INDIANA TEAMSTERS PENSION PLAN

Actuarial Valuation Report
For Plan Year Commencing
January 1, 2020

United Actuarial
Services, Inc.
Actuaries and Consultants

August 26, 2020

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, 2020. 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 AlaTek, LLC. 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
Consulting Actuary

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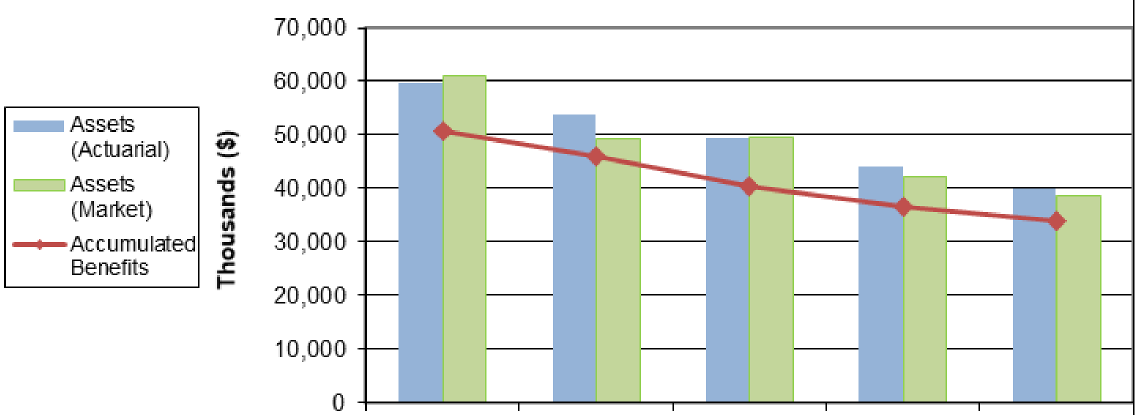
PART I: SUMMARY OF RESULTS

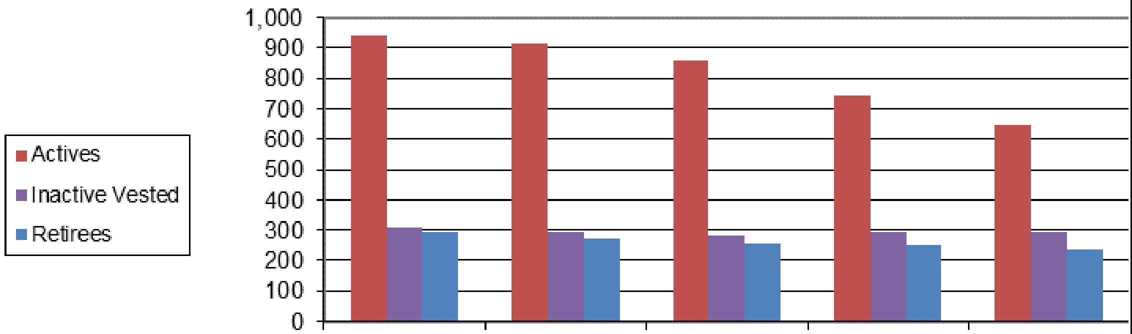
5 - YEAR SUMMARY OF VALUATION RESULTS

Actuarial Study as of January 1,	2020	2019	2018	2017	2016
PPA funded status	Safe	Safe	Safe	Safe	Safe
Improvements restricted	No	No	No	No	No
Funded ratio					
Valuation report (AVA)	117.7%	117.3%	122.2%	120.7%	118.4%
Valuation report (MVA)	120.7%	107.5%	123.0%	115.2%	113.9%
PPA certification (AVA)	117.0%	120.1%	122.1%	119.1%	116.7%
Proj. year of insolvency	None	None	None	None	None
Credit balance ($ 000)	11,161	10,125	8,080	5,891	4,377
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	18.10%	-5.22%	12.77%	5.30%	0.19%
On actuarial value	5.79%	4.22%	7.04%	6.34%	6.29%
Asset values ($ 000)					
Market	61,113	49,381	49,668	42,040	38,489
Actuarial	59,621	53,867	49,366	44,065	40,011
Accum. ben. ($ 000)	50,652	45,934	40,391	36,497	33,806

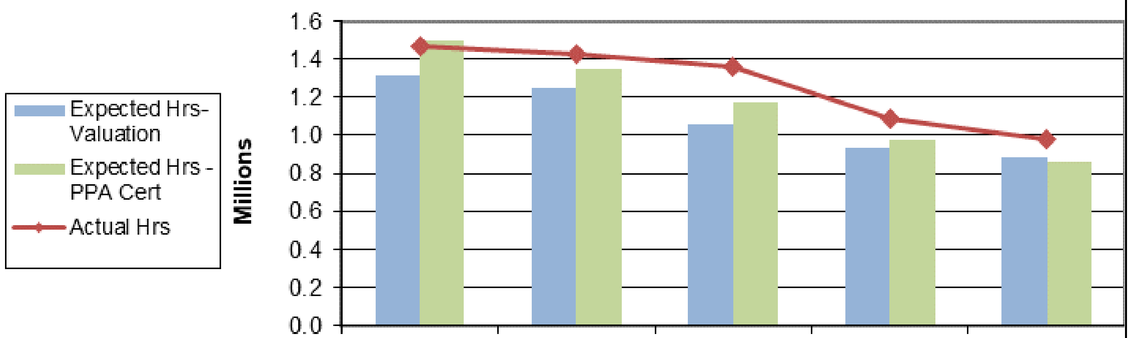


5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of January 1,	*2020*	*2019*	*2018*	*2017*	*2016*
Participant counts					
Active	940	913	857	746	648
Inactive vested	306	291	284	292	291
Receiving benefits	291	274	256	252	238
Total	1,537	1,478	1,397	1,290	1,177
Average entry age	42.6	42.8	43.0	41.8	41.5
Average attained age	48.8	48.7	48.8	47.8	47.9



Hours worked in prior plan year (thousands)					
Expected hours valuation	1,318	1,248	1,058	930	884
Expected hours PPA cert	1,500	1,350	1,175	975	860
Actual hours worked	1,469	1,428	1,357	1,084	982



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 mortality rates were changed from 105% of the RP-2006 Blue Collar Mortality Table to 100% of the PRI-2012 Blue Collar Mortality Table and the mortality projection scale was updated from MP-2018 to MP-2019. These changes were made because (1) the PRI-2012 table comes from the only major mortality study that includes significant multiemployer pension plan experience, and (2) we wanted to reflect the latest mortality improvement data available.
- We increased the assumed hourly/weekly contribution rates to reflect negotiated increases in the current year.
- The assumed future hours worked were increased from 1,200 hours to 1,300 hours per future year for Local 135 non-vested active lives. This represents our best estimate of future hours based on recent plan experience.
- The assumed operational expenses were increased from $145,000 to $150,000 to reflect our best estimate of future expenses based on recent plan experience.
- The assumed retirement rates were changed according to the schedule in Appendix B to represent our best estimate of future retirement patterns based on recent plan experience.
- The age for continuing inactive vested participants assumed to be deceased and not valued was increased from age 70 to age 74. Participants assumed deceased under age 74 prior to January 1, 2020 are still assumed to be deceased.
- The current liability interest rate was changed from 3.06% to 2.95%. The new rate is within established statutory guidelines.

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 1,317,900 for all years to 1,525,000 hours in 2020, 1,550,000 hours in 2021, and 1,575,000 hours for each year thereafter. This reflects input from the Trustees regarding future industry activity as used for the 2020 PPA certification.

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of January 1,				
	2020	2019	2018	2017	2016
Future rate of net investment return	7.00%	7.00%	7.25%	7.25%	7.25%
Mortality table	PRI-2012	RP-2006	RP-2006	RP-2006	RP-2006
Adjustment	100%	105%	105%	110%	115%
Projection scale	MP-2019	MP-2018	MP-2017	MP-2016	MP-2015
Future expenses	$150,000	$145,000	$135,000	$115,000	$130,000
Average future hourly contribution rate*	$3.39	$3.24	$3.12	$3.21	$2.97
Average future annual hours for Local 135					
Vested	1,800	1,800	1,800	1,700	1,550
Non-vested	1,300	1,200	1,200	1,150	1,200
Average future annual weeks for Local 364					
Vested	50	50	50	50	50
Non-vested	40	40	40	40	40

* 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, 2019	*Expected*	*Actual*
Decrements		
Terminations (net of rehires)	134.5	166
Active retirements	13.4	6
Pre-retirement deaths	5.0	1
Post-retirement deaths	10.2	5
Monthly benefits of deceased retirees	$ 4,474	$ 2,497
Financial assumptions		
Rate of net investment return on actuarial value	7.00%	5.79%
Administrative expenses	$ 145,000	$ 152,200
Other demographic assumptions		
Average retirement age from active (new retirees)	64.3	67.7
*Average retirement age from inactive (new retirees)**	64.7	62.4
Average entry age (new entrants)	42.8	43.2
Local 135 hours assumptions		
Hours worked per vested active	1,800	1,783
Hours worked per non-vested active	1,200	1,373
Local 364 hours assumptions		
Hours worked per vested active	2,250	2,281
Hours worked per non-vested active	1,800	1,742
Total hours worked for Local 135 and Local 364		
Total hours worked (valuation assumption)	1,317,900	1,469,383
Total hours worked (PPA certification assumption)	1,500,000	1,469,383
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 669,671
(Gain)/loss due to liability experience		1,101,866
Total (gain)/loss		$ 1,771,537

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

Plan Maturity

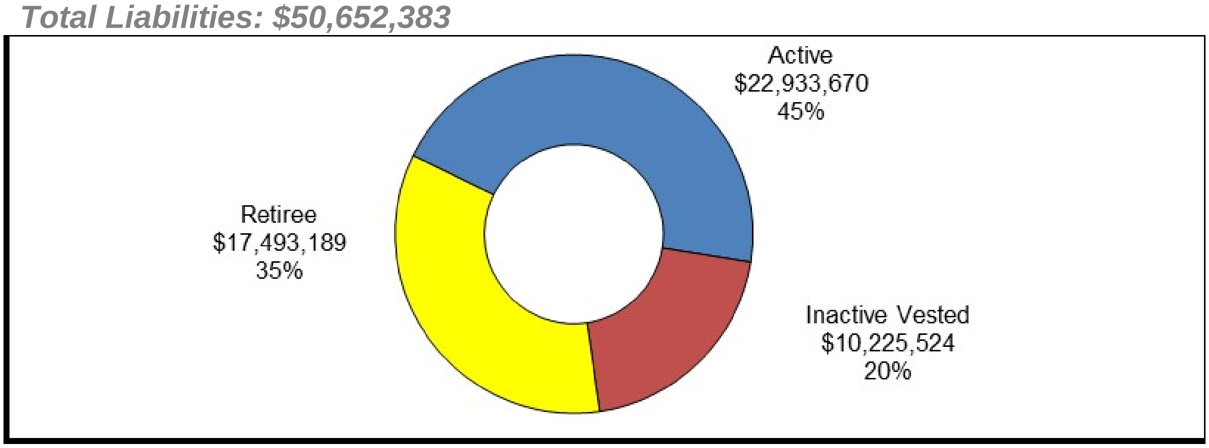
Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

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 retiree 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,	*2020*	*2019*	*2018*	*2017*	*2016*
Retiree/active headcount ratio	0.31	0.30	0.30	0.34	0.37
Nonactive/active headcount ratio	0.64	0.62	0.63	0.73	0.82
Cash flow					
Contr.-ben.-exp. ($000)	2,563	2,366	2,126	1,472	1,036
Percent of assets	4.19%	4.79%	4.28%	3.50%	2.69%

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: $50,652,383



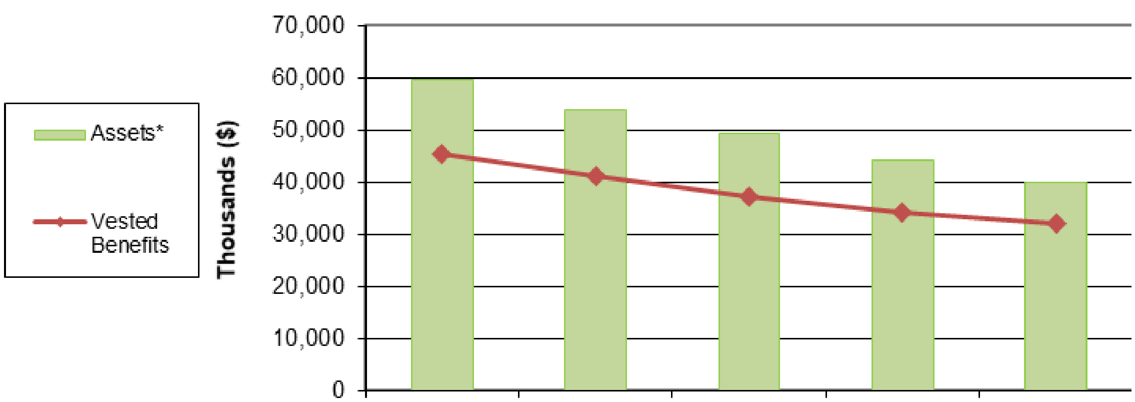
UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

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 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.

Presumptive Method ($ 000)

December 31,	*2019*	*2018*	*2017*	*2016*	*2015*
Vested benefits interest	7.00%	7.00%	7.25%	7.25%	7.25%
Vested benefits	45,316	41,062	37,033	34,237	31,918
less: Asset value*	59,621	53,867	49,366	44,065	40,011
UVB	(14,305)	(12,805)	(12,333)	(9,828)	(8,093)



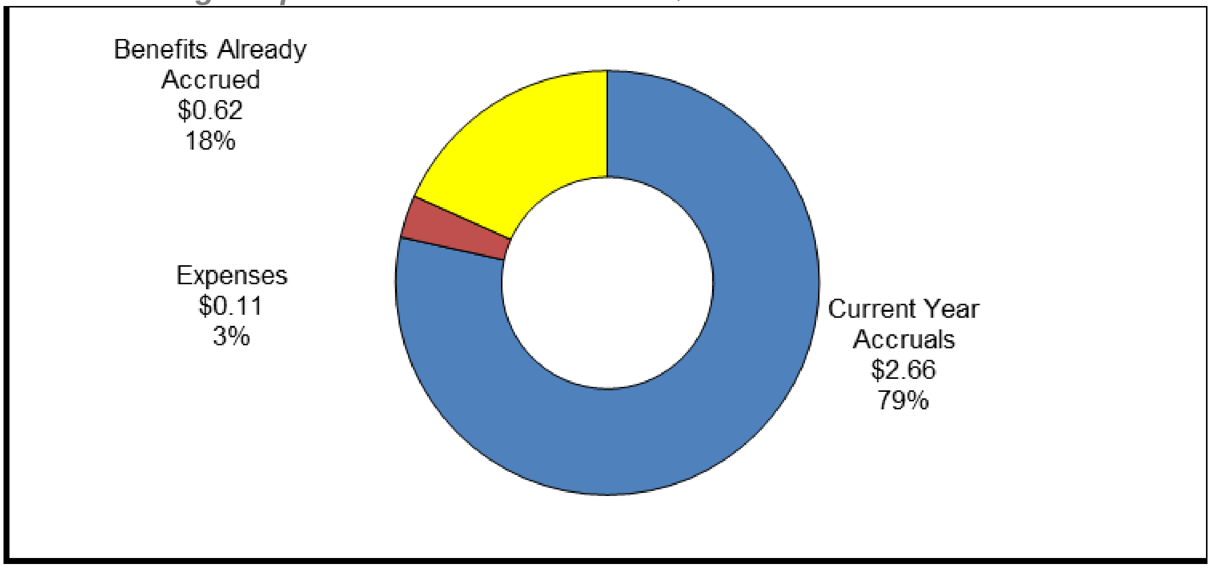
* Actuarial value.

CONTRIBUTION ALLOCATION

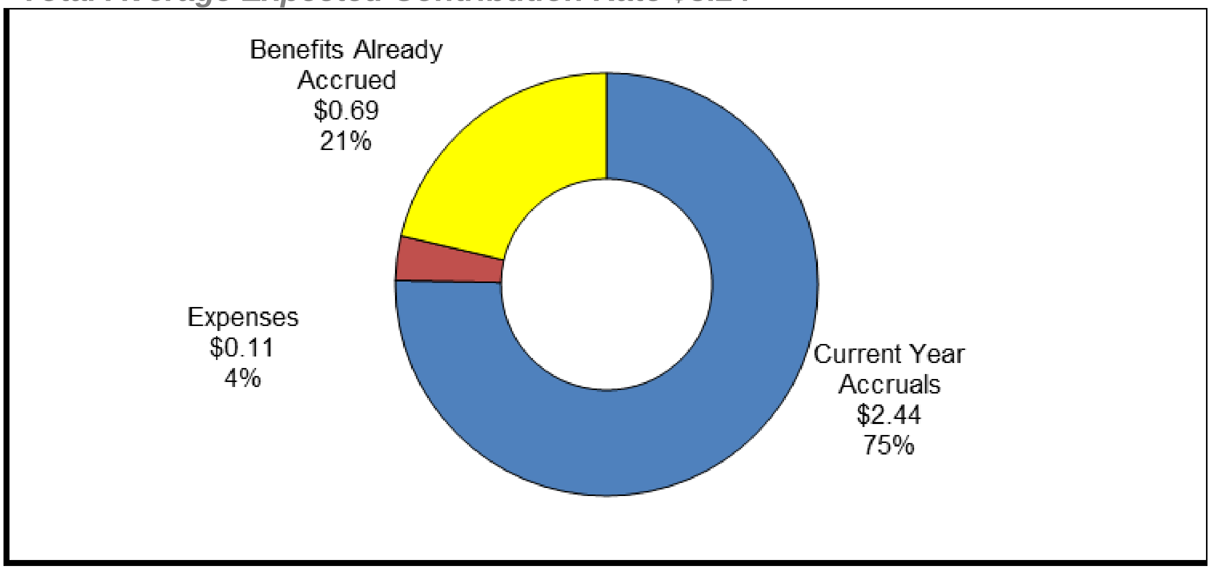
These graphs show how the contributions are being spent

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, 2020
Total Average Expected Contribution Rate $3.39



Contribution Allocation as of January 1, 2019
Total Average Expected Contribution Rate $3.24

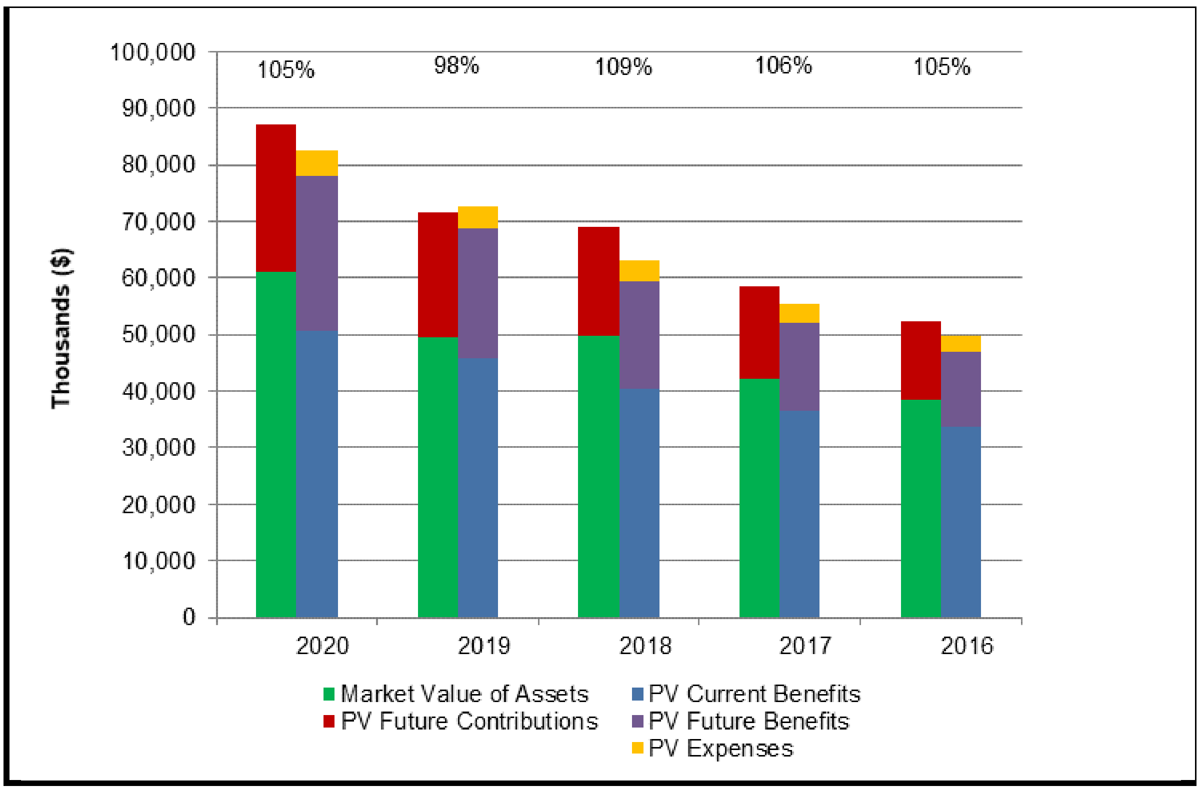


ULTIMATE FUNDED STATUS

Ultimate funded status is an indicator of the ability of current participants to pay for their own benefits

An actuarial valuation deals primarily with the ability of the plan to meet Internal Revenue Code requirements now and in the near future. As such, it is heavily focused on current plan assets and liabilities. But it is also important to keep in mind the true purpose of the plan funding—that is, to accumulate sufficient assets to pay the benefits that the plan has promised to its participants. The chart below looks at this long-term funding adequacy. To the current plan assets, we add the present value of all future contributions expected to be made for the current plan participants. To the value of the plan's liabilities for benefits that have been previously earned, we add the present value of future benefits the current plan participants are expected to earn and the present value of future administrative expenses the plan is expected to pay. Ideally these ultimate asset and liability values will be approximately equal.

An ultimate funded status of less than 100% could be an indication of generational shifting (i.e. the need for one generation of participants to fund the benefits of the preceding generation) and/or a reliance on the continued addition of new participants in order to fund benefits.



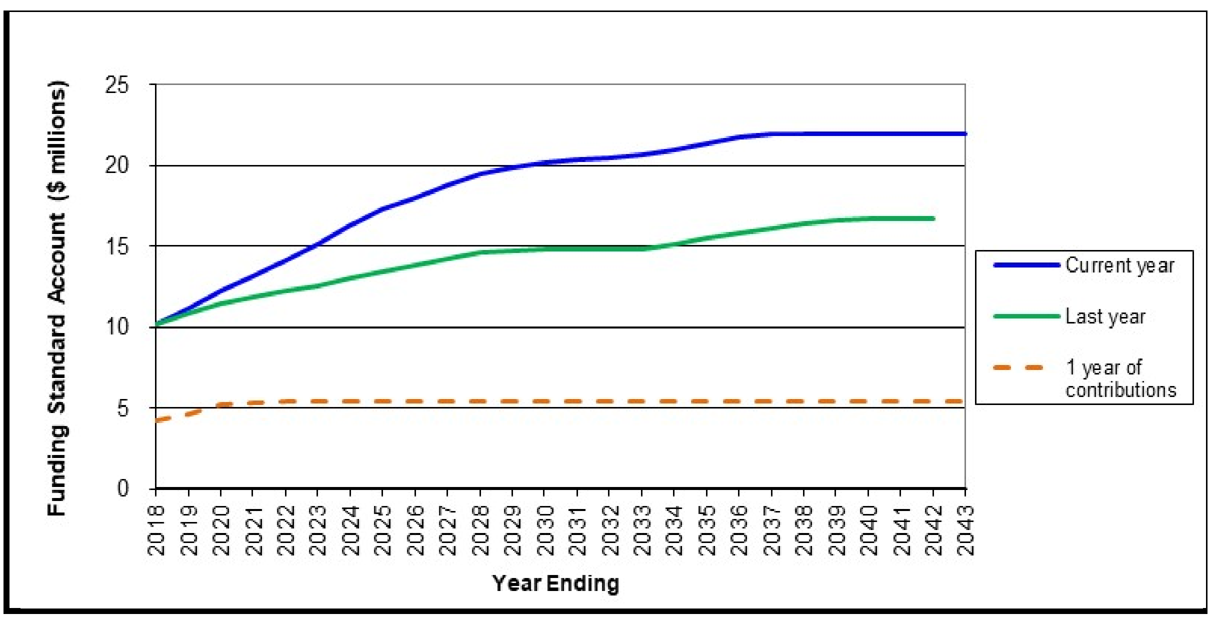
FUNDING STANDARD ACCOUNT PROJECTION

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.

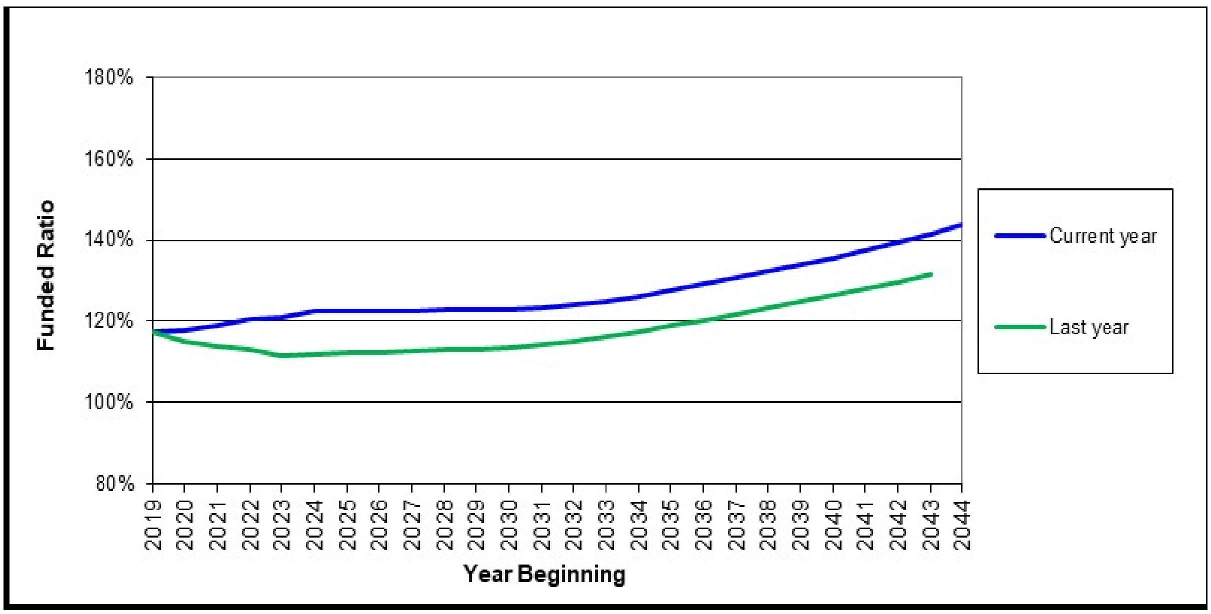
As a rule of thumb, UAS recommends in non-Critical status year that plans maintain a projected credit balance of at least one year’s contributions (shown as an orange dotted line in the graph below) in each future year. Maintaining a “cushion” in the Funding Standard Account helps minimize the risk of 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.

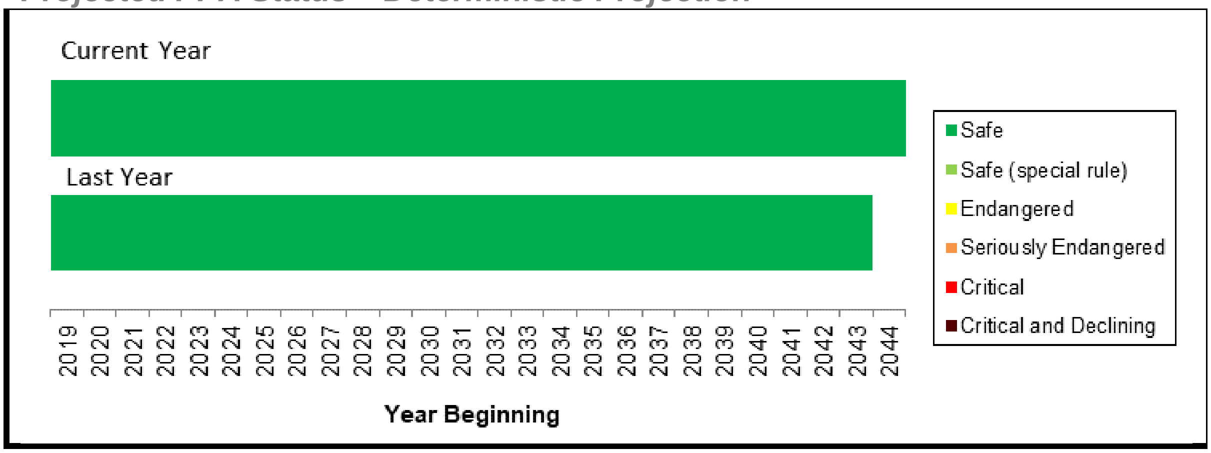


PPA STATUS PROJECTIONS

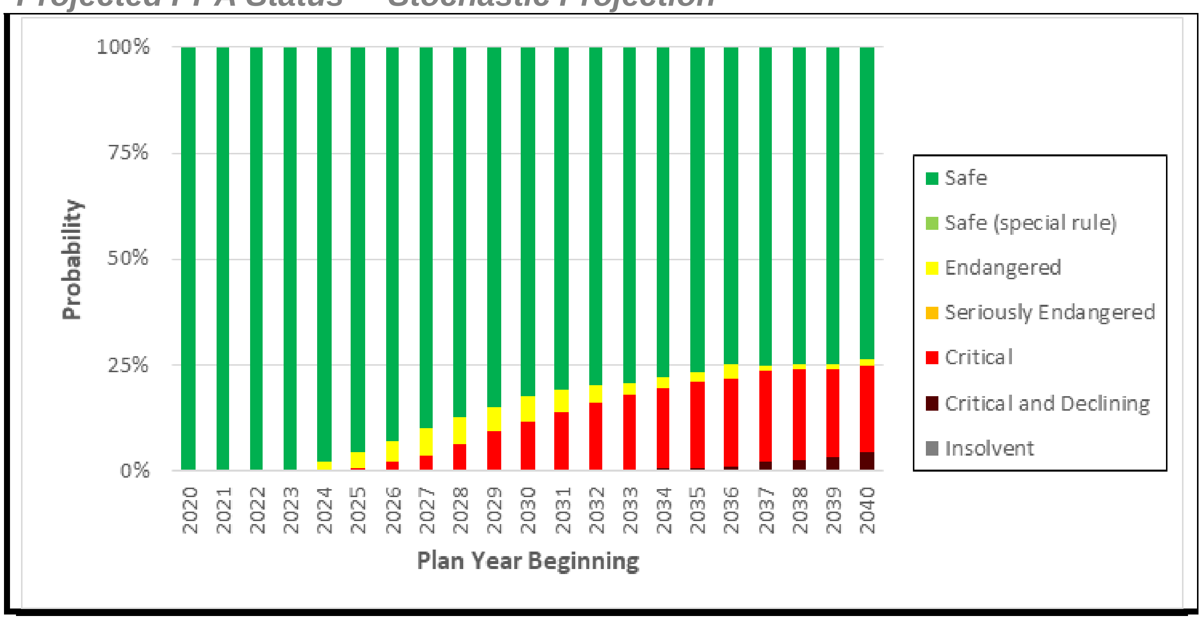
> *A plan that is not in green (i.e. safe) zone is subject to additional requirements and restrictions*

The following graphs show *deterministic* and *stochastic* projections of PPA status based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B. The deterministic projection shows the expected status for each future year. The stochastic projection shows the estimated probability of being in each status in each future year. 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.

Projected PPA Status – Deterministic Projection



*Projected PPA Status – Stochastic Projection**



* Distribution of returns based on the mean and standard deviation of the Plan's investment portfolio. Mean for years 1-10 based on short-term expectations, years 11-20 based on long-term expectations.

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 2020 plan year of 6.00%, 4.00%, 0.00%, and -4.00%. We also perform a sensitivity analysis on the future hours assumption by showing the effect of varying it by ±10%.

Sensitivity Analysis Assumptions	*Funding Stats*	*Scenario and Stress Testing: Return for 2020 PY (6.00% for PY's 2021 through 2029 and 7.00% Thereafter)*			
		6.00%	*4.00%*	*0.00%*	*-4.00%*
<u>10% Lower Hours</u> 1,372,500 in 2020 1,395,000 in 2021 1,417,500 thereafter	Fund. ratio 1/1/2025: Cred. bal. 12/31/2024: Fund. ratio 1/1/2035:	122.5% 15.031M 127.5%	120.4% 14.939M 125.2%	116.3% 14.544M 120.6%	112.1% 13.883M 116.1%
<u>Baseline Hours</u> 1,525,000 in 2020 1,550,000 in 2021 1,575,000 thereafter	Fund. ratio 1/1/2025: Cred. bal. 12/31/2024: Fund. ratio 1/1/2035:	**122.6%** **16.346M** **127.6%**	120.6% 16.153M 125.5%	116.6% 15.617M 121.2%	112.5% 14.953M 116.9%
<u>10% Higher Hours</u> 1,677,500 in 2020 1,705,000 in 2021 1,732,500 thereafter	Fund. ratio 1/1/2025: Cred. bal. 12/31/2024: Fund. ratio 1/1/2035:	122.8% 17.541M 127.8%	120.8% 17.337M 125.7%	116.9% 16.671M 121.7%	112.9% 16.004M 117.6%

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, 2019	913	291	274	1,478
Change due to:				
New hire	199	-	-	199
Rehire	22	(2)	-	20
Termination	(188)	30	-	(158)
Disablement	-	-	-	-
Retirement	(6)	(12)	18	-
Death	-	(1)	(5)	(6)
Cash out	-	-	-	-
New beneficiary	-	-	4	4
Certain pd. expired	-	-	-	-
Data adjustment	-	-	-	-
Net change	27	15	17	59
January 1, 2020	940	306	291	1,537

HOURS WORKED DURING PLAN YEAR

Hours Worked Per Participant

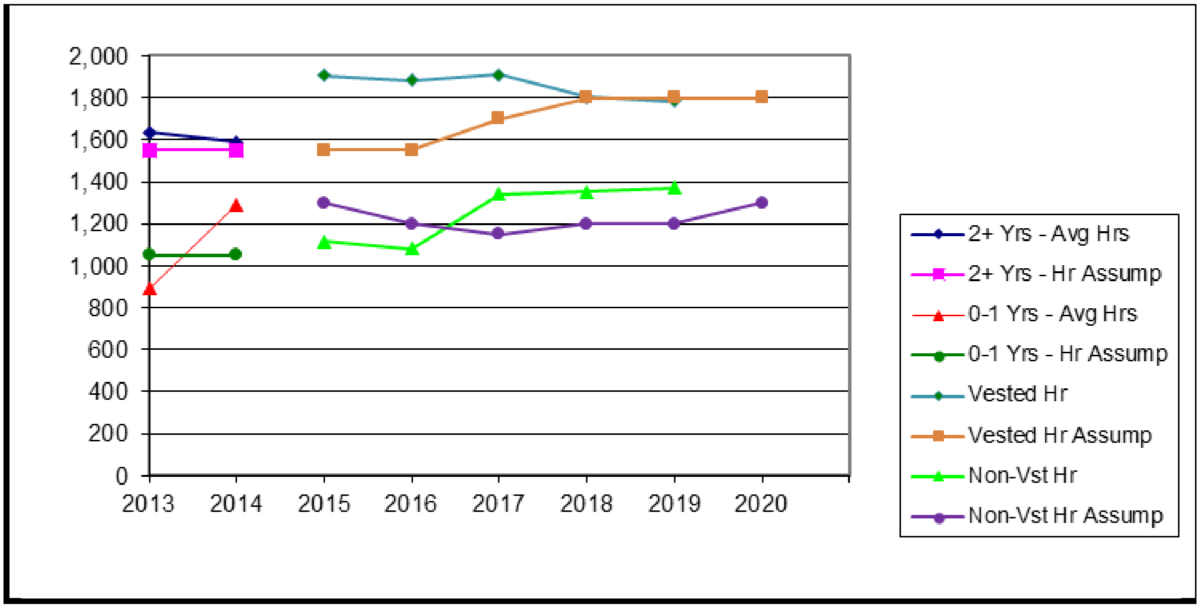
Plan Year Ending December 31, 2019	Number	Hours Worked	Average Hours Worked
Local 135			
Actives			
Vested	266	474,226	1,783
Non-vested, continuing	394	636,318	1,615
Non-vested, new entrant	188	162,854	866
Total active	848	1,273,398	1,502
Others	6	6,085	1,014
Local 135 total for plan year	854	1,279,483	1,498
Local 364			
Actives			
Vested	55	125,460	2,281
Non-vested, continuing	26	53,775	2,068
Non-vested, new entrant	11	10,665	970
Total active	92	189,900	2,064
Others	-	-	-
Local 364 total for plan year	92	189,900	2,064
Grand total for plan year	946	1,469,383	1,553

History of Total Actual and Expected Hours Worked (Thousands)

Plan Year Ending December 31,	2020	2019	2018	2017	2016
Expected hours valuation	1,419	1,318	1,248	1,058	930
Expected hours PPA cert	1,525	1,500	1,350	1,175	975
Actual hours worked	n/a	1,469	1,428	1,357	1,084

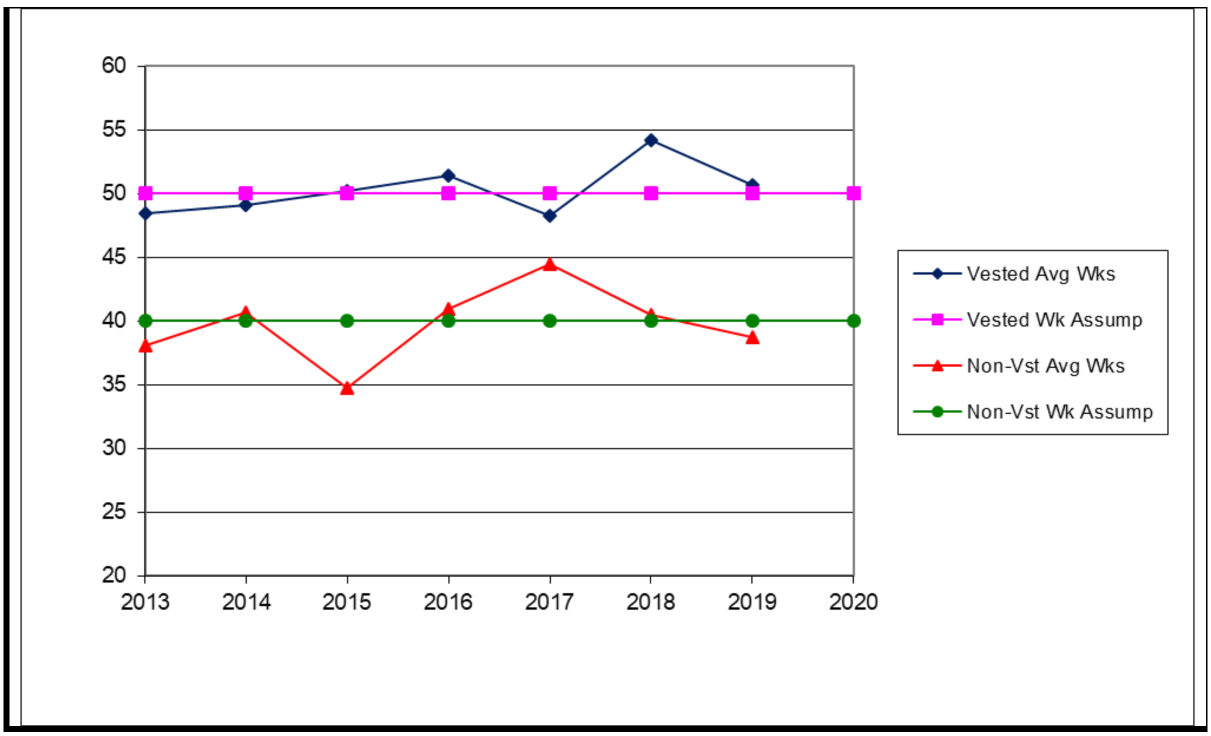
HISTORY OF AVERAGE ACTUAL AND EXPECTED HOURS

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



* Effective in 2015, the assumption was changed based upon vesting status rather than 0-2 years of service.

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



CONTRIBUTIONS MADE DURING PLAN YEAR

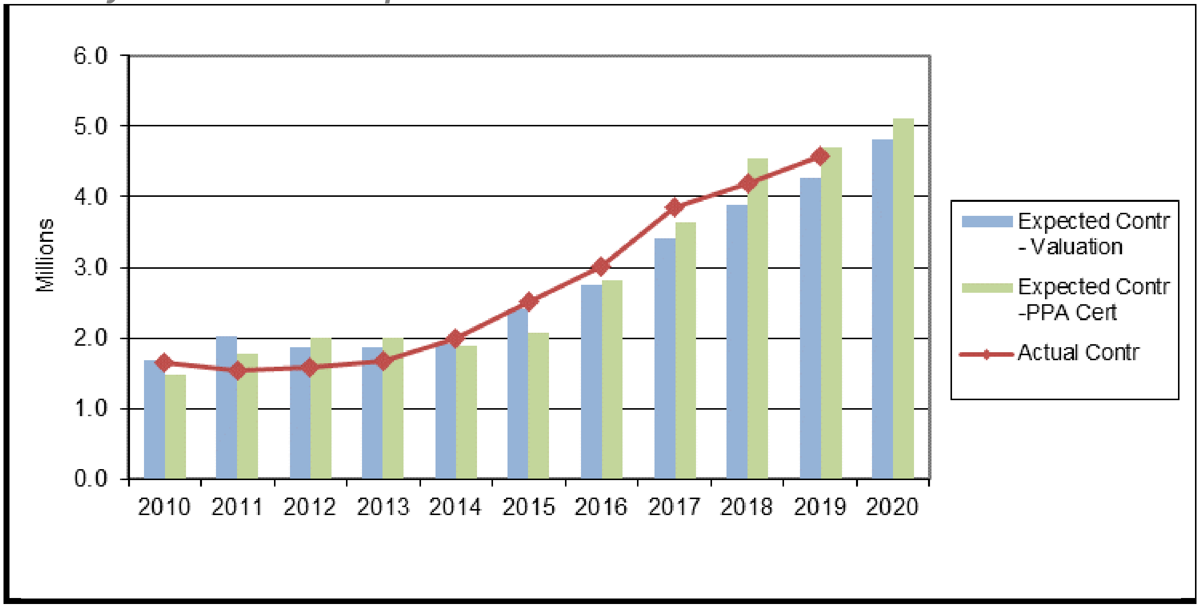
Employer Contributions Reported in Employee Data

Plan Year Ending December 31, 2019	*Number*	*Contributions Reported*	
Actives			
Vested	321	$	1,695,700
Non-vested, continuing	420		2,205,364
Non-vested, new entrant	199		607,133
Total valued as active	940		4,508,197
Others	6		21,524
Total for plan year	946	$	4,529,721
Average hourly contribution rate		$	3.08

Comparison with Audited Employer Contributions

Employer contributions reported in data	$	4,529,721
Total audited employer contributions	$	4,576,503
Percent reported		99%

History of Actual and Expected Total Contributions Received



ACTIVE INFORMATION

Active Participants by Age and Service as of January 1, 2020

Age	Years of Service <1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	3	7	-	-	-	-	-	-	-	-	10
25-29	24	28	6	1	-	-	-	-	-	-	59
30-34	13	32	14	-	-	-	-	-	-	-	59
35-39	19	42	14	5	1	-	-	-	-	-	81
40-44	16	55	23	4	4	-	-	-	-	-	102
45-49	26	68	17	14	6	3	1	-	-	-	135
50-54	18	79	24	12	5	4	2	1	-	-	145
55-59	7	84	41	11	5	2	7	-	-	-	157
60-64	13	42	27	10	12	8	4	2	1	-	119
65-69	4	11	7	4	3	2	1	1	-	-	33
70+	1	2	1	1	-	-	-	-	-	-	5
Totals	144	450	174	62	36	19	15	4	1	-	905
Unrecorded DOB	9	19	7	-	-	-	-	-	-	-	35
Total Active Lives	153	469	181	62	36	19	15	4	1	-	940

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of January 1, 2020

Age Group	Number	Estimated Monthly Deferred Vested Benefits*
< 30	-	$ -
30-34	4	1,706
35-39	9	3,868
40-44	24	10,419
45-49	43	17,301
50-54	69	32,871
55-59	75	36,134
60-64	68	28,207
65-69	13	6,339
70+	1	599
Totals	306	137,444
Unrecorded birth date	-	-
Total inactive vested lives	306	$ 137,444

* 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, 2020

Form of Payment	Number	Monthly Benefits Being Paid Total	Average	Smallest	Largest
Certain & Life	100	$ 61,298	$ 613	$ 17	$ 3,318
Joint & survivor	129	78,943	612	27	1,853
Beneficiaries	62	18,086	292	16	940
Totals	291	$ 158,327	$ 544	$ 16	$ 3,318

Retirees by Age and Form of Payment as of January 1, 2020

Age Group	Form of Benefits Being Paid: Certain & Life	Joint & Survivor	Beneficiaries	Total
< 40	-	-	-	-
40-44	-	-	1	1
45-49	-	-	3	3
50-54	-	-	1	1
55-59	4	3	6	13
60-64	7	14	4	25
65-69	25	45	7	77
70-74	31	34	9	74
75-79	10	16	8	34
80-84	13	12	11	36
85-89	7	2	8	17
90-94	3	2	4	9
95+	-	1	-	1
Totals	100	129	62	291

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, 2019	2018	2017	2016	2015
< 55	-	-	-	-	-
55	-	-	1	1	-
56	-	-	-	-	-
57	4	-	3	2	-
58	-	-	-	1	-
59	-	-	-	-	-
60	-	1	1	-	-
61	-	-	1	1	-
62	-	1	5	2	-
63	1	2	-	1	-
64	1	1	1	-	1
65	7	12	3	6	5
66+	5	4	3	5	2
Totals	18	21	18	19	8
Average retirement age	64.2	65.2	62.5	63.4	65.8

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,	*2019*	*2018*	*2017*
Invested assets			
Money market fund shares	$ 2,141,929	$ 1,277,830	$ 3,124,307
U.S. govt & agency securities	1,840,119	1,956,773	2,712,680
Municipal bonds	6,267,169	3,944,637	-
Corporate bonds	6,928,974	4,962,457	4,082,356
Common stocks	12,386,938	10,371,101	14,128,851
Exchange-traded funds	23,682,444	15,771,979	14,369,489
Preferred stocks	1,087,097	1,516,913	2,017,234
Real estate investment trusts	823,114	1,680,320	-
Registered investment companies	5,286,169	6,983,921	8,763,105
Cash, noninterest-bearing	428,464	510,357	114,896
	60,872,417	48,976,288	49,312,918
Net receivables*	240,947	404,415	355,442
Market value	$ 61,113,364	$ 49,380,703	$ 49,668,360
Fund assets - Actuarial value			
Market value	$ 61,113,364	$ 49,380,703	$ 49,668,360
less*: Deferred investment gains and (losses)*	1,492,790	(4,486,316)	301,941
Actuarial value	$ 59,620,574	$ 53,867,019	$ 49,366,419
Actuarial value as a percentage of market value	97.56%	109.09%	99.39%

* 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,	2019	2018	2017
Market value at beginning of plan year	$ 49,380,703	$ 49,668,360	$ 42,039,581
Additions			
Employer contributions	4,576,503	4,195,049	3,844,657
*Net investment income**	9,169,826	(2,653,665)	5,503,021
Other income	-	-	-
	13,746,329	1,541,384	9,347,678
Deductions			
Benefits paid	1,861,468	1,686,522	1,564,873
*Net expenses**	152,200	142,519	154,026
	2,013,668	1,829,041	1,718,899
Net increase (decrease)	11,732,661	(287,657)	7,628,779
Adjustment	-	-	-
Market value at end of plan year	$ 61,113,364	$ 49,380,703	$ 49,668,360
Cash flow			
Contr.-ben.-exp.	2,562,835	2,366,008	2,125,758
Percent of assets	4.19%	4.79%	4.28%
Estimated net investment return			
On market value	18.10%	-5.22%	12.77%
On actuarial value	5.79%	4.22%	7.04%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending December 31, 2019

Expected market value at end of plan year		
Market value at beginning of plan year	$	49,380,703
Employer contributions and non-investment income		4,576,503
Benefits and expenses paid		(2,013,668)
Expected investment income (at 7.00% rate of return)		3,546,348
		55,489,886
Actual market value at end of plan year		61,113,364
less: Expected market value		55,489,886
Investment gain or (loss)	$	5,623,478

History of Gains and (Losses)

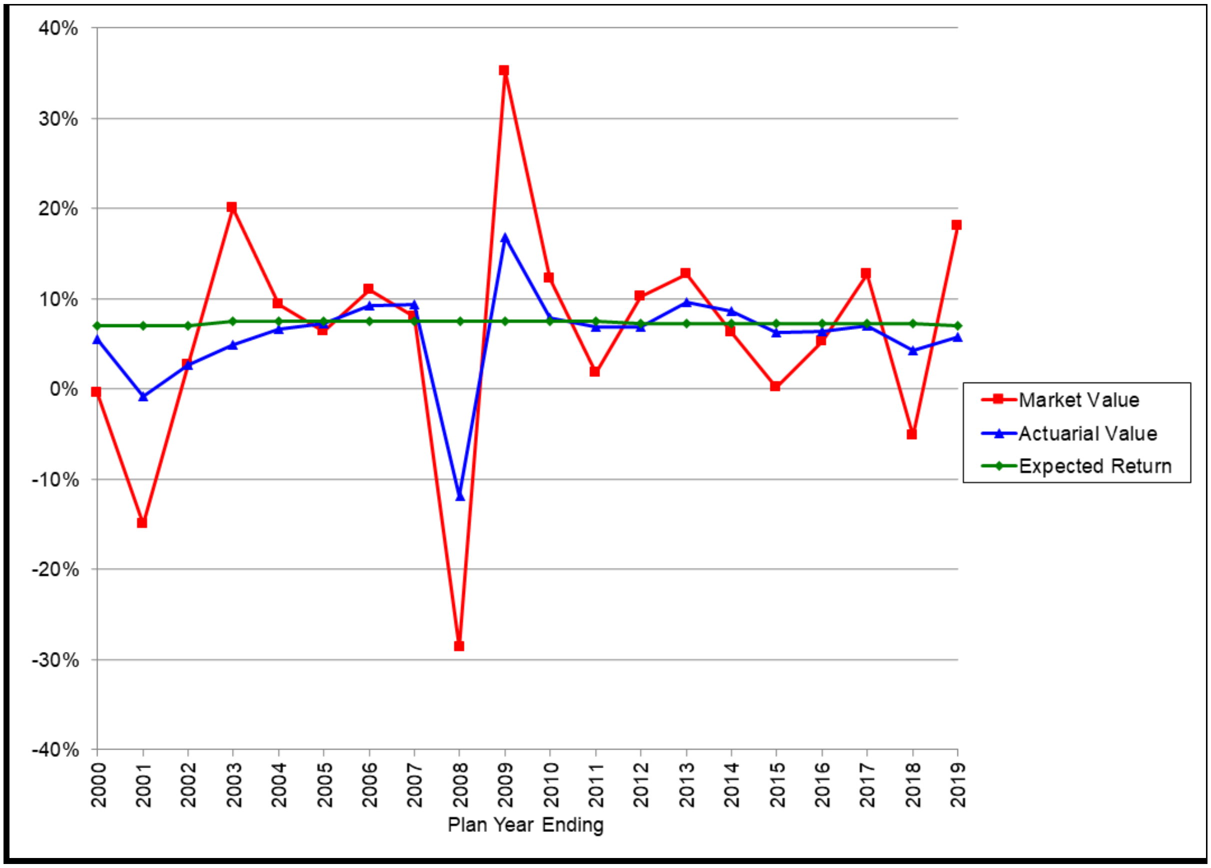
Plan Year Ending December 31,	Investment Gain or (Loss)	Amount Recognized This Year
2019	$ 5,623,478	$ 1,124,696
2018	(6,340,389)	(1,268,078)
2017	2,378,093	475,619
2016	(764,979)	(152,996)
2015	(2,674,346)	(534,869)
Total	$ (1,778,143)	$ (355,628)

Deferred Investment Gains and (Losses)

Plan Year Ending December 31,	Amount of Gain or (Loss) Deferred as of December 31,			
	2019	2020	2021	2022
2019	$ 4,498,782	$ 3,374,087	$ 2,249,391	$ 1,124,696
2018	(3,804,233)	(2,536,156)	(1,268,078)	-
2017	951,237	475,619	-	-
2016	(152,996)	-	-	-
Totals	$ 1,492,790	$ 1,313,550	$ 981,313	$ 1,124,696

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 <u>not</u> 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	2019	2018	2019	2018
One year	18.10%	-5.22%	5.79%	4.22%
5 years	5.90%	3.68%	5.93%	6.48%
10 years	7.22%	8.68%	6.93%	8.00%
15 years	6.21%	5.67%	6.52%	6.58%
20 years	5.31%	4.58%	5.82%	n/a

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of January 1,	*2020*	*2019*
Benefit accruals	$ 2,626,400	$ 2,305,708
Anticipated administrative expenses (beg. of year)	144,928	140,097
Total normal cost	$ 2,771,328	$ 2,445,805

Unfunded Actuarial Liability as of January 1,	*2020*	*2019*
Actuarial liability		
Participants currently receiving benefits	$ 17,493,189	$ 16,468,403
Inactive vested participants	10,225,524	9,635,775
Active participants	35,959,626	30,485,384
	63,678,339	56,589,562
less: Fund assets (actuarial value)	59,620,574	53,867,019
Unfunded actuarial liability (not less than 0)	$ 4,057,765	$ 2,722,543

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of December 31, 2019		
Unfunded actuarial liability as of January 1, 2019	$	2,722,543
Normal cost (including expenses)		2,445,805
Actual contributions		(4,576,503)
Interest to end of plan year		201,604
		793,449
Increase (decrease) due to:		
Experience (gain) or loss		1,771,537
Plan amendment		-
Change in actuarial assumptions		1,492,779
Change in actuarial method		-
Net increase (decrease)		3,264,316
Unfunded actuarial liability as of January 1, 2020	$	4,057,765

Projection of Actuarial Liability to Year End

Actuarial liability as of January 1, 2020	$	63,678,339
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		2,626,400
Benefits paid		(2,123,427)
Interest on above		109,528
Interest on actuarial liability		4,457,484
Net expected increase (decrease)		5,069,985
Expected actuarial liability as of December 31, 2020	$	68,748,324

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of January 1,		*2020*		*2019*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	17,493,189	$	16,468,403
Inactive vested participants		10,107,364		9,463,352
Active participants		17,715,609		15,130,374
Total		45,316,162		41,062,129
Nonvested accumulated benefits		5,336,221		4,871,469
Present value of all accumulated benefits	$	50,652,383	$	45,933,598
Market value of assets	$	61,113,364	$	49,380,703
Funded ratios (Market value)				
Vested benefits		134.9%		120.3%
All accumulated benefits		120.7%		107.5%
Actuarial value of assets	$	59,620,574	$	53,867,019
Funded ratios (Actuarial value used for PPA)				
Vested benefits		131.6%		131.2%
All accumulated benefits		117.7%		117.3%
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,*		*2020*		*2019*
Unfunded actuarial liability				
Actuarial liability	$	63,678,339	$	56,589,562
less: *Fund assets (actuarial value)*		59,620,574		53,867,019
		4,057,765		2,722,543
Funds available to amortize unfunded				
Anticipated contributions (beg. of yr.)		4,655,365		4,124,197
less*: Normal cost (including expenses)*		2,771,328		2,445,805
	$	1,884,037	$	1,678,392
Funding period (years)		3		2

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. For this report we used an interest rate assumption of 2.95%. The current liability is used only in the determination of the maximum deductible employer contribution and full funding limit under the Internal Revenue Code, and is not used for any other purpose.

Current Liability as of January 1, 2020

Vested current liability		
Participants currently receiving benefits	$	25,551,899
Inactive vested participants		19,562,459
Active participants		35,086,203
		80,200,561
Nonvested current liability		
Inactive vested participants		226,498
Active participants		11,915,707
		12,142,205
Total current liability	$	92,342,766

Projection of Current Liability to Year End

Current liability as of January 1, 2020	$	92,342,766
Expected increase (decrease) due to:		
Benefits accruing		8,015,543
Benefits paid		(2,123,427)
Interest on above		205,138
Interest on current liability		2,724,112
Net expected increase (decrease)		8,821,366
Expected current liability as of December 31, 2020	$	101,164,132

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending December 31,	*2020 (Projected)*	*2019 (Final)*
Charges		
Prior year funding deficiency	$ -	$ -
Normal cost (including expenses)	2,771,328	2,445,805
Amortization charges (see Appendix C)	2,590,584	2,272,153
Interest on above	375,335	330,258
Total charges	5,737,247	5,048,216
Credits		
Prior year credit balance	11,161,030	10,124,575
Employer contributions	5,176,956	4,576,503
Amortization credits (see Appendix C)	597,450	597,450
Interest on above	1,004,285	910,718
ERISA full funding credit	-	-
Total credits	17,939,721	16,209,246
Credit balance (credits less charges)	$ 12,202,474	$ 11,161,030

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of January 1, 2020	$	61,113,364	$	59,620,574
Expected increase (decrease) due to:				
Investment income		4,198,366		4,093,870
Benefits paid		(2,123,427)		(2,123,427)
Expenses		(150,000)		(150,000)
Net expected increase (decrease)		1,924,939		1,820,443
Expected value as of December 31, 2020*	$	63,038,303	$	61,441,017

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

Full Funding Limit as of December 31, 2020		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	68,748,324	$	68,748,324
less: *Assets (lesser of market or actuarial)*		61,441,017		61,441,017
plus: Credit balance (w/interest to year end)		11,942,302		n/a
		19,249,609		7,307,307
Full funding limit override (not less than 0)				
90% of current liability		91,047,719		91,047,719
less: *Assets (actuarial value)*		61,441,017		61,441,017
		29,606,702		29,606,702
Full funding limit (greater of ERISA limit and full funding override)	$	29,606,702	$	29,606,702

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution Plan Year Beginning January 1, 2020

Minimum funding cost		
Normal cost (including expenses)	$	2,771,328
Net amortization of unfunded liabilities		1,993,134
Interest to end of plan year		333,515
		5,097,977
Full funding limit		29,606,702
Net charge to funding std. acct. (lesser of above)		5,097,977
less: *Credit balance with interest to year end*		11,942,302
Minimum Required Contribution (not less than 0)	$	-

Full Funding Credit to Funding Standard Account Plan Year Ending December 31, 2020

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	5,097,977
less*: full funding limit*		29,606,702
	$	-

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, 2020

Preliminary deductible limit		
Normal cost (including expenses)	$	2,771,328
10-year limit adjustment (using "fresh start" alternative)		539,939
Interest to end of plan year		231,789
		3,543,056
Full funding limit		29,606,702
Maximum deductible contribution override		
140% of vested current liability projected to December 31, 2020		123,006,801
less*: Actuarial value of assets projected to December 31, 2020*		61,441,017
		61,565,784
Maximum deductible contribution*	$	61,565,784
Anticipated employer contributions	$	5,176,956

* 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

December 31,		Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits
2000		7.00%	519,044	1,083,761	(564,717)
2001		7.00%	590,996	1,302,053	(711,057)
2002		7.50%	568,744	1,721,463	(1,152,719)
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)

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

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 2.53% for the first 25 years and 2.53% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2029 were used.

Illustrative Section 4281 Valuation as of December 31, 2019

Value of nonforfeitable benefits		
Participants currently receiving benefits	$	26,098,079
Inactive vested participants		20,743,152
Active participants		36,400,263
Expenses (per Section 4281 of ERISA)		611,299
		83,852,793
less: Fund assets (market value)		61,113,364
Value of nonforfeitable benefits in excess of (less than) fund assets	$	22,739,429

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,		*2020*		*2019*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	17,493,189	$	16,468,403
Expenses on parts. currently rec. benefits		1,530,654		1,440,985
Other participants		27,822,973		24,593,726
Expenses on other participants		2,434,510		2,151,951
		49,281,326		44,655,065
Present value of nonvested accumulated benefits				
Nonvested accumulated benefits		5,336,221		4,871,469
Expenses on nonvested benefits		466,919		426,254
		5,803,140		5,297,723
Present value of all accumulated benefits	$	55,084,466	$	49,952,788
Market value of plan assets	$	61,113,364	$	49,380,703
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, 2019	$	49,952,788
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		(162,051)
Benefits accumulated and experience gain or loss		3,810,702
Interest due to decrease in discount period		3,496,695
Benefits paid		(1,861,468)
Operational expenses paid		(152,200)
Net increase (decrease)		5,131,678
Present value of accumulated benefits as of January 1, 2020	$	55,084,466

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 1/1/2020	Next Rate Change Rate	Next Rate Change Eff. Date
Primary Hourly Rate		**$4.79**		
44	All-Sets Inc.			
86	American Enterprises Trkg.			
162	Apache Trucking Corp			
39	Austgen Equipment Inc.			
72	Bearcat Enterprises, LLC			
166	Berry Farms			
150	BSD Farms			
143	Bunn Trucking			
95	C Lee Construction Serv.			
241	Columbus Transport			
178	Davis Trucking			
77	Earth Transport LLC			
169	Edward & Jones Concrete			
168	Elle J Trucking			
65	Fanio Services			
149	Fletcher’s Trucking			
170	GBT			
158	Grandson Trucking Company LLC			
38	GRD Trucking			
173	Hirsch Transport			
135	J & J Williams Trucking LLC			
69	J & S Express			
52	K & A Trucking Inc.			
126	K.T.M. Services			
9	Keith Pruett Trucking			
148	Langley Trucking			
107	M.A.C. Trucking, Inc			
181	MACO Trucking			
159	Major League Trucking LLC			
96	Montgomery Trucking Inc.			
164	Morock LLC			
180	Nine Eight Trucking LLC			
22	Pavey Excavating Co., Inc.			
74	Ramon Excavating			
161	Rolling Stones Trucking, LLC			
284	Romco of Columbus			
46	S & H Trucking			
142	Shosone Trucking			

EMPLOYER CONTRIBUTIONS (CONT.)

ER#	Employer	Contribution Rate as of 1/1/2020	Next Rate Change Rate	Next Rate Change Eff. Date
Primary Hourly Rate (cont.)		**$4.79**		
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			
54	William Hanna Trk Inc.			
146	Wright Excavating			
160	Yanez Trucking LLC			
18	Young Trucking of S. Ind.			
Primary Weekly Rates				
45	Godsey Trucking	$145.00		
14	Kim Singhurse Trucking	$145.00		
17	Northside Materials	$145.00		
27	Souder Trucking LLC	$145.00		
133	C Tech Corporation, Inc.	$157.60		
167	Corystone	$157.60		
151	JLD Trucking	$157.60		
177	JSC Trucking	$157.60		
145	Macadam Trucking LLC	$157.60		
165	Trader Transport	$157.60		
Other Hourly Rates				
48	Dump Trucks Inc.	$3.80	$3.67	4/1/2020
174	Howell Paving	$4.02	$4.18	5/1/2020
152	IMI Kentucky Ave	$3.40		
153	IMI Noblesville	$3.40		
92	Z Force Transportation	$3.25	$3.50	4/1/2020

EMPLOYER CONTRIBUTIONS (CONT.)

ER#	Employer	Contribution Rate as of 1/1/2020	Next Rate Change	
			Rate	Eff. Date
Other Weekly Rates				
193	Canteen Vending Services*	$20.00	$25.00	1/16/2020
138	Chemtrade Solutions LLC	$30.00		
98	DHL Express Inc.**	$127.00	$130.00	10/1/2020
179	Distributors Terminal	$132.30		
99	Holsum of Fort Wayne	$127.00		
16	K&K Enterprises	$130.00		
105	Kreamo Bakers Inc. (Sales)	$124.00		
101	Kreamo Bakers Inc. (Trans)***	$111.00	$112.00	11/1/2020
171	RB Hoods	$100.00		
40	Republic Services (Previously JAMAX)****	$64.00	$69.00	4/1/2020
120	Southern Wine and Spirits of Indiana, Inc.	$58.40		
78	Teamster Local Union 916	$130.76		
35	Teamsters Local 135	$338.00		
156	Teamsters Local 135 Class 1*****	$200.00		

* Weekly rate increases to $30.00 in 2021.
** Weekly rate increases to $133.00 in 2021.
*** Weekly rate increases to $113 in 2021.
**** Weekly rate increases to $74.00 in 2021, and $79.00 in 2022.
***** Class 2 $150.00/week, Class 3 $100.00/week, Class 4 $50.00

SUMMARY OF PLAN PROVISIONS

Participation	Any employee for a qualifying employer for whom contributions have been made to the plan
Year of service	Plan Year with at least 1,000 hours
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, 2020
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	2.95% (in accordance with Section 431(c)(6) of the Internal Revenue Code).
Operational expenses	
Funding	$150,000 per year excluding investment expenses.
ASC 960	An 8.75% load was applied to the accrued liabilities for 2020 (8.75% for 2019 also).
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	100% of the PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2019 projection scale. For female annuitants the contingent survivor table was used.
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) with 3 year select rates - specimen rates shown below:

	Withdrawal Rate	
Age	Years 1-3	4+ Years
20	.25	.1794
25	.25	.1722
30	.25	.1621
35	.25	.1486
40	.25	.1310
45	.25	.1084
50	.25	.0792
55	.25	.0440
60	.25	.0120
63	.25	.0013

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

Future hours worked

Local 135 Participants:

Vested — 1,800 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

ACTUARIAL ASSUMPTIONS (CONT.)

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
Section 415 limit assumptions	
Dollar limit	$230,000 per year
Assumed form of payment for those limited by Section 415	Qualified joint and 75% survivor annuity
Benefits not valued	None

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 2019 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-2019 projection scale was chosen as the base table for this population. The blue collar table was chosen based on the industry of plan participants. Since most female annuitants are surviving spouses, the contingent survivor table was chosen for female annuitants.
Retirement	Actual rates of retirement by age were studied 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.
Withdrawal	Actual rates of withdrawal by age were studied for the period January 1, 2015 to December 31, 2019. No adjustments were deemed necessary at this time.
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	6.00% for the first 10 years (1/1/2020-12/31/2029) 7.00% thereafter
Prior year projections	6.00% for the first 10 years (1/1/2019-12/31/2028) 7.00% thereafter
Expenses	
Current year projections	$150,000 per year excluding investment expenses.
Prior year projections	$145,000 per year excluding investment expenses.
Future total hours worked	
Current year projections	1,525,000 hours in 2020, 1,550,000 hours in 2021, 1,575,000 hours each year thereafter
Prior year projections	1,317,900 for 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	2¢ credited effective January 1, 2021 1¢ credited effective January 1, 2022
Prior year projections	1¢ credited effective January 1, 2020 1¢ credited effective January 1, 2021 1¢ credited effective January 1, 2022
Plan changes since prior year	None
Stochastic modeling	1,000 trials. Future returns are modeled using an expected return of 6.58% for the first 10 years and 7.52% thereafter and a standard deviation of 11.42%, which is representative of the plan's investment portfolio. The expected return above is a one year value and is not representative of longer term geometric return 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 presumptive 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	1/1/2020 Outstanding Balance	1/1/2020 Amortization Payment
Charges							
11/1/1996	Amendment -SD364		30	6	10	210,057	37,142
11/1/1996	Assumptions -SD364		30	6	10	17,891	3,163
11/1/1997	Amendment -SD364		30	7	10	45,452	7,231
11/1/1997	Assumptions -SD364		30	7	10	305,828	48,656
11/1/1998	Assumptions -SD364		30	8	10	520,204	75,674
11/1/1999	Amendment -SD364		30	9	10	399,161	53,762
11/1/2000	Amendment -SD364		30	10	10	196,560	24,759
1/1/2002	Amendment	24,604	30	12	0	15,998	1,883
1/1/2002	Assumptions	141,756	30	12	0	92,130	10,841
1/1/2005	Assumptions	170,669	30	15	0	126,774	13,009
1/1/2006	Assumptions	20,982	30	16	0	16,135	1,596
11/1/2006	Experience -SD364		15	1	10	45,304	25,468
1/1/2007	Experience Loss	79,952	15	2	0	16,116	8,330
1/1/2008	Experience Loss	416,594	15	3	0	121,651	43,323
11/1/2008	Experience -SD364		15	3	10	553,426	158,654
1/1/2009	Experience Loss	1,335,028	15	4	0	502,206	138,566
1/1/2010	Assumptions	599,390	15	5	0	272,439	62,099
1/1/2010	Experience Loss	378,348	15	5	0	171,964	39,197
1/1/2010	Experience-SD Merg	1,175,114	15	5	0	534,116	121,744
1/1/2011	Assumptions	324,234	15	6	0	171,012	33,530
1/1/2011	Experience Loss	102,361	15	6	0	53,994	10,587
1/1/2012	Assumptions	2,331,356	15	7	0	1,387,884	240,679
1/1/2013	Assumptions	558,731	15	8	0	368,192	57,626
1/1/2014	Assumptions	316,842	15	9	0	227,603	32,648
1/1/2015	Amendment	1,093,297	15	10	0	845,897	112,558
1/1/2015	Assumption Change	383,931	15	10	0	297,049	39,526
1/1/2016	Experience Loss	439,682	15	11	0	362,883	45,227
1/1/2017	Assumptions	708,247	15	12	0	618,632	72,791
1/1/2017	Experience Loss	810,018	15	12	0	707,523	83,251
1/1/2018	Assumptions	1,050,270	15	13	0	964,517	107,855
1/1/2018	Experience Loss	1,454,450	15	13	0	1,335,696	149,362
1/1/2019	Assumptions	1,110,430	15	14	0	1,066,241	113,943
1/1/2019	Experience Loss	2,737,955	15	14	0	2,629,000	280,946
1/1/2020	Assumptions	1,492,779	15	15	0	1,492,779	153,177
1/1/2020	Experience Loss	1,771,537	15	15	0	1,771,537	181,781

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		1/1/2020 Outstanding Balance	1/1/2020 Amortization Payment
				Years	Months		
				Total Charges:		**18,463,851**	**2,590,584**
Credits							
1/1/2009	Combined Credits	701,349	16	5	0	307,818	70,163
11/1/2009	Experience -SD364		15	4	10	349,981	82,154
1/1/2010	Amendment	1,533,245	15	5	0	696,900	158,848
1/1/2012	Experience Gain	724,489	15	7	0	431,302	74,794
1/1/2013	Experience Gain	468,603	15	8	0	308,804	48,331
1/1/2014	Experience Gain	1,462,819	15	9	0	1,050,817	150,735
1/1/2015	Experience Gain	4,900	15	10	0	3,788	504
1/1/2016	Assumptions	115,889	15	11	0	95,646	11,921
				Total Credits:		**3,245,056**	**597,450**
				Net Charges:		**15,218,795**	**1,993,134**
				Less Credit Balance:		11,161,030	
				Less Reconciliation Balance:		0	
				Unfunded Actuarial Liability:		**4,057,765**	

SUMMARY OF PPA RULES

Background

Since 2008, all multiemployer pension plans have been required to engage an actuary to certify their status under the Pension Protection Act of 2006 ("PPA"). Such certification must be performed annually and 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. 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 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 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 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 (suspensions are benefit cuts that will be restored once they are no longer needed). The suspensions may affect even those participants 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.

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."