INDIANA TEAMSTERS PENSION PLAN

Actuarial Valuation Report
For Plan Year Commencing
January 1, 2023

United Actuarial Services, Inc.
Actuaries and Consultants

January 19, 2024

Board of Trustees
Indiana Teamsters Pension Plan

Dear Trustees:

We have been retained by the Board of Trustees of the Indiana Teamsters 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 January 1, 2023. 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 Katz, Sapper & Miller, LLP. 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

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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, EA, MAAA
Consulting Actuary

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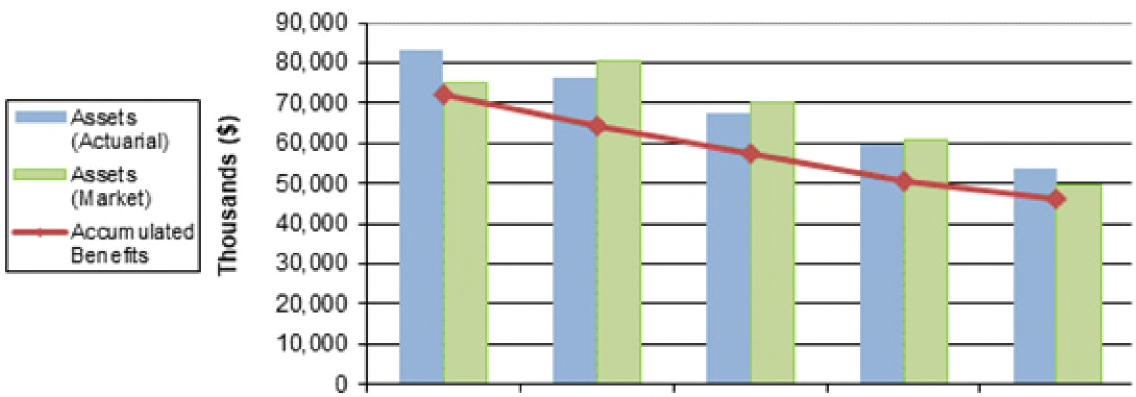
PART I: SUMMARY OF RESULTS

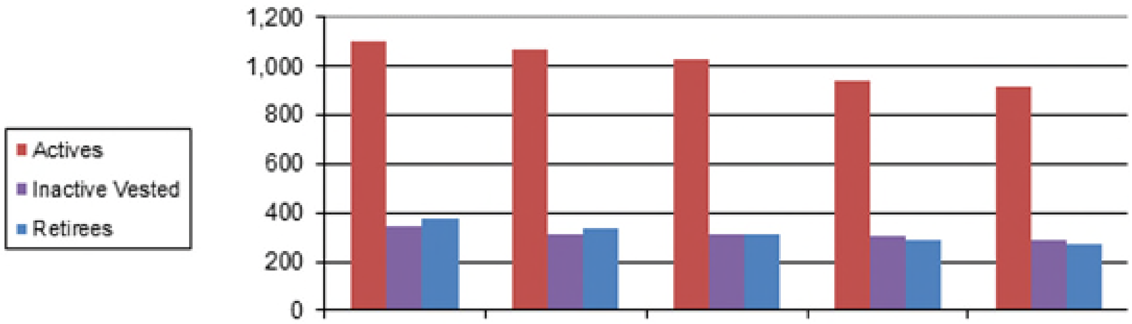
5 - YEAR SUMMARY OF VALUATION RESULTS

Actuarial Study as of January 1,	*2023*	*2022*	*2021*	*2020*	*2019*
PPA funded status	Safe	Safe	Safe	Safe	Safe
Improvements restricted	No	No	No	No	No
Funded ratio					
Valuation report (AVA)	114.8%	118.3%	117.8%	117.7%	117.3%
Valuation report (MVA)	103.5%	125.0%	122.5%	120.7%	107.5%
PPA certification (AVA)	116.1%	119.8%	119.6%	117.0%	120.1%
Proj. year of insolvency	None	None	None	None	None
Credit balance ($ 000)	13,130	12,438	12,216	11,161	10,125
Date of first projected funding deficiency					
Valuation report	None	None	None	None	None
PPA certification	None	None	None	None	None
Net investment return					
On market value	-10.82%	11.10%	9.73%	18.10%	-5.22%
On actuarial value	4.64%	9.11%	8.02%	5.79%	4.22%
Asset values ($ 000)					
Market	74,869	80,534	70,147	61,113	49,381
Actuarial	83,017	76,185	67,466	59,621	53,867
Accum. ben. ($ 000)	72,327	64,409	57,278	50,652	45,934

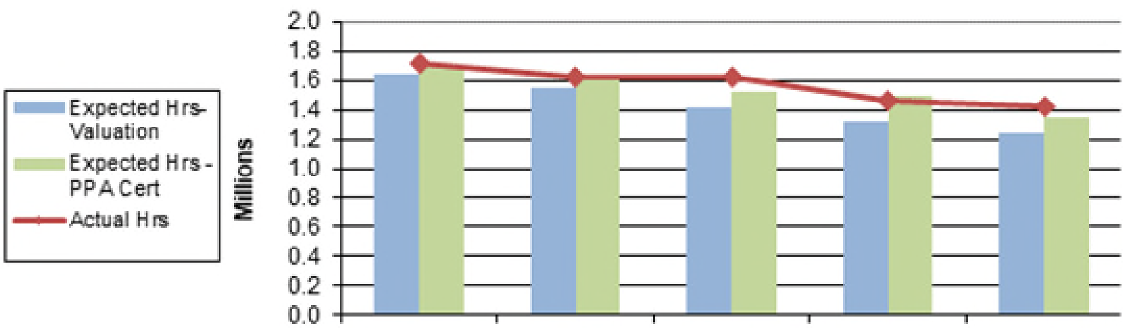


5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of January 1,	2023	2022	2021	2020	2019
Participant counts					
Active	1,101	1,070	1,031	940	913
Inactive vested	346	311	309	306	291
Receiving benefits	375	336	310	291	274
Total	1,822	1,717	1,650	1,537	1,478
Average entry age	42.4	42.8	42.9	42.6	42.8
Average attained age	48.7	49.2	49.2	48.8	48.7



Hours worked in prior plan year (thousands)					
Expected hours valuation	1,645	1,555	1,419	1,318	1,248
Expected hours PPA cert	1,700	1,610	1,525	1,500	1,350
Actual hours worked	1,718	1,626	1,626	1,469	1,428



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:

- The assumed future hours worked were increased from 1,800 hours to 1,850 hours per future year for local 135 vested active lives. This represents our best estimate of future hours based on recent plan experience.
- We increased the assumed daily/hourly/weekly contribution rates to reflect negotiated increases in the year.
- The assumed operational expenses were increased from $164,440 to $185,000 for the 2023 plan year and continue to assume a 3.0% annual increase 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 current liability interest rate was changed from 1.91% to 2.19%. 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 future hours assumption <u>used for projection purposes</u> was increased from 1,700,000 for all years to 1,750,000 for all years. This reflects input from the Trustees regarding future industry activity as used for the 2023 PPA certification.

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of January 1,				
	2023	2022	2021	2020	2019
Future rate of net investment return	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality table	PRI-2012	PRI-2012	PRI-2012	PRI-2012	RP-2006
Adjustment	95%	95%	100%	100%	105%
Projection scale	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018
Future expenses					
Initial year	$185,000	$159,650	$155,000	$150,000	$145,000
Annual increase	3.00%	3.00%	3.00%	n/a	n/a
Average future hourly contribution rate*	$3.91	$3.73	$3.54	$3.39	$3.24
Average future annual hours Local 135					
Vested	1,850	1,800	1,800	1,800	1,800
Non-vested	1,300	1,300	1,300	1,300	1,200
Average future annual weeks for Local 364					
Vested	50	50	50	50	50
Non-vested	40	40	40	40	40
Assumptions used for projections					
Annual hours (000)					
First year	1,750	1,700	1,610	1,525	1,318
Second year	1,750	1,700	1,635	1,550	1,318
Third year & later	1,750	1,700	1,635	1,575	1,318

* 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 December 31, 2022	*Expected*	*Actual*
Decrements		
Terminations (net of rehires)	131.5	190
Active retirements	25.6	24
Pre-retirement deaths	4.5	4
Post-retirement deaths	12.3	8
Monthly benefits of deceased retirees	$ 5,731	$ 4,298
Financial assumptions		
Rate of net investment return on actuarial value	7.00%	4.64%
Administrative expenses	$ 159,650	$ 213,087
Other demographic assumptions		
Average retirement age from active (new retirees)	66.7	65.8
*Average retirement age from inactive (new retirees)**	64.9	63.6
Average entry age (new entrants)	42.8	41.7
Local 135 hours assumptions		
Hours worked per vested active	1,800	1,936
Hours worked per non-vested active	1,300	1,204
Local 364 hours assumptions		
Hours worked per vested active	2,250	2,211
Hours worked per non-vested active	1,800	1,474
Total hours worked for Local 135 and Local 364		
Total hours worked (valuation assumption)	1,645,150	1,717,867
Total hours worked (PPA certification assumption)	1,700,000	1,717,867
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 1,839,735
(Gain)/loss due to liability experience		1,718,715
Total (gain)/loss		$ 3,558,450

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

PLAN MATURITY

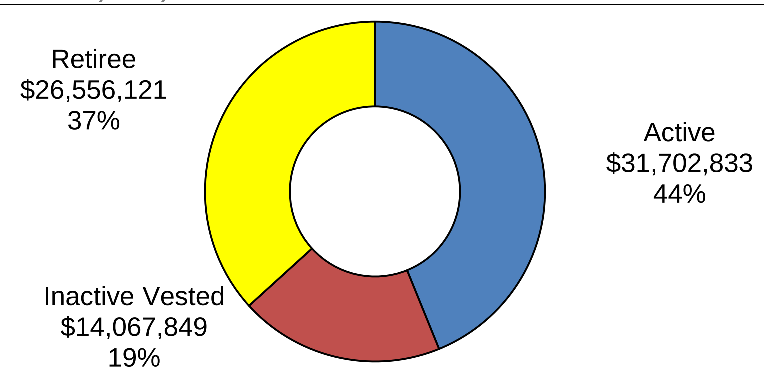
Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

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 January 1,	*2023*	*2022*	*2021*	*2020*	*2019*
Retiree/active headcount ratio	0.34	0.31	0.30	0.31	0.30
Nonactive/active headcount ratio	0.65	0.60	0.60	0.64	0.62
Cash flow					
Contr.-ben.-exp. ($000)	3,225	2,463	2,944	2,563	2,366
Percent of assets	4.31%	3.06%	4.20%	4.19%	4.79%

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: $72,326,803



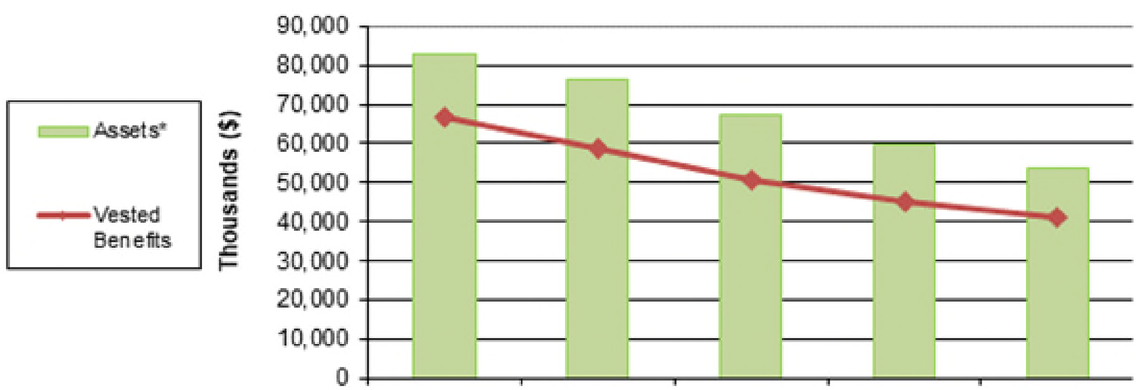
UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

An employer withdrawing during the coming year will not 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 rolling 5 method.

Rolling 5 Method ($ 000)

December 31,	2022	2021	2020	2019	2018
Vested benefits interest	7.00%	7.00%	7.00%	7.00%	7.00%
Vested benefits	66,875	58,828	50,816	45,316	41,062
less: Asset value*	83,017	76,185	67,466	59,621	53,867
UVB	(16,142)	(17,357)	(16,650)	(14,305)	(12,805)



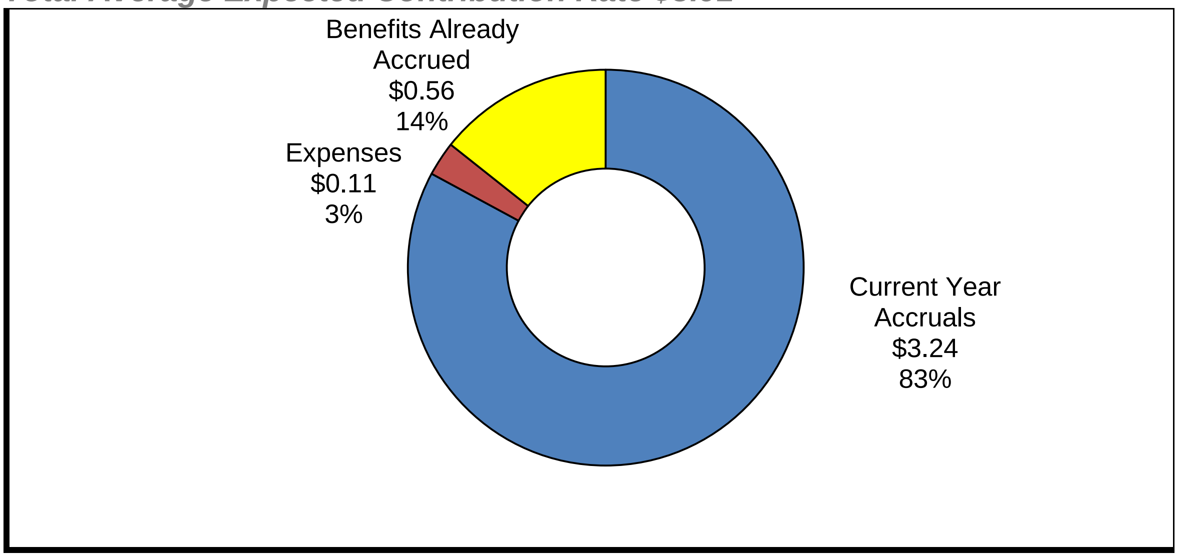
* Actuarial value.

CONTRIBUTION ALLOCATION

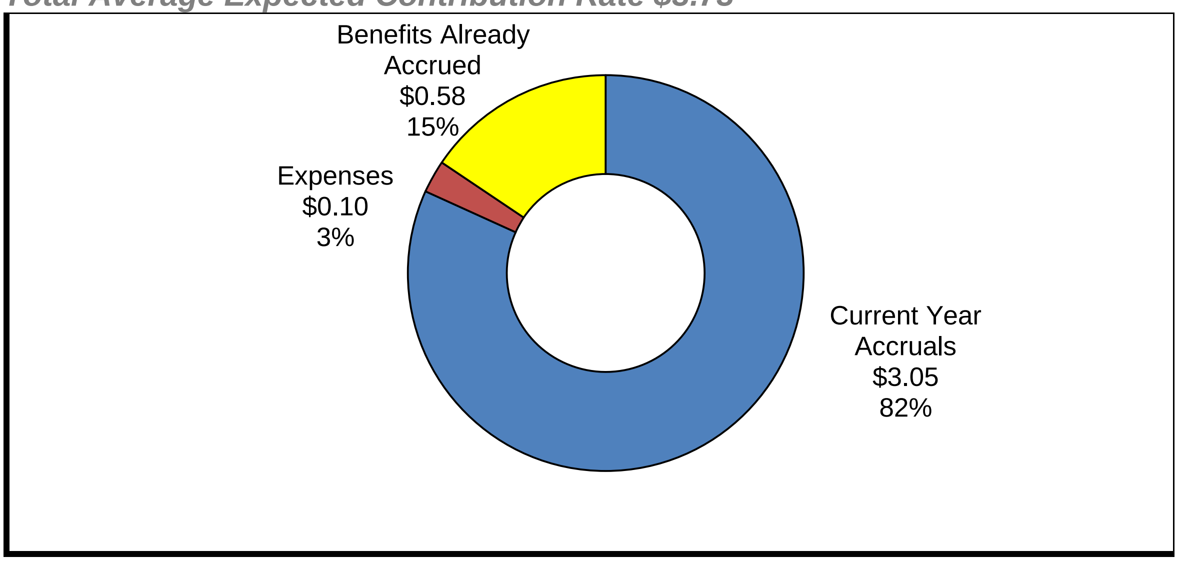
These graphs show how the contributions are being spent

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 to provide a margin against future adverse experience.

Contribution Allocation as of January 1, 2023
Total Average Expected Contribution Rate $3.91



Contribution Allocation as of January 1, 2022
Total Average Expected Contribution Rate $3.73



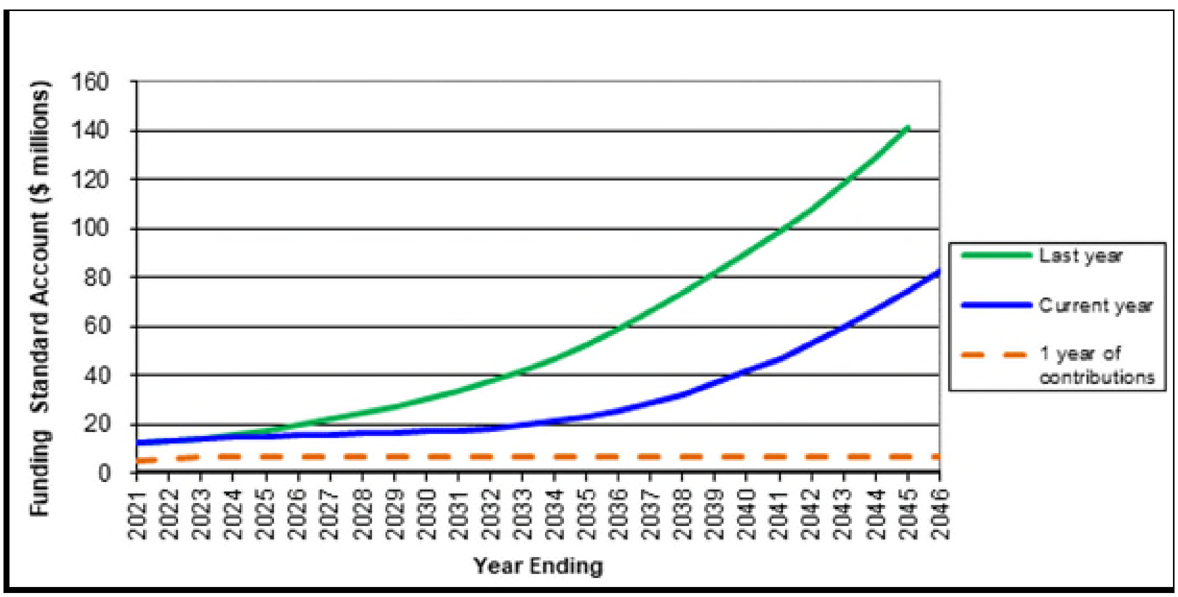
FUNDING STANDARD ACCOUNT PROJECTION

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.

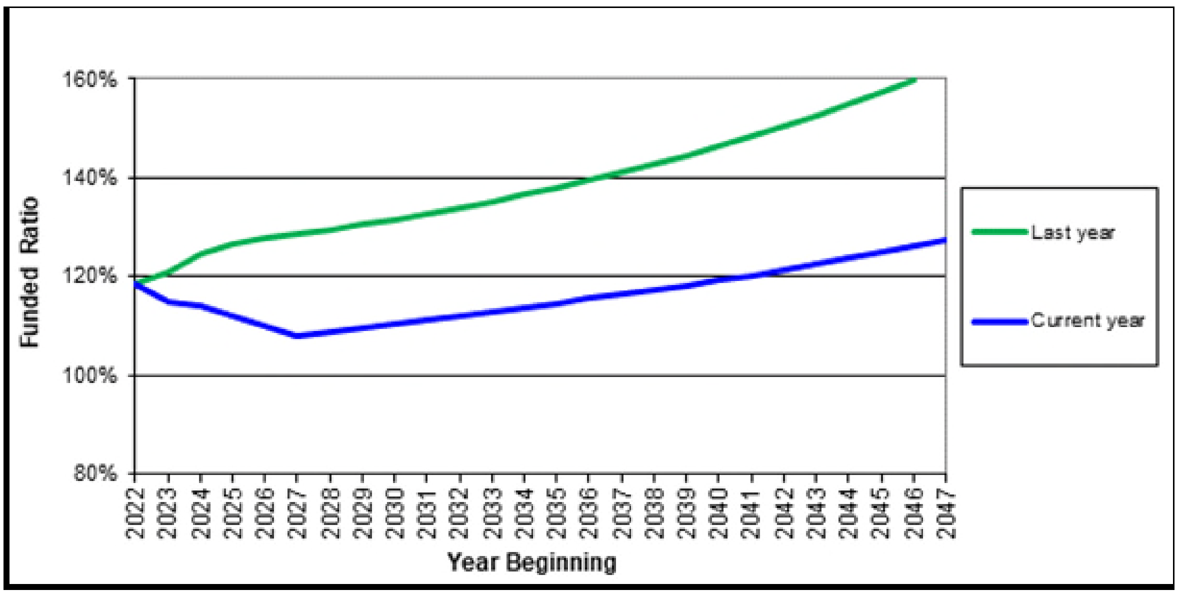
As a rule of thumb, UAS recommends in non-Critical status year that plans maintain a projected credit balance of at least one year's contributions (shown as an orange dotted line in the graph below) in each future year. Maintaining a "cushion" in the Funding Standard Account helps minimize the risk of 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" or "not endangered or critical") 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). 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.

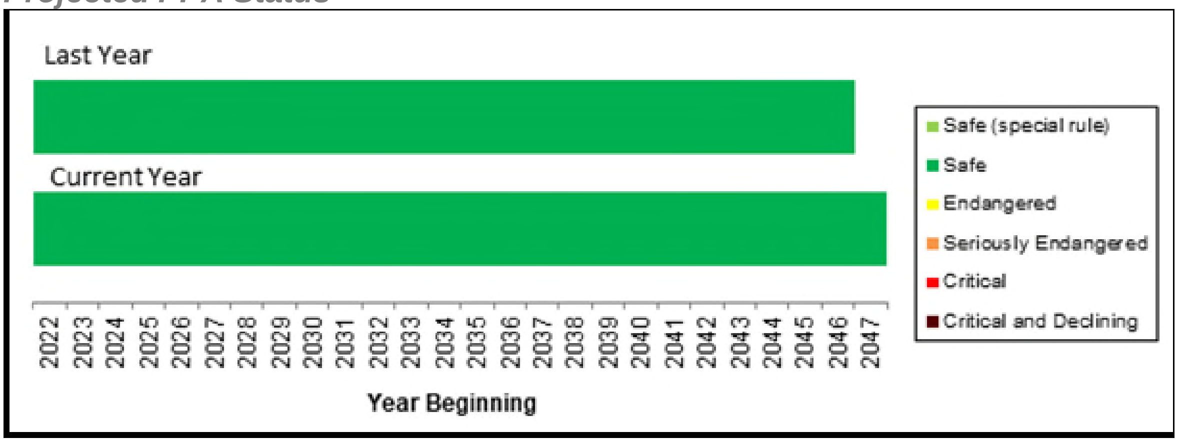


PPA STATUS PROJECTION

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

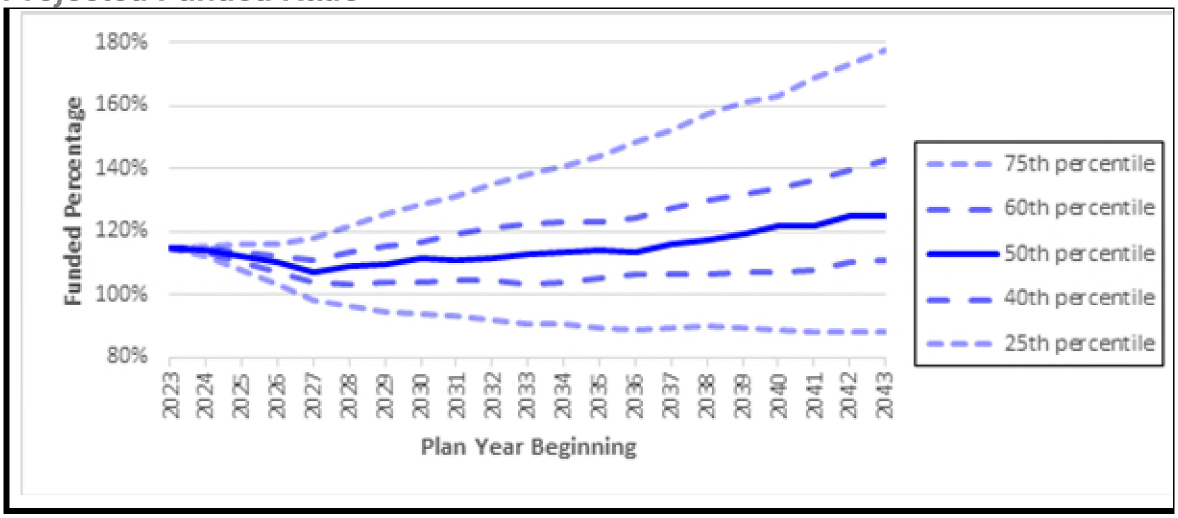


STOCHASTIC PROJECTIONS

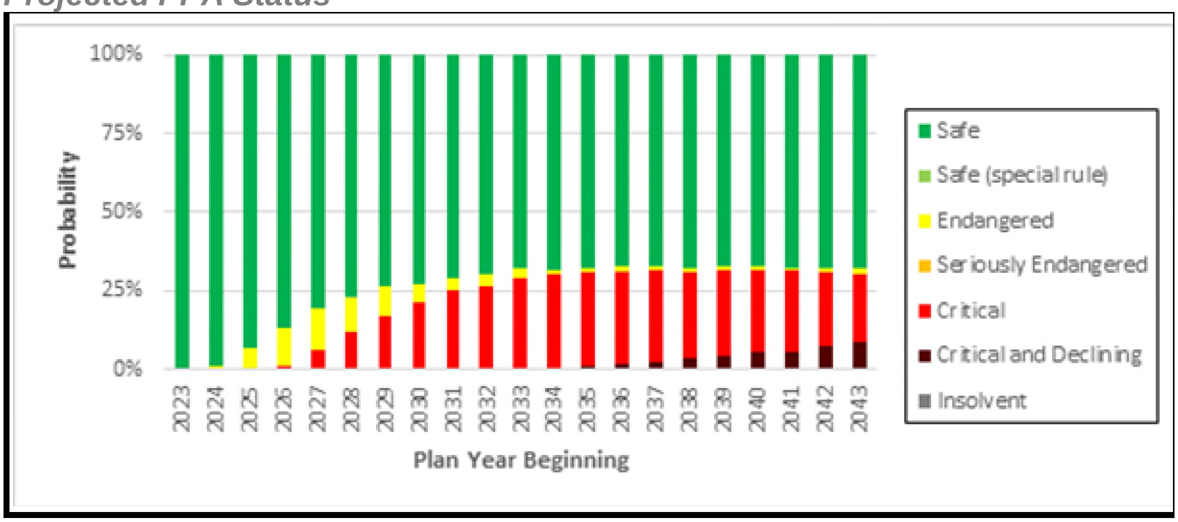
Stochastic projections show the probability of being in a certain status or the projected percentiles of funded ratio.

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 over 100% funded and projects 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 2023 plan year of 16.40%, 7.00%, and -2.40%. The 7.00% return represents the assumed return on assets over the next 10 years. 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 ±10%. we determined the minimum return necessary that would project the plan to be at least 100% funded in the next 20 years.

Assumptions	*Funding Stats*	*Scenario Testing: Return for 2023 PY then 7.00% thereafter*			*Minimum 2023 Return to Remain at Least 100% Funded for 20 Years.*
		16.40%	*7.00%*	*-2.40%*	
10% Lower Hours 1,575,000 in all years	Fund. ratio 1/1/2028: Cred. bal. 12/31/2027: Fund. ratio 1/1/2038:	116.9% 16.362M 127.0%	108.2% 14.443M 116.6%	99.5% 12.524M 106.2%	-2.20%
Baseline Hours 1,750,000 in all years	Fund. ratio 1/1/2028: Cred. bal. 12/31/2027: Fund. ratio 1/1/2038:	117.1% 17.759M 127.0%	**108.6%** **15.832M** **117.3%**	100.1% 13.905M 107.5%	-2.50%
10% Higher Hours 1,925,000 in all years	Fund. ratio 1/1/2028: Cred. bal. 12/31/2027: Fund. ratio 1/1/2038:	117.2% 19.133M 127.1%	109.0% 17.197M 117.8%	100.7% 15.261M 108.6%	-3.20%

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
January 1, 2022	1,070	311	336	1,717
Change due to:				
New hire	248	-	-	248
Rehire	27	(3)	-	24
Termination	(217)	38	-	(179)
Disablement	-	-	-	-
Retirement	(24)	(15)	39	-
Death	(3)	(1)	(8)	(12)
Cash out	-	-	-	-
New beneficiary	-	1	8	9
Certain pd. expired	-	-	-	-
*Data adjustment**	-	15	-	15
Net change	31	35	39	105
January 1, 2023	1,101	346	375	1,822

* Inactive vested data adjustment: Addition of seventeen inactive nonvested participant who are now considered vested; less one inactive vested who is not due a benefit and one differed beneficiary who is not due a death benefit.

HOURS WORKED DURING PLAN YEAR

Hours Worked Per Participant

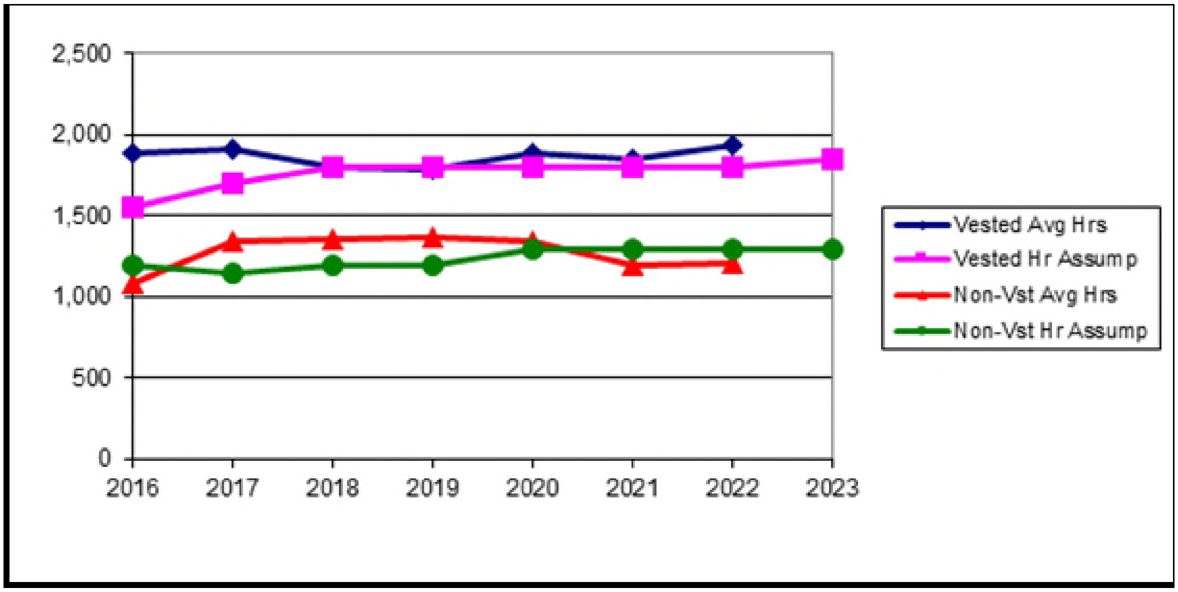
Plan Year Ending December 31, 2022	Number	Hours Worked	Average Hours Worked
Local 135			
Actives			
Vested	412	797,453	1,936
Non-vested, continuing	361	514,045	1,424
Non-vested, new entrant	235	203,513	866
Total active	1,008	1,515,011	1,503
Others	17	21,811	1,283
Local 135 total for plan year	1,025	1,536,822	1,499
Local 364			
Actives			
Vested	55	121,590	2,211
Non-vested, continuing	25	45,135	1,805
Non-vested, new entrant	13	10,890	838
Total active	93	177,615	1,910
Others	3	3,430	1,143
Local 364 total for plan year	96	181,045	1,886
Grand Total for plan year	1,121	1,717,867	1,532

History of Total Actual and Expected Hours Worked (Thousands)

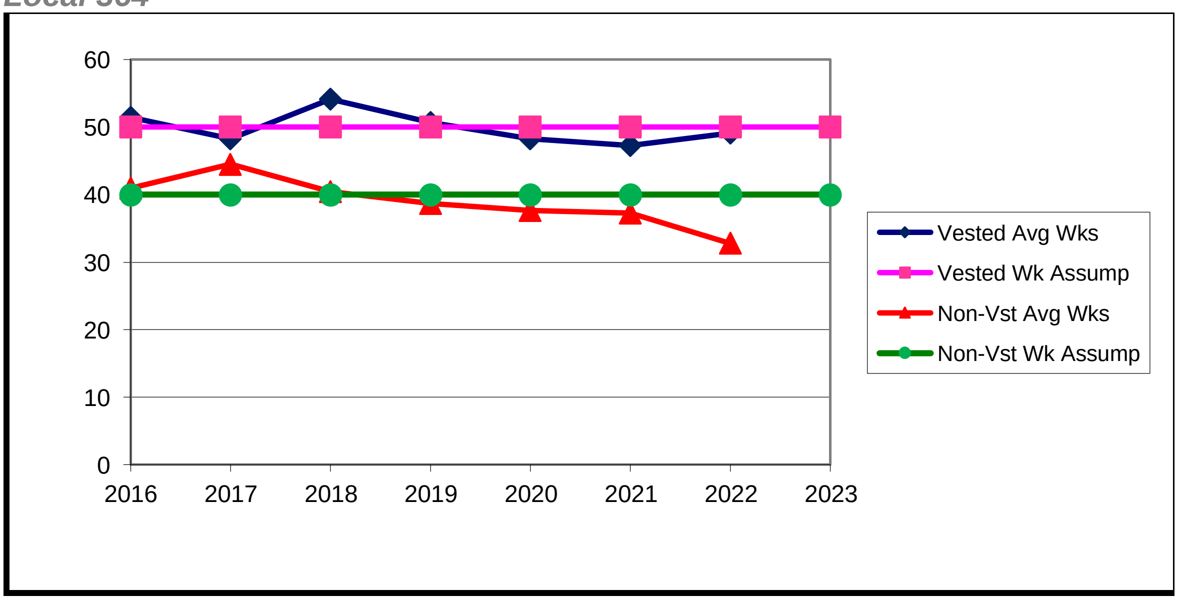
Plan Year Ending December 31,	2023	2022	2021	2020	2019
Expected hours valuation	1,723	1,645	1,555	1,419	1,318
Expected hours PPA cert	1,750	1,700	1,610	1,525	1,500
Actual hours worked	n/a	1,718	1,626	1,626	1,469

History of Average Actual and Expected Hours

History of Average Actual and Expected Hours Worked per Participant for Local 135



History of Average Actual and Expected Weeks Worked per Participant for Local 364



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Credited Contributions Reported in Employee Data

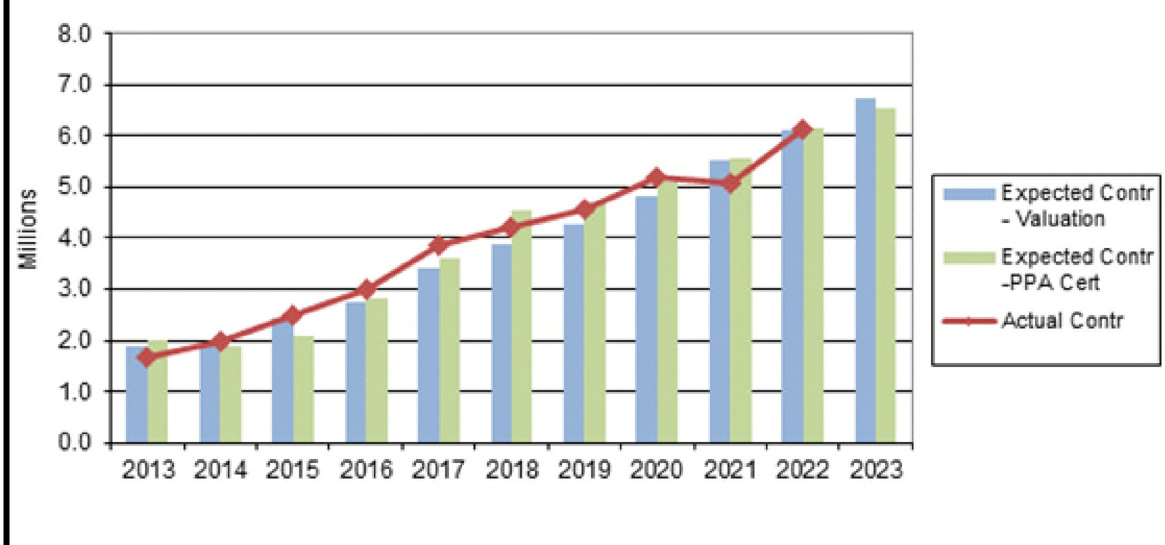
Plan Year Ending December 31, 2022	*Number*		*Credited Contributions Reported*
Actives			
Vested	467	$	2,996,515
Non-vested, continuing	386		2,103,516
Non-vested, new entrant	248		818,543
Total valued as active	1,101		5,918,574
Others	20		105,121
Total for plan year	1,121	$	6,023,695

Average credited hourly contribution rate	$	3.51

Comparison with Audited Employer Contributions

Employer credited contributions reported in data	$	6,023,695
Total audited employer contributions	$	6,115,292
Percent reported		99%

History of Actual and Expected Total Contributions Received



ACTIVE INFORMATION

Active Participants by Age and Service as of January 1, 2023

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	10	10	-	-	-	-	-	-	-	-	20
25-29	16	28	9	-	-	-	-	-	-	-	53
30-34	20	48	13	2	-	-	-	-	-	-	83
35-39	18	40	15	7	2	-	-	-	-	-	82
40-44	29	57	26	10	3	1	-	-	-	-	126
45-49	20	48	39	15	5	2	-	-	-	-	129
50-54	23	62	51	18	9	4	3	2	-	-	172
55-59	10	64	65	15	11	4	3	4	-	-	176
60-64	5	43	50	21	7	2	1	3	-	1	133
65-69	1	12	12	7	3	5	1	1	-	-	42
70+	2	5	2	-	1	-	-	-	-	-	10
Totals	154	417	282	95	41	18	8	10	-	1	1,026
Unrecorded DOB	36	30	6	3	-	-	-	-	-	-	75
Total Active Lives	190	447	288	98	41	18	8	10	-	1	1,101

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of January 1, 2023

Age Group	Number	Estimated Monthly Deferred Vested Benefits*
< 30	1	$ 479
30-34	7	3,423
35-39	6	2,509
40-44	24	11,558
45-49	34	16,148
50-54	68	35,596
55-59	85	47,302
60-64	88	40,356
65-69	23	12,162
70+	8	8,325
Totals	344	177,858
Unrecorded birth date	2	1,000
Total inactive vested lives	346	$ 178,858

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

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of January 1, 2023

Form of Payment	Number	Monthly Benefits Being Paid: Total	Average	Smallest	Largest
Certain & Life	133	$ 104,482	$ 786	$ 17	$ 3,318
Joint & survivor	164	106,396	649	27	2,121
Beneficiaries	78	26,621	341	16	1,299
Totals	375	$ 237,499	$ 633	$ 16	$ 3,318

Retirees by Age and Form of Payment as of January 1, 2023

Age Group	Form of Benefits Being Paid: Certain & Life	Joint & Survivor	Beneficiaries	Total
< 40	-	-	-	-
40-44	-	-	-	-
45-49	-	-	1	1
50-54	-	-	2	2
55-59	1	3	7	11
60-64	8	12	11	31
65-69	49	63	6	118
70-74	35	41	13	89
75-79	16	22	13	51
80-84	10	14	6	30
85-89	10	5	11	26
90-94	3	1	5	9
95+	1	3	3	7
Totals	133	164	78	375

RETIREE INFORMATION (CONT.)

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

Age at Retirement	Plan Year Ending December 31, 2022	2021	2020	2019	2018
<57	-	-	-	-	-
57	3	-	-	4	-
58	1	-	-	-	-
59	-	-	-	-	-
60	1	-	-	-	1
61	-	-	1	-	-
62	3	1	1	-	1
63	2	3	3	1	2
64	3	1	-	1	1
65	14	11	10	7	12
66+	12	12	2	5	4
Totals	39	28	17	18	21
Average retirement age	65.0	66.1	65.6	64.2	65.2

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

Asset information extracted from the fund's financial statements audited by Katz, Sapper & Miller, LLP.

Market/Actuarial Value of Fund Investments as of December 31,	*2022*	*2021*	*2020*
Invested assets			
Money market fund shares	$ 1,492,615	$ 1,166,064	$ 1,466,850
U.S. govt & agency securities	1,629,088	1,449,897	2,719,375
Municipal bonds	2,084,588	2,312,744	1,677,639
Corporate bonds	12,911,184	14,955,473	10,461,966
Common stocks	16,958,799	18,878,604	15,515,180
Exchange-traded funds	36,911,801	40,268,684	32,440,029
Preferred stocks	671,376	438,268	1,061,910
Real estate investment trusts	88,118	60,855	68,015
Registered inv. companies	1,391,033	345,386	4,027,031
Cash, noninterest-bearing	198,193	680,575	434,563
Prepaid expenses	44,175	42,820	6,388
	74,380,970	80,599,370	69,878,946
Net receivables*	487,929	(64,974)	267,990
Market value	$ 74,868,899	$ 80,534,396	$ 70,146,936
Fund assets - Actuarial value			
Market value	$ 74,868,899	$ 80,534,396	$ 70,146,936
less*: Deferred investment gains and (losses)*	(8,147,712)	4,349,244	2,680,680
Actuarial value	$ 83,016,611	$ 76,185,152	$ 67,466,256
Actuarial value as a percentage of market value	110.88%	94.60%	96.18%

* Equals receivables, less any liabilities

FLOW OF FUNDS

Asset information extracted from the fund's financial statements audited by Katz, Sapper & Miller, LLP.

Plan Year Ending December 31,		*2022*		*2021*		*2020*
Market value at beginning of plan year	$	80,534,396	$	70,146,936	$	61,113,364
Additions						
Employer contributions		6,115,292		5,065,677		5,189,941
*Net investment income**		(8,890,843)		7,924,711		6,089,878
Other income		-		-		-
		(2,775,551)		12,990,388		11,279,819
Deductions						
Benefits paid		2,676,859		2,418,397		2,091,485
*Net expenses**		213,087		184,531		154,762
		2,889,946		2,602,928		2,246,247
Net increase (decrease)		(5,665,497)		10,387,460		9,033,572
Adjustment		-		-		-
Market value at end of plan year	$	74,868,899	$	80,534,396	$	70,146,936
Cash flow						
Contr.-ben.-exp.		3,225,346		2,462,749		2,943,694
Percent of assets		4.31%		3.06%		4.20%
Estimated net investment return						
On market value		-10.82%		11.10%		9.73%
On actuarial value		4.64%		9.11%		8.02%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending December 31, 2022

Expected market value at end of plan year		
Market value at beginning of plan year	$	80,534,396
Employer contributions and non-investment income		6,115,292
Benefits and expenses paid		(2,889,946)
Expected investment income (at 7.00% rate of return)		5,750,295
		89,510,037
Actual market value at end of plan year		74,868,899
less: Expected market value		89,510,037
Investment gain or (loss)	$	(14,641,138)

History of Gains and (Losses)

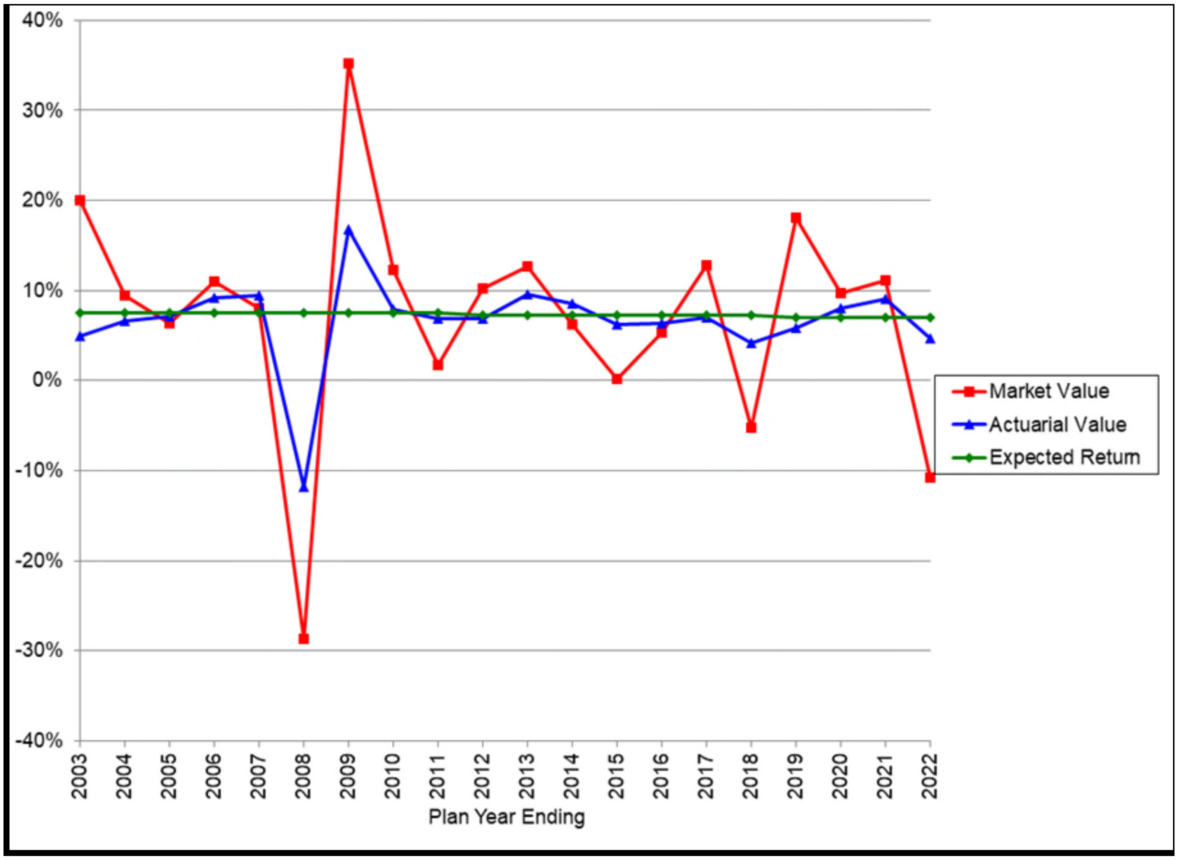
Plan Year Ending December 31,	Investment Gain or (Loss)	Amount Recognized This Year
2022	$ (14,641,138)	$ (2,928,228)
2021	2,928,229	585,646
2020	1,708,913	341,783
2019	5,623,478	1,124,696
2018	(6,340,389)	(1,268,078)
Total	$ (10,720,907)	$ (2,144,181)

Deferred Investment Gains and (Losses)

Plan Year Ending	Amount of Gain or (Loss) Deferred as of December 31,			
December 31,	2022	2023	2024	2025
2022	$ (11,712,910)	$ (8,784,683)	$ (5,856,455)	$ (2,928,228)
2021	1,756,937	1,171,292	585,646	-
2020	683,565	341,783	-	-
2019	1,124,696	-	-	-
Totals	$ (8,147,712)	$ (7,271,608)	$ (5,270,809)	$ (2,928,228)

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 December 31,		Period Ending December 31,	
Period	2022	2021	2022	2021
One year	-10.82%	11.10%	4.64%	9.11%
5 years	4.01%	9.00%	6.34%	6.82%
10 years	5.66%	7.92%	6.94%	7.17%
15 years	5.09%	6.44%	6.25%	6.57%
20 years	6.50%	7.25%	6.55%	6.45%

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of January 1,		*2023*		*2022*
Benefit accruals	$	3,617,548	$	3,413,448
Anticipated administrative expenses (beg. of year)		178,744		154,251
Total normal cost	$	3,796,292	$	3,567,699

Unfunded Actuarial Liability as of January 1,		*2023*		*2022*
Actuarial liability				
Participants currently receiving benefits	$	26,556,121	$	22,236,458
Inactive vested participants		14,067,849		12,128,838
Active participants		51,395,352		47,691,950
		92,019,322		82,057,246
less: Fund assets (actuarial value)		83,016,611		76,185,152
Unfunded actuarial liability	$	9,002,711	$	5,872,094

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of December 31, 2022		
Unfunded actuarial liability as of January 1, 2022	$	5,872,094
Normal cost (including expenses)		3,567,699
Actual contributions		(6,115,292)
Interest to end of plan year		446,753
		3,771,254
Increase (decrease) due to:		
Experience (gain) or loss		3,558,450
Plan amendment		-
Change in actuarial assumptions		1,673,007
Change in actuarial method		-
Net increase (decrease)		5,231,457
Unfunded actuarial liability as of January 1, 2023	$	9,002,711

Projection of Actuarial Liability to Year End

Actuarial liability as of January 1, 2023	$	92,019,322
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		3,617,548
Benefits paid		(3,339,549)
Interest on above		136,344
Interest on actuarial liability		6,441,353
Net expected increase (decrease)		6,855,696
Expected actuarial liability as of December 31, 2023	$	98,875,018

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of January 1,		*2023*		*2022*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	26,556,121	$	22,236,458
Inactive vested participants		13,928,535		12,012,343
Active participants		26,390,459		24,579,650
Total		66,875,115		58,828,451
Nonvested accumulated benefits		5,451,688		5,580,859
Present value of all accumulated benefits	$	72,326,803	$	64,409,310
Market value of assets	$	74,868,899	$	80,534,396
Funded ratios (Market value)				
Vested benefits		112.0%		136.9%
All accumulated benefits		103.5%		125.0%
Actuarial value of assets	$	83,016,611	$	76,185,152
Funded ratios (Actuarial value used for PPA)				
Vested benefits		124.1%		129.5%
All accumulated benefits		114.8%		118.3%
Interest rate used to value benefits		7.00%		7.00%

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 January 1,***	***2023***	***2022***
Unfunded actuarial liability		
Actuarial liability	$ 92,019,322	$ 82,057,246
less: *Fund assets (actuarial value)*	83,016,611	76,185,152
	9,002,711	5,872,094
Funds available to amortize unfunded		
Anticipated contributions (beg. of yr.)	6,511,796	5,923,766
less: *Normal cost (including expenses)*	3,796,292	3,567,699
	$ 2,715,504	$ 2,356,067
Funding period (years)	4	3

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 January 1,		*2023*		*2022*
Vested current liability				
Participants currently receiving benefits	$	40,574,690	$	34,917,521
Inactive vested participants		29,186,631		26,419,295
Active participants		60,661,109		59,358,623
		130,422,430		120,695,439
Nonvested current liability				
Inactive vested participants		300,314		266,284
Active participants		14,475,343		15,479,070
		14,775,657		15,745,354
Total current liability	$	145,198,087	$	136,440,793
Market value of assets	$	74,868,899	$	80,534,396
Current liability funded ratio (Market value)		51.6%		59.0%
Interest rate used for current liability		2.19%		1.91%

Projection of Current Liability to Year End		
Current liability as of January 1, 2023	$	145,198,087
Expected increase (decrease) due to:		
Benefits accruing		13,751,911
Benefits paid		(3,339,549)
Interest on above		264,599
Interest on current liability		3,179,838
Net expected increase (decrease)		13,856,799
Expected current liability as of December 31, 2023	$	159,054,886

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending December 31,		*2023 (Projected)*		*2022 (Final)*
Charges				
Prior year funding deficiency	$	-	$	-
Normal cost (including expenses)		3,796,292		3,567,699
Amortization charges (see Appendix C)		3,578,612		3,111,572
Interest on above		516,243		467,550
Total charges		7,891,147		7,146,821
Credits				
Prior year credit balance		13,130,057		12,437,646
Employer contributions		6,845,919		6,115,292
Amortization credits (see Appendix C)		597,450		597,450
Interest on above		1,200,531		1,126,490
ERISA full funding credit		-		-
Total credits		21,773,957		20,276,878
Credit balance (credits less charges)	$	13,882,810	$	13,130,057

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of January 1, 2023	$	74,868,899	$	83,016,611
Expected increase (decrease) due to:				
Investment income		5,117,464		5,687,804
Benefits paid		(3,339,549)		(3,339,549)
Expenses		(185,000)		(185,000)
Net expected increase (decrease)		1,592,915		2,163,255
Expected value as of December 31, 2023*	$	76,461,814	$	85,179,866

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

Full Funding Limit as of December 31, 2023		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	98,875,018	$	98,875,018
less: *Assets (lesser of market or actuarial)*		76,461,814		76,461,814
plus: Credit balance (w/interest to year end)		14,049,161		n/a
		36,462,365		22,413,204
Full funding limit override (not less than 0)				
90% of current liability		143,149,397		143,149,397
less: *Assets (actuarial value)*		85,179,866		85,179,866
		57,969,531		57,969,531
Full funding limit (greater of ERISA limit and full funding override)	$	57,969,531	$	57,969,531

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution Plan Year Beginning January 1, 2023

Minimum funding cost		
Normal cost (including expenses)	$	3,796,292
Net amortization of unfunded liabilities		2,981,162
Interest to end of plan year		474,423
		7,251,877
Full funding limit		57,969,531
Net charge to funding std. acct. (lesser of above)		7,251,877
less: *Credit balance with interest to year end*		14,049,161
Minimum Required Contribution (not less than 0)	$	-

Full Funding Credit to Funding Standard Account Plan Year Ending December 31, 2023

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	7,251,877
less*: full funding limit*		57,969,531
	$	-

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 January 1, 2023

Preliminary deductible limit		
Normal cost (including expenses)	$	3,796,292
10-year limit adjustment (using "fresh start" alternative)		1,197,929
Interest to end of plan year		349,595
		5,343,816
Full funding limit		57,969,531
Maximum deductible contribution override		
140% of vested current liability projected to December 31, 2023		200,016,786
less*: Actuarial value of assets projected to December 31, 2023*		85,179,866
		114,836,920
Maximum deductible contribution*	$	114,836,920
Anticipated employer contributions	$	6,845,919

* 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

Rolling 5 Method

December 31,	Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits
2003	7.50%	909,344	2,229,148	(1,319,804)
2004	7.50%	1,254,257	2,862,594	(1,608,337)
2005	7.50%	1,676,578	3,516,754	(1,840,176)
2006	7.50%	2,030,684	4,339,467	(2,308,783)
2007	7.50%	2,615,574	5,211,506	(2,595,932)
2008	7.50%	3,344,094	5,156,052	(1,811,958)
2009**	7.50%	20,084,786	22,945,442	(2,860,656)
2010	7.50%	21,779,099	25,395,967	(3,616,868)
2011	7.25%	25,851,423	27,612,767	(1,761,344)
2012	7.25%	27,140,765	29,918,189	(2,777,424)
2013	7.25%	28,608,696	33,202,966	(4,594,270)
2014	7.25%	30,031,441	36,639,610	(6,608,169)
2015	7.25%	31,918,270	40,011,482	(8,093,212)
2016	7.25%	34,236,533	44,064,913	(9,828,380)
2017	7.25%	37,032,996	49,366,419	(12,333,423)
2018	7.00%	41,062,129	53,867,019	(12,804,890)
2019	7.00%	45,316,162	59,620,574	(14,304,412)
2020	7.00%	50,815,704	67,466,256	(16,650,552)
2021	7.00%	58,828,451	76,185,152	(17,356,701)
2022	7.00%	66,875,115	83,016,611	(16,141,496)

* Actuarial value.
** Liabilities and assets reflect the merger with Local 364 beginning December 31, 2009

Example of Calculation of Employer Liability Upon Withdrawal

Years	Ratio of Withdrawing Employer's Contributions to Total Employer Contributions
1-1-2018 to 12-31-2022	1.0%

Employer withdraws during 1-1-2023 through 12-31-2023 plan year:
Withdrawal Liability = ($ 0) x 1.0% = $0
Withdrawal Liability after De Minimis = $0

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 3.90% for the first 20 years and 3.65% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2032 were used.

Illustrative Section 4281 Valuation as of December 31, 2022

Value of nonforfeitable benefits		
Participants currently receiving benefits	$	34,428,697
Inactive vested participants		21,714,227
Active participants		42,721,727
Expenses (per Section 4281 of ERISA)		879,054
		99,743,705
less: Fund assets (market value)		74,868,899
Value of nonforfeitable benefits in excess of (less than) fund assets	$	24,874,806

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 January 1,*		*2023*		*2022*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	26,556,121	$	22,236,458
Expenses on parts. currently rec. benefits		2,058,099		1,723,325
Other participants		40,318,994		36,591,993
Expenses on other participants		3,124,722		2,835,879
		72,057,936		63,387,655
Present value of nonvested accumulated benefits				
Nonvested accumulated benefits		5,451,688		5,580,859
Expenses on nonvested benefits		422,506		432,517
		5,874,194		6,013,376
Present value of all accumulated benefits	$	77,932,130	$	69,401,031
Market value of plan assets	$	74,868,899	$	80,534,396
Interest rate used to value benefits		7.00%		7.00%

Changes in Present Value of Accumulated Benefits		
Present value of accumulated benefits as of January 1, 2022	$	69,401,031
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		(68,256)
Benefits accumulated and experience gain or loss		6,631,229
Interest due to decrease in discount period		4,858,072
Benefits paid		(2,676,859)
Operational expenses paid		(213,087)
Net increase (decrease)		8,531,099
Present value of accumulated benefits as of January 1, 2023	$	77,932,130

APPENDICES

PLAN HISTORY

Origins/Purpose

The Indiana Teamsters Pension Fund was established effective September 1, 1989 pursuant to an Agreement and Declaration of Trust and plan document for the stated purpose of providing retirement benefit to Chauffeurs, Teamsters, Warehousemen and Helpers Local Union No. 135.

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 50% Survivor Benefits, Optional Retirement Benefits, Vested Benefits and Death Benefits.

Merger of Local 364 Sales Drivers and Industry Pension Fund

The Local 364 Sales Drivers and Industry Pension Fund merged into this Fund on October 31, 2009. The pre-merger benefits for Local 364 participants are preserved under the eligibility and accrual provisions immediately prior to the merger. These provisions include the following service accrual, eligibility requirements, and early retirement adjustments:

Contributions and pension credits are reported and based on weeks worked.

Weeks Worked	Pension Credits
0-21	0.00
22-26	0.50
27-39	0.75
40+	1.00

The accrued benefit immediately prior to the merger was $60 per pension credit.

Normal retirement age for benefits accrued immediately prior to the merger is the earlier of age 65 and 5th anniversary of participation.

Early retirement age for benefits accrued immediately prior to the merger is age 50 and 15 pension credits. The reduction for early retirement benefits is 7/12ths of 1% for each month prior to age 57 down to age 56 plus 1/3rd of 1% for each month prior to age 56.

EMPLOYER CONTRIBUTIONS

The Pension Plan is financed entirely by contributions from the employers as specified in the Collective Bargaining Agreement. Following is a listing of pension contribution rates.

ER#	Employer	Contribution Rate as of 1/1/2023	Next Rate Change Rate	Next Rate Change Eff. Date
Primary Hourly Rate		**$4.98**	$5.18	4/1/2023
184	1st Class Logistics			
323	A&J Rubble-Doo			
187	AB Transport			
185	All American Hauling			
44	All-Sets Inc.			
86	American Enterprises Trkg.			
162	Apache Trucking Corp			
39	Austgen Equipment Inc.			
72	Bearcat Enterprises, LLC			
166	Berry Farms			
183	Brovont Trucking			
150	BSD Farms			
306	Bulldog Hauling			
143	Bunn Trucking			
95	C Lee Construction Serv.			
241	Columbus Transport			
192	Conley Custom Trucking			
178	Davis Trucking			
301	DBJ Trucking, LLC			
77	Earth Transport LLC			
169	Edward & Jones Concrete			
168	Elle J Trucking			
198	Elliott Hauling			
65	Fanio Services			
149	Fletcher's Trucking			
308	Fox Contractors			
170	GBT			
158	Grandson Trucking Company LLC			
38	GRD Trucking			
173	Hirsch Transport			
135	J & J Williams Trucking LLC			
69	J & S Express			
199	JJ Road Sweep & Services			
304	JT Hauling			
52	K & A Trucking Inc.			
126	K.T.M. Services			
190	KB Trucking			
9	Keith Pruett Trucking			
295	Kennedy Expressline LLC			

EMPLOYER CONTRIBUTIONS (CONT.)

ER#	Employer	Contribution Rate as of 1/1/2023	Next Rate Change Rate	Next Rate Change Eff. Date
Primary Hourly Rate (cont.)		**$4.98**	$5.18	4/1/2023
148	Langley Trucking			
188	LGC Transport			
189	M&L Taylor Made Trucking			
107	M.A.C. Trucking, Inc			
145	Macadam Tucking LLC			
181	MACO Trucking			
191	Merritt Trucking			
297	Miers Transport			
312	Might E Hauling LLC			
96	Montgomery Trucking Inc.			
330	Morgan's Heavy Haul LLC			
164	Morock LLC			
196	NBL Trucking LLC			
351	NBL Trucking LLC			
186	Neese Trucking			
180	Nine Eight Trucking LLC			
22	Pavey Excavating Co., Inc.			
299	Persistence Trucking			
338	RI Trucking LLC			
161	Rolling Stones Trucking, LLC			
284	Romco of Columbus			
46	S & H Trucking			
142	Shosone Trucking			
182	SMG Transport			
176	Solid Finish Construction			
157	South Bend Transfer			
136	Superior Construction Co., Inc			
172	TDB Trucking			
112	Town And Country Construction, Inc.			
58	Trail Services, Inc			
110	Triple R Services			
197	V & J Trucking LLC			
54	William Hanna Trk Inc.			
146	Wright Excavating			
160	Yanez Trucking LLC			

Employer Contributions (cont.)

ER#	Employer	Contribution Rate as of 1/1/2023	Next Rate Change Rate	Next Rate Change Eff. Date
Primary Weekly Rates				
45	Godsey Trucking	$151.00		
14	Kim Singhurse Trucking	$151.00		
17	Northside Materials	$151.00		
27	Souder Trucking LLC	$151.00		
133	C Tech Corporation, Inc.	$163.90	$170.50	4/1/2023
167	Corystone	$163.90	$170.50	4/1/2023
48	Dump Trucks, Inc.	$163.90	$170.50	4/1/2023
195	Dump Trucks, Inc.	$163.90	$170.50	4/1/2023
174	Howell Paving	$163.90	$170.50	4/1/2023
151	JLD Trucking	$163.90	$170.50	4/1/2023
177	JSC Trucking	$163.90	$170.50	4/1/2023
310	K2 Rush Trucking	$163.90	$170.50	4/1/2023
74	Ramon Excavating	$163.90	$170.50	4/1/2023
165	Trader Transport	$163.90	$170.50	4/1/2023
321	Victory Trucking	$163.90	$170.50	4/1/2023
Daily Rates				
194	Open Road Paving	$39.10		
Other Hourly Rates				
152	IMI Kentucky Ave	$4.30		
153	IMI Noblesville	$4.30		
18	Young Trucking of S. Ind.	$12.25	$12.55	4/1/2023
92	Z Force Transportation	$3.75		
Other Weekly Rates				
138	Chemtrade Solutions LLC	$40.00	$45.00	1/1/2025
193	Continental Services	$41.00	$48.00	1/1/2024
98	DHL Express Inc.	$138.32	$143.85	10/1/2023
179	Distributors Terminal	$142.00	$150.00	7/1/2023
99	Holsum of Fort Wayne	$128.00	$129.00	8/1/2023
16	K&K Enterprises	$136.00		
105	Kreamo Bakers Inc. (Sales)	$130.00	$133.00	10/13/2023
101	Kreamo Bakers Inc. (Trans)	$114.00	$116.00	11/1/2023
40	Republic Services (Previously JAMAX)	$79.00		
120	Southern Wine and Spirits of Indiana, Inc.	$66.40	$74.40	5/1/2023
78	Teamster Local Union 916	$149.07		
156	Teamsters Local 135 Class 1**	$300.00		

* Class 2 $250.00/week, Class 3 $200.00/week, Class 4 $150.00, Class 5 $100.00

SUMMARY OF PLAN PROVISIONS

Participation

Any employee for a qualifying employer for whom contributions have been made to the plan

Vesting service

Hours Worked	Vesting Credit
0-499	0.00
500-749	0.50
750-999	0.75
1,000+	1.00

Break in service

Plan Year less than 501 hours.

Normal retirement benefit

Eligibility

Age 65 and 5 years of plan participation

Benefits for Local 364 participants earned prior to November 1, 2009 are subject to eligibility rules as described in the plan history.

Monthly amount

Local 135 participants: Past service benefit, if any, plus 3.0% of contributions made or due September 1, 1989 through December 31, 2009, plus 2.0% of contributions made or due on or after January 1, 2010.

Local 364 participants: Accrued benefits payable prior to the plan merger as described in the plan history, plus 1% of contributions made or due November 1, 2009 through December 31, 2013, plus 2% of contributions made or due on or after January 1, 2014.

Payable for life with 5 years certain.

Early retirement benefit

Eligibility

Age 57 and 10 years of service, unless service prior to January 1, 2001, then age 55 and 10 years of service

Local 364 benefits earned prior to November 1, 2009 are subject to early retirement eligibility rules as described in the plan history.

Monthly amount

Normal reduced by 1/2% for each month prior to age 65. Payable for life with 5 years certain.

Local 364 early retirement reduction for benefits earned prior to November 1, 2009 are subject to early retirement reductions as described in the plan history.

SUMMARY OF PLAN PROVISIONS (CONT.)

Vested benefit	
Eligibility	5 years of service, termination of employment
Monthly amount	100% of normal commencing at age 65. Payable for life with 5 years certain.
Optional forms of payment	Qualified joint and 50% survivor annuity Qualified joint and 75% survivor annuity
Pre-retirement death benefit	
Eligibility	Death of vested participant with surviving spouse
Monthly amount	50% of participant's qualified joint and 50% survivor annuity payable to spouse over spouse's lifetime commencing at participant's earliest retirement date.
Lump sum retiree death benefit	
Eligibility	Death of retired Local 364 participant retired from active status between November 1, 1998 and October 31, 2009.
Lump sum amount	$5,000 payable to designated beneficiary.

HISTORICAL PLAN MODIFICATIONS

Vesting schedule	
Effective date	January 1, 1999
Provisions	Participants who have at least one hour of service on or after January 1, 1999 are 100% vested at 5 years of service.
Normal form of benefit	
Effective date	January 1, 1999
Adoption date	November 13, 2001
Provisions	Normal form of benefit was changed from life annuity to life with 5 year certain annuity.
Optional form	
Effective date	January 1, 2008
Adoption date	December 15, 2008
Provisions	An optional 75% joint and survivor annuity was added.
Plan merger	
Effective date	October 31, 2009
Adoption date	August 31, 2009
Provisions	The Local 364 Sales Drivers Industry Pension Fund was merged into this fund.
Future service benefit	
Effective date	November 1, 2009
Adoption date	August 31, 2009
Provisions	Future service benefit multiplier for Local 364 participants under this plan was established to be 1% of contributions for work performed on or after November 1, 2009.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Future service benefit

Effective date	January 1, 2010
Adoption date	August 31, 2009
Provisions	The future service benefit multiplier for Local 135 participants was changed from 3.0% to 2.0% of contributions for work performed on or after January 1, 2010.

Future service benefit

Effective date	January 1, 2014
Adoption date	August 12, 2014
Provisions	The future service benefit multiplier for Local 364 participants under this plan was increased from 1% of contributions to 2% of contributions for work performed on or after January 1, 2014.

ACTUARIAL ASSUMPTIONS

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

Valuation date	January 1, 2023
Interest rates	
ERISA rate of return used to value liabilities	7.00% per year after investment expenses
Unfunded vested benefits	7.00% per year net of investment expenses
Current liability	2.19% (in accordance with Section 431(c)(6) of the Internal Revenue Code).
Operational expenses	
Funding	$185,000 for the 2023 plan year, excluding investment expenses increasing 3% per year.
ASC 960	A 7.75% load was applied to the accrued liabilities for 2023 (7.75% for 2022).
Loading for reciprocity	7.0% of liabilities for active Local 364 participants assumed to withdraw in the future and for current Local 364 inactive vested participants.
Mortality	
Assumed plan mortality	95% of the PRI-2012 Blue Collar Mortality Tables for 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-10 Turnover Table from The Actuary's Pension Handbook (less GAM 51 mortality) – specimen rates shown below. Assumed rate during first year of employment is 25%, 30% during the second year, 20% during the third year, and 10% during the fourth year.

Withdrawal Rate	
Age	5+ Years
20	.1794
25	.1722
30	.1621
35	.1486
40	.1310
45	.1084
50	.0792
55	.0440
60	.0120

No Withdrawal assumed after participant reaches early retirement age.

Future retirement rates

Active lives

According to the following schedule:

Age	Retirement Rate
55-60	.02
61	.05
62-64	.15
65	.30
66	.25
67-68	.40
69	.15
70+	1.00

Resulting in an average expected retirement age of 65.5.

Inactive vested lives

Local 135: Age 65 or current age if older
Local 364: Earliest age pre-merger benefit unreduced

Timing of decrements

Middle of year

ACTUARIAL ASSUMPTIONS (CONT.)

Future hours worked	
	Local 135 Participants:
Vested	1,850 hours, 0 after assumed retirement age
Non-vested	1,300 hours, 0 after assumed retirement age
	Local 364 Participants:
Vested	50 weeks, 0 after assumed retirement age*
Non-vested	40 weeks, 0 after assumed retirement age*
	* Converted to hours based on 45 hours per week
Future vesting credits	All active participants are assumed to earn one year of vesting credit each year.
Future hourly contribution rate	Average negotiated rate by employer for the current plan year. If an employer has more than one rate, the rate best matching the experience for the year is assumed.
Late retirement	Proper notices assumed to be sent to active participants at normal retirement age so no late retirement factors are applied for active participants assumed to retire after normal retirement age.
Age of participants with unrecorded birth dates	Based on average entry age of participants with recorded birthdates and same vesting status
Marriage assumptions	100% assumed married with the male spouse 3 years older than his wife
Optional form assumption	All non-retired participants assumed to elect the life and five year certain form of benefit.
Inactive vested lives over age 74	Continuing inactive vested participants age nearest 74 and older are assumed deceased and are not valued. Participants assumed deceased under age 74 prior to January 1, 2020 are still assumed to be deceased.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences

ACTUARIAL ASSUMPTIONS (CONT.)

Section 415 limit assumptions	
Dollar limit	$265,000 per year
Assumed form of payment for those limited by Section 415	Qualified joint and 75% survivor annuity
Benefits not valued	None
Benefits vested	No death benefits are vested. Early retirement subsidies are considered vested when participant reaches early retirement eligibility.

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 2023 survey of investment consultants. Based on this analysis, we selected a final assumed rate of 7.00%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.
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 95% multiplier 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 January 1, 2017 to December 31, 2022 for this plan, the results were then adjusted for credibility based upon the plan size. Based on information from the CDC on COVID-19 deaths through June 7, 2023, this study was adjusted to reflect an ongoing expectation of slightly higher 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.
Retirement	Actual rates of retirement by age were last studied for this plan for the period January 1, 2015 to December 31, 2019. The assumed future rates of retirement were selected based on the results of this study. No adjustments were deemed necessary at this time.

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS (CONT.)

Withdrawal	Actual rates of withdrawal by age were last studied for this plan for the period January 1, 2017 to December 31, 2022. The assumed future rates of withdrawal were selected based on the results of this study.
Disability	Disability decrement is not valued as no disability benefits are payable and we believe the withdrawal rates reasonably reflect terminations due to disability.
Future hours worked	Based on review of recent plan experience.

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

The assumptions used for the credit balance, funded 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	7.00%
Prior year projections	7.00%
Expenses	
Current year projections	$185,000 for the 2023 plan year, excluding investment expenses, increasing 3.0% annually. An additional increase is reflected in 2031 to account for the scheduled PBGC premium rate increase to $52 per participant.
Prior year projections	$159,650 for the 2022 plan year, excluding investment expenses, increasing 3.0% annually. Additional increases are reflected in 2023 and 2031 to account for the scheduled PBGC premium rate increases to $35 per participant and to $52 per participant respectively.
Future total hours worked	
Current year projections	1,750,000 hours in all future years
Prior year projections	1,700,000 hours in all future years
Contribution rate increases	The following rate increases represent an average hourly rate increase expected for the entire active participant group based upon the known contribution rate increases included in current collective bargaining agreements.
Current year projections	4¢ credited effective January 1, 2024 4¢ credited effective January 1, 2025 4¢ credited effective January 1, 2026
Prior year projections	5¢ credited effective January 1, 2023 4¢ credited effective January 1, 2024 4¢ credited effective January 1, 2025 4¢ credited effective January 1, 2026 1¢ credited effective January 1, 2027
Plan changes since prior year	None

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS (CONT.)

Stochastic modeling	1,000 trials. Future returns are modeled using an expected return of 7.77% for the first 10 years and 8.08% thereafter and a standard deviation of 12.60%, 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	Individual entry age normal with costs spread as a level dollar amount over service
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 January 1, 2000. Gains and losses are amortized over a period of 5 years. The actuarial value can be no less than 80% nor more than 120% of the market value as of the determination date.
Unfunded vested benefits	For the rolling 5 method, actuarial value, as described above, is used

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	1/1/2023 Outstanding Balance	1/1/2023 Amortization Payment
Charges							
11/1/1996	Amendment -SD364		30	3	10	129,562	37,142
11/1/1996	Assumptions -SD364		30	3	10	11,037	3,163
11/1/1997	Amendment -SD364		30	4	10	30,808	7,231
11/1/1997	Assumptions -SD364		30	4	10	207,278	48,656
11/1/1998	Assumptions -SD364		30	5	10	376,958	75,674
11/1/1999	Amendment -SD364		30	6	10	304,052	53,762
11/1/2000	Amendment -SD364		30	7	10	155,625	24,759
1/1/2002	Amendment	24,604	30	9	0	13,120	1,883
1/1/2002	Assumptions	141,756	30	9	0	75,571	10,841
1/1/2005	Assumptions	170,669	30	12	0	110,552	13,009
1/1/2006	Assumptions	20,982	30	13	0	14,275	1,596
11/1/2008	Experience -SD364		15	0	10	132,209	132,209
1/1/2009	Experience Loss	1,335,028	15	1	0	138,564	138,564
1/1/2010	Assumptions	599,390	15	2	0	120,132	62,099
1/1/2010	Experience Loss	378,348	15	2	0	75,826	39,197
1/1/2010	Experience-SD Merg	1,175,114	15	2	0	235,523	121,744
1/1/2011	Assumptions	324,234	15	3	0	94,156	33,530
1/1/2011	Experience Loss	102,361	15	3	0	29,727	10,587
1/1/2012	Assumptions	2,331,356	15	4	0	872,295	240,679
1/1/2013	Assumptions	558,731	15	5	0	252,819	57,626
1/1/2014	Assumptions	316,842	15	6	0	166,517	32,648
1/1/2015	Amendment	1,093,297	15	7	0	649,067	112,558
1/1/2015	Assumption Change	383,931	15	7	0	227,929	39,526
1/1/2016	Experience Loss	439,682	15	8	0	288,968	45,227
1/1/2017	Assumptions	708,247	15	9	0	507,455	72,791
1/1/2017	Experience Loss	810,018	15	9	0	580,367	83,251
1/1/2018	Assumptions	1,050,270	15	10	0	810,559	107,855
1/1/2018	Experience Loss	1,454,450	15	10	0	1,122,489	149,362
1/1/2019	Assumptions	1,110,430	15	11	0	914,234	113,943
1/1/2019	Experience Loss	2,737,955	15	11	0	2,254,200	280,946
1/1/2020	Assumptions	1,492,779	15	12	0	1,301,800	153,177
1/1/2020	Experience Loss	1,771,537	15	12	0	1,544,892	181,781
1/1/2021	Assumptions	432,838	15	13	0	397,184	44,414
1/1/2021	Experience Loss	2,352,787	15	13	0	2,158,975	241,424
1/1/2022	Assumptions	2,177,875	15	14	0	2,091,207	223,476

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	1/1/2023 Outstanding Balance	1/1/2023 Amortization Payment
1/1/2022	Experience Loss	443,153	15	14	0	425,518	45,473
1/1/2023	Assumptions	1,673,007	15	15	0	1,673,007	171,670
1/1/2023	Experience Loss	3,558,450	15	15	0	3,558,450	365,139
				Total Charges:		**24,052,907**	**3,578,612**

Credits

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	1/1/2023 Outstanding Balance	1/1/2023 Amortization Payment
1/1/2009	Combined Credits	701,349	16	2	0	135,734	70,163
11/1/2009	Experience -SD364		15	1	10	146,136	82,154
1/1/2010	Amendment	1,533,245	15	2	0	307,305	158,848
1/1/2012	Experience Gain	724,489	15	4	0	271,074	74,794
1/1/2013	Experience Gain	468,603	15	5	0	212,042	48,331
1/1/2014	Experience Gain	1,462,819	15	6	0	768,777	150,735
1/1/2015	Experience Gain	4,900	15	7	0	2,907	504
1/1/2016	Assumptions	115,889	15	8	0	76,164	11,921
				Total Credits:		**1,920,139**	**597,450**

Net Charges:	**22,132,768**	**2,981,162**
Less Credit Balance:	13,130,057	
Less Reconciliation Balance:	0	
Unfunded Actuarial Liability:	**9,002,711**	

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 not in critical and declining status and 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 critical status criteria, 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 not 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 liabilities 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 is also scheduled to increase to $52 in 2031.

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.

The PBGC has given priority consideration for special financial assistance to eligible plans that will become insolvent soon, have more than $1 billion liability, or suspended benefits.

An eligible plan must submit an application to the PBGC for special financial assistance by December 31, 2025. Plans without priority consideration may have to wait until as late as March 11, 2023 before they can apply.

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 ten years or when SFA runs out, if later; and

A statement of compliance must be annually filed with the PBGC.

SUMMARY OF ARPA RULES (CONT.)

Funding Relief Provisions

There are a few options for funding relief which are available to every multiemployer plan.

Temporary Delay of PPA Status

Multiemployer plans are allowed to temporarily delay the plan's certification of endangered, critical or critical and declining status. The plan sponsor of a multiemployer plan can choose to designate to have its zone status remain the same for the first plan year beginning on or after March 1, 2020 or the next succeeding plan year. A notice of this election is required unless this election places the plan in safe status.

If a plan was in endangered or critical status for the plan year preceding the plan year for which it has chosen to delay updating its zone status, it will not be required to update its funding improvement plan or rehabilitation plan until the following plan year.

Temporary Extension of Funding Improvement and Rehabilitation Periods

A plan which is in endangered or critical status for a plan year beginning in 2020 or 2021 (after applying any elected delay in PPA status) can elect to extend its funding improvement or rehabilitation period by five years.

Adjustments to the Funding Standard Account Rules

The plan may elect one or both of the following if, as of February 29, 2020, it is projected to have sufficient assets to pay expected benefits and expenses through the end of the applicable extended period:

- Extend select experience losses in either or both of the first two plan years ending after February 29, 2020 from 15 years to 30 years from the year in which the loss occurred. Such losses must be attributable to investment experience, contribution shortfall, employment reduction or retirement rate experience; and
- Extend the smoothing of the loss attributable to the investment losses in either or both of the first two plan years ending after February 29, 2020 from five years to up to ten years for the determination of the actuarial value of assets. The actuarial value of assets, however, cannot exceed 130% of the market value.

The Treasury must rely on plan sponsors' calculations of plan losses unless calculations are clearly erroneous. Restrictions on plan amendments that increase benefits apply.

PBGC Premium

The PBGC premium will increase to $52 per participant for the plan year beginning in 2031 and increased each year thereafter by a wage inflation rate.

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."