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



The following table shows average rates of return over various periods calculated on a geometric average basis. These statistics may not be appropriate for evaluating a Plan's rate of return assumption as such assumption is forward-looking whereas the statistics are historical. Furthermore, these statistics do not reflect the internal rate of return actually experienced by the Fund over these periods.

Average Rates of Net Investment Return (geometric average)

	Return on Market Value		*Return on Actuarial Value*	
	Period Ending March 31,		*Period Ending March 31,*	
Period	*2024*	*2023*	*2024*	*2023*
One year	14.17%	-4.63%	4.65%	3.99%
5 years	6.68%	5.00%	6.65%	6.67%
10 years	5.83%	5.36%	6.09%	6.74%
15 years	7.89%	5.05%	6.68%	5.60%
20 years	5.81%	6.06%	5.90%	6.05%

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of April 1,		*2024*		*2023*
Benefit accruals	$	1,534,268	$	1,435,674
Anticipated administrative expenses (beg. of year)		250,905		223,643
Total normal cost	$	1,785,173	$	1,659,317

Unfunded Actuarial Liability as of April 1,		*2024*		*2023*
Actuarial liability				
*Participants currently receiving benefits**	$	68,824,719	$	67,505,628
Inactive vested participants		25,059,563		25,211,959
Active participants		29,232,983		26,004,641
		123,117,265		118,722,228
less: Fund assets (actuarial value)		104,833,689		102,734,506
Unfunded actuarial liability	$	18,283,576	$	15,987,722

* Includes balance of benefits due and unpaid to beneficiaries of $67,932 as of 2024 and $63,786 as of 2023.

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of March 31, 2024		
Unfunded actuarial liability as of April 1, 2023	$	15,987,722
Normal cost (including expenses)		1,659,317
Actual contributions		(5,308,500)
Interest to end of plan year		1,086,977
		13,425,516
Increase (decrease) due to:		
Experience (gain) or loss		5,048,578
Plan amendment		-
Change in actuarial assumptions		(190,518)
Change in actuarial method		-
Net increase (decrease)		4,858,060
Unfunded actuarial liability as of April 1, 2024	$	18,283,576

Projection of Actuarial Liability to Year End

Actuarial liability as of April 1, 2024	$	123,117,265
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		1,534,268
Benefits paid		(9,520,049)
Interest on above		(233,867)
Interest on actuarial liability		8,926,002
Net expected increase (decrease)		706,354
Expected actuarial liability as of March 31, 2025	$	123,823,619

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of April 1,		*2024*		*2023*
Present value of vested accumulated benefits				
*Participants currently receiving benefits**	$	68,824,719	$	67,505,628
Inactive vested participants		24,946,788		24,913,003
Active participants		26,583,592		24,997,119
Total		120,355,099		117,415,750
Nonvested accumulated benefits		2,762,166		1,306,478
Present value of all accumulated benefits	$	123,117,265	$	118,722,228
Market value of assets	$	101,413,930	$	91,285,980
Funded ratios (Market value)				
Vested benefits		84.3%		77.7%
All accumulated benefits		82.4%		76.9%
Actuarial value of assets	$	104,833,689	$	102,734,506
Funded ratios (Actuarial value used for PPA)				
Vested benefits		87.1%		87.5%
All accumulated benefits		85.1%		86.5%
Interest rate used to value benefits		7.25%		7.25%

* Includes balance of benefits due and unpaid to beneficiaries of $67,932 as of 2024 and $63,786 as of 2023.

FUNDING PERIOD

The funding period is the approximate number of years that would be required to completely fund the unfunded entry age normal actuarial liability if future plan experience occurs according to the assumptions. The funding period is an indicator of the long term financial soundness of the plan. Historically, funds often targeted a maximum funding period of up to 20 years. Today, asset losses are being paid off over a maximum of 15 years and are the primary driver for ERISA minimum funding. An ultimate target of no more than 10 years is recommended. A lower, more conservative funding period target can be chosen. As the funding period drops, the risk of having future funding issues also diminishes.

Funding Period Calculation *Actuarial Study as of April 1,*		*2024*		*2023*
Unfunded actuarial liability				
Actuarial liability	$	130,225,726	$	125,226,985
less: *Fund assets (actuarial value)*		104,833,689		102,734,506
		25,392,037		22,492,479
Funds available to amortize unfunded				
Anticipated contributions (beg. of yr.)		4,642,287		4,272,885
less: *Normal cost (including expenses)*		1,233,457		1,157,490
	$	3,408,830	$	3,115,395
Funding period (years)		11		10

CURRENT LIABILITY

Current Liability is determined in a manner similar to the value of accrued benefits, but using an interest rate assumption within an acceptable range determined by the IRS. The current liability is used in the determination of the maximum deductible employer contribution and full funding limit under the Internal Revenue Code. For plans in critical status, it may also be used to determine eligibility for financial assistance under the America Rescue Plan. This alternative measure of liabilities is also a "low default risk" measure. Such a measure could match a lower risk investment strategy, which would provide more benefit security if it can be adequately funded.

Current Liability as of April 1,		*2024*		*2023*
Vested current liability				
Participants currently receiving benefits	$	96,921,029	$	107,026,157
Inactive vested participants		43,558,672		50,951,442
Active participants		47,709,743		52,513,016
		188,189,444		210,490,615
Nonvested current liability				
Inactive vested participants		199,254		611,417
Active participants		5,629,944		2,552,821
		5,829,198		3,164,238
Total current liability	$	194,018,642	$	213,654,853
Market value of assets	$	101,413,930	$	91,285,980
Current liability funded ratio (Market value)		52.3%		42.7%
Interest rate used for current liability		2.91%		2.28%

Projection of Current Liability to Year End		
Current liability as of April 1, 2024	$	194,018,642
Expected increase (decrease) due to:		
Benefits accruing		3,409,018
Benefits paid		(9,520,049)
Interest on above		(39,314)
Interest on current liability		5,645,942
Net expected increase (decrease)		(504,403)
Expected current liability as of March 31, 2025	$	193,514,239

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending March 31,	*2025 (Projected)*	*2024 (Final)*
Charges		
Prior year funding deficiency	$ -	$ -
Normal cost (including expenses)	1,785,173	1,659,317
Amortization charges (see Appendix C)	6,518,529	6,019,382
Interest on above	602,014	556,701
Total charges	8,905,716	8,235,400
Credits		
Prior year credit balance	22,310,905	21,656,751
Employer contributions	4,810,570	5,308,500
Amortization credits (see Appendix C)	1,715,391	1,695,578
Interest on above	1,916,289	1,885,476
ERISA full funding credit	-	-
Total credits	30,753,155	30,546,305
Credit balance (credits less charges)	$ 21,847,439	$ 22,310,905

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of April 1, 2024	$	101,413,930	$	104,833,689
Expected increase (decrease) due to:				
Investment income		6,997,983		7,245,916
Benefits paid		(9,520,049)		(9,520,049)
Expenses		(260,000)		(260,000)
Net expected increase (decrease)		(2,782,066)		(2,534,133)
Expected value as of March 31, 2025*	$	98,631,864	$	102,299,556

* Ignoring expected employer contributions (as required by regulation).

Full Funding Limit as of March 31, 2025		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	123,823,619	$	123,823,619
less: *Assets (lesser of market or actuarial)*		98,631,864		98,631,864
plus: Credit balance (w/interest to year end)		23,928,446		n/a
		49,120,201		25,191,755
Full funding limit override (not less than 0)				
90% of current liability		174,162,815		174,162,815
less: *Assets (actuarial value)*		102,299,556		102,299,556
		71,863,259		71,863,259
Full funding limit (greater of ERISA limit and full funding override)	$	71,863,259	$	71,863,259

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution Plan Year Beginning April 1, 2024

Minimum funding cost		
Normal cost (including expenses)	$	1,785,173
Net amortization of unfunded liabilities		4,803,138
Interest to end of plan year		477,649
		7,065,960
Full funding limit		71,863,259
Net charge to funding std. acct. (lesser of above)		7,065,960
less: *Credit balance with interest to year end*		23,928,446
Minimum Required Contribution (not less than 0)	$	-

Full Funding Credit to Funding Standard Account Plan Year Ending March 31, 2025

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	7,065,960
less: *full funding limit*		71,863,259
	$	-

MAXIMUM DEDUCTIBLE CONTRIBUTION

The maximum amount of tax-deductible employer contributions made to a pension plan is determined in accordance with Section 404(a) of the Internal Revenue Code. For a multiemployer pension plan, Section 413(b)(7) of the Internal Revenue Code and IRS Announcement 98-1 provide that, if anticipated employer contributions are less than the deductible limit for a plan year, then all employer contributions paid during the year are guaranteed to be deductible. If anticipated employer contributions exceed the deductible limit, the Trustees have two years from the close of the plan year in question to retroactively improve benefits to alleviate the problem.

Maximum Deductible Contribution
Plan Year Beginning April 1, 2024

Preliminary deductible limit		
Normal cost (including expenses)	$	1,785,173
10-year limit adjustment (using "fresh start" alternative)		2,455,323
Interest to end of plan year		307,436
		4,547,932
Full funding limit		71,863,259
Maximum deductible contribution override		
140% of vested current liability projected to March 31, 2025		262,780,274
less*: Actuarial value of assets projected to March 31, 2025*		102,299,556
		160,480,718
Maximum deductible contribution*	$	160,480,718
Anticipated employer contributions	$	4,810,570

* Equals the lesser of the preliminary deductible limit and the full funding limit, but not less than the maximum deductible contribution override.

HISTORY OF UNFUNDED VESTED BENEFITS

Presumptive Method

March 31,	Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits	Unamortized Portion of VAB
2005	7.50%	51,086,402	54,404,605	(3,318,203)	
2006	7.50%	55,613,278	58,632,694	(3,019,416)	
2007	7.50%	60,762,688	63,764,663	(3,001,975)	
2008	7.50%	64,322,561	69,101,410	(4,778,849)	
2009	7.50%	69,025,247	60,744,017	8,281,230	
2010	7.50%	74,595,043	68,842,481	5,752,562	
2011	7.50%	74,961,616	70,453,278	4,508,338	1,556,113
2012	7.50%	79,541,394	71,294,202	8,247,192	1,496,534
2013	7.50%	82,972,016	72,554,306	10,417,710	1,432,486
2014	7.50%	86,056,205	78,301,308	7,754,897	1,363,635
2015	7.50%	86,059,558	81,852,911	4,206,647	1,289,620
2016	7.50%	90,649,128	83,691,603	6,957,525	1,210,053
2017	7.50%	93,554,929	84,977,786	8,577,143	1,124,520
2018	7.25%	97,983,419	86,787,155	11,196,264	1,032,571
2019	7.25%	104,923,132	87,751,019	17,172,113	933,726
2020	7.25%	107,511,745	86,464,822	21,046,923	827,468
2021	7.25%	110,781,742	97,886,974	12,894,768	713,240
2022	7.25%	116,001,680	101,341,700	14,659,980	590,445
2023	7.25%	117,415,750	102,734,506	14,681,244	458,441
2024	7.25%	120,355,099	104,833,689	15,521,410	316,536

* Actuarial value

TERMINATION BY MASS WITHDRAWAL

If all employers were to cease to have an obligation to contribute to the plan, the plan would be considered "terminated due to mass withdrawal." In this event, the Trustees would have the option of distributing plan assets in satisfaction of all plan liabilities through the purchase of annuities from insurance carriers or payment of lump sums. If assets are insufficient to cover liabilities, a special actuarial valuation pursuant to Section 4281 of ERISA would be performed as of the end of the plan year in which the mass withdrawal occurred. If the Section 4281 valuation indicates the value of nonforfeitable benefits exceeds the value of plan assets, employer withdrawal liability would be assessed.

The ERISA Section 4281 valuation described above uses required actuarial assumptions that are typically more conservative than those used for valuing an on-going plan. In order to illustrate the impact of the mass withdrawal assumptions, we performed an illustrative Section 4281 valuation as if mass withdrawal had occurred during the prior plan year. The value of assets used below is market value without any adjustments for outstanding employer withdrawal liability claims.

As required by regulation, interest rates of 5.45% for the first 20 years and 5.22% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2034 were used.

Illustrative Section 4281 Valuation as of March 31, 2024

Value of nonforfeitable benefits		
*Participants currently receiving benefits**	$	82,219,901
Inactive vested participants		32,073,665
Active participants		34,858,944
Expenses (per Section 4281 of ERISA)		1,568,972
		150,721,482
less: Fund assets (market value)		101,413,930
Value of nonforfeitable benefits in excess of (less than) fund assets	$	49,307,552

* Includes balance of benefits due and unpaid to beneficiaries of $67,932.

ASC 960 Information

The following displays are intended to assist the fund's auditor in complying with Accounting Standards Codification 960. The results shown are not necessarily indicative of the plan's potential liability upon termination.

Present Value of Accumulated Benefits Actuarial Study as of April 1,		2024		2023
Present value of vested accumulated benefits				
*Participants currently receiving benefits**	$	68,824,719	$	67,505,628
Expenses on parts. currently rec. benefits		2,408,865		2,193,933
Other participants		51,530,380		49,910,122
Expenses on other participants		1,803,563		1,622,079
		124,567,527		121,231,762
Present value of nonvested accumulated benefits				
Nonvested accumulated benefits		2,762,166		1,306,478
Expenses on nonvested benefits		96,676		42,461
		2,858,842		1,348,939
Present value of all accumulated benefits	$	127,426,369	$	122,580,701
Market value of plan assets	$	101,413,930	$	91,285,980
Interest rate used to value benefits		7.25%		7.25%

* Includes balance of benefits due and unpaid to beneficiaries of $67,932 as of 2024 and $63,786 as of 2023.

Changes in Present Value of Accumulated Benefits		
Present value of accumulated benefits as of April 1, 2023	$	122,580,701
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		111,083
Benefits accumulated and experience gain or loss		3,778,001
Interest due to decrease in discount period		8,887,101
Benefits paid		(7,643,242)
Operational expenses paid		(287,275)
Net increase (decrease)		4,845,668
Present value of accumulated benefits as of April 1, 2024	$	127,426,369

APPENDICES

PLAN HISTORY

Origins/Purpose

The Teamsters Local Union No. 716 Pension Plan was established effective April 1, 1975, as a result of Collective Bargaining Agreements between the Cole, Ice, Building Material, Supply Drivers, Riggers, Heavy Haulers, Warehousemen & Helpers, Local Union No. 716 and the Ready Mixed Concrete Industries.

The Pension Plan is managed under the provisions of the Labor Management Relations Act by a Board of Trustees consisting of an equal number of representatives from Labor and from Management.

The purpose of the Pension Plan is to provide Normal and Early Retirement Benefits, Joint and Survivor Benefits, Vested Benefits and Death Benefits.

Employer Contributions

The Pension Plan is financed entirely by contributions from the employers as specified in the Collective Bargaining Agreement. The current contribution rates are shown on the following page.

PLAN HISTORY (CONT.)

Employer or Employer Group	*Employer Contribution Rate as of April 1, 2024*
Rigging Industry Group:	
Cardinal Contracting #225	$196.00/week
Underwood Machinery #275	$214.40/week
E.H. Hamilton #350	50¢/hour
Sand & Gravel Industry Group:	
A.J.'s Tool Rental #401	12% of gross earnings
A&C Trucking #405	12% of gross earnings
MS Transport #420	14% of gross earnings
Macy Inc. #445	14% of gross earnings
V&S Transport #480	10% of gross earnings
C.J.'s Inc. #497	14% of gross earnings
D Transport #415	14% of gross earnings
Hot Shot Transportation #424	14% of gross earnings
Eastside Trucking #439	14% of gross earnings
BDS Trucking #460	13% of gross earnings
Nubian Transport #462	14% of gross earnings
Indy Transport #463	14% of gross earnings
Oatt's Trucking #466	14% of gross earnings
Bibb's Hauling LLC #467	14% of gross earnings
CMG Trucking #482	14% of gross earnings
Choice Trucking #486	14% of gross earnings
DWD Company LLC #487	14% of gross earnings
Wells & Rhodes Trucking	13% of gross earnings
Ready Mix Industry Group:	
IMI – GF #333	$4.80/hour ($5.30 effective 6/1/2024; $5.80 6/1/2025)
IMI – NV #334	$4.80/hour ($5.30 effective 6/1/2024; $5.80 6/1/2025)
IMI – Central #520	$4.80/hour ($5.30 effective 6/1/2024; $5.80 6/1/2025)
IMI – Danville #521	$4.80/hour ($5.30 effective 6/1/2024; $5.80 6/1/2025)
IMI – East #524	$4.80/hour ($5.30 effective 6/1/2024; $5.80 6/1/2025)
CEP Concrete Construction #750	$120.00/week
City of Martinsville #920	$ 383.05/month
Martin Marietta Materials #1521	$2.45/hour

SUMMARY OF PLAN PROVISIONS

Plan year	The twelve-month period beginning April 1 and ending March 31.
Past service date	For each participant, the later of: a) April 1, 1975, b) the employer participation date that is associated with the employer or employer group the participant work for when contributions were first required to be made to the trust fund on such participant's behalf, or c) the first day of the month during which employer contributions were first required to be made to the fund on participant's behalf.
Past service year	Each past service year is measured over the 12 consecutive month period that starts on the first day of the same month as that month contained in a participant's past service date. Past service years are those years preceding a participant's past service date.
Past service benefit	A participant's past service years times his past service crediting rate. The participant's past service crediting rate is the rate for the employer or employer group that such participant worked for when contributions were first required to be made to the trust fund on his behalf. Current past service crediting rates are shown on page A-5.

SUMMARY OF PLAN PROVISIONS (CONT.)

Service:

Past service

One year of past service is credited for each past service year during which the participant worked for an employer. Past service shall not include any years of forfeited service.

Future service

Prior to April 1, 2020, one year of future service is credited for each plan year during which employer contributions were received on a participant's behalf. Future service shall not include any years of forfeited service.

For service on or after April 1, 2020, years of future service is credited for each plan year based on the following schedule. Future service shall not include any years of forfeited service.

Hours Worked	Vesting Credit
0 - 499	0.00
500 - 749	0.50
750 - 999	0.75
1000 or more	1.00

SUMMARY OF PLAN PROVISIONS (CONT.)

Employer or Employer Group	Past Service Crediting Rate as of April 1, 2024
Rigging Industry Group	$ 8.50
E.H. Hamilton	$ 4.50
Sand & Gravel Industry Group	$ 5.50
D Transport (Big D)	$ 5.50
Hot Shot Transportation	$ 4.50
Eastside Trucking	-
Wheeler Corporation	-
Nubian Transport	-
Indy Transport	-
Oatt's Trucking	-
Bibb's Hauling LLC	-
Ellington Trucking LLC	-
CMG Trucking	-
Choice Trucking	-
Wells & Rhodes Trucking	-
Ready Mix Industry Group	$ 5.50
Southern Scavenger	$ 4.50
CEP Concrete Construction	-
Omnisource Corporation	$ 5.50
City of Martinsville	$ 5.50
Martin Marietta Materials	-

SUMMARY OF PLAN PROVISIONS (CONT.)

Break in service	Prior to participant's past service date: A past service year during which the participant did not work for an employer. After participant's past service date and prior to April 1, 2020: A plan year during which no employer contributions were made to the fund on his behalf unless lack of contributions was due to accident, illness or service in the Armed Forces. Effective April 1, 2020: A plan year during which employer contributions were made to the fund for less than 500 hours.
Forfeited service	The number of years of service as otherwise credited to a participant that becomes forfeited. All service credited to a non-vested participant is forfeited at the time such participant has suffered consecutive one-year breaks in service equaling the greater of 5 or the number of years of service credited prior to his initial break in service.
Spouse	The participant's legal spouse at the time a pre-retirement death benefit is first payable or, upon the death of the participant after retirement, his legal spouse at time of his retirement.
Normal retirement benefit	
Eligibility	Age 65 and 5th anniversary of plan participation.
Monthly amount	Past service benefit, plus \$2.70 for each \$100 of total contributions (employer + employee) up to September 1, 2010, plus \$1.50 for each \$100 of total contributions from September 1, 2010 up to July 1, 2011, plus \$1.30 for each \$100 of total contributions from July 1, 2011 up to January 1, 2020, plus \$1.00 for each \$100 of total contributions on or after January 1, 2020. Payable for life.

SUMMARY OF PLAN PROVISIONS (CONT.)

Unreduced early retirement benefit	
Eligibility	Age 62 and 30 years of service for participants hired on or after January 1, 2020. Age 55 and 30 years of service for participants hired before January 1, 2020.
Monthly amount	100% of normal. Payable for life.
Early retirement benefit	
Eligibility	Age 55 and 10 years of service. Age 55 and 5 years of service if participant is active and eligible for social security disability.
Monthly amount	Normal reduced by 6% per year for each year under age 65. Payable for life.
Vested benefit	
Eligibility	5 years of service, termination of employment on or after April 1, 1997.
Monthly amount	100% of normal or reduced early. Commencing at age 55 or later.
Disability benefit	
Eligibility	5 years of service, disabled after April 1, 2001 and while active. Eligible for social security disability.
Monthly amount	Accrued Normal, maximum $300. Payable until age 55, recovery or death. At age 55, benefit is Early or Early Joint and 50% Survivor, if applicable.
Optional forms of payment effective September 1, 2010	• 5 years certain and life • 10 years certain and life • Joint & 50% survivor annuity • Joint & 75% survivor annuity
Pre-retirement death benefit #1	
Eligibility	Death of vested participant prior to age 55. Has surviving spouse.
Monthly amount	Participant's joint and 50% survivor benefit calculated as if participant had attained age 55. Commencing immediately. 50% continuation to spouse payable for life.

Summary of Plan Provisions (cont.)

Pre-retirement death benefit #2	
Eligibility	Death of participant after eligible for joint and 50% survivor, but prior to retirement. Has surviving spouse.
Monthly amount	Participant's joint and 50% survivor benefit. 50% continuation to spouse payable for life.
Pre-retirement death benefit #3	
Eligibility	Death of vested participant prior to retirement. No surviving spouse.
Monthly amount	Accrued Normal. Payable to beneficiary for 60 months.

HISTORICAL PLAN MODIFICATIONS

Retiree increase	
Effective date	April 1, 1989
Adoption date	January 26, 1989
Provisions	A 5% increase was given to the lives already receiving monthly benefits on April 1, 1989.
Future service increase	
Effective date	April 1, 1991
Adoption date	March 28, 1991
Provisions	The future service crediting rate was increased to $2.30 for each $100 of total contributions.
Retiree increase	
Effective date	April 1, 1991
Adoption date	March 28, 1991
Provisions	A 5% increase was given to the lives already receiving monthly benefits on April 1, 1991.
Future service increase	
Effective date	April 1, 1991
Adoption date	January 1, 1992
Provisions	The future service crediting rate was increased to $2.70 for each $100 of total contributions.
Retiree increase	
Effective date	April 1, 1991
Adoption date	January 1, 1992
Provisions	A 10% increase was given to the lives already receiving monthly benefits on April 1, 1991.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Vesting scale

Effective date	April 1, 1997
Adoption date	January 30, 1997
Provisions	The vesting scale was changed from 100% at 10 years of service to 100% at 5 years of service.

Past service eligibility

Effective date	January 1, 1998
Provisions	Past service eligibility was granted to certain employees of new contributing employers.

Pre and post- retirement death benefits

Effective date	January 1, 2000
Adoption date	November 30, 2001
Provisions	A pre and post-retirement 60 month certain death benefit was adopted for non-married participants.

Pro rata reciprocity benefit

Effective date	January 1, 2000
Adoption date	November 30, 2001
Provision	Years with Central States Teamsters under the reciprocity agreement will count towards the 30 years of service in the age 55 and 30 years of service benefit.

Disability benefit

Effective date	April 1, 2001
Adoption date	November 30, 2001
Provision	Accrued Normal, maximum $500 to active vested participants who become disabled and are eligible for social security disability.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Retiree increase	
Effective date	January 1, 2002
Adoption date	November 30, 2001
Provisions	A 5% increase was given to the lives already receiving monthly benefits on January 1, 2002.
Disability benefit	
Effective date	April 1, 2001
Adoption date	December 9, 2003
Provisions	Service requirement for early retirement was lowered from 10 years to 5 years for participants that are active and eligible for social security disability.
Form of benefit	
Effective date	April 1, 2006
Adoption date	January 17, 2006
Provisions	The benefit form for certain retirees and spouses receiving joint & 50% survivor benefits was changed to include a 10 year guarantee.
Form of benefit	
Effective date	April 1, 2008
Adoption date	March 11, 2008
Provisions	A joint & 75% survivor option with a 10 year certain guarantee was added to the plan.
Form of benefit	
Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The unreduced 10 year certain guarantee was eliminated for retirements after July 29, 2010. 5 year and 10 year certain and life optional forms are still offered with a reduction in benefit.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Death benefit	
Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The lump sum option payable to the participant's spouse or beneficiary in lieu of a monthly pre-retirement or post-retirement death benefit was eliminated for deaths on or after July 29, 2010.
Disability benefit	
Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The temporary disability benefit maximum benefit was lowered from \$500 to \$300 per month for disablements on or after July 29, 2010.
Future service decrease	
Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The future service crediting rate was changed from \$2.70 to \$1.50 for each \$100 of total contributions made on or after September 1, 2010.
Future service decrease	
Effective date	July 1, 2011
Adoption date	June 7, 2011
Provisions	The future service crediting rate was changed from \$1.50 to \$1.30 for each \$100 of total contributions made on or after July 1, 2011.
Future service decrease	
Effective date	January 1, 2020
Adoption date	December 3, 2019
Provisions	The future service crediting rate was changed from \$1.30 to \$1.00 for each \$100 of total contributions made on or after January 1, 2020.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Early retirement benefit

Effective date: January 1, 2020

Adoption date: December 3, 2019

Provisions: For participants hired on or after January 1, 2020, the requirements for the unreduced early retirement benefit increased from age 55 and 30 years of service to age 62 and 30 years of service.

Future service credit

Effective date: April 1, 2020

Adoption date: December 3, 2019

Provisions: Future service is now credited with partial years of service credits based on hours worked during the plan year according to the following schedule:

Hours Worked	Vesting Credit
0 - 499	0.00
500 - 749	0.50
750 - 999	0.75
1000 or more	1.00

Break in Service

Effective date: April 1, 2020

Adoption date: December 3, 2019

Provisions: A plan year during which employer contributions were made to the fund for less than 500 hours.

ACTUARIAL ASSUMPTIONS

The following assumptions are used throughout this report except as specifically noted herein.

Valuation date	April 1, 2024
Interest rates	
ERISA rate of return used to value liabilities	7.25% per year net of investment expenses.
Unfunded vested benefits	7.25% per year net of investment expenses
Current liability	2.91% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	
Funding	$260,000 for the 2024-25 plan year, excluding investment expenses, increasing 3% per year.
ASC 960	A 3.50% load was applied to the accrued liabilities for 2024 (3.25% for 2023).
Loading	
Reciprocity	Liabilities for non-retired (date of termination on or after January 1, 2001) participants' benefits to be paid after retirement increased 5%
Mortality	
Assumed plan mortality	105% of the PRI-2012 Blue Collar Mortality Tables for male employees and healthy annuitants and 115% of the PRI-2012 Blue Collar Mortality Tables for female employees and healthy annuitants projected forward using the MP-2021 projection scale.
Current liability	Separate annuitant and non-annuitant rates based on the RP-2000 Mortality Tables Report developed for males and females as prescribed by Section 431(c)(6) of the Internal Revenue Code.

ACTUARIAL ASSUMPTIONS (CONT.)

Withdrawal

T-7 Turnover Table from The Actuary's Pension Handbook (less GAM 51 mortality) – specimen rates shown below. Assumed rate during the second year of employment is 35%*, 30% for the third year, and 20% for the next two years.

Age	Withdrawal Rate
25	.0967
30	.0930
35	.0871
40	.0775
45	.0635
50	.0422
55	.0155

No withdrawal assumed after participant reaches early retirement age.

* All newly reported participants are considered to have already worked their first year of employment

Disability

Specimen rates shown below:

Age	Disability Rate
25	.0004
30	.0006
35	.0007
40	.0011
45	.0018
50	.0030
55	.0047
60	.0005

ACTUARIAL ASSUMPTIONS (CONT.)

Retirement

Active lives

According to the following schedule:

Age	Prior to 30 Years Service	After 30 Years Service*
55-60	.05	.15
61	.10	.15
62	.25	.15
63	.25	.10
64	.20	.45
65	.15	.35
66-67	.35	.35
68	.35	.50
69+	1.00	1.00

* For participants hired on or after 1/1/2020, the rates after 30 years of service do not begin until age 62.

Resulting in an average expected retirement age of 63.5.

Inactive vested lives

Age 55 if 30 years of service, else age 60 if eligible for early, else age 65. Current age, if older.

Timing of decrements

Beginning of year

Future work units for annual contributions

Months	10
Hours	1,850
Weeks	43
Gross earnings	$44,000

Future contribution rate

Applicable employer's rate as of valuation date adjusted to reflect known bargained increases effective in the upcoming plan year.

Age of participants with unrecorded birth dates

Based on average entry age of participants with recorded birth dates and same vesting status.

Marriage assumptions

75% assumed married with the male spouse 3 years older than his wife

Optional form assumption

All non-retired participants assumed to elect the life only form of benefit.

ACTUARIAL ASSUMPTIONS (CONT.)

Inactive vested lives over age 74	Continuing inactive vested participants age nearest 74 and older are assumed deceased and are not valued.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences
Section 415 limit assumptions	
Dollar limit	$275,000 per year
Assumed form of payment for those limited by Section 415	Qualified joint and 50% survivor annuity
Benefits not valued	Pre-retirement death benefits following disability. Pre-retirement death benefits following withdrawal for active participants.
Benefits vested	No death benefits are vested. Disability benefits are considered vested only in relation to corresponding retirement benefit. Early retirement subsidies are considered vested when participant reaches age 55 and has 10 years of vesting service.

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS

The non-prescribed actuarial assumptions were selected to provide a reasonable long term estimate of developing experience. The assumptions are reviewed annually, including a comparison to actual experience. The following describes our rationale for the selection of each non-prescribed assumption that has a significant effect on the valuation results.

ERISA rate of return used to value liabilities

Future rates of return were modeled based on the Plan's current investment policy asset allocation and composite, long-term capital market assumptions taken from Horizon Actuarial's 2024 survey of investment consultants in conjunction with the Plan's investment consultant capital market assumptions.

Based on this analysis, we selected a final assumed rate of 7.25%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.

Due to the special rules related to withdrawal liability for a construction industry plan and the nature of the building trades industry, we believe the valuation interest rate is also appropriate for withdrawal liability purposes.

Mortality

The PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2021 projection scale was chosen as the base table for this population. The blue collar table was chosen based on the industry of plan participants.

Finally, a 105% multiplier for males and a 115% multiplier for females was applied in order to more closely match projected deaths to actual post-retirement death experience. The period of actual data studied to develop this multiplier was from April 1, 2019 to March 31, 2024 for this plan, blended with a study of deaths for larger plans in similar industries Based on information from the CDC on COVID-19 deaths through April 20, 2024, this study was adjusted to reflect an ongoing expectation of slightly higher deaths due to COVID-19 by 1) including an increase in deaths due to COVID-19 for the study period prior to March 15, 2020 and 2) excluding the high increase in deaths due to COVID-19 for the study period March 15, 2020 to March 15, 2022.

Mortality is monitored annually and no adjustments are deemed necessary at this time.

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS(CONT.)

Retirement	Actual rates of retirement by age were last studied for this plan for the period April 1, 2019 to March 31, 2024. No adjustments were deemed necessary at this time.
Withdrawal	Actual rates of withdrawal by age were studied for the period April 1, 2019 to March 31, 2024. The assumed future rates of withdrawal were selected based on the results of this study.
Future work units	Based on review of recent plan experience.

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

The assumptions used for the credit balance, funding ratio and PPA zone projections are the same as used throughout the report with the following exceptions.

Assumed return on fund assets	
Current year projections	7.25% for all years
Prior year projections	7.25% for all years
Expenses	
Current year projections	$260,000 for the 2024-25 plan year, excluding investment expenses, increasing 3% per year. An additional increase is reflected in 2025 and 2031 to account for the scheduled PBGC premium rate increases to $39 and $52 per participant respectively.
Prior year projections	$231,750 for the 2023-24 plan year, excluding investment expenses, increasing 3% per year. An additional increase is reflected in 2024 and 2031 to account for the scheduled PBGC premium rate increases to $37 and $52 per participant respectively.
Future work units	
Current year projections	All Future Years
Months	10
Hours	1,850
Weeks	43
Gross earnings	$44,000
Prior year projections	All Future Years
Months	10
Hours	1,850
Weeks	42
Gross earnings	$42,500
Contribution rate increases	
Current year projections	Rates as summarized on page A-2 of this report plus all future contribution rate increases spelled out in current participation agreements.
Prior year projections	Rates as summarized on page A-2 of the April 1, 2023 report plus all future contribution rate increases spelled out in current participation agreements.
Plan changes since prior year	None

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS (CONT.)

Open group projections	
Current year projections	Stable population assumed with new entrants and returning participants replacing active participants as they withdraw, retire or die. Assumed new entrants are based upon entry age of new entrants and reentry age of returning participants over the last 5 years. Entry ages are calculated using reported dates of birth only.
Prior year projections	Projected normal costs and benefit payment amounts are adjusted using the open group percentage increases from the 2020 valuation.
Stochastic modeling	1,000 trials. Future returns are modeled using an expected return of 7.39% for the first 10 years and 7.72% thereafter and a standard deviation of 11.98%, which is representative of the plan's investment portfolio. The preceding expected returns are one year values which are not representative of longer-term geometric average returns as considered when setting the ERISA return assumption.

ACTUARIAL METHODS

Funding method	
ERISA Funding	Traditional unit credit cost method, effective April 1, 2008
Funding period	Individual entry age normal with costs spread as a level dollar amount over service
Population valued	
Actives	Eligible employees with at least one hour during the preceding plan year.
Inactive vested	Vested participants with no hours during the preceding plan year.
Retirees	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method	
Actuarial value	Smoothed market value with phase-in effective April 1, 2021. Each year's gain (or loss) is spread over a period of 5 years. The actuarial value can be no less than 80% or more than 120% of the market value as of the determination date.
Unfunded vested benefits	For the presumptive method, actuarial value, as described above, is used

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		4/1/2024 Outstanding Balance	4/1/2024 Amortization Payment
				Years	Months		
Charges							
4/1/1995	Assumptions	267,368	30	1	0	20,820	20,820
4/1/1996	Assumptions	176,956	30	2	0	26,634	13,787
4/1/1997	Assumptions	274,512	30	3	0	59,918	21,385
4/1/1998	Amendment	125,865	30	4	0	35,422	9,805
4/1/1998	Assumptions	584,856	30	4	0	164,597	45,563
4/1/1999	Assumptions	965,339	30	5	0	328,513	75,208
4/1/2000	Assumptions	1,895,667	30	6	0	749,273	147,700
4/1/2001	Amendment	1,672,581	30	7	0	746,107	130,210
4/1/2001	Assumptions	727,078	30	7	0	324,314	56,601
4/1/2002	Amendment	741,827	30	8	0	366,006	57,705
4/1/2002	Assumptions	481,998	30	8	0	237,809	37,494
4/1/2003	Amendment	31,128	30	9	0	16,723	2,419
4/1/2003	Assumptions	854,813	30	9	0	459,371	66,442
4/1/2004	Assumptions	1,450,330	30	10	0	838,790	112,642
4/1/2005	Assumptions	2,957,701	30	11	0	1,823,362	229,551
4/1/2006	Amendment	73,178	30	12	0	47,715	5,675
4/1/2006	Assumptions	1,790,545	30	12	0	1,167,366	138,869
4/1/2007	Assumptions	1,066,818	30	13	0	730,744	82,682
4/1/2009	Relief 09 Asset Loss	11,598,304	29	14	0	8,381,985	907,093
4/1/2010	Relief 09 Asset Loss	1,178,181	28	14	0	860,497	93,122
4/1/2011	Assumptions	270,413	15	2	0	54,670	28,291
4/1/2011	Relief 09 Asset Loss	2,854,997	27	14	0	2,109,233	228,259
4/1/2012	Assumptions	505,989	15	3	0	148,175	52,887
4/1/2012	Relief 09 Asset Loss	5,055,343	26	14	0	3,781,704	409,254
4/1/2013	Experience	1,995,583	15	4	0	752,792	208,392
4/1/2016	Assumptions	1,343,594	15	7	0	801,901	139,948
4/1/2016	Experience	2,730,221	15	7	0	1,629,487	284,378
4/1/2017	Experience	2,613,804	15	8	0	1,725,415	272,034
4/1/2018	Assumptions	1,567,462	15	9	0	1,127,022	163,008
4/1/2018	Experience Loss	1,758,034	15	9	0	1,264,039	182,827
4/1/2019	Assumptions	2,550,737	15	10	0	1,975,286	265,264
4/1/2019	Experience Loss	3,567,056	15	10	0	2,762,329	370,956
4/1/2020	Experience Loss	4,302,906	15	11	0	3,554,397	447,481
4/1/2021	Experience Loss	972,728	15	12	0	850,360	101,159
4/1/2022	Assumptions	2,488,417	15	13	0	2,287,105	258,783

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	4/1/2024 Outstanding Balance	4/1/2024 Amortization Payment
4/1/2022	Experience Loss	913,956	15	13	0	840,017	95,047
4/1/2023	Experience Loss	2,218,961	15	14	0	2,132,345	230,761
4/1/2024	Experience Loss	5,048,578	15	15	0	5,048,578	525,027
				Total Charges:		**50,230,821**	**6,518,529**

Credits

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	4/1/2024 Outstanding Balance	4/1/2024 Amortization Payment
4/1/2014	Experience	2,951,941	15	5	0	1,345,360	307,990
4/1/2015	Assumptions	505,288	15	6	0	267,210	52,674
4/1/2015	Experience	1,147,604	15	6	0	606,890	119,633
4/1/2017	Assumptions	1,224,847	15	8	0	808,541	127,477
4/1/2020	Assumptions	72,307	15	11	0	59,728	7,520
4/1/2021	Assumptions	265,476	15	12	0	232,079	27,608
4/1/2021	Method	7,638,932	10	7	0	5,878,046	1,025,841
4/1/2023	Assumptions	258,041	15	14	0	247,968	26,835
4/1/2024	Assumptions	190,518	15	15	0	190,518	19,813
				Total Credits:		**9,636,340**	**1,715,391**

Net Charges:	**40,594,481**	**4,803,138**
Less Credit Balance:	22,310,905	
Less Reconciliation Balance:	0	
Unfunded Actuarial Liability:	**18,283,576**	

SUMMARY OF PPA AND MPRA RULES

Background

All multiemployer pension plans in effect on July 16, 2006 are required to engage an actuary to annually certify their status under the Pension Protection Act of 2006 ("PPA"). Such certification must be filed with the government by the 90th day of the plan year.

This Appendix D provides a high-level summary of some of the rules related to PPA, which were further modified in 2015 by the Multiemployer Pension Reform Act of 2014 ("MPRA"). Please seek advice from your actuary or Fund Counsel for more detailed information.

PPA Status Criteria

The table below summarizes the criteria for each PPA status. Projected deficiencies are calculated as of the last day of each plan year and are based on contribution rates codified in bargaining agreements and, if applicable, wage allocations.

PPA Status	*Getting In*	*Getting Out*
Safe ("green zone")	A plan is safe if it is not described in any of the other statuses. Generally, a plan that is at least 80% funded and has no projected funding deficiencies in the current year or next 6 years is safe.	A plan leaves safe status when it is certified as being in another status
Safe ("green zone") special rule	Beginning in 2015, a plan that would otherwise be endangered, but was safe for the prior year, remains safe if it is projected to return to safe within 10 years	A plan leaves safe status when it is certified as being in another status
Endangered ("yellow zone")	A plan is endangered if it is not in a worse status and it is described in one of the following: • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years.	A plan leaves endangered status when it no longer meets the requirements to be classified as endangered or when it enters a worse status
Seriously endangered ("orange zone")	A plan is seriously endangered if it is not in a worse status and it meets both of the following: • Funded percentage is less than 80%, and • Projected funding deficiency in the current year or next 6 years.	A plan leaves seriously endangered status when it no longer meets both of the requirements listed or when it enters a worse status

SUMMARY OF PPA AND MPRA RULES (CONT.)

PPA Status	Getting In	Getting Out
Critical ("red zone")	A plan is critical if it is described in one or more of the following: • Projected funding deficiency (<u>not</u> recognizing extensions) in the current year or next 3 years (next 4 years if funded at less than 65%), or • Funded percentage is less than 65%, <u>and</u>, inability to pay nonforfeitable benefits and expenses for next 7 years, or • (1) Contributions are less than current year costs (i.e. "normal cost") plus interest on any unfunded past liabilities, <u>and</u>, (2) value of vested benefits for non-actives is greater than for actives, <u>and</u>, (3) projected funding deficiency (<u>not</u> recognizing extensions) in the current year or next 4 years, or • Inability to pay all benefits and expenses for next 5 years. A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from critical status in 2015 or later will re-enter critical status <u>only</u> if it is described in one of the following: • Projected funding deficiency in the current year or next 9 years (<u>including</u> amortization extensions), or, • Projected insolvency within the next 30 years If a plan is certified as safe or endangered status but projected to be critical within the next 5 years, the Trustees have the <u>option</u> of electing to have the plan treated as critical status immediately.	A plan emerges from critical status when it meets all of the following: • No longer meets any of the critical status tests, and, • No projected funding deficiencies in the current year or next 9 years, and, • No projected insolvencies in the next 30 years A plan with a 5-year amortization extension under IRC Section 431(d) emerges from critical status when it meets both of the following: • No projected funding deficiencies in the current year or next 9 years, and, • No projected insolvencies in the next 30 years

SUMMARY OF PPA AND MPRA RULES (CONT.)

PPA Status	*Getting In*	*Getting Out*
Critical and declining ("deep red zone")	Beginning in 2015, a plan is in critical and declining status if: • It satisfies one or more of the initial four critical status criteria on the previous page, and, • It is projected to become insolvent within the next 15 years (20 years if the plan has a ratio of inactive participants to active participants that exceeds 2 to 1 or if the funded percentage of the plan is less than 80%)	A plan leaves critical and declining when it no longer satisfies the criteria. Status cannot change to safe, endangered, or seriously endangered unless the plan also meets the critical status emergence rules (see above).

Restrictions for Non-Safe Zone Plans

The Trustees of a plan that is <u>not</u> in safe zone face a number of restrictions in plan improvements that can be adopted and bargaining agreements that can be accepted.

Period	*Endangered/Critical Restrictions*
Date of first certification through adoption of funding improvement/rehabilitation plan ("plan adoption period")	• No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the <u>liabilities</u> of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	• Cannot be amended so as to be inconsistent with funding improvement/rehabilitation plan • No amendment that increases benefits, including future accruals, unless actuary certifies as being paid for with contributions not contemplated in funding improvement/ rehabilitation plan and still expected to meet applicable benchmark after considering the amendment

Additionally, critical, and critical and declining status plans cannot pay benefits greater than the single life annuity once the initial red zone notice is sent unless the benefit is eligible for automatic cash-out.

Summary of PPA and MPRA Rules (cont.)

Employer Surcharges for Critical Status Plans

When a non-critical plan enters critical status, employers must pay the plan a surcharge equal to 5% of their bargained contributions (the amount increases to 10% after the end of the plan year). The surcharges cannot be used to accrue benefits. Surcharges will generally commence about 5 months into the initial critical plan year.

Once the Trustees have adopted a rehabilitation plan, each set of bargaining parties is asked to adopt one of the schedules contained in such rehabilitation plan. Surcharges cease to apply to contributions made under a CBA where the bargaining parties have adopted a schedule. If this can be accomplished within the first 5 months of the initial critical year, then surcharges can be avoided altogether.

Special Critical/Critical and Declining Status Tools

The Trustees of a plan that is in critical status have the ability (as the result of collective bargaining) to cut "adjustable benefits" that, for the most part, cannot be reduced under other circumstances. Adjustable benefits include early retirement subsidies, optional forms of payment, disability benefits, and death benefits. Normal retirement benefits are never adjustable benefits.

The Trustees of a critical and declining plan may apply to the Treasury Department for approval to suspend certain payments under MPRA (suspensions are benefit cuts that will be restored once they are no longer needed). The suspensions may affect even those participants who are already in pay status. However, certain protections apply to participants who are age 75 or older or are disabled. Furthermore, no one's benefit can be reduced below 110% of the amount guaranteed by the PBGC. While not officially repealed with ARPA (see below), benefit suspensions have taken a backseat to the special financial assistance program.

SUMMARY OF ARPA RULES

Overview

The American Rescue Plan Act (ARPA) was passed in March 2021 with an interim final rule in July, 2021 and a final rule in July, 2022. ARPA provides options for eligible multiemployer plans to receive special financial assistance and all multiemployer plans to elect funding relief. The PBGC premium will increase to $52 in 2031 with inflationary increases afterward.

Special Financial Assistance

A multiemployer plan is eligible for the special financial assistance program if:

- The plan is in critical and declining status in any plan year beginning in 2020 through 2022 using 2020 certification assumptions;
- A suspension of benefits has been approved with respect to the plan under MPRA as of the date of the enactment of the law;
- The plan is certified to be in critical status, has a current liability funded percentage of less than 40%, and has a ratio of active to inactive participants which is less than two to three in any plan year beginning in 2020 through 2022; or
- The plan became insolvent after December 16, 2014, and has remained insolvent and has not been terminated as of the date of the enactment of the law.

An eligible plan must submit an application to the PBGC for special financial assistance by December 31, 2025. The PBGC gave priority consideration for special financial assistance to eligible plans that will become insolvent soon, have more than $1 billion liability, or suspended benefits. Plans without priority consideration will have to enter a wait list until the PBGC reopens the portal for a limited number of applications.

The amount of special financial assistance to be provided by the PBGC shall be the amount required for the plan to pay all benefits due through the last day of the plan year ending in 2051 without any further reductions. This amount will be the best of three different calculations for plans with a MPRA suspension. For this determination, the actuary will use the assumptions from the plan's 2020 PPA certification except interest rate limits may apply. The special financial assistance will be paid by the PBGC in a single, lump sum payment as soon as practicable upon approval of the application and does not have to be paid back.

Several restrictions do apply for plans receiving special financial assistance including:

- Up to 33% of the special financial assistance can be invested in publicly traded equities or high yield bonds. The rest must be invested in investment-grade bonds;
- The plan will be deemed in critical status through the 2051 plan year end;
- Contribution decreases are not permitted unless it would lessen the risk of loss;
- For the first ten years, only future benefits can be improved if they are paid for with new contributions. Then, past or future increases can be made with PBGC approval if they do not create a projected insolvency;
- Use mass withdrawal interest for EWL for 11 years or when SFA runs out, if later; and
- A statement of compliance must be annually filed with the PBGC.

GLOSSARY OF COMMON PENSION TERMS

Benefits

Accrued Benefit: A benefit that an employee has earned (or accrued) through past participation in the plan. It is the amount payable at normal retirement age.

Why it matters: Under the law, Accrued Benefits generally may not be reduced by plan amendment (note that special rules allowing for limited reduction and/or suspension of accrued benefits apply to critical status, critical and declining status and insolvent plans).

Actuarial Equivalence: Given a set of actuarial assumptions, when two different sets of payment scenarios have an equal present value.

Early Retirement Reduction Factor: A retirement benefit that begins before normal retirement age may be reduced. The plan document defines the amount of the reduction by formula or a table of factors. This reduction may or may not be actuarially equivalent, but its present value can be no less than actuarially equivalent to the benefit payable at normal retirement age.

Benefit Crediting (Accrual) Rate: A general reference to the calculation of the amount of monthly retirement benefit earned per dollar contributed or per year or hour worked.

Assets

Market Value of Assets: This is the fair value of all assets in the fund on an accrued, not cash basis. The market value of assets matches the value in the plan audit.

Actuarial Value of Assets: The amount of assets recognized for actuarial valuation purposes. Recent changes in market value may be partially recognized (there are variations allowed on the exact recognition). Generally the actuarial value is limited to not be less than 80% or more than 120% of the market value.

Why it matters: Many funding calculations use this "smoothed" asset value method to lessen the impact of volatility in the market value of plan assets.

Assumed Rate of Return: Long term assumption of the rate of return on assets based upon the diversification mix of invested assets.

Why it matters: This assumption is used in calculating the present values discussed in the Liabilities section below. The Assumed Rate of Return has an inverse relationship with plan liabilities. In other words, a lower Assumed Rate of Return increases liabilities, while a higher Assumed Rate of Return decreases plan Liabilities.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

Present Value of Accrued Benefits: The discounted value of benefit payments due in the future but based only on the current Accrued Benefits of each participant. The value is based on actuarial assumptions including an assumed rate of investment return.

Why it matters: This liability is one of the primary factors in determining a plan's annual PPA funded status (see Funded Ratio).

Present Value of Vested Benefits: The discounted value of Accrued Benefits that are considered vested (non-forfeitable). Benefits that are not vested include those of participants who have not satisfied the plan vesting requirement (usually five years of service). In addition under the law some death and temporary disability benefits are also considered non-vested regardless of service because they are not considered protected benefits.

Why it matters: This liability is the primary driver of a plan's Employer Withdrawal Liability.

Actuarial (Accrued) Liability: For inactive members this is the same as the Present Value of Accrued Benefits above. For active members this depends on the cost method selected by the actuary. Under the accrued benefit or traditional unit credit cost method this is also the same as the Present Value of Accrued Benefits. Under other cost methods (including most commonly entry age normal) this represents an alternate allocation of projected benefit cost over the working lifetime of active members. Under the entry age normal cost method, the active Actuarial Liability is larger than the Present Value of Accrued Benefits.

Unfunded Actuarial Liability: The Actuarial Liability less the Actuarial Value of Assets.

Current Liability: This is similar to the Present Value of Accrued Benefits, but uses a statutory, significantly lower, interest rate (equivalent to an expected rate of return on a bond only-type portfolio) and statutory mortality tables. The lower interest rate means that Current Liability tends to be significantly higher than the Present Value of Accrued Benefits. This number has very little impact on multiemployer plans.

Normal Cost: The present value of all benefits that are expected to accrue or to be earned under the plan during the plan year. The way in which a benefit is considered to be earned varies with the actuarial cost method.

Risk: The potential of future deviation of actual results from expectations derived from actuarial assumptions.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

Funded Ratio (Funded Percentage): Actuarial Value of Assets divided by the Present Value of Accrued Benefits. This is one of two key measures used to determine a plan's annual PPA funded status. This may also be referred to as PPA Funded Ratio. This must be greater than 80% to avoid endangered status.

Credit Balance: The accumulated excess of actual contributions over legally required minimum contributions as maintained in the funding standard account. The funding standard account is maintained by the actuary in the valuation process and reported annually in schedule MB to the Form 5500 filing. A negative credit balance is known as an accumulated funding deficiency. Prior to PPA, an accumulated funding deficiency caused an immediate excise tax (waiver under PPA if certain conditions are met). After PPA, a current or projected funding deficiency is one of the key measures used in determining the annual PPA status. It can eventually trigger an excise tax levied on contributing employers.

Withdrawal Liability

Unfunded Vested Benefits (UVB): Present Value of Vested Benefits less the value of plan assets determined on either an actuarial or market value basis. The selection of asset measurement is part of the withdrawal liability method of the Plan.

Employer Withdrawal Liability (EWL): An employer that withdraws from a multiemployer plan is liable for its proportionate share of Unfunded Vested Benefits, determined as of the date of withdrawal.

Why it matters: If a contributing employer leaves the plan while it has Unfunded Vested Benefits liability, that employer's allocated share of Employer Withdrawal Liability is either assessed, as applicable, or reallocated among the plan's remaining active employers if the presumptive method is used. A construction employer withdrawing from a construction industry plan will not be assessed unless they continue performing work within the jurisdiction of the CBA or restart such work within a period of 5 years. Small amounts (under $150,000) are generally reduced or eliminated pursuant to the "de minimis rule."