Teamsters Local Union No. 716 Pension Plan
Indianapolis, Indiana

Actuarial Valuation Report
For Plan Year Commencing
April 1, 2019

United Actuarial Services, Inc.
Actuaries and Consultants

February 27, 2020

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, 2019. 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

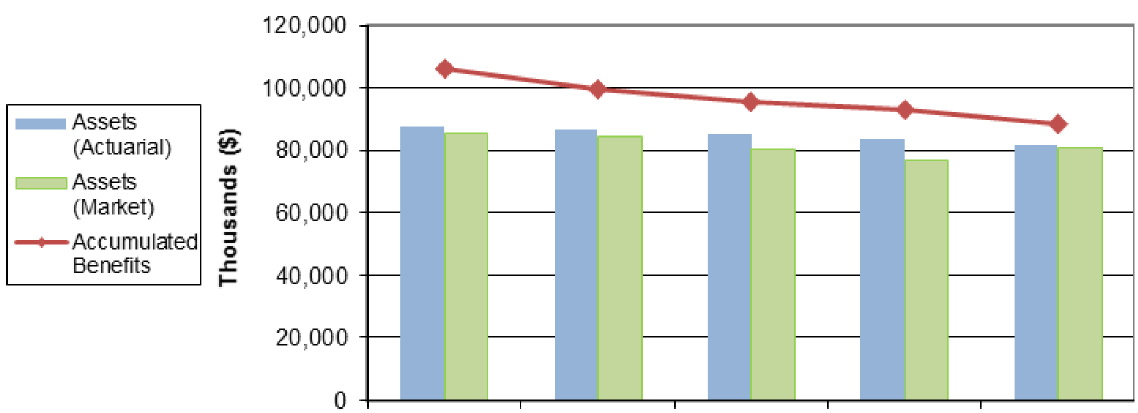
Erika L. Creager

Erika L. Creager, EA, MAAA
Consulting Actuary

PART I: SUMMARY OF RESULTS

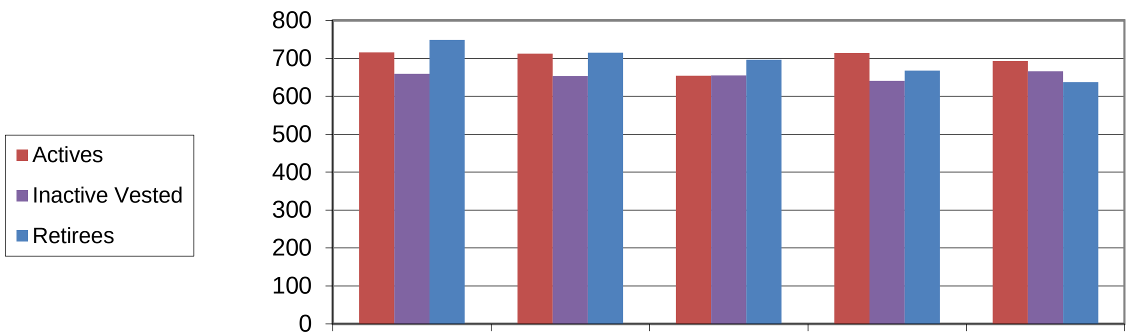
5 - YEAR SUMMARY OF VALUATION RESULTS

Actuarial Study as of April 1,	*2019*	*2018*	*2017*	*2016*	*2015*
PPA funded status	Safe	Safe	Safe	Safe	Safe
Improvements restricted	No	No	No	No	No
Funded ratio					
PPA certification	85.9%	88.2%	89.2%	91.4%	91.0%
Valuation report (AVA)	82.5%	87.0%	89.1%	89.8%	92.4%
Valuation report (MVA)	80.5%	84.4%	84.5%	82.6%	91.4%
Proj. year of insolvency	None	None	None	None	None
Credit Balance ($ 000)	19,623	16,800	13,859	11,346	8,215
Date of first projected funding deficiency					
PPA certification	3/31/34	None	3/31/31	3/31/29	3/31/30
Valuation report	3/31/32	3/31/35	3/31/33	3/31/29	None
Net investment return					
On market value	5.47%	8.03%	8.72%	-2.43%	5.56%
On actuarial value	4.78%	5.47%	5.16%	4.78%	7.55%
Asset values ($ 000)					
Market	85,604	84,196	80,599	76,975	80,944
Actuarial	87,751	86,787	84,978	83,692	81,853
Accum. ben. ($ 000)	106,369	99,766	95,385	93,238	88,554



5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of April 1,	*2019*	*2018*	*2017*	*2016*	*2015*
Participant counts					
Active	716	712	654	714	693
Inactive vested	659	653	655	641	666
Receiving benefits	749	715	696	668	637
Total	2,124	2,080	2,005	2,023	1,996
Average entry age	38.9	38.6	36.5	36.5	36.1
Average attained age	49.5	49.3	50.1	49.5	49.8



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

The plan provisions underlying this valuation differ from those underlying the prior valuation in the following respects:

- The future service crediting rate was lowered to $1.00 for each $100 of total contributions, effective January 1, 2020.

- The minimum age for unreduced benefits for new participants entering on or after January 1, 2020 has been increased from 55 to 62.

- Effective April 1, 2020, Participants will receive partial future service credits based on hours worked during the plan year according to the following schedule:

500 hours	.50 Year of Service
750 hours	.75 Year of Service
1,000 hours	1.00 Year of Service

Changes in Actuarial Assumptions and Methods

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

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

- The base mortality table was updated from RP-2006 to PRI-2012 and the mortality rate mortality rate multiplier was changed from 125% to 110%. The mortality projection scale was updated from MP-2017 to MP-2019. These changes were made in order to reflect the latest mortality improvement data available and to better match the standard tables to specific plan experience.

- We increased the base for assumed future annual contributions from 1,875 hours to 1,900 hours, from 43 weeks to 44 weeks, and from $34,000 to $35,000 gross earnings. The assumed base for monthly contributions remains at 11 months. A new assumed base for daily contributions was added at 170 days. This will produce our best estimate of future contributions based on recent plan experience.

- The current liability interest rate was changed from 2.98% to 3.08%. The new rate is within established statutory guidelines.

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of April 1, 2019	2018	2017	2016	2015
Future rate of net investment return	7.25%	7.25%	7.50%	7.50%	7.50%
Mortality table	PRI-2012	RP-2006	RP-2006	RP-2006	RP-2000
Adjustment	110%	125%	125%	125%	2 yr. sf
Projection scale	MP-2019	MP-2017	MP-2016	MP-2015	AA
Future expenses	$180,000	$180,000	$200,000	$245,000	$360,000
Basis for future annual contributions					
Avg. Months	11	11	11	11	11
Hours	1,900	1,875	1,800	1,750	1,700
Weeks	44	43	41	40	40
Days	170	N/A	N/A	N/A	N/A
Gross earnings	$35,000	$34,000	$33,000	$31,500	$30,000
Average expected retirement age*					
Actives	62.7	62.6	62.4	62.4	62.2
Inactive vested	63.3	63.3	63.1	63.1	63.1

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

EXPERIENCE VS. ASSUMPTIONS

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

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

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

Plan Year Ending March 31, 2019	*Expected*	*Actual*
Decrements		
Terminations		111
less*: Rehires*		26
Terminations (net of rehires)	83.6	85
Active retirements	38.0	19
Active disabilities	1.2	-
Pre-retirement deaths	8.1	2
Post-retirement deaths	26.9	10
Monthly benefits of deceased retirees	$ 14,419	$ 7,685
Financial assumptions		
Rate of net investment return on actuarial value	7.25%	4.78%
Administrative expenses	$ 180,000	$ 188,306
Other demographic assumptions		
Average retirement age from active (new retirees)	64.0	62.4
*Average retirement age from inactive (new retirees)**	63.3	63.1
Average entry age (new entrants)	38.6	41.4
Basis for future contributions		
Average: Months	11	11
Hours	1,875	1,856
Weeks	43	38
Days		170
Gross earnings	34,000	35,548
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 2,103,692
(Gain)/loss due to liability experience		1,463,364
Total (gain)/loss		$ 3,567,056

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

PLAN MATURITY

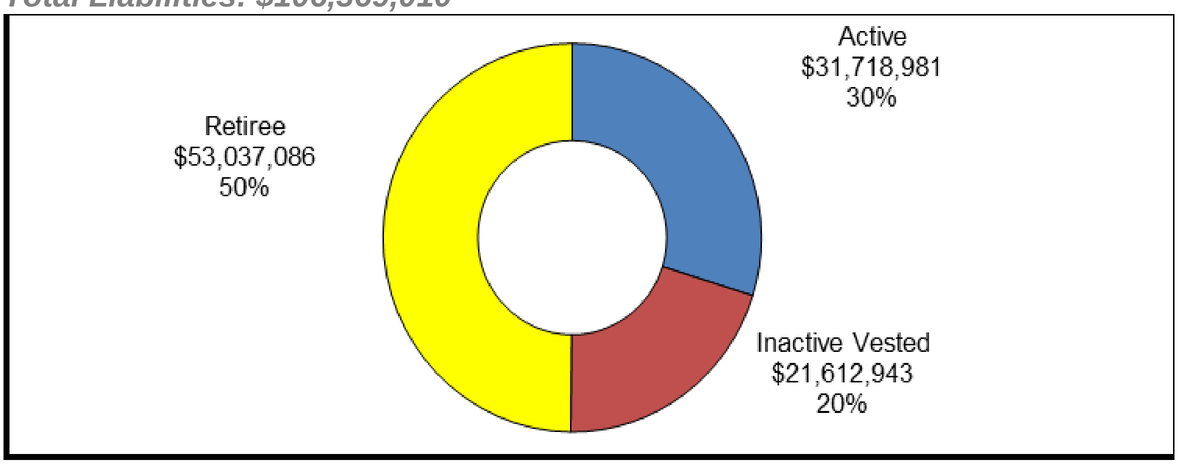
Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

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 April 1,	*2019*	*2018*	*2017*	*2016*	*2015*
Retiree/active headcount ratio	1.05	1.00	1.06	0.94	0.92
Nonactive/active headcount ratio	1.97	1.92	2.07	1.83	1.88
Cash flow					
Contr.-ben.-exp. ($000)	(3,112)	(2,761)	(2,957)	(2,028)	(2,276)
Percent of assets	-3.64%	-3.28%	-3.67%	-2.63%	-2.81%

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: $106,369,010



UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

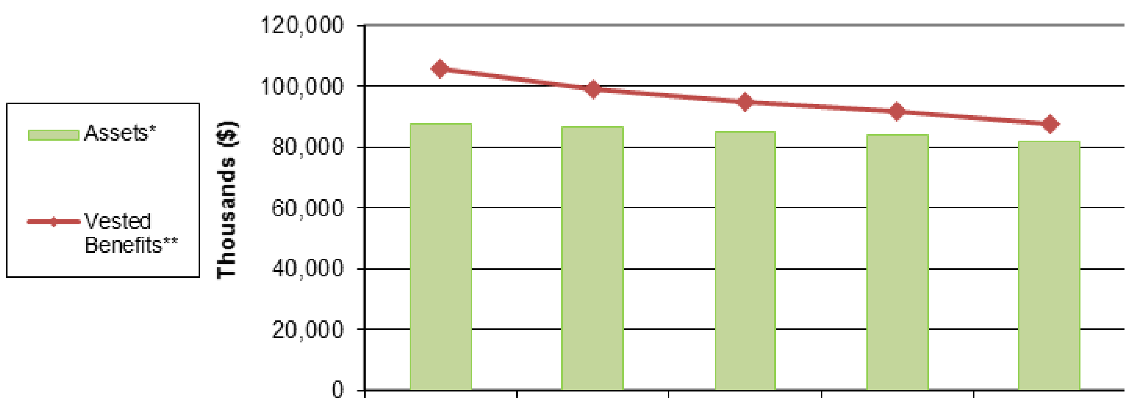
An employer withdrawing during the coming year may have withdrawal liability

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

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

Presumptive Method ($ 000)

March 31,	*2019*	*2018*	*2017*	*2016*	*2015*
Vested benefits interest	7.25%	7.25%	7.50%	7.50%	7.50%
Vested benefits	104,923	97,983	93,555	90,649	86,060
less: Asset value*	87,751	86,787	84,978	83,692	81,853
UVB	17,172	11,196	8,577	6,957	4,207
Unamortized VAB	934	1,033	1,125	1,210	1,290
UVB + VAB	18,106	12,229	9,702	8,167	5,497



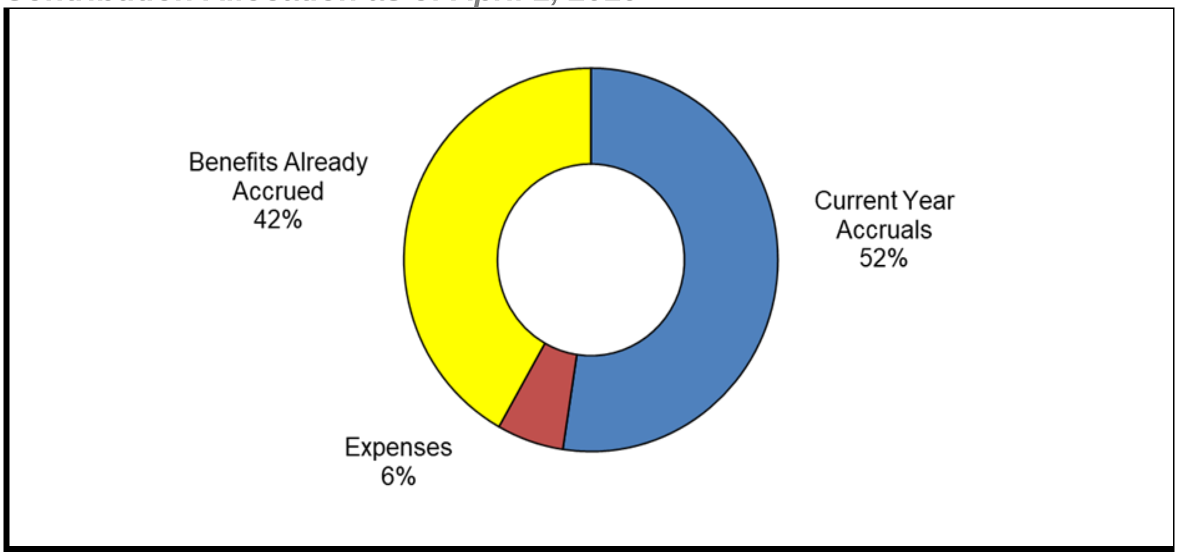
* Actuarial value
** Includes VAB

CONTRIBUTION ALLOCATION

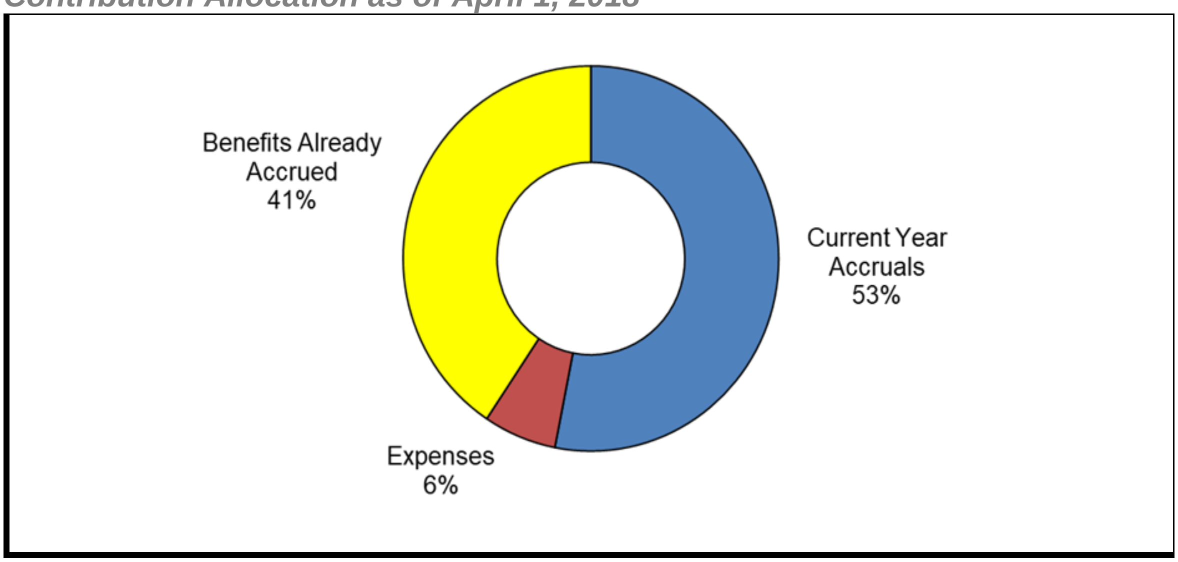
These graphs show how the contributions are being spent

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, 2019



Contribution Allocation as of April 1, 2018



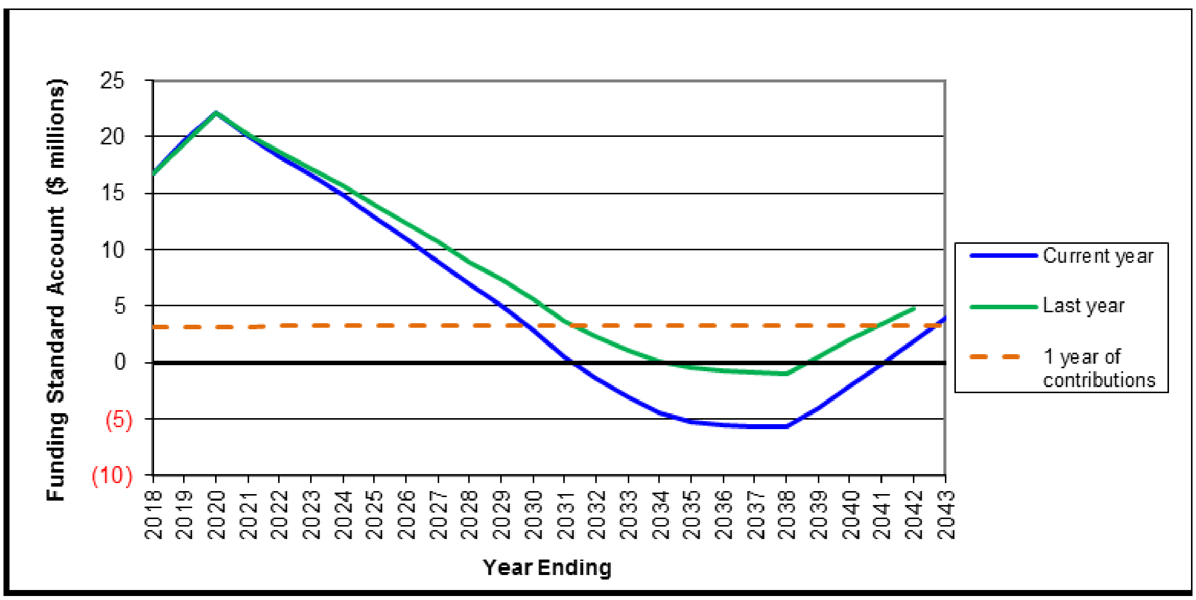
FUNDING STANDARD ACCOUNT PROJECTION

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.

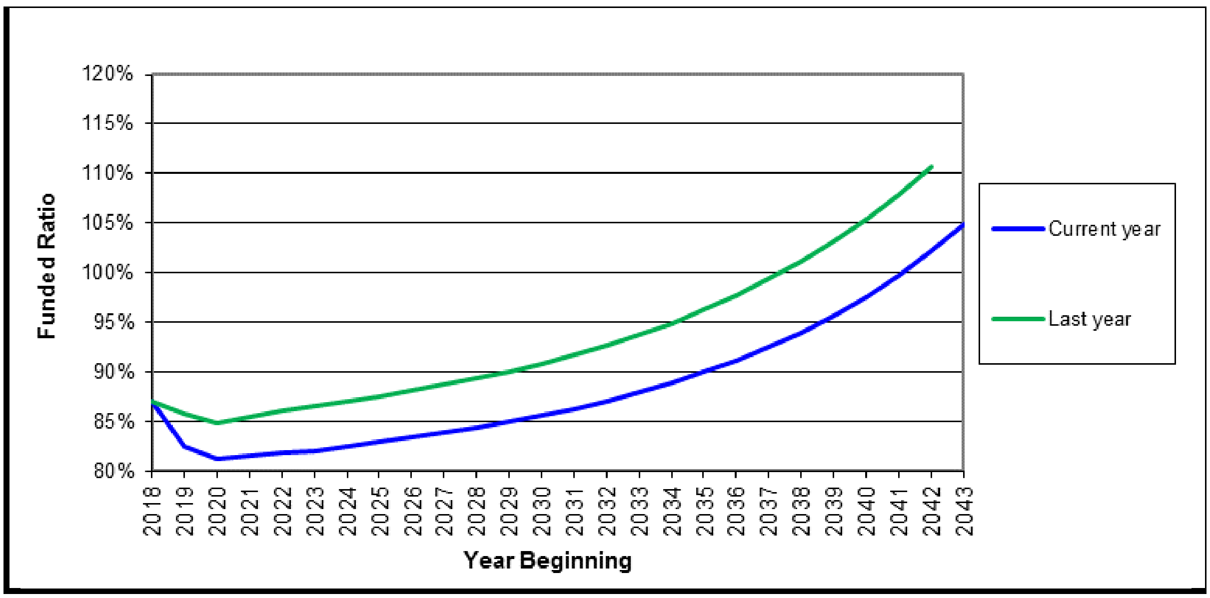
As a rule of thumb, UAS recommends in non-Critical status year that plans maintain a projected credit balance of at least one year's contributions (shown as an orange dotted line in the graph below) in each future year. Maintaining a "cushion" in the Funding Standard Account helps minimize the risk of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

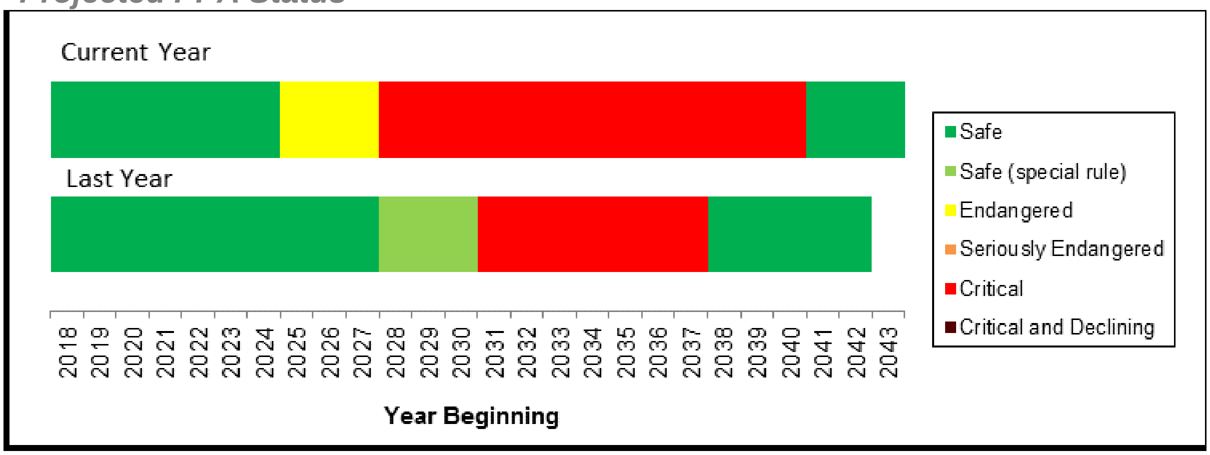
The funded ratio is defined as the actuarial value of plan assets divided by the plan's liabilities for accrued benefits. Along with the funding standard account projection, funded ratio is one of the two major drivers of PPA funded status. In order for a plan to enter the green zone (also called "safe" 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.

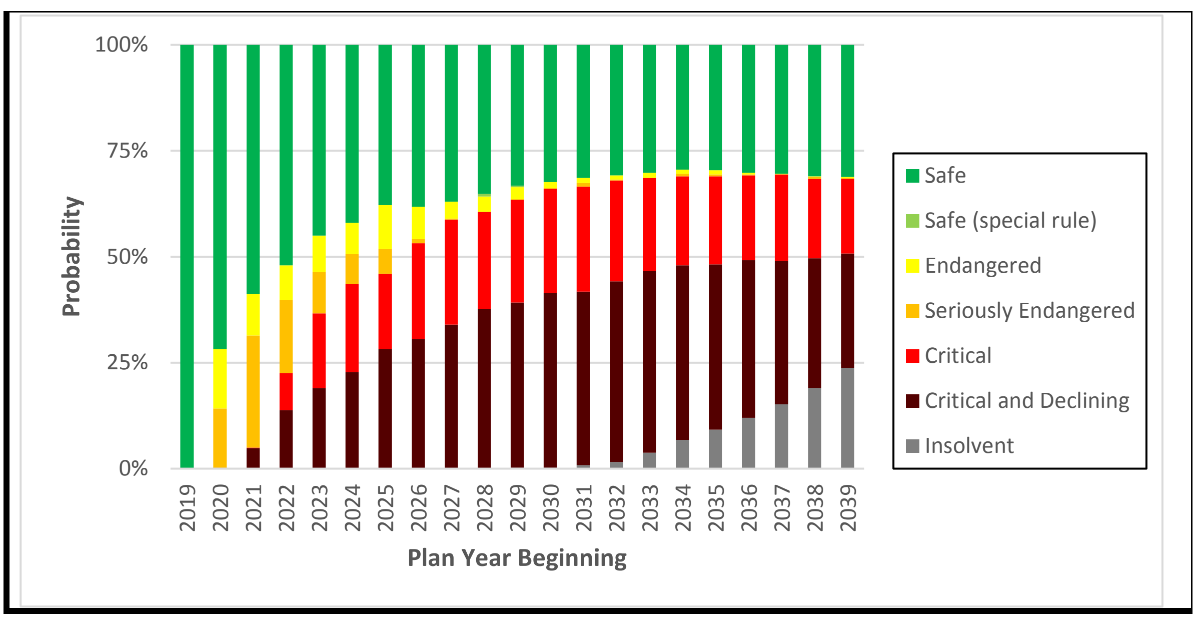


PPA STATUS PROJECTIONS

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: "Safe", "Endangered", "Seriously Endangered", "Critical" or "Critical and Declining". The criteria for these determinations are outlined in Appendix D. The following graph shows PPA status *deterministic* projections based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B. The second following graph shows the probability of the Plan being in each status for the next 20 years using a *stochastic* projection based on the mean and standard deviation of the Plan's investment portfolio. The zone projections are based on the current plan and do not include any further action if the plan moves to a worse PPA zone.

Projected PPA Status



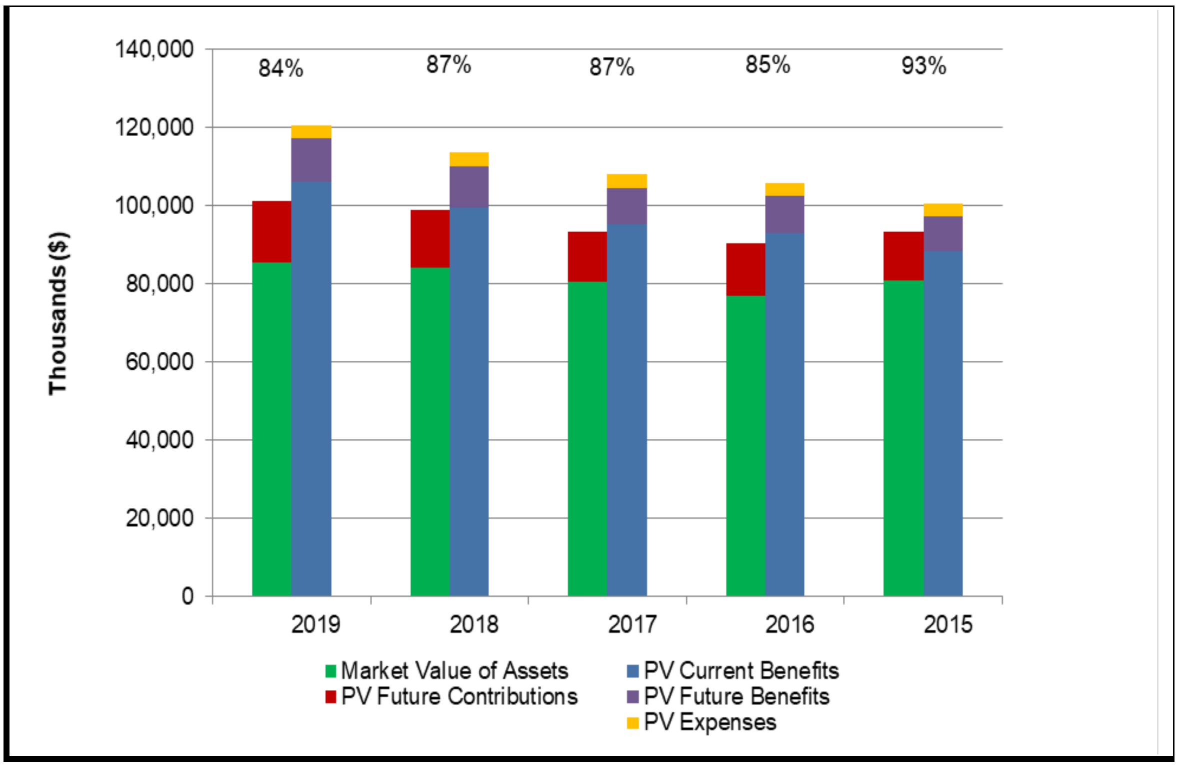


ULTIMATE FUNDED STATUS

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.



STRESS TESTING 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 0.83% as of April 1, 2020. 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 2019-2020 plan year of 10.00%, 7.25%, 4.00%, and 0.00%. We also examined the impact of a lower asset return of 6.25% for the next 10 years at the baseline work units. Stochastic modeling is also available for a more detailed analysis of sensitivity to asset returns.

*April 1, 2020 Accrual Rate Needed to Project No Deficiencies & Remain Safe**

Annual Future Work Unit Assumptions	Return for the 2019-2020 PY (7.25% Thereafter)			
	10.00%	Assumed Return**	4.00%	0.00%
5% Lower 10.5 months 1,805 hours 42 weeks 162 days $33,250 gross earnings	0.92%	0.72%	0.48%	0.18%
Baseline 11 months 1,900 hours 44 weeks 170 days $35,000 gross earnings	1.00% (No Reduction)	**0.83%**	0.60%	0.31%
5% Higher 11.6 months 1,995 hours 46 weeks 179 days $36,750 gross earnings	1.00% (No Reduction)	0.92%	0.71%	0.44%
Lower short-term 6.25% return for 10 yrs Baseline units	0.65%	0.40%	0.25%	***

* Includes all future contribution rate increases spelled out in current participation agreements.
** The assumed return for the 2019-2020 plan year is 7.25% in the first three rows and 6.25% in the last row.
*** No valid solution – zero future accruals project future Endangered and Critical Zone Status.

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

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

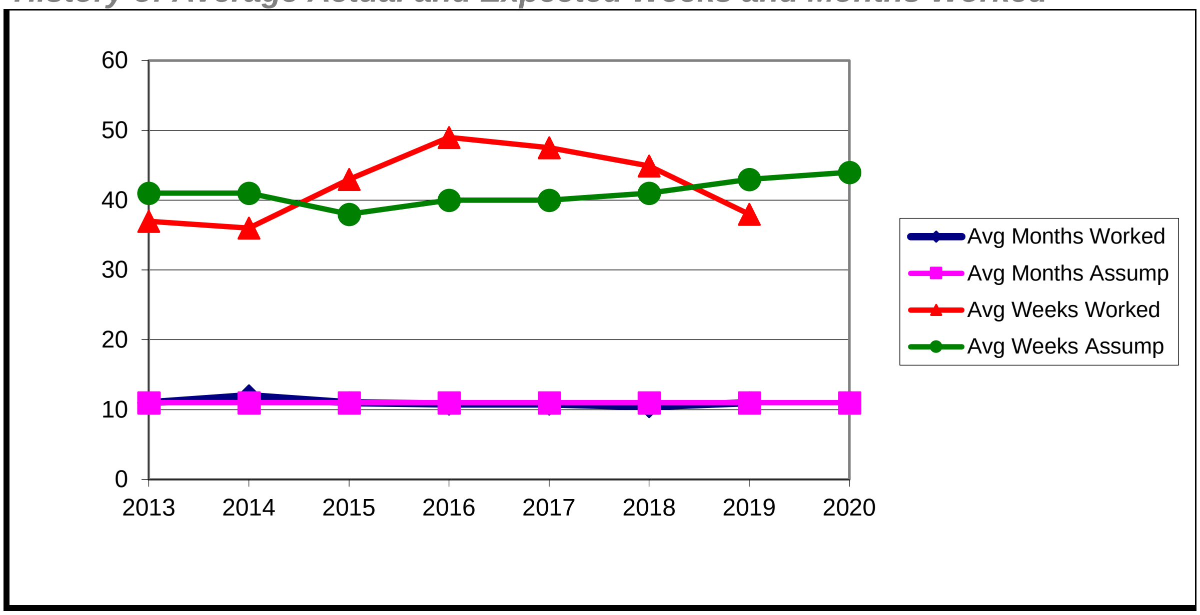
Participants Valued As	*Active*	*Inactive Vested*	*Receiving Benefits*	*Total Valued*
April 1, 2018	712	653	715	2,080
Change due to:				
New hire	109	-	-	109
Rehire	26	(12)	-	14
Termination	(111)	39	-	(72)
Disablement	-	-	-	-
Retirement	(19)	(17)	36	-
Death	(1)	(1)	(10)	(12)
Cash out	-	-	-	-
New beneficiary	-	1	8	9
Certain pd. expired	-	-	-	-
*Data adjustment**	-	(4)	-	(4)
Net change	4	6	34	44
April 1, 2019	716	659	749	2,124

* Comprised of 4 inactive vested participants who are over 70 and now assumed to be deceased.

Average Work Basis During Plan Year

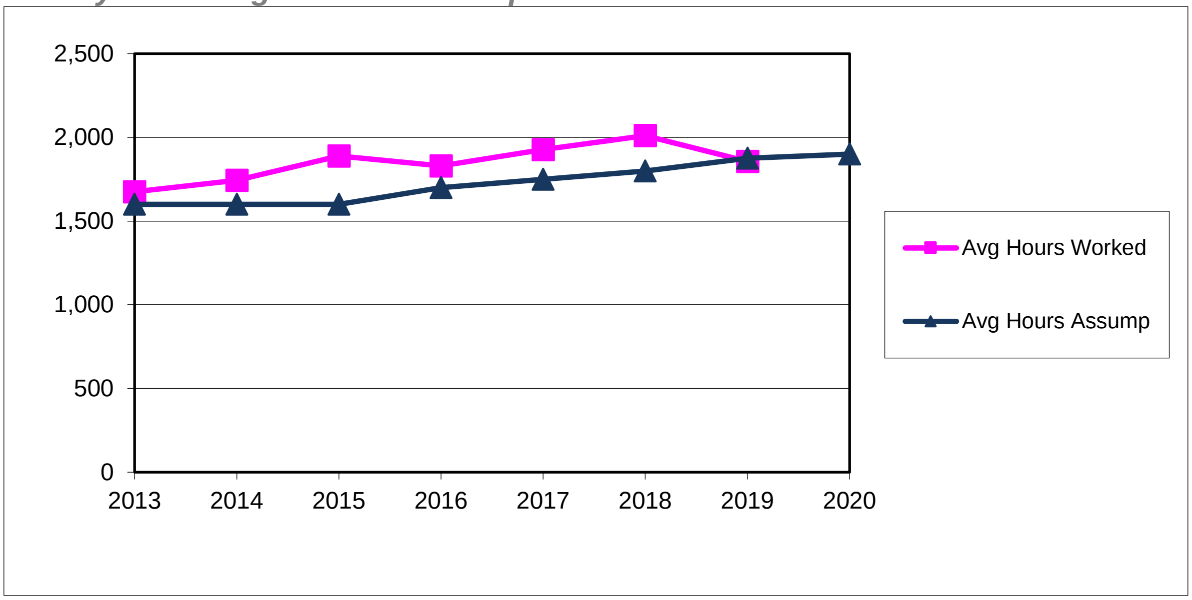
Plan Year Ending March 31, 2019	Number	Average Basis for Annual Contributions
Actives		
Months	79	11
Hours	248	1,856
Weeks	15	38
Days	4	170
Gross Earnings	370	35,548
Total for plan year	716	

History of Average Actual and Expected Weeks and Months Worked

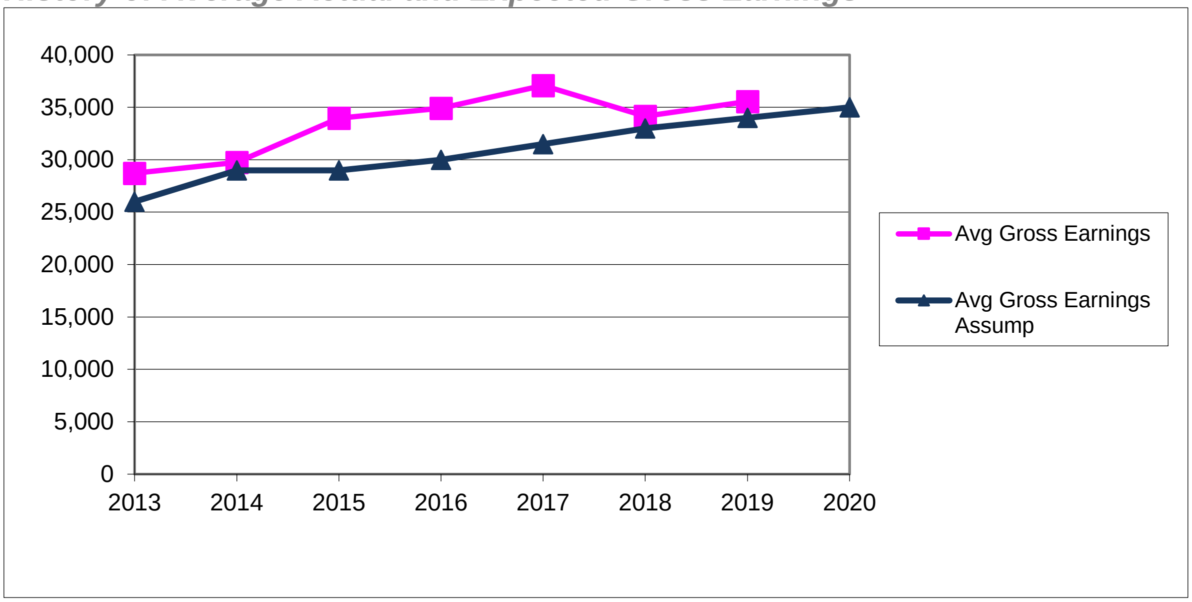


AVERAGE WORK BASIS DURING PLAN YEAR (CONT.)

History of Average Actual and Expected Hours Worked



History of Average Actual and Expected Gross Earnings



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Contributions Reported in Employee Data

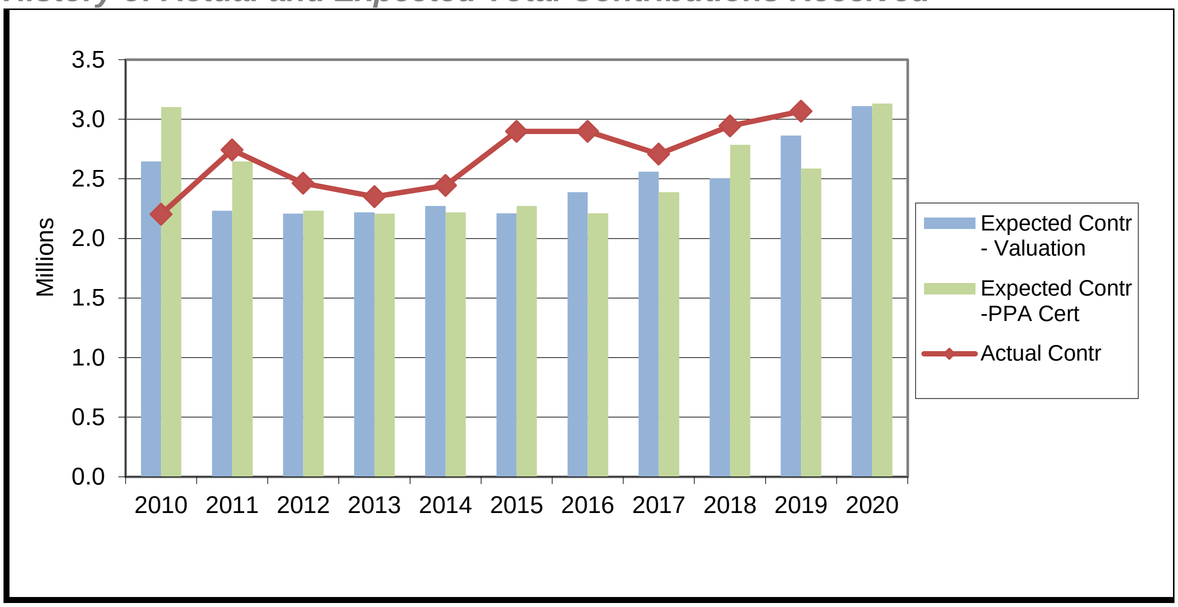
Plan Year Ending March 31, 2019	*Number*	*Contributions Reported*	
Actives			
Vested	423	$	2,056,109
Non-vested, continuing	184		745,793
Non-vested, new entrant	109		219,241
Total valued as active	716		3,021,143
Others	30		70,556
Total for plan year	746	$	3,091,699

Comparison with Audited Employer Contributions

Employer contributions reported in data	$	3,091,699
Total audited employer contributions*	$	3,067,377
Percent reported		101%

* Excludes employer withdrawal liability payments.

*History of Actual and Expected Total Contributions Received***



** Excludes employer withdrawal liability payments.

ACTIVE INFORMATION

Active Participants by Age and Service as of April 1, 2019

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	-	14	-	-	-	-	-	-	-	-	14
25-29	-	25	5	-	-	-	-	-	-	-	30
30-34	-	31	4	-	-	-	-	-	-	-	35
35-39	-	34	10	6	1	-	-	-	-	-	51
40-44	-	31	18	10	10	3	-	-	-	-	72
45-49	-	38	18	17	15	9	1	-	-	-	98
50-54	-	33	26	12	17	21	8	2	1	-	120
55-59	-	33	20	28	14	16	14	7	1	-	133
60-64	-	23	16	11	23	9	15	5	1	2	105
65-69	-	3	6	6	7	-	1	4	1	1	29
70+	-	-	-	-	1	-	-	-	-	-	1
Totals	-	265	123	90	88	58	39	18	4	3	688
Unrecorded DOB	-	28	-	-	-	-	-	-	-	-	28
Total Active Lives	-	293	123	90	88	58	39	18	4	3	716

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of April 1, 2019

Age Group	Number	Estimated Monthly Deferred Vested Benefits*
< 30	1	$ 30
30-34	10	2,454
35-39	29	8,237
40-44	62	23,657
45-49	85	29,698
50-54	120	48,080
55-59	176	78,945
60-64	129	51,006
65-69	43	17,617
70+	4	3,119
Totals	659	262,843
Unrecorded birth date	-	-
Total inactive vested lives	659	$ 262,843

* 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, 2019

Form of Payment	Number	Monthly Benefits Being Paid: Total	Average	Smallest	Largest
Life only*	361	$ 261,171	$ 723	$ 23	$ 5,298
Joint & survivor	228	191,552	840	41	4,518
Disability	9	2,745	305	69	500
Beneficiaries	151	59,623	395	13	3,714
Totals	749	$ 515,091	$ 688	$ 13	$ 5,298

* Includes retirees receiving life and certain benefits.

Retirees by Age and Form of Payment as of April 1, 2019

Age Group	Form of Benefits Being Paid: Life Only*	Joint & Survivor	Disability	Beneficiaries	Total
< 40	-	-	-	6	6
40-44	-	-	1	2	3
45-49	-	-	4	3	7
50-54	-	-	4	13	17
55-59	18	18	-	9	45
60-64	73	37	-	23	133
65-69	98	66	-	15	179
70-74	78	47	-	34	159
75-79	44	33	-	15	92
80-84	27	13	-	14	54
85-89	18	10	-	10	38
90-94	4	3	-	3	10
95+	1	1	-	4	6
Totals	361	228	9	151	749

* Includes retirees receiving life and certain benefits.

RETIREE INFORMATION (CONT.)

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

Age at Retirement	Plan Year Ending March 31, 2019	2018	2017	2016	2015
< 55	1	-	-	-	-
55	3	6	2	7	3
56	1	-	4	4	-
57	1	3	2	3	1
58	1	-	3	3	1
59	-	3	1	-	-
60	2	1	3	4	4
61	1	2	2	6	1
62	6	9	7	10	6
63	3	2	4	3	2
64	3	2	5	1	-
65	7	5	5	4	2
66+	6	8	5	1	1
Totals	35	41	43	46	21
Average retirement age	62.7	62.0	62.3	60.3	61.1

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,	*2019*	*2018*	*2017*
Invested assets			
Common stocks	$ 49,495,600	$ 50,232,066	$ 45,322,851
Preferred stocks	3,178,920	3,071,197	3,916,464
U.S. gov't securities	2,043,061	2,314,629	1,614,358
Mortgage-backed sec.	867,514	1,699,186	2,763,979
Mutual funds	4,080,188	5,104,500	7,740,006
Money market funds	2,063,783	656,482	1,750,551
Municipal bonds	3,265,887	1,369,019	843,492
Corporate bonds	14,202,097	13,573,796	14,531,074
Foreign bonds	1,688,395	1,678,258	1,101,638
Cash	121,065	1,008,961	514,764
Convertible securities	716,995	575,239	-
Real estate	3,259,421	2,119,866	-
	84,982,926	83,403,199	80,099,177
Net receivables*	620,700	792,758	500,051
Market value	$ 85,603,626	$ 84,195,957	$ 80,599,228
Fund assets - Actuarial value			
Market value	$ 85,603,626	$ 84,195,957	$ 80,599,228
less*: Deferred investment gains and (losses)*	(2,147,393)	(2,591,198)	(4,378,558)
Actuarial value	$ 87,751,019	$ 86,787,155	$ 84,977,786
Actuarial value as a percentage of market value	102.51%	103.08%	105.43%

* Equals receivables, less any liabilities

FLOW OF FUNDS

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

Plan Year Ending March 31,	*2019*	*2018*	*2017*
Market value at beginning of plan year	$ 84,195,957	$ 80,599,228	$ 76,974,767
Additions			
Employer contributions	3,067,377	3,106,609	2,805,064
*Net investment income**	4,519,382	6,357,358	6,581,941
Other income	-	-	-
	7,586,759	9,463,967	9,387,005
Deductions			
Benefits paid	5,990,784	5,689,694	5,583,747
*Net expenses**	188,306	177,544	178,797
	6,179,090	5,867,238	5,762,544
Net increase (decrease)	1,407,669	3,596,729	3,624,461
Adjustment	-	-	-
Market value at end of plan year	$ 85,603,626	$ 84,195,957	$ 80,599,228
Cash flow			
Contr.-ben.-exp.	(3,111,713)	(2,760,629)	(2,957,480)
Percent of assets	-3.64%	-3.28%	-3.67%
Estimated net investment return			
On market value	5.47%	8.03%	8.72%
On actuarial value	4.78%	5.47%	5.16%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending March 31, 2019

Expected market value at end of plan year		
Market value at beginning of plan year	$	84,195,957
Employer contributions and non-investment income		3,067,377
Benefits and expenses paid		(6,179,090)
Expected investment income (at 7.25% rate of return)		5,991,407
		87,075,651
Actual market value at end of plan year		85,603,626
less: Expected market value		87,075,651
Investment gain or (loss)	$	(1,472,025)

History of Gains and (Losses)

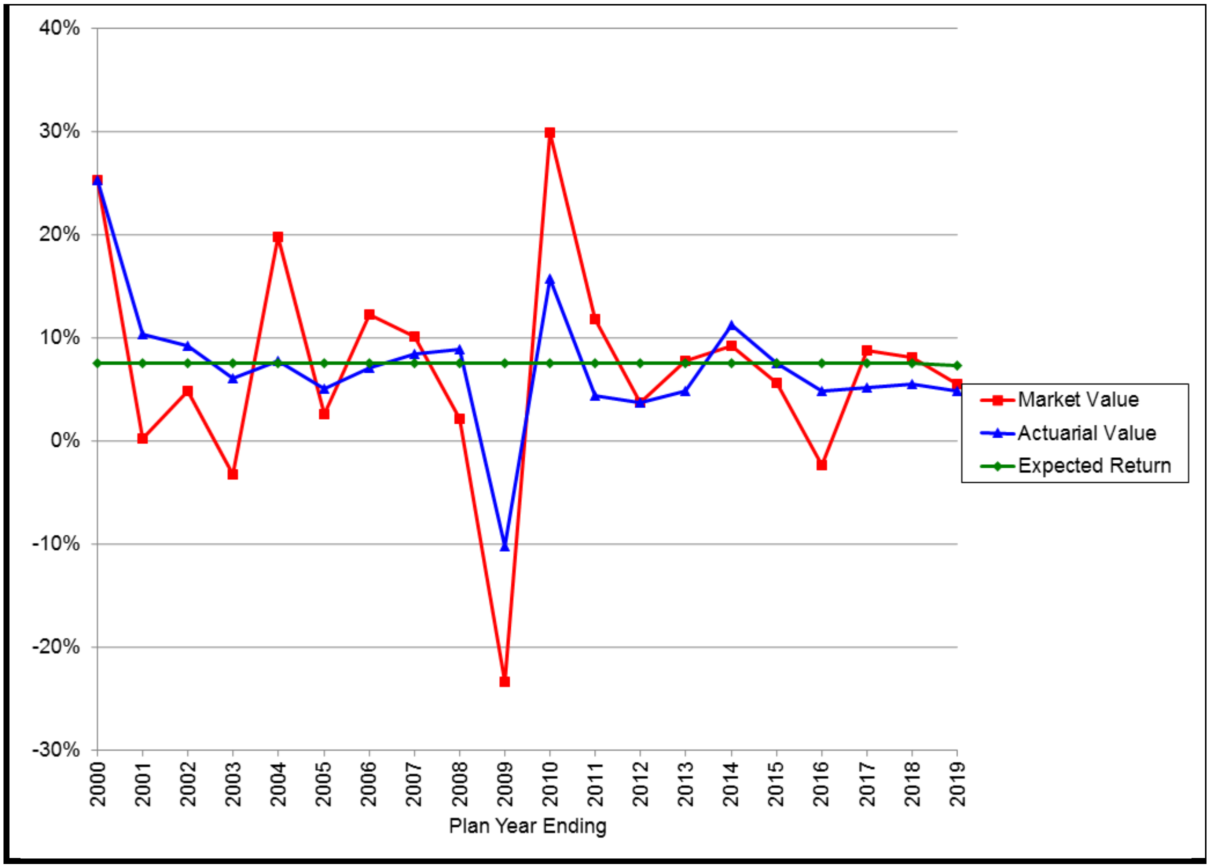
Plan Year Ending March 31,	Investment Gain or (Loss)	Amount Recognized This Year
2019	$ (1,472,025)	$ (294,405)
2018	415,939	83,188
2017	919,739	183,948
2016	(7,936,159)	(1,587,232)
2015	(1,506,638)	(301,328)
Total	$ (9,579,144)	$ (1,915,829)

Deferred Investment Gains and (Losses)

Plan Year Ending March 31,	Amount of Gain or (Loss) Deferred as of March 31, 2019	2020	2021	2022
2019	$ (1,177,620)	$ (883,215)	$ (588,810)	$ (294,405)
2018	249,563	166,376	83,188	-
2017	367,896	183,948	-	-
2016	(1,587,232)	-	-	-
Totals	$ (2,147,393)	$ (532,891)	$ (505,622)	$ (294,405)

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



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

Average Rates of Net Investment Return (geometric average)

Period	Return on Market Value Period Ending March 31, 2019	Return on Market Value Period Ending March 31, 2018	Return on Actuarial Value Period Ending March 31, 2019	Return on Actuarial Value Period Ending March 31, 2018
One year	5.47%	8.03%	4.78%	5.47%
5 years	4.99%	5.73%	5.54%	6.82%
10 years	8.49%	5.08%	6.70%	5.07%
15 years	5.52%	6.42%	5.65%	5.85%
20 years	6.32%	6.04%	7.08%	6.83%

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of April 1,		*2019*		*2018*
Active participants	$	1,573,434	$	1,466,665
Anticipated administrative expenses (beg. of year)		173,703		173,703
Total normal cost	$	1,747,137	$	1,640,368

Unfunded Actuarial Liability as of April 1,		*2019*		*2018*
Actuarial liability				
*Participants currently receiving benefits**	$	53,037,086	$	50,071,198
Inactive vested participants		21,612,943		20,470,986
Active participants		31,718,981		29,223,499
		106,369,010		99,765,683
less: Fund assets (actuarial value)		87,751,019		86,787,155
Unfunded actuarial liability (not less than 0)	$	18,617,991	$	12,978,528

* Includes balance of benefits due and unpaid to beneficiaries of $49,582 as of 2019 and $46,556 as of 2018.

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of March 31, 2019		
Unfunded actuarial liability as of April 1, 2018	$	12,978,528
Normal cost (including expenses)		1,640,368
Actual contributions		(3,067,377)
Interest to end of plan year		948,679
		12,500,198
Increase (decrease) due to:		
Experience (gain) or loss		3,567,056
Plan amendment		-
Change in actuarial assumptions		2,550,737
Change in actuarial method		-
Net increase (decrease)		6,117,793
Unfunded actuarial liability as of April 1, 2019	$	18,617,991

Projection of Actuarial Liability to Year End

Actuarial liability as of April 1, 2019	$	106,369,010
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		1,573,434
Benefits paid		(7,238,336)
Interest on above		(148,316)
Interest on actuarial liability		7,711,753
Net expected increase (decrease)		1,898,535
Expected actuarial liability as of March 31, 2020	$	108,267,545

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of April 1,		*2019*		*2018*
Present value of vested accumulated benefits				
*Participants currently receiving benefits**	$	53,037,086	$	50,071,198
Inactive vested participants		21,311,839		20,042,416
Active participants		30,574,207		27,869,805
Total		104,923,132		97,983,419
Nonvested accumulated benefits		1,445,878		1,782,264
Present value of all accumulated benefits	$	106,369,010	$	99,765,683
Market value of assets	$	85,603,626	$	84,195,957
Funded ratios (Market value)				
Vested benefits		81.6%		85.9%
All accumulated benefits		80.5%		84.4%
Actuarial value of assets	$	87,751,019	$	86,787,155
Funded ratios (Actuarial value used for PPA)				
Vested benefits		83.6%		88.6%
All accumulated benefits		82.5%		87.0%
Interest rate used to value benefits		7.25%		7.25%

* Includes balance of benefits due and unpaid to beneficiaries of $49,582 as of 2019 and $46,556 as of 2018.

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,*		*2019*		*2018*
Unfunded actuarial liability				
Actuarial liability	$	113,441,835	$	106,505,799
less: *Fund assets (actuarial value)*		87,751,019		86,787,155
		25,690,816		19,718,644
Funds available to amortize unfunded				
Anticipated contributions (beg. of yr.)		3,002,243		2,762,993
less: *Normal cost (including expenses)*		967,782		908,466
	$	2,034,461	$	1,854,527
Funding period (years)		28		19

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 3.08%. 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 April 1, 2019

Vested current liability		
*Participants currently receiving benefits**	$	79,826,057
Inactive vested participants		40,681,986
Active participants		59,625,991
		180,134,034
Nonvested current liability		
Inactive vested participants		326,517
Active participants		2,293,422
		2,619,939
Total current liability	$	182,753,973

* Includes balance of benefits due and unpaid to beneficiaries of $49,582.

Projection of Current Liability to Year End

Current liability as of April 1, 2019	$	182,753,973
Expected increase (decrease) due to:		
Benefits accruing		3,443,462
Benefits paid		(7,238,336)
Interest on above		(5,412)
Interest on current liability		5,628,822
Net expected increase (decrease)		1,828,536
Expected current liability as of March 31, 2020	$	184,582,509

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending March 31,	*2020 (Projected)*	*2019 (Final)*
Charges		
Prior year funding deficiency	$ -	$ -
Normal cost (including expenses)	1,747,137	1,640,368
Amortization charges (see Appendix C)	5,691,414	5,206,447
Interest on above	539,290	496,390
Total charges	7,977,841	7,343,205
Credits		
Prior year credit balance	19,623,146	16,799,813
Employer contributions	3,111,074	3,067,377
Amortization credits (see Appendix C)	5,379,938	5,379,938
Interest on above	1,925,499	1,719,223
ERISA full funding credit	-	-
Total credits	30,039,657	26,966,351
Credit balance (credits less charges)	$ 22,061,816	$ 19,623,146

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of April 1, 2019	$	85,603,626	$	87,751,019
Expected increase (decrease) due to:				
Investment income		5,937,348		6,093,034
Benefits paid		(7,238,336)		(7,238,336)
Expenses		(180,000)		(180,000)
Net expected increase (decrease)		(1,480,988)		(1,325,302)
Expected value as of March 31, 2020*	$	84,122,638	$	86,425,717

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

Full Funding Limit as of March 31, 2020		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	108,267,545	$	108,267,545
less: *Assets (lesser of market or actuarial)*		84,122,638		84,122,638
plus: Credit balance (w/interest to year end)		21,045,824		n/a
		45,190,731		24,144,907
Full funding limit override (not less than 0)				
90% of current liability		166,124,258		166,124,258
less: *Assets (actuarial value)*		86,425,717		86,425,717
		79,698,541		79,698,541
Full funding limit (greater of ERISA limit and full funding override)	$	79,698,541	$	79,698,541

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution
Plan Year Beginning April 1, 2019

Minimum funding cost		
Normal cost (including expenses)	$	1,747,137
Net amortization of unfunded liabilities		311,476
Interest to end of plan year		149,245
		2,207,858
Full funding limit		79,698,541
Net charge to funding std. acct. (lesser of above)		2,207,858
less: *Credit balance with interest to year end*		21,045,824
Minimum Required Contribution (not less than 0)	$	-

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

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	2,207,858
less*: full funding limit*		79,698,541
	$	-

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, 2019

Preliminary deductible limit		
Normal cost (including expenses)	$	1,747,137
10-year limit adjustment (using "fresh start" alternative)		2,500,232
Interest to end of plan year		307,934
		4,555,303
Full funding limit		79,698,541
Maximum deductible contribution override		
140% of vested current liability projected to March 31, 2020		254,710,899
less*: Actuarial value of assets projected to March 31, 2020*		86,425,717
		168,285,182
Maximum deductible contribution*	$	168,285,182
Anticipated employer contributions	$	3,111,074

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

HISTORY OF UNFUNDED VESTED BENEFITS

Presumptive Method

March 31,	Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits	Unamortized Portion of VAB
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
2018	7.25%	97,983,419	86,787,155	11,196,264	1,032,571
2019	7.25%	104,923,132	87,751,019	17,172,113	933,726

* Market value as of March 31, 2000, 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 3.09% for the first 20 years and 2.84% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2029 were used.

Illustrative Section 4281 Valuation as of March 31, 2019

Value of nonforfeitable benefits		
*Participants currently receiving benefits**	$	79,040,545
Inactive vested participants		40,379,603
Active participants		60,084,108
Expenses (per Section 4281 of ERISA)		1,378,511
		180,882,767
less: Fund assets (market value)		85,603,626
Value of nonforfeitable benefits in excess of (less than) fund assets	$	95,279,141

* Includes balance of benefits due and unpaid to beneficiaries of $49,582.

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,		*2019*		*2018*
Present value of vested accumulated benefits				
*Participants currently receiving benefits**	$	53,037,086	$	50,071,198
Expenses on parts. currently rec. benefits		1,723,705		1,752,492
Other participants		51,886,046		47,912,221
Expenses on other participants		1,686,296		1,676,928
		108,333,133		101,412,839
Present value of nonvested accumulated benefits				
Nonvested accumulated benefits		1,445,878		1,782,264
Expenses on nonvested benefits		46,991		62,379
		1,492,869		1,844,643
Present value of all accumulated benefits	$	109,826,002	$	103,257,482
Market value of plan assets	$	85,603,626	$	84,195,957
Interest rate used to value benefits		7.25%		7.25%

* Includes balance of benefits due and unpaid to beneficiaries of $49,582 as of 2019 and $46,556 as of 2018.

Changes in Present Value of Accumulated Benefits		
Present value of accumulated benefits as of April 1, 2018	$	103,257,482
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		2,374,090
Benefits accumulated and experience gain or loss		2,887,353
Interest due to decrease in discount period		7,486,167
Benefits paid		(5,990,784)
Operational expenses paid		(188,306)
Net increase (decrease)		6,568,520
Present value of accumulated benefits as of April 1, 2019	$	109,826,002

APPENDICES

PLAN HISTORY

Origins/Purpose

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

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

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

Employer Contributions

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

PLAN HISTORY (CONT.)

Employer or Employer Group	Employer Contribution Rate as of April 1, 2019
Teamsters Local Union #135	$ 338.00/week
Rigging Industry Group:	
Cardinal Contracting #225	$ 196.00/week
Underwood Machinery #275	$ 65.00/week (144.80/week 2-1-2020)
E.H. Hamilton #350	50¢/hour
A.J.'s Tool Rental #401	12% of gross earnings (13% of gross 6-1-2019)
Sand & Gravel Industry Group:	
A&C Trucking #405	11% of gross earnings
MS Transport #420	12% of gross earnings (13% of gross 6-1-2019)
Macy Inc. #445	12% of gross earnings (13% of gross 6-1-2019)
V&S Transport #480	10% of gross earnings
C.J.'s Inc. #497	12% of gross earnings (13% of gross 6-1-2019)
D Transport #415	12% of gross earnings (13% of gross 6-1-2019)
Hot Shot Transportation #424	12% of gross earnings (13% of gross 6-1-2019)
Eastside Trucking #439	12% of gross earnings (13% of gross 6-1-2019)
Nubian Transport #462	12% of gross earnings (13% of gross 6-1-2019)
Indy Transport #463	12% of gross earnings (13% of gross 6-1-2019)
Oatt's Trucking #466	12% of gross earnings (13% of gross 6-1-2019)
Bibb's Hauling LLC #467	13% of gross earnings
Ward Trucking #469	12% of gross earnings (13% of gross 6-1-2019)
Ellington Trucking LLC #481	12% of gross earnings (13% of gross 6-1-2019)
CMG Trucking #482	12% of gross earnings (13% of gross 6-1-2019)
Choice Trucking #486	12% of gross earnings (13% of gross 6-1-2019)
DWD Company LLC #487	13% of gross earnings
Lynn Trucking #489	$19.60/day ($20.40/day 4-1-2020)
Wells & Rhodes Trucking #490	12% of gross earnings (13% of gross 5-1-2019)
Ready Mix Industry Group:	
IMI – NV #334	$ 3.50/hour ($3.60/hour 6-1-2019)*
IMI – Central #520	$ 3.50/hour ($3.60/hour 6-1-2019)*
IMI – Danville #521	$ 3.50/hour ($3.60/hour 6-1-2019)*
IMI – Lebanon/Frankfort #522	$ 3.50/hour ($3.60/hour 6-1-2019)*
IMI – Mooresville #523	$ 3.50/hour ($3.60/hour 6-1-2019)*
IMI – East #524	$ 3.40/hour
Plumbing Industry Drivers Group:	
Central Supply #600	$ 344.81/month
CEP Concrete Construction #750	$ 120.00/week
Omnisource Corporation #905	$ 85.00/month ($100.00/month 6-1-2019)**
City of Martinsville #920	$ 339.72/month
Martin Marietta Materials #1521	$ 1.85/hour ($2.00/hour 4-1-2021)

* $3.70/hour 6-1-2020; $3.80/hours 6-1-2021
** $115/month 6-1-2020; $135/month 6-1-2021

SUMMARY OF PLAN PROVISIONS

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

SUMMARY OF PLAN PROVISIONS (CONT.)

Service:

Past service

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

Future service

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

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

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

SUMMARY OF PLAN PROVISIONS (CONT.)

Employer or Employer Group	*Past Service Crediting Rate as of April 1, 2019*
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	-
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
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	Prior to participant's past service date: A past service year during which the participant did not work for an employer. After participant's past service date and prior to April 1, 2020: A plan year during which no employer contributions were made to the fund on his behalf unless lack of contributions was due to accident, illness or service in the Armed Forces. Effective April 1, 2020: A plan year during which employer contributions were made to the fund for less than 500 hours.
Forfeited service	The number of years of service as otherwise credited to a participant that becomes forfeited. All service credited to a non-vested participant is forfeited at the time such participant has suffered consecutive one-year breaks in service equaling the greater of 5 or the number of years of service credited prior to his initial break in service.
Spouse	The participant's legal spouse at the time a pre-retirement death benefit is first payable or, upon the death of the participant after retirement, his legal spouse at time of his retirement.
Normal retirement benefit	
Eligibility	Age 65 and 5th anniversary of plan participation.
Monthly amount	Past service benefit, plus \$2.70 for each \$100 of total contributions (employer + employee) up to September 1, 2010, plus \$1.50 for each \$100 of total contributions from September 1, 2010 up to July 1, 2011, plus \$1.30 for each \$100 of total contributions from July 1, 2011 up to January 1, 2020, plus \$1.00 for each \$100 of total contributions on or after January 1, 2020. Payable for life.

SUMMARY OF PLAN PROVISIONS (CONT.)

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

SUMMARY OF PLAN PROVISIONS (CONT.)

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

HISTORICAL PLAN MODIFICATIONS

Retiree increase

Effective date	April 1, 1989
Adoption date	January 26, 1989
Provisions	A 5% increase was given to the lives already receiving monthly benefits on April 1, 1989.

Future service increase

Effective date	April 1, 1991
Adoption date	March 28, 1991
Provisions	The future service crediting rate was increased to $2.30 for each $100 of total contributions.

Retiree increase

Effective date	April 1, 1991
Adoption date	March 28, 1991
Provisions	A 5% increase was given to the lives already receiving monthly benefits on April 1, 1991.

Future service increase

Effective date	April 1, 1991
Adoption date	January 1, 1992
Provisions	The future service crediting rate was increased to $2.70 for each $100 of total contributions.

Retiree increase

Effective date	April 1, 1991
Adoption date	January 1, 1992
Provisions	A 10% increase was given to the lives already receiving monthly benefits on April 1, 1991.

HISTORICAL PLAN MODIFICATIONS (CONT.)

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

HISTORICAL PLAN MODIFICATIONS (CONT.)

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

HISTORICAL PLAN MODIFICATIONS (CONT.)

Death benefit

Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The lump sum option payable to the participant's spouse or beneficiary in lieu of a monthly pre-retirement or post-retirement death benefit was eliminated for deaths on or after July 29, 2010.

Disability benefit

Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The temporary disability benefit maximum benefit was lowered from $500 to $300 per month for disablements on or after July 29, 2010.

Future service decrease

Effective date	September 1, 2010
Adoption date	June 8, 2010
Provisions	The future service crediting rate was changed from $2.70 to $1.50 for each $100 of total contributions made on or after September 1, 2010.

Future service decrease

Effective date	July 1, 2011
Adoption date	June 7, 2011
Provisions	The future service crediting rate was changed from $1.50 to $1.30 for each $100 of total contributions made on or after July 1, 2011.

Future service decrease

Effective date	January 1, 2020
Adoption date	December 3, 2019
Provisions	The future service crediting rate was changed from $1.30 to $1.00 for each $100 of total contributions made on or after January 1, 2020.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Early retirement benefit

Effective date: January 1, 2020

Adoption date: December 3, 2019

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

Future service credit

Effective date: April 1, 2020

Adoption date: December 3, 2019

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

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

Break in Service

Effective date: April 1, 2020

Adoption date: December 3, 2019

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

ACTUARIAL ASSUMPTIONS

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

Valuation date	April 1, 2019
Interest rates	
ERISA rate of return used to value liabilities	7.25% per year net of investment expenses.
Unfunded vested benefits	7.25% per year net of investment expenses
Current liability	3.08% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	
Funding	$180,000 per year excluding investment expenses.
ASC 960	A 3.25% load was applied to the accrued liabilities for 2019 (3.50% for 2018).
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	
Assumed plan mortality	110% of the PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2019 projection scale.
Current liability	Separate annuitant and non-annuitant rates based on the RP-2000 Mortality Tables Report developed for males and females as prescribed by Section 431(c)(6) of the Internal Revenue Code.

ACTUARIAL ASSUMPTIONS (CONT.)

Withdrawal

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

Age	Withdrawal Rate
25	.0967
30	.0930
35	.0871
40	.0775
45	.0635
50	.0422
55	.0155
60	.0015

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

Disability

Specimen rates shown below:

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

ACTUARIAL ASSUMPTIONS (CONT.)

Retirement

Active lives

According to the following schedule:

Age	Prior to 30 Years Service	After 30 Years Service*
55-58	.04	.15
59-60	.04	.05
61	.15	.05
62	.25	.20
63-64	.20	.15
65+	1.00	1.00

* At least .35 in first year eligible for unreduced benefit with 30 years of service. Retirement rates with 30 years of service begin at age 62 for participants hired on or after January 1, 2020.

Resulting in an average expected retirement age of 62.7.

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:		
	Months	11
	Hours	1,900
	Weeks	44
	Days	170
	Gross earnings	$35,000

Future contribution rate

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

Age of participants with unrecorded birth dates

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

Marriage assumptions

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

Optional form assumption

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

ACTUARIAL ASSUMPTIONS (CONT.)

Inactive vested lives over age 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	
Dollar limit	$225,000 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	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 7.25%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.
Mortality	The PRI-2012 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. Finally, a 110% 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, 2014 to March 31, 2019 for this plan, blended with a study of deaths for larger plans in similar industries.
Retirement	Actual rates of retirement by age were last studied for this plan for the period April 1, 2014 to March 31, 2019. No adjustments were deemed necessary at this time.
Withdrawal	Actual rates of withdrawal by age were last studied for this plan for the period April 1, 2014 to March 31, 2019. No adjustments were deemed necessary at this time.
Basis for future annual contributions	Based on review of recent plan experience.

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	
Current year projections	7.25% for all years
Prior year projections	7.25% for all years
Expenses	
Current year projections	$180,000 per year excluding investment expenses.
Prior year projections	$180,000 per year excluding investment expenses.
Future total hours worked	
Current year average projections	
Months	11 for the plan year ending 2020 and thereafter
Hours	1,900 for the plan year ending 2020 and thereafter
Weeks	44 for the plan year ending 2020 and thereafter
Days	170 for the plan year ending 2020 and thereafter
Gross earnings	$35,000 for the plan year ending 2020 and thereafter
Prior year average projections	
Months	11 for the plan year ending 2019 and thereafter
Hours	1,875 for the plan year ending 2019 and thereafter
Weeks	43 for the plan year ending 2019 and thereafter
Gross earnings	$34,000 for the plan year ending 2019 and thereafter
Contribution rate increases	
Current year projections	Rates as summarized on page A-2 of this report plus all future contribution rate increases spelled out in current participation agreements.
Prior year projections	Rates as summarized on page A-2 of the April 1, 2018 actuarial valuation report plus all future contribution rate increases spelled out in participation agreements as of November 29, 2017.
Plan changes since prior year	January 1, 2020 and April 1, 2020 plan changes as described on pages A-12 and A-13.

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS (CONT.)

Future new entrants for liability projection	
Current year projections	Stable population assumed with new entrants replacing active participants as they withdraw, retire, or die. New entrant ages are based upon the distribution of entry ages of active participants as of April 1, 2019.
Prior year projections	Stable population assumed with new entrants replacing active participants as they withdraw, retire, or die. New entrant ages are based upon the distribution of entry ages of active participants as of April 1, 2018.
Stochastic modeling	500 trials. Future returns are modeled using an expected return of 6.41% for the first 10 years and 7.35% thereafter and a standard deviation of 11.37%, 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	Traditional unit credit cost method, effective April 1, 2008
Funding period	Individual entry age normal with costs spread as a level dollar amount over service
Population valued	
Actives	Eligible employees with at least one hour during the preceding plan year.
Inactive vested	Vested participants with no hours during the preceding plan year.
Retirees	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method	
Actuarial value	Smoothed market value (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.
Unfunded vested benefits	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.

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		4/1/2019 Outstanding Balance	4/1/2019 Amortization Payment
				Years	Months		
Charges							
4/1/1980	Amendment		40	1	0	95,855	95,855
4/1/1990	Assumptions		30	1	0	17,567	17,567
4/1/1991	Amendment		30	2	0	485,579	251,283
4/1/1992	Assumptions		30	3	0	65,686	23,445
4/1/1993	Assumptions		30	4	0	91,073	25,212
4/1/1994	Assumptions	332,364	30	5	0	113,053	25,881
4/1/1995	Assumptions	267,368	30	6	0	105,607	20,818
4/1/1996	Assumptions	176,956	30	7	0	78,996	13,787
4/1/1997	Assumptions	274,512	30	8	0	135,636	21,385
4/1/1998	Amendment	125,865	30	9	0	67,794	9,805
4/1/1998	Assumptions	584,856	30	9	0	315,020	45,563
4/1/1999	Assumptions	965,339	30	10	0	560,032	75,208
4/1/2000	Assumptions	1,895,667	30	11	0	1,173,204	147,700
4/1/2001	Amendment	1,672,581	30	12	0	1,094,573	130,210
4/1/2001	Assumptions	727,078	30	12	0	475,794	56,601
4/1/2002	Amendment	741,827	30	13	0	509,997	57,705
4/1/2002	Assumptions	481,998	30	13	0	331,367	37,494
4/1/2003	Amendment	31,128	30	14	0	22,350	2,419
4/1/2003	Assumptions	854,813	30	14	0	613,956	66,442
4/1/2004	Assumptions	1,450,330	30	15	0	1,083,151	112,642
4/1/2005	Assumptions	2,957,701	30	16	0	2,287,669	229,551
4/1/2005	Experience	1,541,908	15	1	0	162,305	162,305
4/1/2006	Amendment	73,178	30	17	0	58,413	5,675
4/1/2006	Assumptions	1,790,545	30	17	0	1,429,265	138,869
4/1/2006	Experience	1,454,368	15	2	0	295,522	152,930
4/1/2007	Assumptions	1,066,818	30	18	0	876,134	82,682
4/1/2007	Experience	729,912	15	3	0	214,803	76,667
4/1/2009	Relief 09 Asset Loss	11,598,304	29	19	0	9,869,256	907,093
4/1/2010	Relief 09 Asset Loss	1,178,181	28	19	0	1,013,178	93,122
4/1/2011	Assumptions	270,413	15	7	0	162,106	28,291
4/1/2011	Relief 09 Asset Loss	2,854,997	27	19	0	2,483,485	228,259
4/1/2012	Assumptions	505,989	15	8	0	335,440	52,887
4/1/2012	Relief 09 Asset Loss	5,055,343	26	19	0	4,452,719	409,254
4/1/2013	Experience	1,995,583	15	9	0	1,440,796	208,392
4/1/2016	Assumptions	1,343,594	15	12	0	1,176,429	139,948

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	4/1/2019 Outstanding Balance	4/1/2019 Amortization Payment
4/1/2016	Experience	2,730,221	15	12	0	2,390,537	284,378
4/1/2017	Experience	2,613,804	15	13	0	2,404,217	272,034
4/1/2018	Assumptions	1,567,462	15	14	0	1,506,277	163,008
4/1/2018	Experience Loss	1,758,034	15	14	0	1,689,409	182,827
4/1/2019	Assumptions	2,550,737	15	15	0	2,550,737	265,264
4/1/2019	Experience Loss	3,567,056	15	15	0	3,567,056	370,956
				Total Charges:		**47,802,043**	**5,691,414**

Credits

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	4/1/2019 Outstanding Balance	4/1/2019 Amortization Payment
4/1/2013	Combined Credits	27,202,487	7	1	0	4,772,164	4,772,164
4/1/2014	Experience	2,951,941	15	10	0	2,293,451	307,990
4/1/2015	Assumptions	505,288	15	11	0	418,397	52,674
4/1/2015	Experience	1,147,604	15	11	0	950,261	119,633
4/1/2017	Assumptions	1,224,847	15	13	0	1,126,633	127,477
				Total Credits:		**9,560,906**	**5,379,938**

Net Charges:	**38,241,137**	**311,476**
Less Credit Balance:	19,623,146	
Less Reconciliation Balance:	0	
Unfunded Actuarial Liability:	**18,617,991**	

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 <u>last day</u> of each plan year and are based on contribution rates codified in bargaining agreements and, if applicable, wage allocations.

<table>
<tr><th>Critical Status ("Red Zone")</th><th>Endangered Status ("Yellow Zone")</th></tr>
<tr><td colspan="2" align="center">GETTING IN:</td></tr>
<tr><td>Plan is Critical if it is described in one or more of the following:
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.</td><td>Plan is Endangered if it is <u>not</u> Critical <u>and</u> 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 non-critical plan that meets both of the preceding criteria is considered "<u>Seriously Endangered</u>"

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</td></tr>
</table>

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN (cont.):	
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 only if it is described in one of the following: • Projected funding deficiency in the current year or next 9 years (including amortization extensions), or, • Projected insolvency within the next 30 years	
GETTING OUT:	
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 (including amortization extensions), 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 all the following: • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years	Plan emerges from Endangered Status when it no longer meets the requirements to be classified as Endangered or when it enters Critical Status

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.

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 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.

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."