

***TEAMSTERS LOCAL UNION NO. 716 PENSION PLAN
INDIANAPOLIS, INDIANA***

***Actuarial Valuation Report
For Plan Year Commencing
April 1, 2017***



December 20, 2017

Board of Trustees
Teamsters Local Union No. 716 Pension Plan
Indianapolis, Indiana

Dear Trustees:

We have been retained by the Board of Trustees of the Teamsters Local Union No. 716 Pension Plan to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning April 1, 2017. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Pile CPAs. Participant data was provided by the Fund Office. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

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

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

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

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an

amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

United Actuarial Services, Inc. does not provide, nor charge for, investment, tax or legal advice. None of the comments made herein should be construed as constituting such advice. We are 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.

We are 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

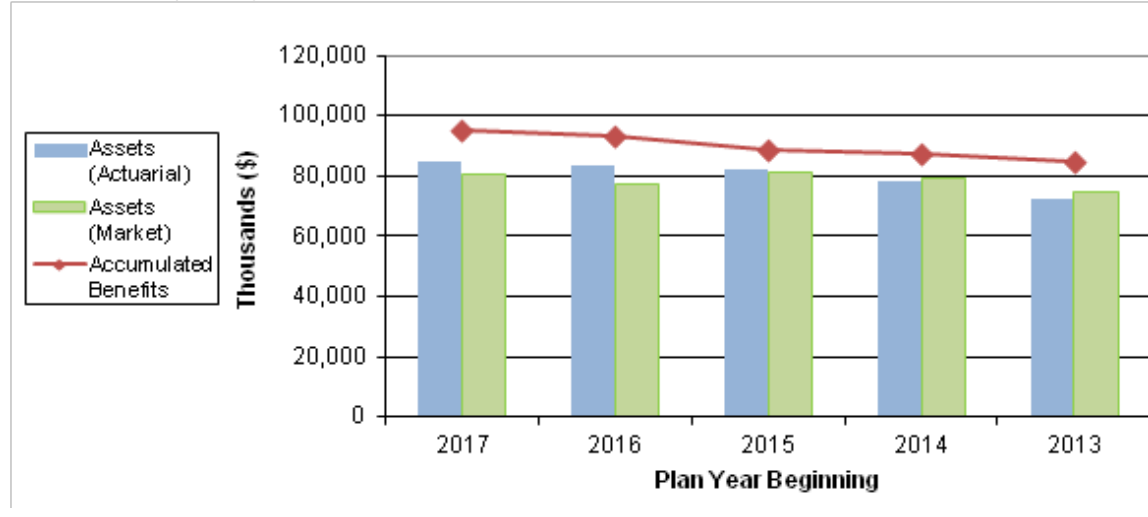
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PART I: SUMMARY OF RESULTS

5 - YEAR SUMMARY OF VALUATION RESULTS

<i>Actuarial Study as of April 1,</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
PPA funded status	Safe	Safe	Safe	Safe	Safe
Improvements restricted	No	No	No	No	No
Funded ratio					
<i>PPA certification</i>	89.2%	91.4%	91.0%	89.0%	86.0%
<i>Valuation report (AVA)</i>	89.1%	89.8%	92.4%	89.7%	85.8%
<i>Valuation report (MVA)</i>	84.5%	82.6%	91.4%	90.3%	88.0%
Date of first projected funding deficiency					
<i>PPA certification</i>	3/31/31	3/31/29	3/31/30	3/31/32	3/31/28
<i>Valuation report</i>	3/31/33	3/31/29	None	3/31/31	3/31/30
Net investment return					
<i>On market value</i>	8.72%	-2.43%	5.56%	9.21%	7.76%
<i>On actuarial value</i>	5.16%	4.78%	7.55%	11.25%	4.85%
Asset values (\$ 000)					
<i>Market</i>	80,599	76,975	80,944	78,895	74,432
<i>Actuarial</i>	84,978	83,692	81,853	78,301	72,554
Accum. ben. (\$ 000)	95,385	93,238	88,554	87,340	84,590



5 - YEAR SUMMARY OF DEMOGRAPHICS

<i>Actuarial Study as of April 1,</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Demographics					
<i>Active</i>	654	714	693	697	734
<i>Inactive vested</i>	655	641	666	631	622
<i>Receiving benefits</i>	696	668	637	622	595
<i>Total</i>	2,005	2,023	1,996	1,950	1,951
Unrecorded dates of birth	13	17	5	-	-
Average entry age	36.5	36.5	36.1	35.4	35.3
Average attained age	50.1	49.5	49.8	49.4	48.9

Year	Actives	Inactive Vested	Retirees
2017	654	655	696
2016	714	641	668
2015	693	666	637
2014	697	631	622
2013	734	622	595

CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

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

Changes in Actuarial Assumptions and Methods

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

- We changed the assumed contribution rates according to the schedule in Appendix A to reflect the negotiated rates.
- We increased the base for assumed future annual contributions from 1,750 hours to 1,800 hours, from 40 weeks to 41 weeks, and from \$31,500 to \$33,000 gross earnings. The assumed base for monthly contributions remains at 11 months. This will produce our best estimate of future contributions based on recent plan experience.
- The assumed operational expenses were decreased from \$245,000 to \$200,000 to reflect our best estimate of future expenses based on recent plan experience.
- The assumed mortality rates were changed from 125% of the RP-2014 Blue Collar Mortality Table for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2015 projection scale to 125% of the RP-2014 Blue Collar Mortality Table for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale. This change was made in order to better reflect anticipated improvements in mortality rates for each future year due to medical advances and lifestyle changes.
- The percent married assumption was changed from 100% to 75% to reflect our best estimate of future marriage patterns based on recent plan experience.
- The current liability interest rate was changed from 3.23% to 3.05%. The new rate is within established statutory guidelines.

HISTORY OF MAJOR ASSUMPTIONS

<i>Assumption</i>	<i>Actuarial Study as of April 1,</i>				
	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Future rate of net investment return	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality table	RP-2014	RP-2014	RP-2000	RP-2000	RP-2000
<i>Adjustment</i>	125%	125%	2 yr. sf	2 yr. sf	2 yr. sf
<i>Projection scale</i>	MP-2016	MP-2015	AA	AA	AA
Future expenses	\$200,000	\$245,000	\$360,000	\$360,000	\$330,000
Basis for future annual contributions					
<i>Avg: Months</i>	11	11	11	11	11
<i>Hours</i>	1,800	1,750	1,700	1,600	1,600
<i>Weeks</i>	41	40	40	38	41
<i>Gross earnings</i>	\$33,000	\$31,500	\$30,000	\$29,000	\$29,000
Average expected retirement age*					
<i>Actives</i>	62.4	62.4	62.2	61.9	61.8
<i>Inactive vested</i>	63.1	63.1	63.1	61.4	61.2

* Resulting from the application of the retirement probabilities shown in Appendix B to active participants.

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.

<i>Plan Year Ending March 31, 2017</i>	<i>Expected</i>	<i>Actual</i>
Decrements		
Terminations		106
less: Rehires		10
Terminations (net of rehires)	70.9	96
Retirements	32.8	22
Disabilities	1.3	-
Deaths - pre-retirement	6.6	2
Deaths - post-retirement	23.0	33
Asset assumptions		
Rate of net investment return on actuarial value	7.50%	5.16%
Net expenses	\$ 245,000	\$ 178,797
Other demographic assumptions		
Average retirement age from active (new retirees)	63.7	62.3
Average retirement age from inactive (new retirees)*	63.1	62.4
Average entry age (new entrants)	36.5	38.8
Basis for future contributions		
Average: Months	11	11
Hours	1,750	1,927
Weeks	40	48
Gross earnings	31,500	37,086
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		\$ 1,922,302
(Gain)/loss due to liability experience		691,502
Total (gain)/loss		\$ 2,613,804

* 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

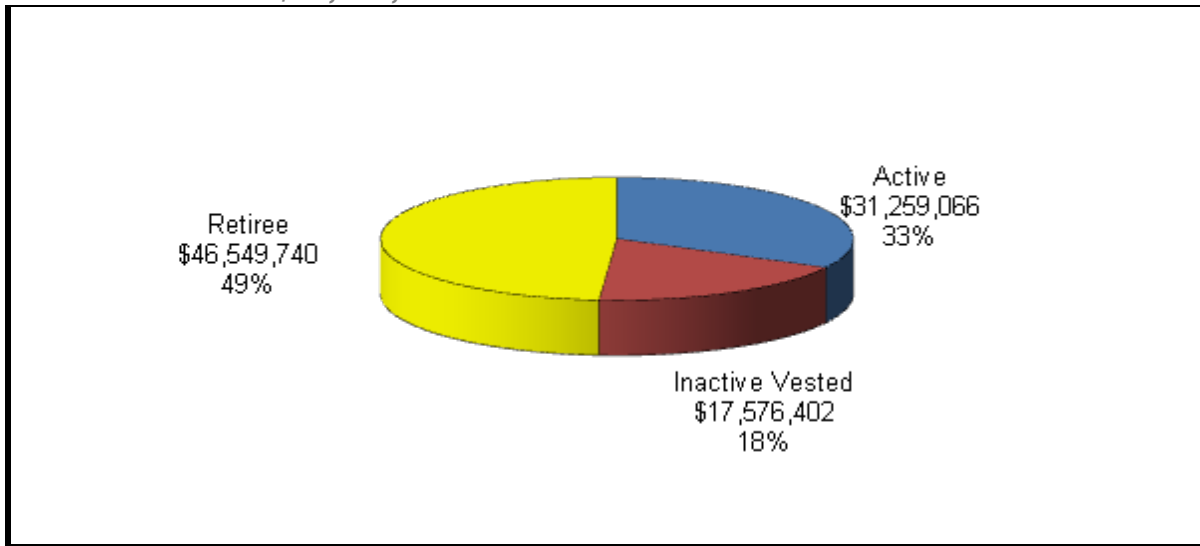
When a new pension plan is first established, its liabilities are typically limited to active plan participants. However, as people become vested and retire, a plan begins to develop liabilities attributable to inactive participants. The process of adding inactive liabilities (often referred to as "maturing") 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.

We generally consider a plan with an active to retiree headcount ratio of less than 1.0, or an active to inactive headcount ratio of less than 0.5, to be mature.

<i>Actuarial Study as of April 1,</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Active/retiree headcount ratio	0.94	1.07	1.09	1.12	1.23
Active/inactive headcount ratio	0.48	0.55	0.53	0.56	0.60

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: \$95,385,208



UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

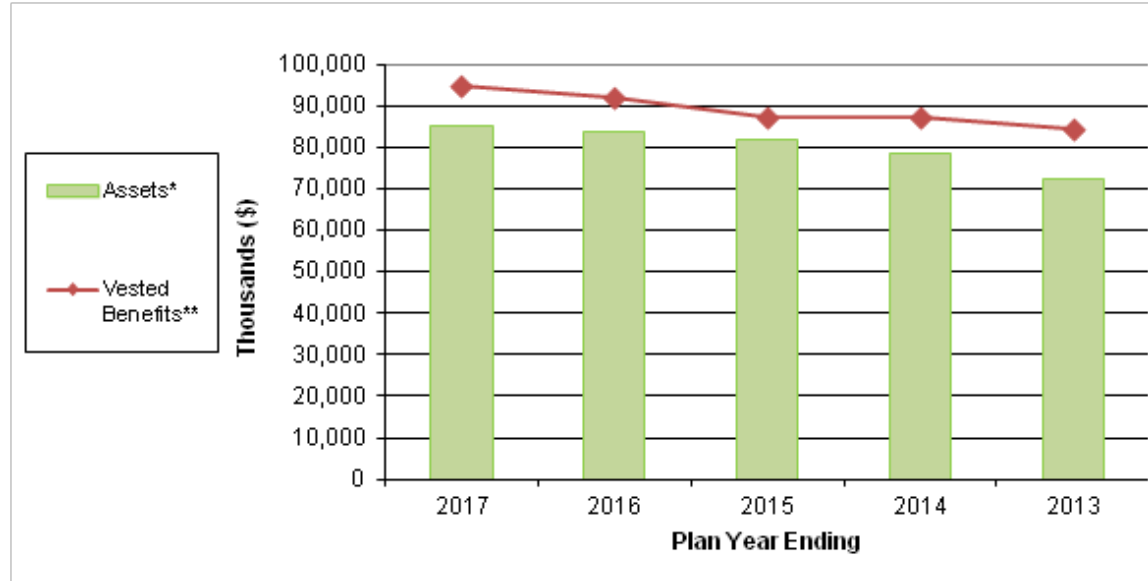
An employer withdrawing during the coming year may have withdrawal liability

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

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

Presumptive Method (\$ 000)

March 31,	2017	2016	2015	2014	2013
Vested benefits interest	7.50%	7.50%	7.50%	7.50%	7.50%
Vested benefits	93,555	90,649	86,060	86,056	82,972
less: Asset value*	84,978	83,692	81,853	78,301	72,554
UVB	8,577	6,957	4,207	7,755	10,418
Unamortized VAB	1,125	1,210	1,290	1,364	1,432
UVB + VAB	9,702	8,167	5,497	9,119	11,850



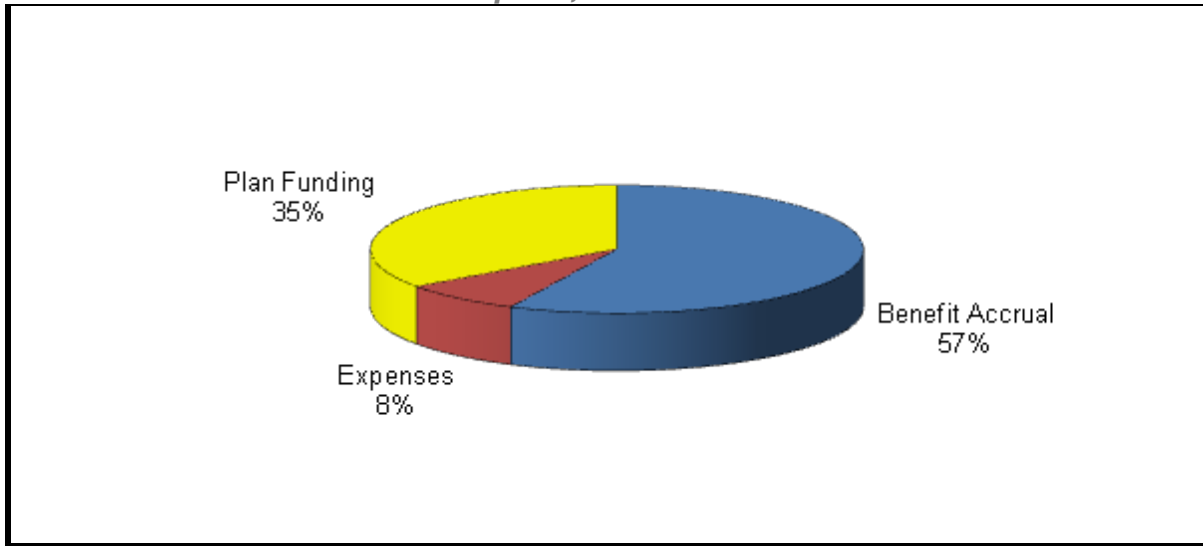
* Actuarial value
** Includes VAB

CONTRIBUTION ALLOCATION

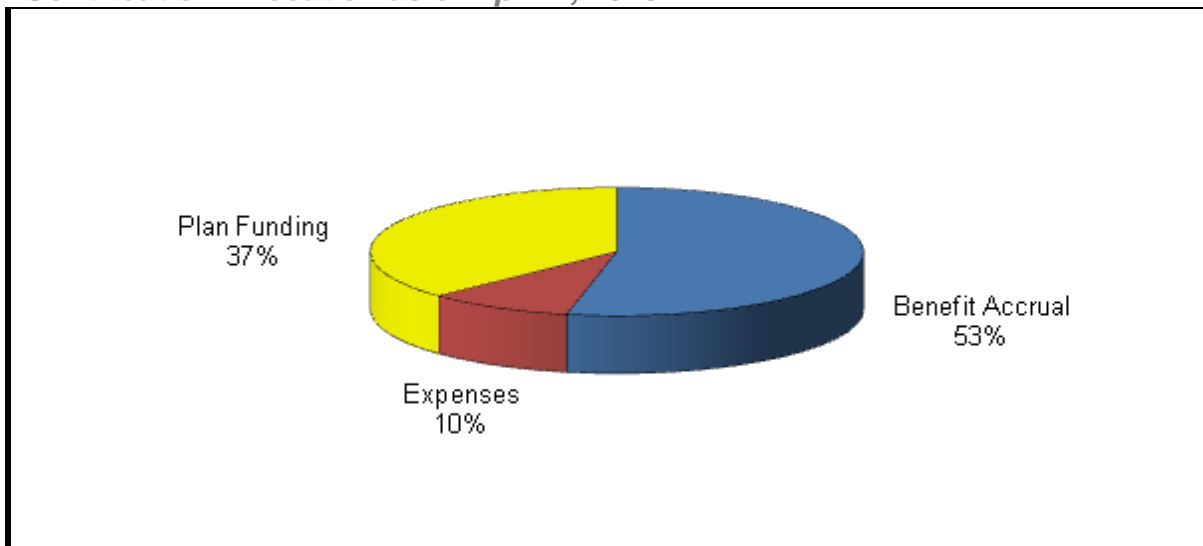
These graphs show how the contributions are being spent

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

Contribution Allocation as of April 1, 2017



Contribution Allocation as of April 1, 2016



FUNDING STANDARD ACCOUNT PROJECTION

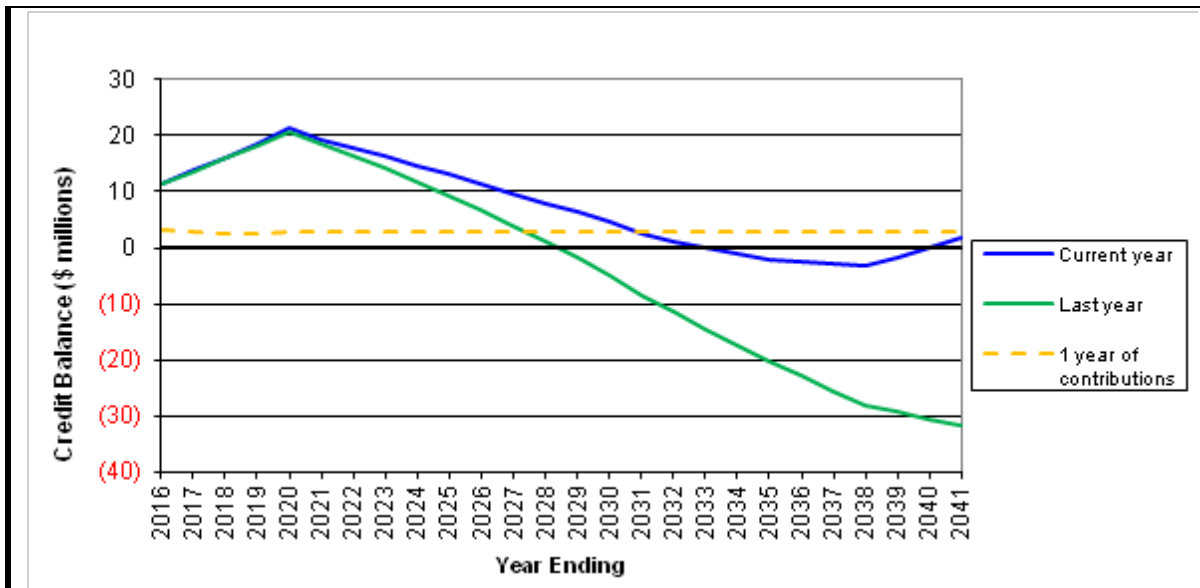
The funding standard account projection is a major driver of PPA status

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 credit balance each year in order to determine PPA status. If the credit balance is projected to be negative in a future year, the plan could be forced into yellow (endangered) or red (critical) status depending how far into the future the projected funding deficiency is. The plan’s credit balance projection appears below.

As a rule of thumb, UAS recommends that non-Critical status 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.

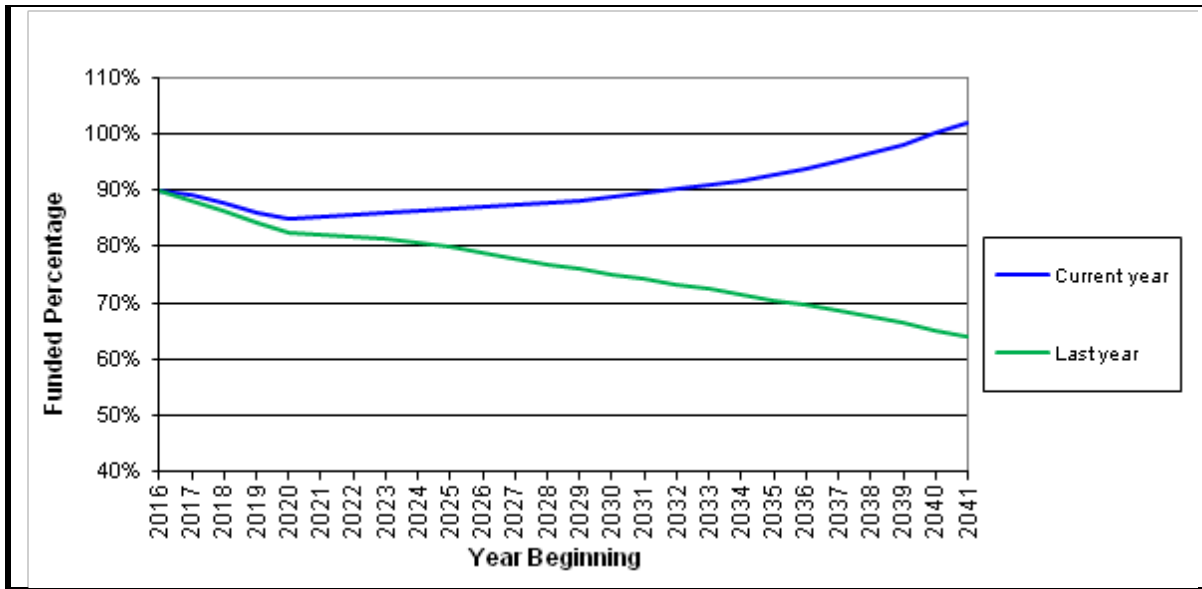


FUNDED RATIO PROJECTION

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%. The projection of the funded ratio appears below.



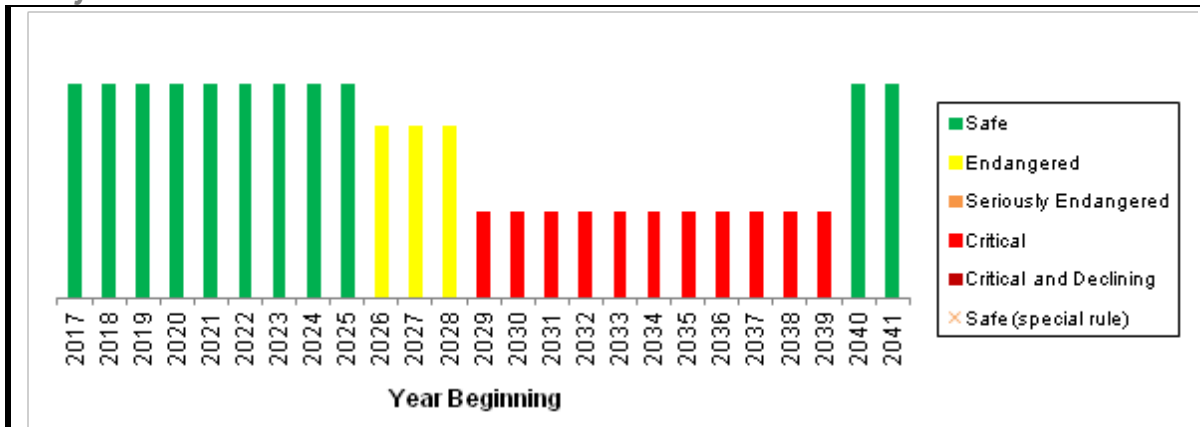
PPA FUNDING STATUS REPORT

The plan is not in either Endangered or Critical status for 2017

The Pension Protection Act of 2006 (PPA), as amended by the Multiemployer Pension Reform Act of 2014 (“MPRA”), requires all multiemployer pension plans to obtain an annual status certification. The possible statuses are: “Endangered”, “Seriously Endangered”, “Critical”, “Critical and Declining” or none of these. As the plan’s actuary, we must complete the status certification within 90 days of the beginning of the plan year, and we must also certify whether or not the plan has made scheduled progress if its funding improvement or rehabilitation period has begun. The criteria for these determinations are outlined in Appendix D. Due to the timing requirement affecting PPA certifications, they are performed based on data different from that used in this report (see certification letter for additional details). The results are summarized below.

<i>Description</i>	<i>Values Used for PPA Certification</i>	
	<i>2017</i>	<i>2016</i>
Funded ratio	89.2%	91.4%
Date of first projected funding deficiency	3/31/2031	3/31/2029
Years of benefit payments in assets	8+	8+
Certified PPA status	Safe	Safe

Projected PPA Status

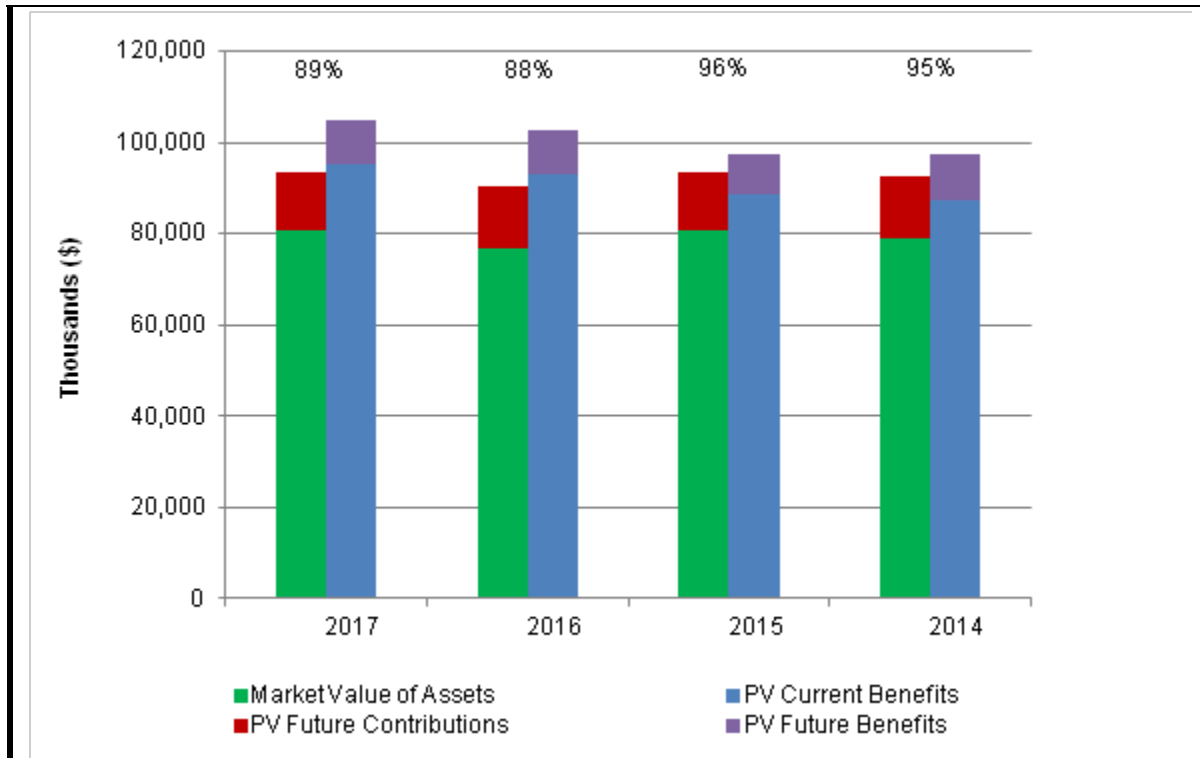


ULTIMATE FUNDED STATUS

Ultimate funded status is a snapshot measure of contribution sufficiency

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 all the future benefits the current plan participants are expected to earn through their future service. Ideally these ultimate asset and liability values will be approximately equal.

Neither of these amounts reflect the effect of future new participants or future contribution rate increases to the plan. Generally new entrants generate greater future contributions than benefits, so they represent a net positive to the actual future funding shown here.



STRESS AND SENSITIVITY ANALYSIS

The table below illustrates the impact on the plan when experience varies from key assumptions

Currently, in order to project no funding deficiencies and remain in the Safe zone in all future years, the plan would have to provide a reduced accrual rate of 1.22% as of April 1, 2018. Considering that experience rarely matches our assumptions exactly, we developed the table below to demonstrate the impact that variations in certain key assumptions would have on the contribution rate increase schedule. We examined future work unit assumptions equal to the baseline, 5% lower, and 5% higher. We examined asset returns for the 2016-17 plan year of 10.00%, 7.50%, 4.00%, and 0% in order to determine the reduced accrual rate required as of April 1, 2018 to project no deficiencies and remain in the Safe zone in all future years.

April 1, 2018 Accrual Rate Needed to Project No Deficiencies & Remain Safe*

Annual Future Work Unit Assumption	Return for the 2017-18 PY (7.50% Thereafter)			
	10.00%	Assumed Return**	4.00%	0.00%
<u>5% Lower</u> 10.5 months 1,710 hours 39 weeks \$31,350 gross earnings	None	1.12%	0.81%	0.45%
<u>Baseline</u> 11 months 1,800 hours 41 weeks \$33,000 gross earnings	None	1.22%	0.92%	0.58%
<u>5% Higher</u> 11.6 months 1,890 hours 43 weeks \$34,650 gross earnings	None	None	1.03%	0.70%
<u>Lower short-term</u> 6.50% return for 10 yrs Baseline units	0.91%	0.64%	0.44%	0.13%

* Includes all future contribution rate increases spelled out in participation agreements as of 12/18/17.

** The assumed return for the 2017-18 plan year is 7.50% in the first three rows and 6.50% in the last row.

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.

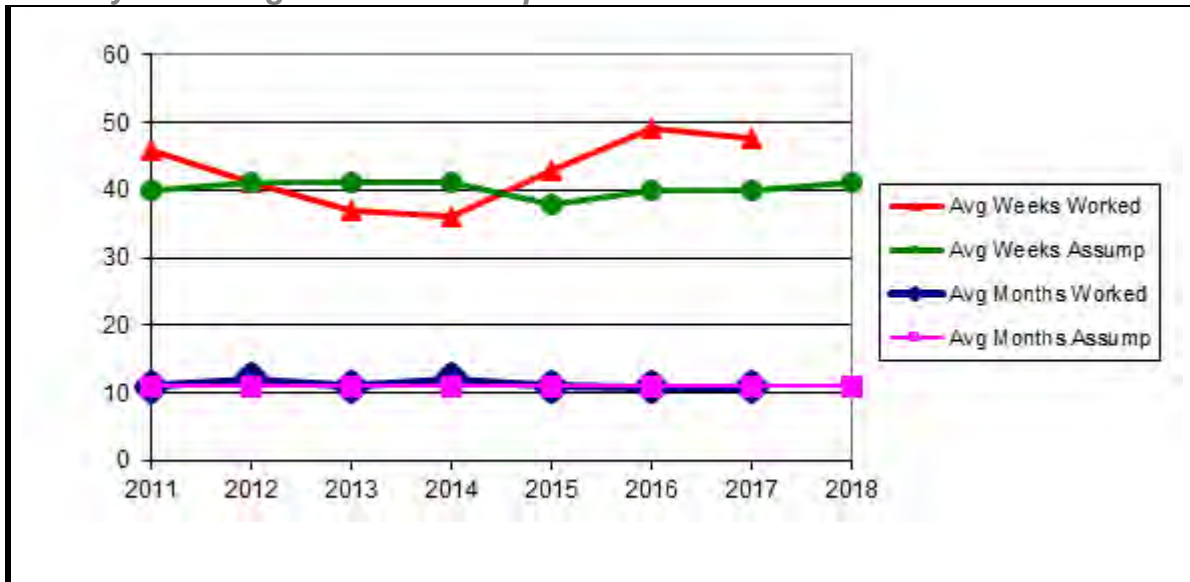
<i>Participants Valued As</i>	<i>Active</i>	<i>Inactive Vested</i>	<i>Receiving Benefits</i>	<i>Total Valued</i>
April 1, 2016	714	641	668	2,023
Change due to:				
<i>New hire</i>	59	-	-	59
<i>Rehire</i>	10	(6)	-	4
<i>Termination</i>	(106)	41	-	(65)
<i>Disablement</i>	-	-	-	-
<i>Retirement</i>	(22)	(21)	43	-
<i>Death</i>	(1)	(1)	(33)	(35)
<i>Cash out</i>	-	-	-	-
<i>New beneficiary</i>	-	1	19	20
<i>Certain pd. expired</i>	-	-	(3)	(3)
<i>Data adjustment</i>	-	-	2 *	2
Net change	(60)	14	28	(18)
April 1, 2017	654	655	696	2,005

* Includes one new retiree who was previously determined to be inactive nonvested and one new retiree who was previously not reported.

AVERAGE WORK BASIS DURING PLAN YEAR

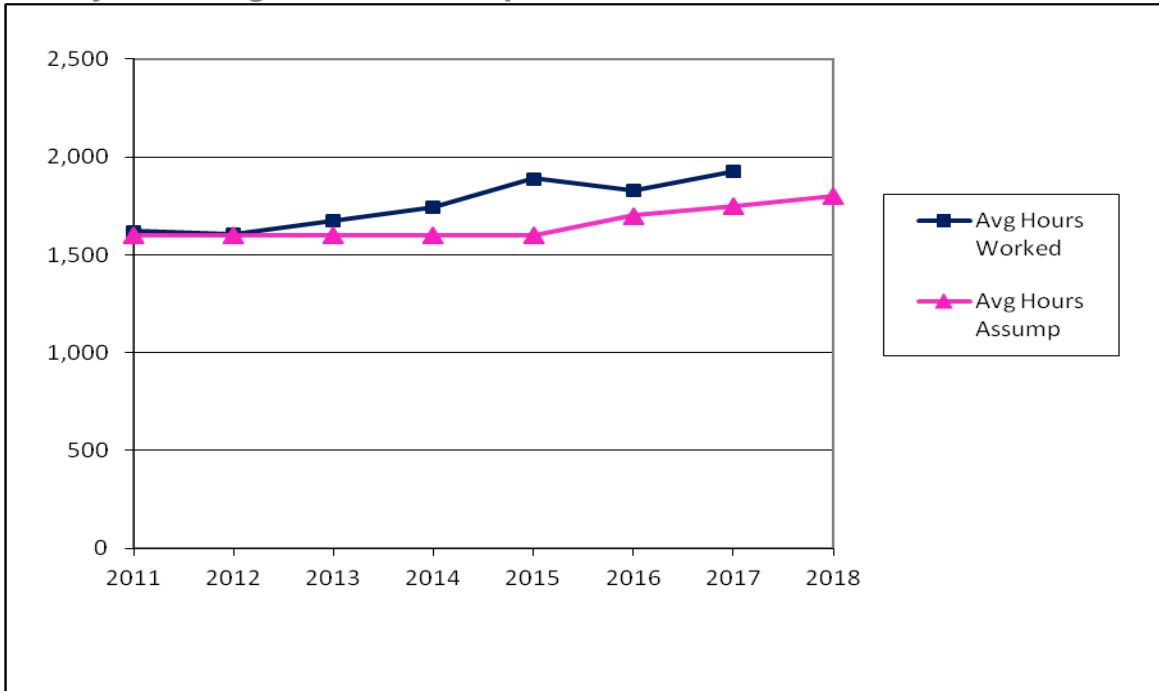
<i>Plan Year Ending March 31, 2017</i>	<i>Number</i>	<i>Average Basis for Annual Contributions</i>
Actives		
<i>Months</i>	82	11
<i>Hours</i>	241	1,927
<i>Weeks</i>	24	48
<i>Gross Earnings</i>	307	37,086
Total for plan year	654	

History of Average Actual and Expected Weeks and Months Worked

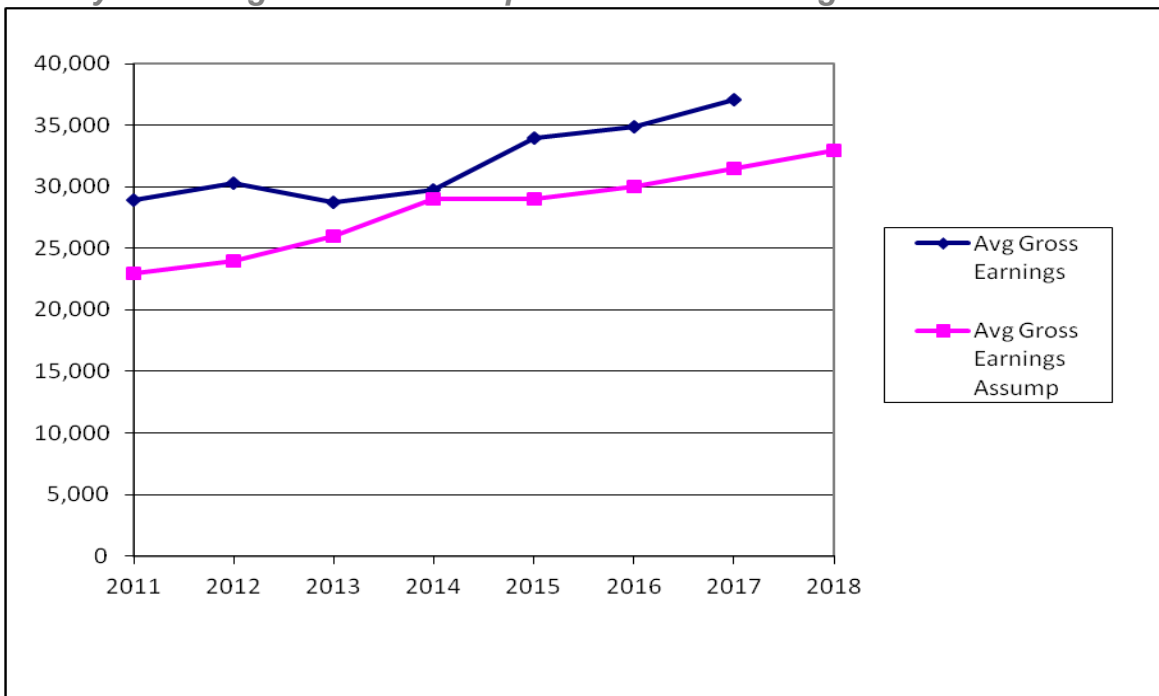


AVERAGE WORK BASIS DURING PLAN YEAR (CONT.)

History of Average Actual and Expected Hours Worked



History of Average Actual and Expected Gross Earnings



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Contributions Reported in Employee Data

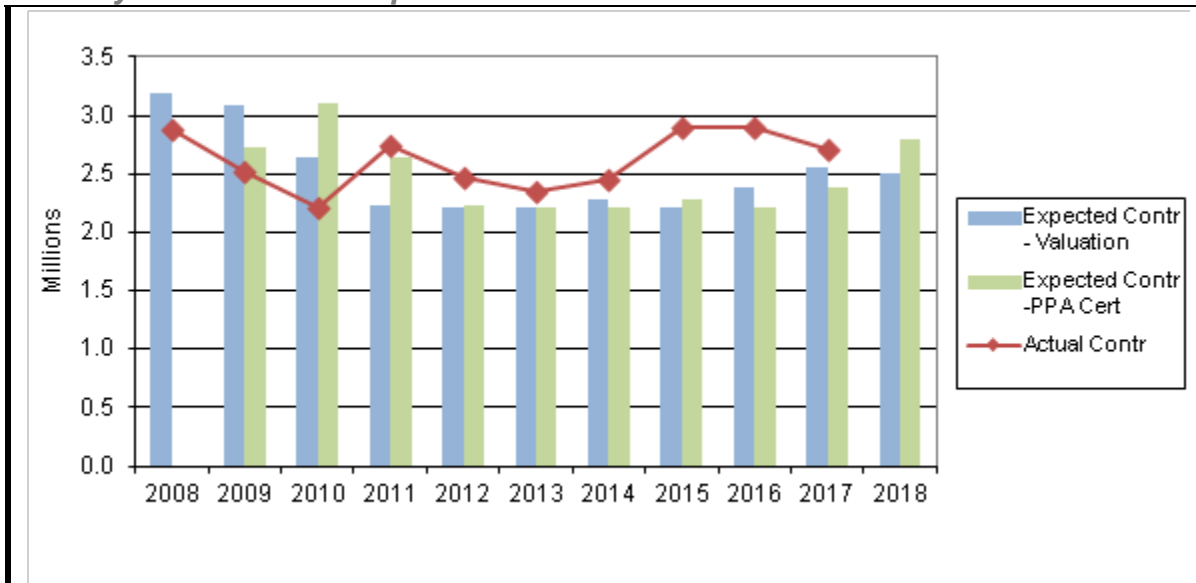
<i>Plan Year Ending March 31, 2017</i>	<i>Number</i>	<i>Contributions Reported</i>
Actives		
Vested	453	\$ 1,966,021
Non-vested, continuing	142	566,332
Non-vested, new entrant	59	132,443
Total valued as active	654	2,664,796
Others	28	59,190
Total for plan year	682	\$ 2,723,986

Comparison with Audited Employer Contributions

Employer contributions reported in data	\$ 2,723,986
Total audited employer contributions*	\$ 2,707,752
Percent reported	101%

* Excludes employer withdrawal liability payments.

History of Actual and Expected Total Contributions Received**



** Excludes employer withdrawal liability payments.

*Supplemental Statistics
Teamsters Local Union No. 716 Pension Plan
April 1, 2017 Actuarial Valuation*

ACTIVE INFORMATION

Active Participants by Age and Service as of April 1, 2017

Age	Years of Service										Total	
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
< 25	-	12	-	-	-	-	-	-	-	-	-	12
25-29	-	11	2	-	-	-	-	-	-	-	-	13
30-34	-	17	5	-	1	-	-	-	-	-	-	23
35-39	-	24	8	13	2	-	-	-	-	-	-	47
40-44	-	31	14	17	15	4	-	-	-	-	-	81
45-49	-	29	18	13	13	9	5	-	-	-	-	87
50-54	-	25	23	27	23	21	10	4	-	-	-	133
55-59	-	21	13	27	17	26	19	7	3	1	-	134
60-64	-	16	10	15	15	18	6	8	4	1	-	93
65-69	-	3	3	2	3	-	2	2	-	1	-	16
70+	-	-	-	2	-	-	-	-	-	-	-	2
Totals	-	189	96	116	89	78	42	21	7	3	-	641
Unrecorded DOB	-	13	-	-	-	-	-	-	-	-	-	13
Total Active Lives	-	202	96	116	89	78	42	21	7	3	-	654

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of April 1, 2017

<i>Age Group</i>	<i>Number</i>	<i>Estimated Deferred Vested Benefits*</i>
< 30	3	\$ 747
30-34	14	3,140
35-39	35	9,939
40-44	61	22,124
45-49	92	29,684
50-54	143	60,107
55-59	169	63,928
60-64	110	40,529
65-69	26	12,165
70+	2	722
Totals	655	243,085
Unrecorded birth date	-	-
Total inactive vested lives	655	\$ 243,085

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

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of April 1, 2017

Form of Payment	Number	Monthly Benefits Being Paid			
		Total	Average	Smallest	Largest
Life only	103	\$ 75,748	\$ 735	\$ 23	\$ 5,298
Certain & life	220	149,480	679	24	3,854
Joint & survivor	213	177,198	832	41	4,518
Disability	11	3,345	304	69	500
Beneficiaries	149	55,026	369	13	3,714
Totals	696	\$ 460,797	\$ 662	\$ 13	\$ 5,298

Retirees by Age and Form of Payment as of April 1, 2017

Age Group	Form of Benefits Being Paid				
	Life Only	Certain & Life	Joint & Survivor	Disability	Total
< 40	-	-	-	-	-
40-44	-	-	-	2	2
45-49	-	-	-	3	3
50-54	-	-	-	6	6
55-59	15	8	16	-	39
60-64	39	20	45	-	104
65-69	39	55	54	-	148
70-74	7	64	43	-	114
75-79	3	30	34	-	67
80-84	-	24	13	-	37
85-89	-	13	6	-	19
90-94	-	5	1	-	6
95+	-	1	1	-	2
Totals	103	220	213	11	547
<i>plus:</i> Beneficiaries					149
Total receiving benefits					696

RETIREE INFORMATION (CONT.)

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

Age at Retirement	Plan Year Ending March 31,				
	2017	2016	2015	2014	2013
< 55	-	-	-	-	-
55	2	7	3	1	6
56	4	4	-	2	1
57	2	3	1	2	3
58	3	3	1	3	1
59	1	-	-	-	2
60	3	4	4	1	1
61	2	6	1	6	3
62	7	10	6	8	4
63	4	3	2	1	2
64	5	1	-	-	-
65	5	4	2	6	7
66+	5	1	1	3	5
Totals	43	46	21	33	35

History of Average Retirement Ages
 (excludes beneficiaries and disability retirements)

Retirement During Plan Year Ending In:	Number	Average Retirement Age
2017	43	62.3
2016	46	60.3
2015	21	61.1
2014	33	62.1
2013	35	61.5

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

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

***Market/Actuarial Value
of Fund Investments
as of March 31,***

	<i>2017</i>	<i>2016</i>	<i>2015</i>
Invested assets			
<i>Common stocks</i>	\$ 45,322,851	\$ 41,278,374	\$ 38,654,390
<i>Preferred stocks</i>	3,916,464	3,128,443	72,159
<i>U.S. gov't securities</i>	1,614,358	1,384,680	6,078,203
<i>Mortgage-backed sec.</i>	2,763,979	3,233,534	4,143,457
<i>Mutual funds</i>	7,740,006	7,387,152	8,437,840
<i>Money market funds</i>	1,750,551	4,075,771	1,107,603
<i>Municipal bonds</i>	843,492	924,660	1,216,486
<i>Corporate bonds</i>	14,531,074	13,143,609	16,776,945
<i>Foreign bonds</i>	1,101,638	1,279,854	1,750,576
<i>Limited liability companies</i>	-	-	1,633,859
<i>Cash</i>	514,764	129,987	463,181
<i>Property and equipment</i>	-	-	2,982
	80,099,177	75,966,064	80,337,681
Net receivables*	500,051	1,008,703	606,271
Market value	\$ 80,599,228	\$ 76,974,767	\$ 80,943,952
Fund assets - Actuarial value			
<i>Market value</i>	\$ 80,599,228	\$ 76,974,767	\$ 80,943,952
less: <i>Deferred investment gains and (losses)</i>	(4,378,558)	(6,716,836)	(908,959)
Actuarial value	\$ 84,977,786	\$ 83,691,603	\$ 81,852,911
Actuarial value as a percentage of market value	105.43%	108.73%	101.12%

* Equals receivables, less any liabilities

FLOW OF FUNDS

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

<i>Plan Year Ending March 31,</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Market value at beginning of plan year	\$ 76,974,767	\$ 80,943,952	\$ 78,894,506
Additions			
<i>Employer contributions</i>	2,805,064	3,336,109	3,025,701
<i>Net investment income*</i>	6,581,941	(1,941,404)	4,325,112
<i>Other income</i>	-	-	356
	9,387,005	1,394,705	7,351,169
Deductions			
<i>Benefits paid</i>	5,583,747	5,136,625	4,815,523
<i>Net expenses*</i>	178,797	227,265	486,200
	5,762,544	5,363,890	5,301,723
Net increase (decrease)	3,624,461	(3,969,185)	2,049,446
Adjustment	-	-	-
Market value at end of plan year	\$ 80,599,228	\$ 76,974,767	\$ 80,943,952
Cashflow			
<i>Contr.-ben.-exp.</i>	(2,957,480)	(2,027,781)	(2,276,022)
<i>Percent of assets</i>	-3.67%	-2.63%	-2.81%
Estimated net investment return			
<i>On market value</i>	8.72%	-2.43%	5.56%
<i>On actuarial value</i>	5.16%	4.78%	7.55%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

**Investment Gain or Loss
Plan Year Ending March 31, 2017**

Expected market value at end of plan year			
Market value at beginning of plan year	\$		76,974,767
Employer contributions and non-investment income			2,805,064
Benefits and expenses paid			(5,762,544)
Expected investment income (at 7.50% rate of return)			5,662,202
			79,679,489
Actual market value at end of plan year			80,599,228
less: Expected market value			79,679,489
			919,739
Investment gain or (loss)	\$		919,739

History of Gains and (Losses)

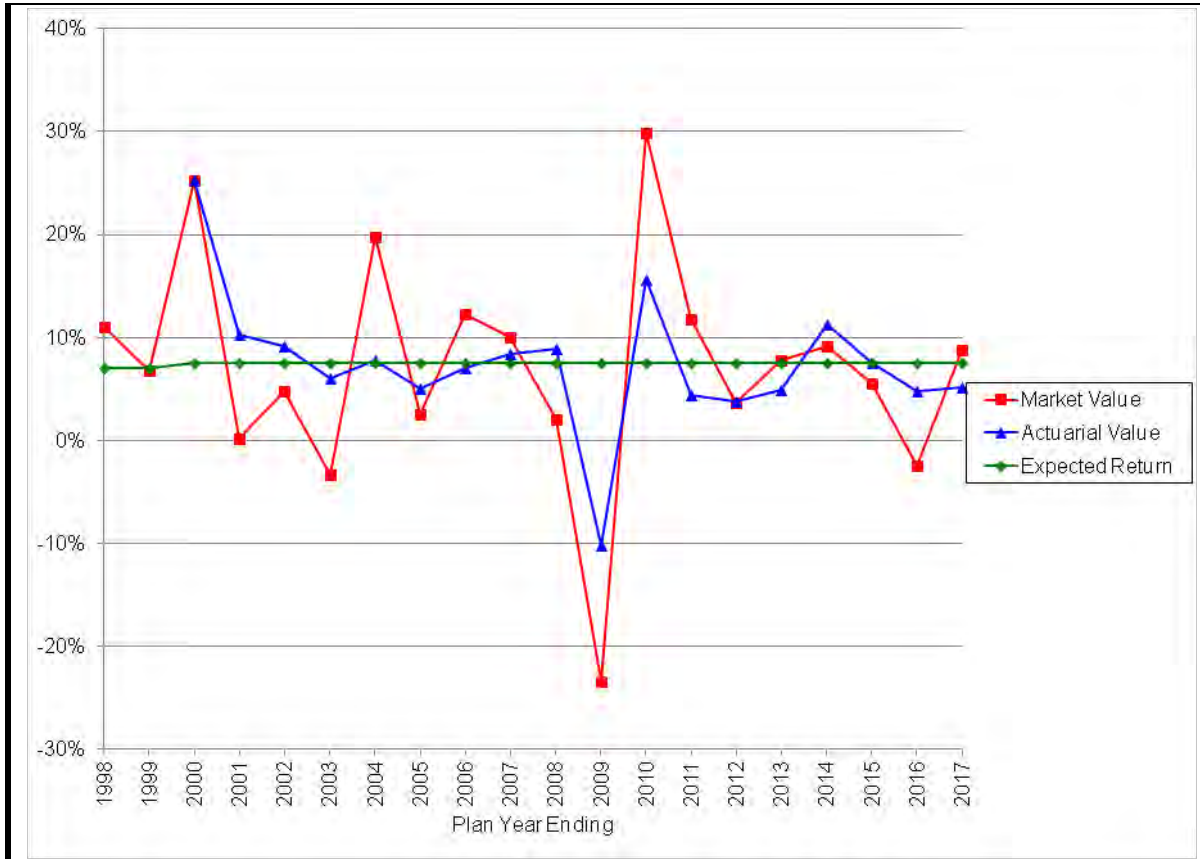
<i>Plan Year Ending March 31,</i>		<i>Investment Gain or (Loss)</i>
2017	\$	919,739
2016		(7,936,159)
2015		(1,506,638)
2014		1,250,004

Deferred Investment Gains and (Losses)

<i>Plan Year Ending March 31,</i>	<i>Amount of Gain or (Loss) Deferred as of March 31,</i>			
	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
2017	\$ 735,791	\$ 551,843	\$ 367,896	\$ 183,948
2016	(4,761,695)	(3,174,464)	(1,587,232)	-
2015	(602,655)	(301,328)	-	-
2014	250,001	-	-	-
Totals	\$ (4,378,558)	\$ (2,923,949)	\$ (1,219,336)	\$ 183,948

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



Average Rates of Net Investment Return (dollar weighted)

<i>Period</i>	<i>Return on Market Value</i>		<i>Return on Actuarial Value</i>	
	<i>Period Ending March 31,</i>		<i>Period Ending March 31,</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
One year	8.72%	-2.43%	5.16%	4.78%
5 years	5.73%	4.77%	6.72%	6.37%
10 years	4.34%	4.57%	5.32%	5.66%
15 years	5.61%	5.38%	5.86%	6.13%
20 years	6.54%	6.31%	n/a	n/a

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

<i>Normal Cost as of April 1,</i>	<i>2017</i>	<i>2016</i>
Active participants - service prior to valuation date	\$ -	\$ -
Active participants - service after valuation date	1,377,609	1,314,440
Anticipated administrative expenses (beg. of year)	192,771	236,145
Total normal cost	\$ 1,570,380	\$ 1,550,585

<i>Unfunded Actuarial Liability as of April 1,</i>	<i>2017</i>	<i>2016</i>
Actuarial liability		
<i>Participants currently receiving benefits*</i>	\$ 46,549,740	\$ 45,568,331
<i>Inactive vested participants</i>	17,576,402	16,353,645
<i>Active participants - service prior to val. date</i>	31,259,066	31,315,524
<i>Active participants - service after val. date</i>	-	-
	95,385,208	93,237,500
<i>less: Fund assets (actuarial value)</i>	84,977,786	83,691,603
Unfunded actuarial liability (not less than 0)	\$ 10,407,422	\$ 9,545,897

* Includes balance of benefits due and unpaid to beneficiaries of \$43,715 as of 2017 and \$41,047 as of 2016.

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of March 31, 2017			
<i>Unfunded actuarial liability as of April 1, 2016</i>	\$		9,545,897
<i>Normal cost (including expenses)</i>			1,550,585
<i>Actual contributions</i>			(2,805,064)
<i>Interest to end of plan year</i>			727,047
			9,018,465
Increase (decrease) due to:			
<i>Experience (gain) or loss</i>			2,613,804
<i>Plan amendment</i>			-
<i>Change in actuarial assumptions</i>			(1,224,847)
<i>Change in actuarial method</i>			-
			1,388,957
Net increase (decrease)			1,388,957
Unfunded actuarial liability as of April 1, 2017	\$		10,407,422

Projection of Actuarial Liability to Year End

Actuarial liability as of April 1, 2017			
	\$		95,385,208
Expected increase (decrease) due to:			
<i>Normal cost (excluding expenses)</i>			1,377,609
<i>Benefits paid</i>			(6,332,235)
<i>Interest on above</i>			(134,138)
<i>Interest on actuarial liability</i>			7,153,891
			2,065,127
Net expected increase (decrease)			2,065,127
Expected actuarial liability as of March 31, 2018	\$		97,450,335

FUNDED RATIOS

<i>Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of April 1,</i>	<i>2017</i>	<i>2016</i>
Present value of vested accumulated benefits		
<i>Participants currently receiving benefits*</i>	\$ 46,549,740	\$ 45,568,331
<i>Inactive vested participants</i>	17,199,083	16,058,499
<i>Active participants</i>	29,806,106	29,022,298
Total	93,554,929	90,649,128
Nonvested accumulated benefits	1,830,279	2,588,372
Present value of all accumulated benefits	\$ 95,385,208	\$ 93,237,500
Market value of assets	\$ 80,599,228	\$ 76,974,767
Funded ratios (Market value)		
<i>Vested benefits</i>	86.2%	84.9%
<i>All accumulated benefits</i>	84.5%	82.6%
Actuarial value of assets	\$ 84,977,786	\$ 83,691,603
Funded ratios (Actuarial value used for PPA)		
<i>Vested benefits</i>	90.8%	92.3%
<i>All accumulated benefits</i>	89.1%	89.8%
Interest rate used to value benefits	7.50%	7.50%

* Includes balance of benefits due and unpaid to beneficiaries of \$43,715 as of 2017 and \$41,047 as of 2016.

FUNDING PERIOD

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

***Funding Period Calculation
Actuarial Study as of April 1,***

	<i>2017</i>	<i>2016</i>
Unfunded actuarial liability		
<i>Actuarial liability</i>	\$ 101,899,551	\$ 99,953,357
<i>less: Fund assets (actuarial value)</i>	84,977,786	83,691,603
	16,921,765	16,261,754
 Funds available to amortize unfunded		
<i>Anticipated contributions (beg. of yr.)</i>	2,414,323	2,468,090
<i>less: Normal cost (including expenses)</i>	751,636	781,838
	\$ 1,662,687	\$ 1,686,252
 Funding period (years)	 18	 16

CURRENT LIABILITY

Current Liability as of April 1, 2017

Vested current liability		
<i>Participants currently receiving benefits*</i>	\$	70,187,360
<i>Inactive vested participants</i>		35,678,304
<i>Active participants</i>		62,444,182
		168,309,846
Nonvested current liability		
<i>Inactive vested participants</i>		287,202
<i>Active participants</i>		2,382,197
		2,669,399
Total current liability	\$	170,979,245

* Includes balance of benefits due and unpaid to beneficiaries of \$43,715.

Projection of Current Liability to Year End

Current liability as of April 1, 2017	\$	170,979,245
Expected increase (decrease) due to:		
<i>Benefits accruing</i>		3,140,432
<i>Benefits paid</i>		(6,332,235)
<i>Interest on above</i>		(783)
<i>Interest on current liability</i>		5,214,867
Net expected increase (decrease)		2,022,281
Expected current liability as of March 31, 2018	\$	173,001,526

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2017 Actuarial Valuation*

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending March 31,	2018 (Projected)	2017 (Final)
Charges		
<i>Prior year funding deficiency</i>	\$ -	\$ -
<i>Normal cost (including expenses)</i>	1,570,380	1,550,585
<i>Amortization charges (see Appendix C)</i>	5,050,598	4,873,757
<i>Interest on above</i>	496,573	481,824
Total charges	7,117,551	6,906,166
Credits		
<i>Prior year credit balance</i>	13,858,596	11,346,048
<i>Employer contributions</i>	2,504,860	2,805,064
<i>Amortization credits (see Appendix C)</i>	5,391,876	5,262,797
<i>Interest on above</i>	1,537,717	1,350,853
<i>ERISA full funding credit</i>	-	-
Total credits	23,293,049	20,764,762
Credit balance (credits less charges)	\$ 16,175,498	\$ 13,858,596

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2017 Actuarial Valuation*

FULL FUNDING LIMIT

<i>Projection of Assets for Full Funding Limit</i>	<i>Market Value</i>	<i>Actuarial Value</i>
Asset value as of April 1, 2017	\$ 80,599,228	\$ 84,977,786
Expected increase (decrease) due to:		
<i>Investment income</i>	5,799,983	6,128,375
<i>Benefits paid</i>	(6,332,235)	(6,332,235)
<i>Expenses</i>	(200,000)	(200,000)
Net expected increase (decrease)	(732,252)	(403,860)
Expected value as of March 31, 2018*	\$ 79,866,976	\$ 84,573,926

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

<i>Full Funding Limit as of March 31, 2018</i>	<i>For Minimum Required</i>	<i>For Maximum Deductible</i>
ERISA full funding limit (not less than 0)		
<i>Actuarial liability</i>	\$ 97,450,335	\$ 97,450,335
less: <i>Assets (lesser of market or actuarial)</i>	79,866,976	79,866,976
plus: <i>Credit balance (w/interest to year end)</i>	14,897,991	n/a
	32,481,350	17,583,359
Full funding limit override (not less than 0)		
<i>90% of current liability</i>	155,701,373	155,701,373
less: <i>Assets (actuarial value)</i>	84,573,926	84,573,926
	71,127,447	71,127,447
Full funding limit (greater of ERISA limit and full funding override)	\$ 71,127,447	\$ 71,127,447

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

***Minimum Required Contribution
 Plan Year Beginning April 1, 2017***

Minimum funding cost			
<i>Normal cost (including expenses)</i>	\$	1,570,380	
<i>Net amortization of unfunded liabilities</i>		(341,278)	
<i>Interest to end of plan year</i>		92,183	
		1,321,285	
Full funding limit		71,127,447	
Net charge to funding std. acct. (lesser of above)		1,321,285	
less: <i>Credit balance with interest to year end</i>		14,897,991	
		-	
Minimum Required Contribution (not less than 0)	\$	-	

***Full Funding Credit to Funding Standard
 Account Plan Year Ending March 31, 2018***

Full funding credit (not less than 0)			
<i>Minimum funding cost (n.c., amort., int.)</i>	\$	1,321,285	
<i>less: full funding limit</i>		71,127,447	
		-	
	\$	-	

MAXIMUM DEDUCTIBLE CONTRIBUTION

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

***Maximum Deductible Contribution
Plan Year Beginning April 1, 2017***

Preliminary deductible limit			
<i>Normal cost (including expenses)</i>	\$		1,570,380
<i>10-year limit adjustment (using "fresh start" alternative)</i>			1,410,432
<i>Interest to end of plan year</i>			223,561
			3,204,373
 Full funding limit			 71,127,447
 Maximum deductible contribution override			
<i>140% of vested current liability projected to March 31, 2018</i>			238,420,776
<i>less: Actuarial value of assets projected to March 31, 2018</i>			84,573,926
			153,846,850
 Maximum deductible contribution*	\$		153,846,850
 Anticipated employer contributions	\$		2,504,860

* 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

<i>March 31,</i>	<i>Vested Benefits Interest Rate</i>	<i>Value of Vested Benefits</i>	<i>Asset Value*</i>	<i>Unfunded Vested Benefits</i>	<i>Unamortized Portion of VAB</i>
1998	7.00%	27,281,260	31,138,948	(3,857,688)	
1999	7.00%	30,702,110	33,538,995	(2,836,885)	
2000	7.50%	32,700,923	37,208,586	(4,507,663)	
2001	7.50%	35,413,595	41,360,316	(5,946,721)	
2002	7.50%	40,325,709	45,470,597	(5,144,888)	
2003	7.50%	43,267,162	48,117,628	(4,850,466)	
2004	7.50%	47,389,665	51,990,623	(4,600,958)	
2005	7.50%	51,086,402	54,404,605	(3,318,203)	
2006	7.50%	55,613,278	58,632,694	(3,019,416)	
2007	7.50%	60,762,688	63,764,663	(3,001,975)	
2008	7.50%	64,322,561	69,101,410	(4,778,849)	
2009	7.50%	69,025,247	60,744,017	8,281,230	
2010	7.50%	74,595,043	68,842,481	5,752,562	
2011	7.50%	74,961,616	70,453,278	4,508,338	1,556,113
2012	7.50%	79,541,394	71,294,202	8,247,192	1,496,534
2013	7.50%	82,972,016	72,554,306	10,417,710	1,432,486
2014	7.50%	86,056,205	78,301,308	7,754,897	1,363,635
2015	7.50%	86,059,558	81,852,911	4,206,647	1,289,620
2016	7.50%	90,649,128	83,691,603	6,957,525	1,210,053
2017	7.50%	93,554,929	84,977,786	8,577,143	1,124,520

* Market value March 31, 1999 and prior, actuarial value thereafter.

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 1.87% for the first 20 years and 2.37% for each year thereafter and the GAM 94 Basic Table projected to 2027 were used.

***Illustrative Section 4281 Valuation
as of March 31, 2017***

Value of nonforfeitable benefits		
<i>Participants currently receiving benefits*</i>	\$	80,603,920
<i>Inactive vested participants</i>		43,633,609
<i>Active participants</i>		78,978,865
<i>Expenses (per Section 4281 of ERISA)</i>		1,257,982
		<hr/> 204,474,376
<i>less: Fund assets (market value)</i>		<hr/> 80,599,228
Value of nonforfeitable benefits in excess of (less than) fund assets	\$	123,875,148

* Includes balance of benefits due and unpaid to beneficiaries of \$43,715.

ASC 960 INFORMATION

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

***Present Value of Accumulated Benefits
Actuarial Study as of April 1,***

	2017	2016
Present value of vested accumulated benefits		
<i>Participants currently receiving benefits*</i>	\$ 46,549,740	\$ 45,568,331
<i>Other participants</i>	47,005,189	45,080,797
	93,554,929	90,649,128
Nonvested accumulated benefits	1,830,279	2,588,372
Present value of all accumulated benefits	\$ 95,385,208	\$ 93,237,500
Market value of plan assets	\$ 80,599,228	\$ 76,974,767
Interest rate used to value benefits	7.50%	7.50%

* Includes balance of benefits due and unpaid to beneficiaries of \$43,715 as of 2017 and \$41,047 as of 2016.

Changes in Present Value of Accumulated Benefits

Present value of accumulated benefits as of April 1, 2016	\$	93,237,500
Increase (decrease) due to:		
<i>Plan amendment</i>		-
<i>Change in actuarial assumptions</i>		(1,224,847)
<i>Benefits accumulated and experience gain or loss</i>		1,963,489
<i>Interest due to decrease in discount period</i>		6,992,813
<i>Benefits paid</i>		(5,583,747)
Net increase (decrease)		2,147,708
Present value of accumulated benefits as of April 1, 2017	\$	95,385,208

APPENDICES

PLAN HISTORY

Origins/Purpose

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

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

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

Employer Contributions

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

*Appendix A – Plan Provisions
Teamsters Local Union No. 716 Pension Plan
April 1, 2017 Actuarial Valuation*

PLAN HISTORY (CONT.)

<i>Employer or Employer Group</i>	<i>Employer Contribution Rate as of April 1, 2017</i>
Teamsters Local Union #135	\$ 338.00/week
Rigging Industry Group: Cardinal Contracting #225 Underwood Machinery #275	\$ 196.00/week \$ 65.00/week
E.H. Hamilton #350	50¢/hour
A.J.'s Tool Rental #401	10% of gross earnings (11% of gross 6-1-2017)
Sand & Gravel Industry Group: A&C Trucking #405 MS Transport #420 Macy Inc. #445 V&S Transport #480 C.J.'s Inc. #497	10% of gross earnings (11% of gross 6-1-2017) 8% of gross earnings (11% of gross 6-1-2017) 10% of gross earnings (11% of gross 6-1-2017) 10% of gross earnings 10% of gross earnings (11% of gross 6-1-2017)
D Transport #415	10% of gross earnings (11% of gross 6-1-2017)
Hot Shot Transportation #424	10% of gross earnings (11% of gross 6-1-2017)
Eastside Trucking #439	10% of gross earnings (11% of gross 6-1-2017)
Wheeler Corporation #442	\$ 75.00/week
R.L. Denney Excavating #461*	10% of gross earnings
Nubian Transport #462	10% of gross earnings (11% of gross 6-1-2017)
Indy Transport #463	10% of gross earnings (11% of gross 6-1-2017)
Oatt's Trucking #466	10% of gross earnings (11% of gross 6-1-2017)
Bibb's Hauling LLC #467	11% of gross earnings
Ward Trucking #469	10% of gross earnings (11% of gross 6-1-2017)
Ellington Trucking LLC #481	10% of gross earnings (11% of gross 6-1-2017)
CMG Trucking #482	10% of gross earnings (11% of gross 6-1-2017)
Choice Trucking #486	10% of gross earnings (11% of gross 6-1-2017)
Wells & Rhodes Trucking #490	10% of gross earnings (11% of gross 5-1-2017)
Ready Mix Industry Group: IMI – Central #520 IMI – Danville #521 IMI – Lebanon/Frankfort #522 IMI – Mooresville #523 IMI – East #524	\$ 3.40/hour \$ 3.40/hour \$ 3.40/hour \$ 3.40/hour \$ 3.40/hour
Prairie Group: Prairie VCNA North #570 Prairie VCNA South #571	\$ 3.45/hour \$ 3.45/hour
Plumbing Industry Drivers Group: Central Supply #600	\$ 344.81/month
CEP Concrete Construction #750	\$ 120.00/week
Omnisource Corporation #905	\$ 65.00/month (\$75.00/month 6-1-2017)
City of Martinsville #920	\$ 339.72/month
Martin Marietta Materials #1521	\$ 1.70/hour

* Decertified 7/12/2017

SUMMARY OF PLAN PROVISIONS

Plan year	The twelve-month period beginning April 1 and ending March 31.
Past service date	For each participant, the later of: a) April 1, 1975, b) the employer participation date that is associated with the employer or employer group the participant work for when contributions were first required to be made to the trust fund on such participant's behalf, or c) the first day of the month during which employer contributions were first required to be made to the fund on participant's behalf.
Past service year	Each past service year is measured over the 12 consecutive month period that starts on the first day of the same month as that month contained in a participant's past service date. Past service years are those years preceding a participant's past service date.
Past service benefit	A participant's past service years times his past service crediting rate. The participant's past service crediting rate is the rate for the employer or employer group that such participant worked for when contributions were first required to be made to the trust fund on his behalf. Current past service crediting rates are shown on page A-4.
Service: Past service	One year of past service is credited for each past service year during which the participant worked for an employer. Past service shall not include any years of forfeited service.
Future service	One year of future service is credited for each plan year during which employer contributions were received on a participant's behalf. Future service shall not include any years of forfeited service.

SUMMARY OF PLAN PROVISIONS (CONT.)

<i>Employer or Employer Group</i>	<i>Past Service Crediting Rate as of April 1, 2017</i>
Teamsters Local Union #135	-
Rigging Industry Group	\$ 8.50
E.H. Hamilton	\$ 4.50
A.J.'s Tool Rental	-
Sand & Gravel Industry Group	\$ 5.50
D Transport (Big D)	\$ 5.50
Hot Shot Transportation	\$ 4.50
Eastside Trucking	-
Wheeler Corporation	-
R.L. Denney Excavating	-
Nubian Transport	-
Indy Transport	-
Oatt's Trucking	-
Bibb's Hauling LLC	-
Ward Trucking	-
Ellington Trucking LLC	-
CMG Trucking	-
Choice Trucking	-
Wells & Rhodes Trucking	-
Ready Mix Industry Group	\$ 5.50
Prairie Group	\$ 5.50
Southern Scavenger	\$ 4.50
Plumbing Industry Drivers Group	\$ 7.50
CEP Concrete Construction	-
Omnisource Corporation	\$ 5.50
City of Martinsville	\$ 5.50
Martin Marietta Materials	-

SUMMARY OF PLAN PROVISIONS (CONT.)

Break in service	<p>Prior to participant's past service date: A past service year during which the participant did not work for an employer.</p> <p>After participant's past service date: A plan year during which no employer contributions were made to the fund on his behalf unless lack of contributions was due to accident, illness or service in the Armed Forces.</p>
Forfeited service	The number of years of service as otherwise credited to a participant that becomes forfeited. All service credited to a non-vested participant is forfeited at the time such participant has suffered consecutive one-year breaks in service equaling the greater of 5 or the number of years of service credited prior to his initial break in service.
Spouse	The participant's legal spouse at the time a pre-retirement death benefit is first payable or, upon the death of the participant after retirement, his legal spouse at time of his retirement.
Normal retirement benefit	
<i>Eligibility</i>	Age 65 and 5 th anniversary of plan participation.
<i>Monthly amount</i>	Past service benefit, plus \$2.70 for each \$100 of total contributions (employer + employee) up to September 1, 2010, plus \$1.50 for each \$100 of total contributions from September 1, 2010 up to July 1, 2011, plus \$1.30 for each \$100 of total contributions on or after July 1, 2011. Payable for life.
Early retirement benefit	
<i>Eligibility</i>	Age 55 and 10 years of service. Age 55 and 5 years of service if participant is active and eligible for social security disability.
<i>Monthly amount</i>	Normal reduced by 6% per year for each year under age 65. Payable for life.
<i>or</i>	
<i>Eligibility</i>	Age 55 and 30 years of service.
<i>Monthly amount</i>	100% of normal. Payable for life.

SUMMARY OF PLAN PROVISIONS (CONT.)

Optional forms of payment effective September 1, 2010	<ul style="list-style-type: none"> • 5 years certain and life • 10 years certain and life • Joint & 50% survivor annuity • Joint & 75% survivor annuity
Vested benefit	
<i>Eligibility</i>	5 years of service, termination of employment on or after April 1, 1997.
<i>Monthly amount</i>	100% of normal or reduced early. Commencing at age 55 or later.
Disability benefit	
<i>Eligibility</i>	5 years of service, disabled after April 1, 2001 and while active. Eligible for social security disability.
<i>Monthly amount</i>	Accrued Normal, maximum \$300. Payable until age 55, recovery or death. At age 55, benefit is Early or Early Joint and 50% Survivor, if applicable.
Pre-retirement death benefit #1	
<i>Eligibility</i>	Death of vested participant prior to age 55. Has surviving spouse.
<i>Monthly amount</i>	Participant's joint and 50% survivor benefit calculated as if participant had attained age 55. Commencing immediately. 50% continuation to spouse payable for life.
Pre-retirement death benefit #2	
<i>Eligibility</i>	Death of participant after eligible for joint and 50% survivor, but prior to retirement. Has surviving spouse.
<i>Monthly amount</i>	Participant's joint and 50% survivor benefit. 50% continuation to spouse payable for life.
Pre-retirement death benefit #3	
<i>Eligibility</i>	Death of vested participant prior to retirement. No surviving spouse.
<i>Monthly amount</i>	Accrued Normal. Payable to beneficiary for 60 months.

HISTORICAL PLAN MODIFICATIONS

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

HISTORICAL PLAN MODIFICATIONS (CONT.)

Vesting scale	
<i>Effective date</i>	April 1, 1997
<i>Adoption date</i>	January 30, 1997
<i>Provisions</i>	The vesting scale was changed from 100% at 10 years of service to 100% at 5 years of service.
Past service eligibility	
<i>Effective date</i>	January 1, 1998
<i>Provisions</i>	Past service eligibility was granted to certain employees of new contributing employers.
Pre and post- retirement death benefits	
<i>Effective date</i>	January 1, 2000
<i>Adoption date</i>	November 30, 2001
<i>Provisions</i>	A pre and post-retirement 60 month certain death benefit was adopted for non-married participants.
Pro rata reciprocity benefit	
<i>Effective date</i>	January 1, 2000
<i>Adoption date</i>	November 30, 2001
<i>Provision</i>	Years with Central States Teamsters under the reciprocity agreement will count towards the 30 years of service in the age 55 and 30 years of service benefit.
Disability benefit	
<i>Effective date</i>	April 1, 2001
<i>Adoption date</i>	November 30, 2001
<i>Provision</i>	Accrued Normal, maximum \$500 to active vested participants who become disabled and are eligible for social security disability.

HISTORICAL PLAN MODIFICATIONS (CONT.)

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

HISTORICAL PLAN MODIFICATIONS (CONT.)

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

ACTUARIAL ASSUMPTIONS

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

Valuation date	April 1, 2017																																				
Interest rates																																					
<i>ERISA rate of return used to value liabilities</i>	7.50% per year net of investment expenses																																				
<i>Current liability</i>	3.05% (in accordance with Section 431(c)(6) of the Internal Revenue Code)																																				
Operational expenses	\$200,000 per year excluding investment expenses																																				
Loading for reciprocity	Liabilities for non-retired (date of termination on or after January 1, 2001) participants' benefits to be paid after retirement increased 5%																																				
Mortality																																					
<i>Assumed plan mortality</i>	125% of the RP-2014 Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale.																																				
<i>Current liability</i>	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.																																				
Withdrawal	T-7 Turnover Table from The Actuary's Pension Handbook (less GAM 51 mortality) – specimen rates shown below:																																				
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: center;"><u>1 - 3 Years</u></th> <th style="text-align: center;"><u>4 - 5 Years</u></th> <th style="text-align: center;"><u>6+ Years</u></th> </tr> </thead> <tbody> <tr><td>25</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0967</td></tr> <tr><td>30</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0930</td></tr> <tr><td>35</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0871</td></tr> <tr><td>40</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0775</td></tr> <tr><td>45</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0635</td></tr> <tr><td>50</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0422</td></tr> <tr><td>55</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0155</td></tr> <tr><td>60</td><td style="text-align: center;">.30</td><td style="text-align: center;">.20</td><td style="text-align: center;">.0015</td></tr> </tbody> </table>	<u>Age</u>	<u>1 - 3 Years</u>	<u>4 - 5 Years</u>	<u>6+ Years</u>	25	.30	.20	.0967	30	.30	.20	.0930	35	.30	.20	.0871	40	.30	.20	.0775	45	.30	.20	.0635	50	.30	.20	.0422	55	.30	.20	.0155	60	.30	.20	.0015
<u>Age</u>	<u>1 - 3 Years</u>	<u>4 - 5 Years</u>	<u>6+ Years</u>																																		
25	.30	.20	.0967																																		
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50	.30	.20	.0422																																		
55	.30	.20	.0155																																		
60	.30	.20	.0015																																		

ACTUARIAL ASSUMPTIONS (CONT.)

Disability

Specimen rates shown below:

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

Retirement

Active lives

According to the following schedule:

<u>Age</u>	<u>Prior to 30 Years Service</u>	<u>After 30 Years Service*</u>
55-57	.04	.15
58	.04	.10
59-60	.04	.20
61	.10	.20
62	.35	.40
63	.10	.30
64	.25	.30
65+	1.00	1.00

* At least .30 in first year eligible for unreduced benefit with 30 years of service.

Resulting in an average expected retirement age of 62.4.

Inactive vested lives

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

Basis for future annual contributions

Average:	<i>Months</i>	11
	<i>Hours</i>	1,800
	<i>Weeks</i>	41
	<i>Gross earnings</i>	\$33,000

ACTUARIAL ASSUMPTIONS (CONT.)

Future contribution rate	Applicable employer's rate as of valuation date adjusted to reflect known bargained increases effective in the upcoming plan year.
Age of participants with unrecorded birth dates	Based on average entry age of participants with recorded birth dates and same vesting status.
Marriage assumptions	75% assumed married with the male spouse 3 years older than his wife
Inactive vested lives over age 70	Continuing inactive vested participants over age 70 are assumed deceased and are not valued.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences
Section 415 limit assumptions <i>Dollar limit</i>	\$215,000 per year
Benefits not valued	Pre-retirement death benefits following disability.

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	<p>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 2017 survey of investment consultants.</p> <p>Based on this analysis, we selected a final assumed rate of 7.50%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.</p>
Mortality	<p>The RP-2014 Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale was chosen as the base table for this population.</p> <p>The blue collar table was chosen based on the industry of plan participants.</p> <p>Finally, a 125% 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 April 1, 2012 to March 31, 2017 for this plan, blended with a study of deaths for larger plans in similar industries.</p>
Retirement	<p>Actual rates of retirement by age were last studied for this plan for the period April 1, 2012 to March 31, 2017. No further adjustments were deemed necessary at this time.</p>
Withdrawal	<p>Actual rates of withdrawal by age were last studied for this plan for the period April 1, 2012 to March 31, 2017. No further adjustments were deemed necessary at this time.</p>
Basis for future annual contributions	<p>Based on review of recent plan experience.</p>

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

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

Assumed return on fund assets	
<i>Current year projections</i>	7.50% for all years
<i>Prior year projections</i>	7.50% for all years
Future total hours worked	
<i>Current year average projections</i>	
<i>Months</i>	11 for the plan year ending 2018 and thereafter
<i>Hours</i>	1,800 for the plan year ending 2018 and thereafter
<i>Weeks</i>	41 for the plan year ending 2018 and thereafter
<i>Gross earnings</i>	\$33,000 for the plan year ending 2018 and thereafter
<i>Prior year average projections</i>	
<i>Months</i>	11 for the plan year ending 2017 and thereafter
<i>Hours</i>	1,750 for the plan year ending 2017 and thereafter
<i>Weeks</i>	40 for the plan year ending 2017 and thereafter
<i>Gross earnings</i>	\$31,500 for the plan year ending 2017 and thereafter
Contribution rate increases	
<i>Current year projections</i>	Rates as summarized on page A-2 of this report plus all future contribution rate increases spelled out in participation agreements as of December 18, 2017.
<i>Prior year projections</i>	Rates as summarized on page A-2 of the April 1, 2016 actuarial valuation report.
Plan changes since prior year	None

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS(CONT.)

Future new entrants for liability projection
Current year projections

The number of new entrants added annually replaces the number of actives that leave due to termination, retirement, death and retirement decrements so that a stable population of 654 active participants is maintained. The age at hire for new entrants is based on the average age at hire of the current population. Based on this distribution we assumed new entrants would enter at the following ages:

<u>Age</u>	<u>Percentage of Population</u>
20	6.3%
25	14.5%
30	18.2%
35	17.6%
40	16.5%
45	12.4%
50	6.9%
55	4.7%
60	2.9%
Total	100.0%

Prior year projections n/a

ACTUARIAL METHODS

Funding method	
<i>Funding period</i>	Individual entry age normal with costs spread as a level dollar amount over service
<i>ERISA Funding</i>	Traditional unit credit cost method, effective April 1, 2008
Population valued	
<i>Actives</i>	Eligible employees with at least one hour during the preceding plan year.
<i>Inactive vested</i>	Vested participants with no hours during the preceding plan year.
<i>Retirees</i>	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method	
<i>Actuarial value</i>	Smoothed market value (without phase-in) effective April 1, 2000. Each year's gain (or loss) is spread over a period of 5 years. The actuarial value can be no less than 80% or more than 120% of the market value as of the determination date.
<i>Unfunded vested benefits</i>	For the presumptive method, actuarial value, as described above, is used
Pension Relief Act of 2010	30-year amortization of net investment loss was elected with respect to the loss incurred during the plan year ended in 2009. The loss was allocated to future years using the "prospective method" of the IRS. The amount of each allocation is shown in Appendix C.

Appendix C - Minimum Funding Amortization Bases
Teamsters Local Union No. 716 Pension Plan
April 1, 2017 Actuarial Valuation

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		4/1/2017 Outstanding Balance	4/1/2017 Amortization Payment
				Years	Months		
Charges							
4/1/1978	Amendment		40	1	0	38,372	38,372
4/1/1979	Amendment		40	2	0	101,909	52,787
4/1/1980	Amendment		40	3	0	268,264	95,958
4/1/1988	Amendment		30	1	0	2,423	2,423
4/1/1989	Amendment		30	2	0	34,532	17,902
4/1/1989	Assumptions		30	2	0	75,667	39,205
4/1/1990	Assumptions		30	3	0	49,165	17,585
4/1/1991	Amendment		30	4	0	906,756	251,838
4/1/1992	Assumptions		30	5	0	102,300	23,518
4/1/1993	Assumptions		30	6	0	127,765	25,319
4/1/1994	Assumptions	332,364	30	7	0	148,150	26,019
4/1/1995	Assumptions	267,368	30	8	0	131,918	20,954
4/1/1996	Assumptions	176,956	30	9	0	95,225	13,883
4/1/1997	Assumptions	274,512	30	10	0	159,096	21,559
4/1/1998	Amendment	125,865	30	11	0	77,817	9,895
4/1/1998	Assumptions	584,856	30	11	0	361,595	45,979
4/1/1999	Assumptions	965,339	30	12	0	631,669	75,964
4/1/2000	Assumptions	1,895,667	30	13	0	1,304,283	149,310
4/1/2001	Amendment	1,672,581	30	14	0	1,202,242	131,739
4/1/2001	Assumptions	727,078	30	14	0	522,600	57,268
4/1/2002	Amendment	741,827	30	15	0	554,454	58,429
4/1/2002	Assumptions	481,998	30	15	0	360,253	37,964
4/1/2003	Amendment	31,128	30	16	0	24,087	2,452
4/1/2003	Assumptions	854,813	30	16	0	661,649	67,328
4/1/2003	Experience	878,106	15	1	0	92,541	92,541
4/1/2004	Assumptions	1,450,330	30	17	0	1,158,488	114,234
4/1/2004	Experience	392,603	15	2	0	79,861	41,374
4/1/2005	Assumptions	2,957,701	30	18	0	2,430,704	232,960
4/1/2005	Experience	1,541,908	15	3	0	454,247	162,492
4/1/2006	Amendment	73,178	30	19	0	61,707	5,764
4/1/2006	Assumptions	1,790,545	30	19	0	1,509,883	141,030
4/1/2006	Experience	1,454,368	15	4	0	551,847	153,266
4/1/2007	Assumptions	1,066,818	30	20	0	920,855	84,027
4/1/2007	Experience	729,912	15	5	0	334,548	76,921
4/1/2009	Relief 09 Asset Loss	11,598,304	29	21	0	10,326,353	922,449

Appendix C - Minimum Funding Amortization Bases
Teamsters Local Union No. 716 Pension Plan
April 1, 2017 Actuarial Valuation

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		4/1/2017 Outstanding Balance	4/1/2017 Amortization Payment
				Years	Months		
4/1/2010	Relief 09 Asset Loss	1,178,181	28	21	0	1,060,103	94,699
4/1/2011	Assumptions	270,413	15	9	0	195,417	28,497
4/1/2011	Relief 09 Asset Loss	2,854,997	27	21	0	2,598,507	232,123
4/1/2012	Assumptions	505,989	15	10	0	393,463	53,323
4/1/2012	Relief 09 Asset Loss	5,055,343	26	21	0	4,658,948	416,182
4/1/2013	Experience	1,995,583	15	11	0	1,653,828	210,301
4/1/2016	Assumptions	1,343,594	15	14	0	1,292,152	141,593
4/1/2016	Experience	2,730,221	15	14	0	2,625,689	287,720
4/1/2017	Experience Loss	2,613,804	15	15	0	2,613,804	275,452
Total Charges:						42,955,136	5,050,598
 Credits							
4/1/2013	Combined Credits	27,202,487	7	3	0	13,355,881	4,777,524
4/1/2014	Experience	2,951,941	15	12	0	2,586,812	311,086
4/1/2015	Assumptions	505,288	15	13	0	465,145	53,249
4/1/2015	Experience	1,147,604	15	13	0	1,056,433	120,938
4/1/2017	Assumptions	1,224,847	15	15	0	1,224,847	129,079
Total Credits:						18,689,118	5,391,876
Net Charges:						24,266,018	-341,278
Less Credit Balance:						13,858,596	
Less Reconciliation Balance:						0	
Unfunded Actuarial Liability:						10,407,422	

RULES FOR ENDANGERED AND CRITICAL STATUS

Background

The Pension Protection Act of 2006 (“PPA”), enacted in August 2006, established special rules for plans in “Endangered” or “Critical” status. These rules become effective with the plan year beginning in 2008 and were originally scheduled to “sunset” in 2015.

The Multiemployer Pension Reform Act of 2014 (“MPRA”), enacted in December 2014, made the provisions contained in the PPA permanent. MPRA also made numerous changes to the PPA rules, including adding a new status for deeply troubled plans: Critical and Declining.

Informally, Critical Status is often referred to as “red zone” and Endangered Status as “yellow zone.” A plan that is neither Critical nor Endangered is said to be “green zone.”

Criteria for Endangered and Critical

The table below summarizes the criteria for these categorizations. 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.

<i>Critical Status (“Red Zone”)</i>	<i>Endangered Status (“Yellow Zone”)</i>
<i>GETTING IN:</i>	
<p>Plan is Critical if it is described in one or more of the following:</p> <ul style="list-style-type: none"> • Funded percentage is less than 65%, <u>and</u>, inability to pay nonforfeitable benefits and expenses for next 7 years, or • 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 • (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. 	<p>Plan is Endangered if it is <u>not</u> Critical <u>and</u> it is described in one of the following:</p> <ul style="list-style-type: none"> • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years. <p>A non-critical plan that meets both of the preceding criteria is considered “<u>Seriously Endangered</u>”</p> <p>A plan that meets one of the two Endangered Status criteria above, but was not in Critical or Endangered for the preceding year, will remain not Critical or Endangered (i.e. it will be in “green zone”) provided it is not projected to meet either of the two Endangered Status criteria as of the end of the 10th plan year following the certification year</p>

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

<i>Critical Status (“Red Zone”)</i>	<i>Endangered Status (“Yellow Zone”)</i>
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<i>GETTING IN (cont.):</i>	
<p>A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from Critical Status in PYB 2015 or later will re-enter Critical Status <u>only</u> if it is described in one of the following:</p> <ul style="list-style-type: none"> • Projected funding deficiency in the current year or next 9 years (<u>including</u> amortization extensions), or, • Projected insolvency within the next 30 years 	

<i>GETTING OUT:</i>	
<p>Plan emerges from Critical Status when it meets all of the following:</p> <ul style="list-style-type: none"> • No longer meets any of the Critical Status tests, <u>and</u>, • No projected funding deficiencies in the current year or next 9 years (<u>including</u> amortization extensions), <u>and</u>, • No projected insolvencies in the next 30 years <p>A plan with a 5-year amortization extension under IRC Section 431(d) emerges from Critical Status when it meets all the following:</p> <ul style="list-style-type: none"> • No projected funding deficiencies in the current year or next 9 years (<u>including</u> amortization extensions), <u>and</u>, • No projected insolvencies in the next 30 years 	<p>Plan emerges from Endangered Status when it no longer meets the requirements to be classified as Endangered or when it enters Critical Status</p>

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Restrictions for Endangered and Critical Plans

The Trustees of a plan that is in Endangered or Critical status face a number of restrictions in plan improvements that can be adopted and bargaining agreements that can be accepted.

<i>Period</i>	<i>Endangered/Critical Restrictions</i>
Date of first certification through adoption of funding improvement/rehabilitation plan (“plan adoption period”)	<ul style="list-style-type: none"> • No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the <u>liabilities</u> of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	<ul style="list-style-type: none"> • 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 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.

Critical and Declining Plans

Beginning in 2015, plans that are in Critical Status and are projecting insolvency within the next 15 years (20 years in some circumstances) are certified by the actuary as being in “Critical and Declining.” These plans may have access to new tools that will allow them to reduce many previously-untouchable benefits, including benefits for participants in pay status. However, these expanded benefit reductions require government approval, must not be rejected by a majority of all participants through a vote, and are subject to a number of other requirements and limitations.

Selected Other MPRA Changes (effective with 2015 plan years)

- Plans projected to be Critical within the next 5 years can elect to be in Critical Status immediately
- New contribution rate increases required by a funding improvement or rehabilitation plan are not considered in calculating an employer’s withdrawal liability or payment schedule
- If, upon the expiration of a collective bargaining agreement under a funding improvement or rehabilitation plan, bargaining parties do not adopt a new agreement consistent with an updated schedule, the Trustees must implement the update to the schedule previously adopted.
- PBGC premium doubled and indexed
- PBGC ability to facilitate mergers and partitions expanded

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: The market value of all assets in the fund including on an accrued, not cash basis (matching 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."