

TEAMSTERS LOCAL UNION No. 716 PENSION PLAN

*Actuarial Valuation Report
For Plan Year Commencing
April 1, 2020*



March 3, 2021

Board of Trustees
Teamsters Local Union No. 716 Pension Plan

Dear Trustees:

We have been retained by the Board of Trustees of the Teamsters Local Union No. 716 Pension Plan to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning April 1, 2020. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Pile CPAs. Participant data was provided by the Fund Office. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

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

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

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

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

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

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

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

UNITED ACTUARIAL SERVICES, INC.

Enrolled Actuary



Erika L. Creager, EA, MAAA
Consulting Actuary

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SENSITIVITY ANALYSIS AND SCENARIO/STRESS TESTING

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

Sensitivity analysis studies the funding impact to the plan when a given assumption changes. *Scenario testing* studies the funding impact from actual experience for one or more possible outcomes. *Stress testing* studies the funding impact from poor experience. The sensitivity analysis

along with the scenario and stress testing below can be used to gauge a plan's key risks from investments and hours.

In the table below we use this result to perform scenario and stress testing on the investment return assumption by assuming asset returns for the 2020-21 plan year of 20.00%, 13.00%, and 7.25%. The last column contains a threshold asset return below which the plan would not meet the funding goals of projecting an acceptable Funding Improvement Plan along with no projected funding deficiencies. We also perform a sensitivity analysis on the future units assumption by showing the effect of varying it by $\pm 5\%$. Lastly, we examined the impact of an asset return closer to the median of 6.25% for the next 10 years at the baseline hours.

Sensitivity Analysis Assumptions Annual Future Work Units			Funding Stats	Scenario and Stress Testing: Return for 2020-21 PY (7.25% Thereafter)			2020 Min. Return to Meet Funding Goals
				20.00%	13.00%	7.25%	
<u>5% Lower</u>			Endangered: Srsly Endng: Critical: Crit & Decl:	2021	n/a	n/a	30.85%
Mos	2020	2021+		2022-2023	2021-2022	2021	
Hrs	10.45	10.97		2024+	2023-2039	2022-2028	
Wks	1,805	1,895		n/a	2040+	2029+	
Dys	41.8	43.9					
GI	123.5	129.7					
	\$35,150	\$36,908					
<u>Baseline</u>			Endangered: Srsly Endng: Critical: Crit & Decl:	2021-2022	n/a	n/a	29.10%
Mos	2020	2021+		2023-2025	2021-2022	2021-2022	
Hrs	11	11.55		2026+	2023+	2023-2031	
Wks	1,900	1,995		n/a	*	2032+	
Dys	44	46.2					
GI	130	136.5					
	\$37,000	\$38,850					
<u>5% Higher</u>			Endangered: Srsly Endng: Critical: Crit & Decl:	2021-2022	2021	n/a	27.35%
Mos	2020	2021+		2023-2025	2022-2023	2021-2022	
Hrs	11.55	12.13		2026+	2024+	2023-2036	
Wks	1,995	2,095		n/a	n/a	2037+	
Dys	46.2	48.5					
GI	136.5	143.3					
	\$38,850	\$40,793					

*After projection period

SENSITIVITY ANALYSIS AND SCENARIO/STRESS TESTING (CONT.)

Impact of Lower Short-Term Asset Return

<i>Sensitivity Analysis Assumptions</i>	<i>Funding Stats</i>	<i>Scenario and Stress Testing: Return for 2020-21 PY (6.25% 4/1/21- 3/31/30, 7.25% Thereafter)</i>			<i>2020 Min. Return to Meet Funding Goals</i>
		<i>20.00%</i>	<i>13.00%</i>	<i>6.25%</i>	
<u>Lower short-term</u> 6.25% return for 10 yrs Baseline units	Endangered:	2021	n/a	n/a	35.00%
	Srsly Endng:	2022-2023	2021-2022	2021	
	Critical:	2024+	2023-2029	2022-2024	
	Crit & Decl:	*	2030+	2025+	

*After projection period

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, 2019	716	659	749	2,124
Change due to:				
<i>New hire</i>	115	-	-	115
<i>Rehire</i>	17	(5)	-	12
<i>Termination</i>	(129)	37	-	(92)
<i>Disablement</i>	-	-	-	-
<i>Retirement</i>	(18)	(23)	41	-
<i>Death</i>	(1)	(3)	(27)	(31)
<i>Cash out</i>	-	-	-	-
<i>New beneficiary</i>	-	-	13	13
<i>Certain pd. expired</i>	-	-	(25)	(25)
<i>Data adjustment*</i>	-	(9)	2	(7)
Net change	(16)	(3)	4	(15)
April 1, 2020	700	656	753	2,109

* Inactive vested data adjustment: 6 members who had deceased long before the valuation date, 2 duplicate records now removed, and 1 record that is a beneficiary to a newly deceased participant

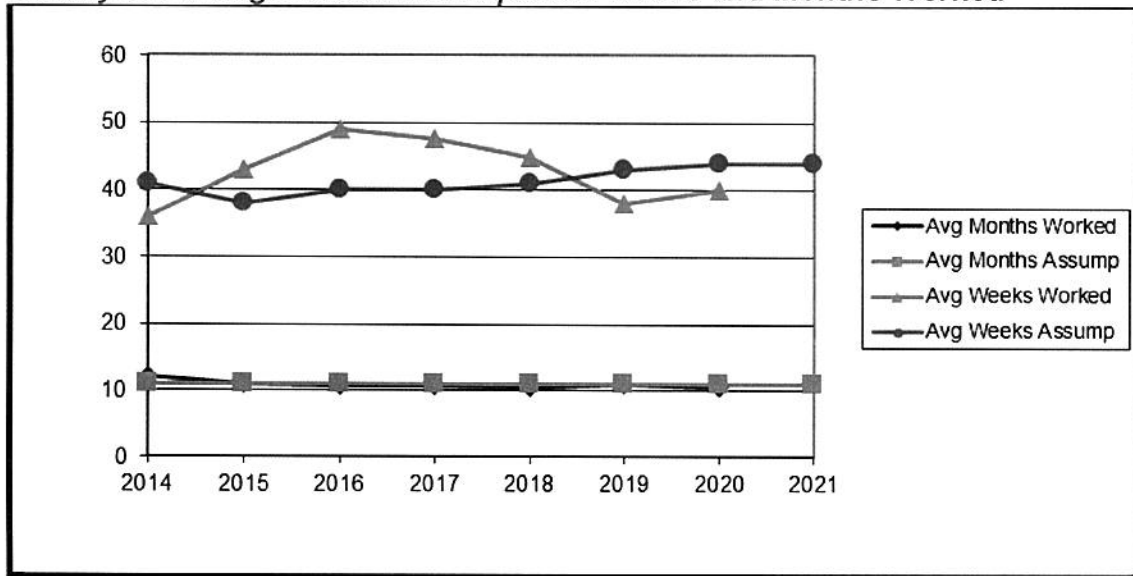
Receiving benefits data adjustment: 2 retirees previously thought to be ineligible for a benefit

AVERAGE WORK BASIS DURING PLAN YEAR

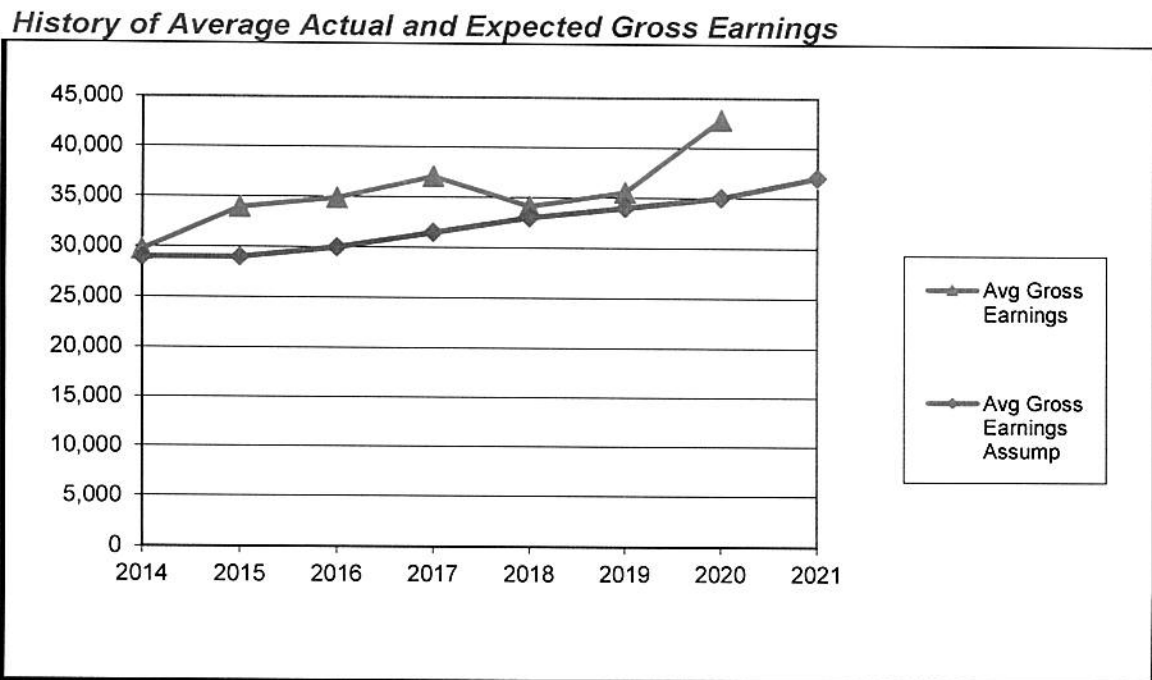
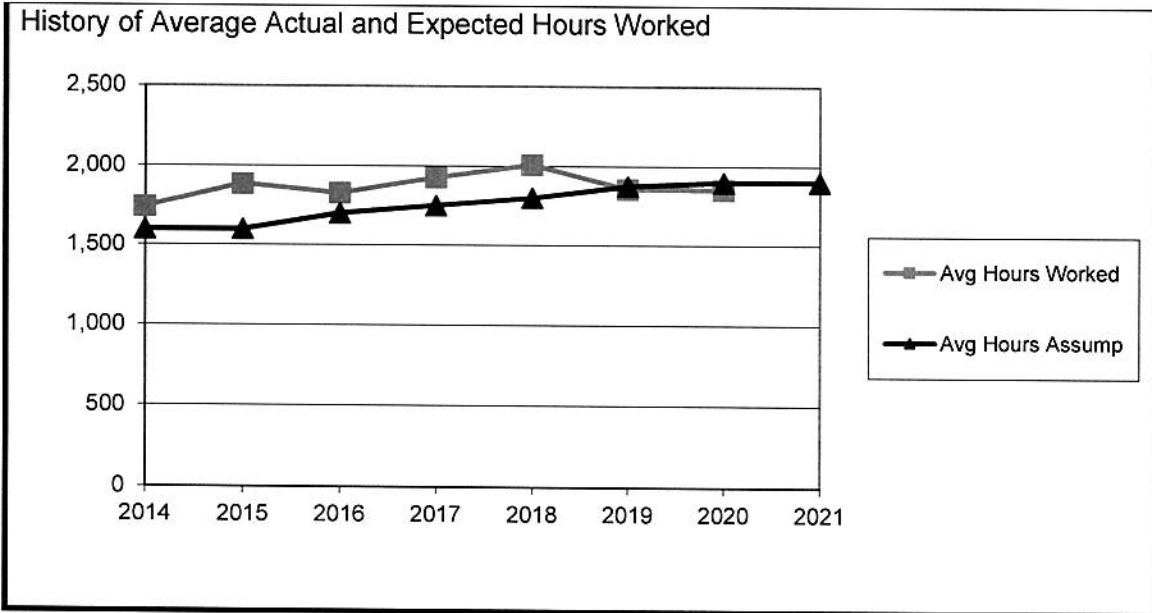
Hours Worked Per Participant

Plan Year Ending March 31, 2020	Number	Average Basis for Annual Contributions
Actives		
Months	81	11
Hours	258	1,852
Weeks	13	40
Days	2	56
Gross Earnings	346	42,843
Total for plan year	700	

History of Average Actual and Expected Weeks and Months Worked

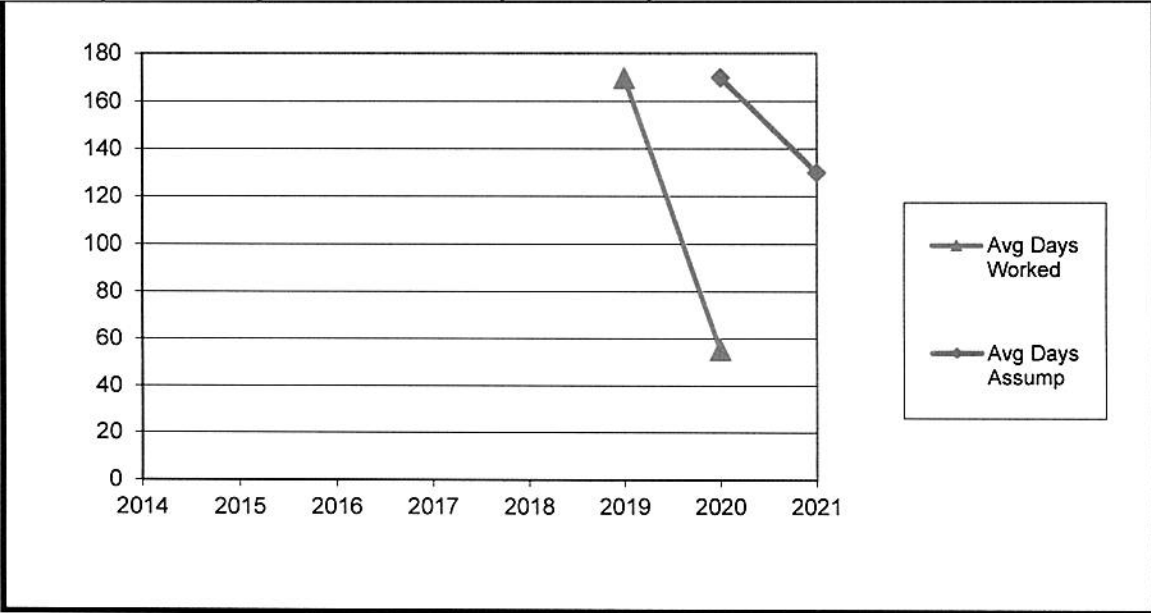


AVERAGE WORK BASIS DURING PLAN YEAR (CONT.)



AVERAGE WORK BASIS DURING PLAN YEAR (CONT.)

History of Average Actual and Expected Days Worked



CONTRIBUTIONS MADE DURING PLAN YEAR

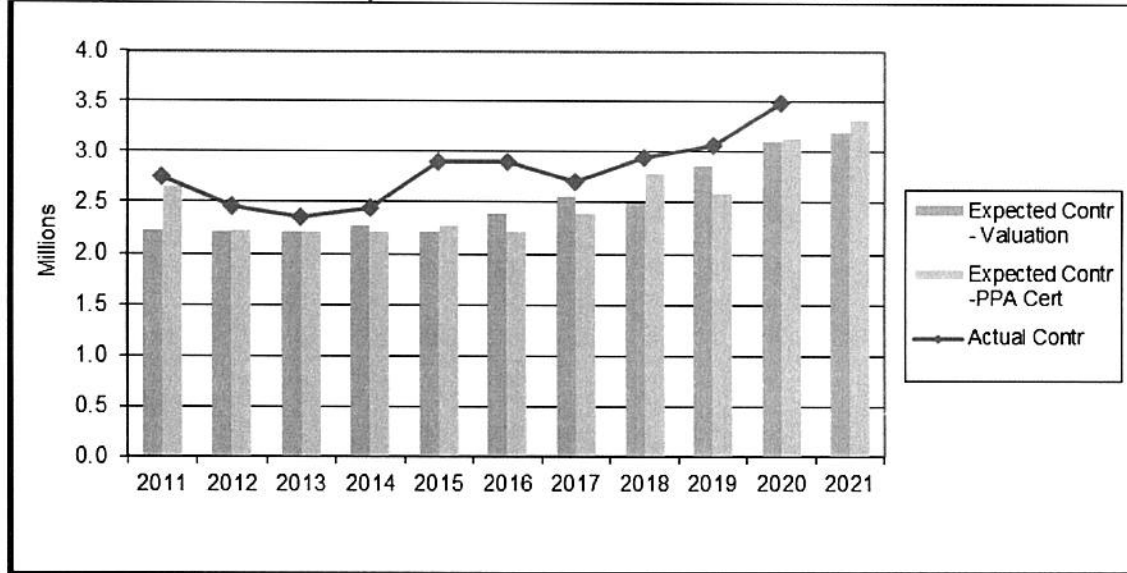
Employer Contributions Reported in Employee Data

Plan Year Ending March 31, 2020	Number	Contributions Reported
Actives		
Vested	407	\$ 2,273,925
Non-vested, continuing	177	868,518
Non-vested, new entrant	116	305,379
Total valued as active	700	3,447,822
Others	33	88,337
Total for plan year	733	\$ 3,536,159

Comparison with Audited Employer Contributions

Employer contributions reported in data	\$ 3,536,159
Total audited employer contributions	\$ 3,495,921
Percent reported	101%

History of Actual and Expected Total Contributions Received



*Supplemental Statistics
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

ACTIVE INFORMATION

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

Age	Years of Service										Total	
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
< 25	-	7	-	-	-	-	-	-	-	-	-	7
25-29	-	21	5	-	-	-	-	-	-	-	-	26
30-34	-	30	4	-	-	-	-	-	-	-	-	34
35-39	-	27	11	2	1	-	-	-	-	-	-	41
40-44	-	26	19	9	5	2	-	-	-	-	-	61
45-49	-	32	17	18	15	12	2	-	-	-	-	96
50-54	-	22	23	9	13	18	3	3	-	-	-	91
55-59	-	22	22	18	22	16	18	8	3	-	-	129
60-64	-	12	16	15	24	9	14	5	2	1	-	98
65-69	-	7	5	3	7	1	-	5	1	1	-	30
70+	-	-	-	-	-	-	-	-	-	-	-	-
Totals	-	206	122	74	87	58	37	21	6	2	-	613
Unrecorded DOB	-	86	1	-	-	-	-	-	-	-	-	87
Total Active Lives	-	292	123	74	87	58	37	21	6	2	-	700

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of April 1, 2020

Age Group	Number	Estimated Monthly Deferred Vested Benefits*
< 30	-	\$ -
30-34	11	2,775
35-39	25	6,662
40-44	60	21,495
45-49	80	27,804
50-54	122	49,593
55-59	160	67,832
60-64	146	59,798
65-69	47	23,580
70+	5	3,041
Totals	656	262,580
Unrecorded birth date	-	-
Total inactive vested lives	656	\$ 262,580

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

*Supplemental Statistics
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of April 1, 2020

Form of Payment	Number	Monthly Benefits Being Paid			
		Total	Average	Smallest	Largest
Life only*	382	\$ 281,968	\$ 738	\$ 23	\$ 5,298
Joint & survivor	228	192,059	842	41	4,518
Disability	8	2,487	311	69	500
Beneficiaries	135	50,833	377	13	3,714
Totals	753	\$ 527,347	\$ 700	\$ 13	\$ 5,298

* Includes retirees receiving life and certain benefits.

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

Age Group	Form of Benefits Being Paid				
	Life Only*	Joint & Survivor	Disability	Beneficiaries	Total
< 40	-	-	-	5	5
40-44	-	-	1	2	3
45-49	-	-	3	-	3
50-54	-	-	4	13	17
55-59	23	12	-	11	46
60-64	59	38	-	10	107
65-69	117	68	-	17	202
70-74	80	53	-	21	154
75-79	50	33	-	18	101
80-84	24	15	-	15	54
85-89	22	8	-	15	45
90-94	5	1	-	5	11
95+	2	-	-	3	5
Totals	382	228	8	135	753

* Includes retirees receiving life and certain benefits.

Supplemental Statistics
 Teamsters Local Union No. 716 Pension Plan
 April 1, 2020 Actuarial Valuation

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,				
	2020	2019	2018	2017	2016
< 55	-	1	-	-	-
55	4	3	6	2	7
56	-	1	-	4	4
57	-	1	3	2	3
58	1	1	-	3	3
59	1	-	3	1	-
60	3	2	1	3	4
61	3	1	2	2	6
62	5	6	9	7	10
63	1	3	2	4	3
64	4	3	2	5	1
65	9	7	5	5	4
66+	9	6	8	5	1
Totals	40	35	41	43	46
Average retirement age					
	63.3	62.7	62.0	62.3	60.3

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

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

<i>Market/Actuarial Value of Fund Investments as of March 31,</i>	2020	2019	2018
Invested assets			
<i>Common stocks</i>	\$ 49,566,861	\$ 49,495,600	\$ 50,232,066
<i>Preferred stocks</i>	704,576	3,178,920	3,071,197
<i>U.S. gov't and mortg. sec.</i>	608,583	2,910,575	4,013,815
<i>Mutual funds</i>	4,142,432	4,080,188	5,104,500
<i>Money market funds</i>	-	2,063,783	656,482
<i>Municipal bonds</i>	1,174,240	3,265,887	1,369,019
<i>Corporate and other debt</i>	15,569,510	15,890,492	15,252,054
<i>Cash</i>	1,821,066	121,065	1,008,961
<i>Convertible securities</i>	-	716,995	575,239
<i>Real estate</i>	901,858	3,259,421	2,119,866
	74,489,126	84,982,926	83,403,199
Net receivables*	224,906	620,700	792,758
Market value	\$ 74,714,032	\$ 85,603,626	\$ 84,195,957
Fund assets - Actuarial value			
<i>Market value</i>	\$ 74,714,032	\$ 85,603,626	\$ 84,195,957
less: <i>Deferred investment gains and (losses)</i>	(11,750,790)	(2,147,393)	(2,591,198)
Actuarial value	\$ 86,464,822	\$ 87,751,019	\$ 86,787,155
Actuarial value as a percentage of market value	115.73%	102.51%	103.08%

* Equals receivables, less any liabilities

Asset Information
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation

FLOW OF FUNDS

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

<i>Plan Year Ending March 31,</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Market value at beginning of plan year	\$ 85,603,626	\$ 84,195,957	\$ 80,599,228
Additions			
<i>Employer contributions</i>	3,495,921	3,067,377	3,106,609
<i>Net investment income*</i>	(7,923,627)	4,519,382	6,357,358
<i>Other income</i>	-	-	-
	(4,427,706)	7,586,759	9,463,967
Deductions			
<i>Benefits paid</i>	6,277,075	5,990,784	5,689,694
<i>Net expenses*</i>	184,813	188,306	177,544
	6,461,888	6,179,090	5,867,238
Net increase (decrease)	(10,889,594)	1,407,669	3,596,729
Adjustment	-	-	-
Market value at end of plan year	\$ 74,714,032	\$ 85,603,626	\$ 84,195,957
Cash flow			
<i>Contr.-ben.-exp.</i>	(2,965,967)	(3,111,713)	(2,760,629)
<i>Percent of assets</i>	-3.97%	-3.64%	-3.28%
Estimated net investment return			
<i>On market value</i>	-9.42%	5.47%	8.03%
<i>On actuarial value</i>	1.95%	4.78%	5.47%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending March 31, 2020

Expected market value at end of plan year		
Market value at beginning of plan year	\$	85,603,626
Employer contributions and non-investment income		3,495,921
Benefits and expenses paid		(6,461,888)
Expected investment income (at 7.25% rate of return)		6,098,747
		88,736,406
Actual market value at end of plan year		74,714,032
less: Expected market value		88,736,406
Investment gain or (loss)	\$	(14,022,374)

History of Gains and (Losses)

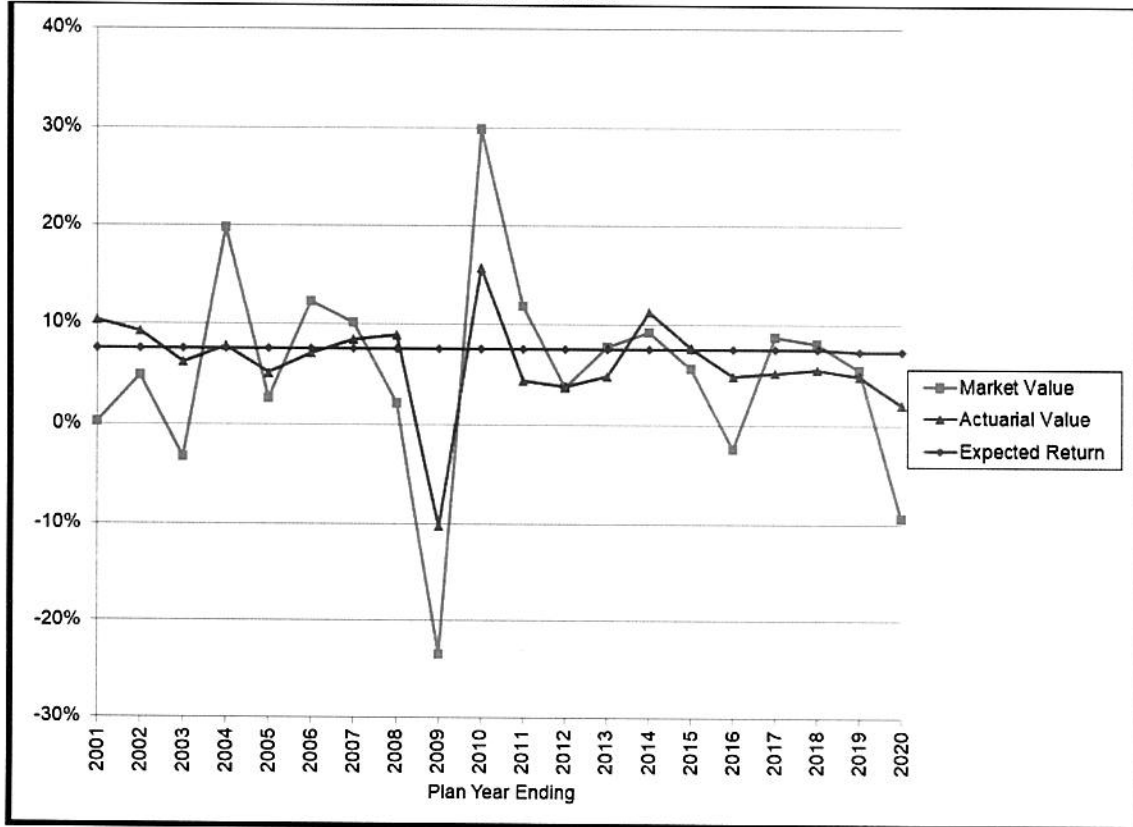
Plan Year Ending March 31,	Investment Gain or (Loss)	Amount Recognized This Year
2020	\$ (14,022,374)	\$ (2,804,475)
2019	(1,472,025)	(294,405)
2018	415,939	83,188
2017	919,739	183,948
2016	(7,936,159)	(1,587,232)
Total	\$ (22,094,880)	\$ (4,418,976)

Deferred Investment Gains and (Losses)

Plan Year Ending March 31,	Amount of Gain or (Loss) Deferred as of March 31,			
	2020	2021	2022	2023
2020	\$ (11,217,899)	\$ (8,413,424)	\$ (5,608,950)	\$ (2,804,475)
2019	(883,215)	(588,810)	(294,405)	-
2018	166,376	83,188	-	-
2017	183,948	-	-	-
Totals	\$ (11,750,790)	\$ (8,919,046)	\$ (5,903,355)	\$ (2,804,475)

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		Return on Actuarial Value	
	Period Ending March 31,		Period Ending March 31,	
	2020	2019	2020	2019
One year	-9.42%	5.47%	1.95%	4.78%
5 years	1.83%	4.99%	4.42%	5.54%
10 years	4.65%	8.49%	5.37%	6.70%
15 years	4.65%	5.52%	5.44%	5.65%
20 years	4.61%	6.32%	5.99%	7.08%

PART IV: ENROLLED ACTUARY'S REPORT

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

NORMAL COST/ACTUARIAL LIABILITY

<i>Normal Cost as of April 1,</i>	<i>2020</i>	<i>2019</i>
Benefit accruals	\$ 1,287,118	\$ 1,573,434
Anticipated administrative expenses (beg. of year)	178,528	173,703
Total normal cost	\$ 1,465,646	\$ 1,747,137

<i>Unfunded Actuarial Liability as of April 1,</i>	<i>2020</i>	<i>2019</i>
Actuarial liability		
<i>Participants currently receiving benefits*</i>	\$ 54,891,033	\$ 53,037,086
<i>Inactive vested participants</i>	22,049,587	21,612,943
<i>Active participants</i>	31,973,751	31,718,981
	108,914,371	106,369,010
<i>less: Fund assets (actuarial value)</i>	86,464,822	87,751,019
Unfunded actuarial liability (not less than 0)	\$ 22,449,549	\$ 18,617,991

* Includes balance of benefits due and unpaid to beneficiaries of \$52,805 as of 2020 and \$49,582 as of 2019.

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of March 31, 2020	
<i>Unfunded actuarial liability as of April 1, 2019</i>	\$ 18,617,991
<i>Normal cost (including expenses)</i>	1,747,137
<i>Actual contributions</i>	(3,495,921)
<i>Interest to end of plan year</i>	1,349,743
	18,218,950
Increase (decrease) due to:	
<i>Experience (gain) or loss</i>	4,302,906
<i>Plan amendment</i>	-
<i>Change in actuarial assumptions</i>	(72,307)
<i>Change in actuarial method</i>	-
Net increase (decrease)	4,230,599
Unfunded actuarial liability as of April 1, 2020	\$ 22,449,549

Projection of Actuarial Liability to Year End

Actuarial liability as of April 1, 2020	\$ 108,914,371
Expected increase (decrease) due to:	
<i>Normal cost (excluding expenses)</i>	1,287,118
<i>Benefits paid</i>	(7,535,913)
<i>Interest on above</i>	(179,861)
<i>Interest on actuarial liability</i>	7,896,292
Net expected increase (decrease)	1,467,636
Expected actuarial liability as of March 31, 2021	\$ 110,382,007

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios	Actuarial Study as of April 1,		2020			2019
Present value of vested accumulated benefits						
<i>Participants currently receiving benefits*</i>	\$	54,891,033	\$	53,037,086		
<i>Inactive vested participants</i>		21,764,076		21,311,839		
<i>Active participants</i>		30,856,636		30,574,207		
Total		107,511,745		104,923,132		
Nonvested accumulated benefits		1,402,626		1,445,878		
Present value of all accumulated benefits	\$	108,914,371	\$	106,369,010		
Market value of assets	\$	74,714,032	\$	85,603,626		
Funded ratios (Market value)						
<i>Vested benefits</i>		69.5%		81.6%		
<i>All accumulated benefits</i>		68.6%		80.5%		
Actuarial value of assets	\$	86,464,822	\$	87,751,019		
Funded ratios (Actuarial value used for PPA)						
<i>Vested benefits</i>		80.4%		83.6%		
<i>All accumulated benefits</i>		79.4%		82.5%		
Interest rate used to value benefits		7.25%		7.25%		

* Includes balance of benefits due and unpaid to beneficiaries of \$52,805 as of 2020 and \$49,582 as of 2019.

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

<i>Actuarial Study as of April 1,</i>	<i>2020</i>	<i>2019</i>
Unfunded actuarial liability		
<i>Actuarial liability</i>	\$ 114,290,008	\$ 113,441,835
<i>less: Fund assets (actuarial value)</i>	86,464,822	87,751,019
	27,825,186	25,690,816
 Funds available to amortize unfunded		
<i>Anticipated contributions (beg. of yr.)</i>	3,083,215	3,002,243
<i>less: Normal cost (including expenses)</i>	903,130	967,782
	\$ 2,180,085	\$ 2,034,461
 Funding period (years)	 29	 28

CURRENT LIABILITY

Current Liability is determined in a manner similar to the value of accrued benefits, but using an interest rate assumption within an acceptable range determined by the IRS. For this report we used an interest rate assumption of 2.83%. 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, 2020

Vested current liability	
<i>Participants currently receiving benefits*</i>	\$ 84,575,891
<i>Inactive vested participants</i>	42,530,413
<i>Active participants</i>	61,899,998
	189,006,302
Nonvested current liability	
<i>Inactive vested participants</i>	333,971
<i>Active participants</i>	2,427,191
	2,761,162
Total current liability	\$ 191,767,464

* Includes balance of benefits due and unpaid to beneficiaries of \$52,805.

Projection of Current Liability to Year End

Current liability as of April 1, 2020	\$ 191,767,464
Expected increase (decrease) due to:	
<i>Benefits accruing</i>	2,962,141
<i>Benefits paid</i>	(7,535,913)
<i>Interest on above</i>	(22,805)
<i>Interest on current liability</i>	5,427,019
Net expected increase (decrease)	830,442
Expected current liability as of March 31, 2021	\$ 192,597,906

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending March 31,	2021 (Projected)	2020 (Final)
Charges		
<i>Prior year funding deficiency</i>	\$ -	\$ -
<i>Normal cost (including expenses)</i>	1,465,646	1,747,137
<i>Amortization charges (see Appendix C)</i>	5,863,167	5,691,414
<i>Interest on above</i>	531,334	539,290
Total charges	7,860,147	7,977,841
Credits		
<i>Prior year credit balance</i>	22,460,614	19,623,146
<i>Employer contributions</i>	3,194,982	3,495,921
<i>Amortization credits (see Appendix C)</i>	615,294	5,379,938
<i>Interest on above</i>	1,788,821	1,939,450
<i>ERISA full funding credit</i>	-	-
Total credits	28,059,711	30,438,455
Credit balance (credits less charges)	\$ 20,199,564	\$ 22,460,614

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit	Market Value	Actuarial Value
Asset value as of April 1, 2020	\$ 74,714,032	\$ 86,464,822
Expected increase (decrease) due to:		
<i>Investment income</i>	5,136,884	5,988,816
<i>Benefits paid</i>	(7,535,913)	(7,535,913)
<i>Expenses</i>	(185,000)	(185,000)
Net expected increase (decrease)	(2,584,029)	(1,732,097)
Expected value as of March 31, 2021*	\$ 72,130,003	\$ 84,732,725

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

Full Funding Limit as of March 31, 2021	For Minimum Required	For Maximum Deductible
ERISA full funding limit (not less than 0)		
<i>Actuarial liability</i>	\$ 110,382,007	\$ 110,382,007
<i>less: Assets (lesser of market or actuarial)</i>	72,130,003	72,130,003
<i>plus: Credit balance (w/interest to year end)</i>	24,089,009	n/a
	62,341,013	38,252,004
Full funding limit override (not less than 0)		
<i>90% of current liability</i>	173,338,115	173,338,115
<i>less: Assets (actuarial value)</i>	84,732,725	84,732,725
	88,605,390	88,605,390
Full funding limit (greater of ERISA limit and full funding override)	\$ 88,605,390	\$ 88,605,390

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

***Minimum Required Contribution
 Plan Year Beginning April 1, 2020***

<hr/>		
Minimum funding cost		
<i>Normal cost (including expenses)</i>	\$	1,465,646
<i>Net amortization of unfunded liabilities</i>		5,247,873
<i>Interest to end of plan year</i>		486,726
		7,200,245
 Full funding limit		 88,605,390
Net charge to funding std. acct. (lesser of above)		7,200,245
less: <i>Credit balance with interest to year end</i>		24,089,009
 Minimum Required Contribution (not less than 0)	 \$	 -
<hr/>		

***Full Funding Credit to Funding Standard
 Account Plan Year Ending March 31, 2021***

<hr/>		
Full funding credit (not less than 0)		
<i>Minimum funding cost (n.c., amort., int.)</i>	\$	7,200,245
less: <i>full funding limit</i>		88,605,390
		-
	 \$	 -
<hr/>		

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, 2020***

Preliminary deductible limit		
<i>Normal cost (including expenses)</i>	\$	1,465,646
<i>10-year limit adjustment (using "fresh start" alternative)</i>		3,014,776
<i>Interest to end of plan year</i>		324,830
		4,805,252
 Full funding limit		 88,605,390
 Maximum deductible contribution override		
<i>140% of vested current liability projected to March 31, 2021</i>		265,754,702
<i>less: Actuarial value of assets projected to March 31, 2021</i>		84,732,725
		181,021,977
 Maximum deductible contribution*	\$	181,021,977
 Anticipated employer contributions	\$	3,194,982

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

*Enrolled Actuary's Report
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

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>
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
2020	7.25%	107,511,745	86,464,822	21,046,923	827,468

* Actuarial value

TERMINATION BY MASS WITHDRAWAL

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

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

As required by regulation, interest rates of 2.12% for the first 25 years and 2.26% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2030 were used.

***Illustrative Section 4281 Valuation
as of March 31, 2020***

Value of nonforfeitable benefits		
<i>Participants currently receiving benefits*</i>	\$	89,331,278
<i>Inactive vested participants</i>		47,402,311
<i>Active participants</i>		70,270,766
<i>Expenses (per Section 4281 of ERISA)</i>		1,328,836
		208,333,191
<i>less: Fund assets (market value)</i>		74,714,032
		133,619,159
Value of nonforfeitable benefits in excess of (less than) fund assets		\$ 133,619,159

* Includes balance of benefits due and unpaid to beneficiaries of \$52,805.

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,	2020	2019
Present value of vested accumulated benefits		
<i>Participants currently receiving benefits*</i>	\$ 54,891,033	\$ 53,037,086
<i>Expenses on parts. currently rec. benefits</i>	1,646,731	1,723,705
<i>Other participants</i>	52,620,712	51,886,046
<i>Expenses on other participants</i>	1,578,621	1,686,296
	<u>110,737,097</u>	<u>108,333,133</u>
Present value of nonvested accumulated benefits		
<i>Nonvested accumulated benefits</i>	1,402,626	1,445,878
<i>Expenses on nonvested benefits</i>	42,079	46,991
	<u>1,444,705</u>	<u>1,492,869</u>
Present value of all accumulated benefits	\$ 112,181,802	\$ 109,826,002
Market value of plan assets	\$ 74,714,032	\$ 85,603,626
Interest rate used to value benefits	7.25%	7.25%

* Includes balance of benefits due and unpaid to beneficiaries of \$52,805 as of 2020 and \$49,582 as of 2019.

Changes in Present Value of Accumulated Benefits

Present value of accumulated benefits as of April 1, 2019	\$ 109,826,002
Increase (decrease) due to:	
<i>Plan amendment</i>	-
<i>Change in actuarial assumptions</i>	(346,943)
<i>Benefits accumulated and experience gain or loss</i>	1,202,246
<i>Interest due to decrease in discount period</i>	7,962,385
<i>Benefits paid</i>	(6,277,075)
<i>Operational expenses paid</i>	(184,813)
Net increase (decrease)	<u>2,355,800</u>
Present value of accumulated benefits as of April 1, 2020	<u>\$ 112,181,802</u>

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, 2020 Actuarial Valuation**

PLAN HISTORY (CONT.)

Employer or Employer Group	Employer Contribution Rate as of April 1, 2020
Teamsters Local Union #135	\$ 338.00/week
Rigging Industry Group:	
Cardinal Contracting #225	\$ 196.00/week
Underwood Machinery #275	\$ 144.80/week
E.H. Hamilton #350	50¢/hour
A.J.'s Tool Rental #401	13% of gross earnings
Sand & Gravel Industry Group:	
A&C Trucking #405	11% of gross earnings
MS Transport #420	13% of gross earnings
Macy Inc. #445	13% of gross earnings
V&S Transport #480	10% of gross earnings
C.J.'s Inc. #497	13% of gross earnings
D Transport #415	13% of gross earnings
Hot Shot Transportation #424	13% of gross earnings
Eastside Trucking #439	13% of gross earnings
BDS Trucking #460	13% of gross earnings
Nubian Transport #462	13% of gross earnings
Indy Transport #463	13% of gross earnings
Oatt's Trucking #466	13% of gross earnings
Bibb's Hauling LLC #467	13% of gross earnings
Ward Trucking #469	13% of gross earnings
CMG Trucking #482	13% of gross earnings
Choice Trucking #486	13% of gross earnings
DWD Company LLC #487	13% of gross earnings
Lynn Trucking #489	\$ 20.40/day
Wells & Rhodes Trucking #490	13% of gross earnings
Ready Mix Industry Group:	
IMI – GF #333	\$ 3.60/hour (\$ 3.70/hour 6-1-2020)*
IMI – NV #334	\$ 3.60/hour (\$ 3.70/hour 6-1-2020)*
IMI – Central #520	\$ 3.60/hour (\$ 3.70/hour 6-1-2020)*
IMI – Danville #521	\$ 3.60/hour (\$ 3.70/hour 6-1-2020)*
IMI – Lebanon/Frankfort #522	\$ 3.60/hour (\$ 3.70/hour 6-1-2020)*
IMI – Mooresville #523	\$ 3.60/hour (\$ 3.70/hour 6-1-2020)*
IMI – East #524	\$ 3.50/hour (\$ 3.60/hour 5-1-2020)**
Plumbing Industry Drivers Group:	
Central Supply #600	\$ 344.81/month
CEP Concrete Construction #750	\$ 120.00/week
Omnisource Corporation #905	\$ 100.00/month (\$115.00/month 6-1-2020)***
City of Martinsville #920	\$ 339.72/month
Martin Marietta Materials #1521	\$ 1.85/hour (\$2.00/hour 4-1-2021)

* \$3.80/hour 6-1-2021

** \$3.70/hour 5-1-2021

*** \$135.00/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.

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

**Appendix A – Plan Provisions
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation**

SUMMARY OF PLAN PROVISIONS (CONT.)

<i>Employer or Employer Group</i>	<i>Past Service Crediting Rate as of April 1, 2020</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	-
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	<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 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.</p> <p>Effective April 1, 2020: A plan year during which employer contributions were made to the fund for less than 500 hours.</p>
Forfeited service	<p>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.</p>
Spouse	<p>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.</p>
Normal retirement benefit	
<i>Eligibility</i>	<p>Age 65 and 5th anniversary of plan participation.</p>
<i>Monthly amount</i>	<p>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.</p>

SUMMARY OF PLAN PROVISIONS (CONT.)

Unreduced early retirement benefit	
<i>Eligibility</i>	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.
<i>Monthly amount</i>	100% of normal. 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.
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.
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
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.

SUMMARY OF PLAN PROVISIONS (CONT.)

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.
Future service decrease	
<i>Effective date</i>	January 1, 2020
<i>Adoption date</i>	December 3, 2019
<i>Provisions</i>	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											
<i>Effective date</i>	January 1, 2020										
<i>Adoption date</i>	December 3, 2019										
<i>Provisions</i>	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											
<i>Effective date</i>	April 1, 2020										
<i>Adoption date</i>	December 3, 2019										
<i>Provisions</i>	Future service is now credited with partial years of service credits based on hours worked during the plan year according to the following schedule:										
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Hours Worked</u></th> <th style="text-align: center;"><u>Vesting Credit</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0 - 499</td> <td style="text-align: center;">0.00</td> </tr> <tr> <td style="text-align: center;">500 - 749</td> <td style="text-align: center;">0.50</td> </tr> <tr> <td style="text-align: center;">750 - 999</td> <td style="text-align: center;">0.75</td> </tr> <tr> <td style="text-align: center;">1000 or more</td> <td style="text-align: center;">1.00</td> </tr> </tbody> </table>	<u>Hours Worked</u>	<u>Vesting Credit</u>	0 - 499	0.00	500 - 749	0.50	750 - 999	0.75	1000 or more	1.00
<u>Hours Worked</u>	<u>Vesting Credit</u>										
0 - 499	0.00										
500 - 749	0.50										
750 - 999	0.75										
1000 or more	1.00										
Break in Service											
<i>Effective date</i>	April 1, 2020										
<i>Adoption date</i>	December 3, 2019										
<i>Provisions</i>	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, 2020
Interest rates	
<i>ERISA rate of return used to value liabilities</i>	7.25% per year net of investment expenses.
<i>Unfunded vested benefits</i>	7.25% per year net of investment expenses
<i>Current liability</i>	2.83% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	
<i>Funding</i>	\$185,000 per year excluding investment expenses.
<i>ASC 960</i>	A 3.00% load was applied to the accrued liabilities for 2020 (3.25% for 2019).
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>	110% of the PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2020 projection scale. For female annuitants, the contingent survivor table was used.
<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.

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.

<u>Age</u>	<u>Withdrawal Rate</u>
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:

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

ACTUARIAL ASSUMPTIONS (CONT.)

Retirement																						
<i>Active lives</i>	According to the following schedule:																					
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Prior to 30 Years Service</u></th> <th style="text-align: center;"><u>After 30 Years Service*</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">55-58</td> <td style="text-align: center;">.04</td> <td style="text-align: center;">.15</td> </tr> <tr> <td style="text-align: center;">59-60</td> <td style="text-align: center;">.04</td> <td style="text-align: center;">.05</td> </tr> <tr> <td style="text-align: center;">61</td> <td style="text-align: center;">.15</td> <td style="text-align: center;">.05</td> </tr> <tr> <td style="text-align: center;">62</td> <td style="text-align: center;">.25</td> <td style="text-align: center;">.20</td> </tr> <tr> <td style="text-align: center;">63-64</td> <td style="text-align: center;">.20</td> <td style="text-align: center;">.15</td> </tr> <tr> <td style="text-align: center;">65+</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.00</td> </tr> </tbody> </table>	<u>Age</u>	<u>Prior to 30 Years Service</u>	<u>After 30 Years Service*</u>	55-58	.04	.15	59-60	.04	.05	61	.15	.05	62	.25	.20	63-64	.20	.15	65+	1.00	1.00
<u>Age</u>	<u>Prior to 30 Years Service</u>	<u>After 30 Years Service*</u>																				
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.																					
<i>Inactive vested lives</i>	Age 55 if 30 years of service, else age 60 if eligible for early, else age 65. Current age, if older.																					
Future work units for annual contributions																						
<i>Months</i>	11																					
<i>Hours</i>	1,900																					
<i>Weeks</i>	44																					
<i>Days</i>	130																					
<i>Gross earnings</i>	\$37,000																					
Future contribution rate	Applicable employer's rate as of valuation date adjusted to reflect known bargained increases effective in the upcoming plan year.																					
Age of participants with unrecorded birth dates	Based on average entry age of participants with recorded birth dates and same vesting status.																					
Marriage assumptions	75% assumed married with the male spouse 3 years older than his wife																					
Optional form assumption	All non-retired participants assumed to elect the life only form of benefit.																					

ACTUARIAL ASSUMPTIONS (CONT.)

Inactive vested lives over age 74	Continuing inactive vested participants age nearest 74 and older are assumed deceased and are not valued. Participants assumed deceased under age 74 prior to April 1, 2020 are still assumed to be deceased.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences
Section 415 limit assumptions	
<i>Dollar limit</i>	\$230,000 per year
<i>Assumed form of payment for those limited by Section 415</i>	Qualified joint and 50% survivor annuity
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 2020 survey of investment consultants.</p> <p>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.</p> <p>Due to the special rules related to withdrawal liability for a construction industry plan and the nature of the building trades industry, we believe the valuation interest rate is also appropriate for withdrawal liability purposes.</p>
Mortality	<p>The PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2020 projection scale was chosen as the base table for this population. The blue collar table was chosen based on the industry of plan participants. Since most female annuitants are surviving spouses, the contingent survivor table was chosen for female annuitants.</p> <p>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.</p>
Retirement	<p>Actual rates of retirement by age were last studied for this plan for the period April 1, 2015 to March 31, 2020. No 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, 2015 to March 31, 2020. No adjustments were deemed necessary at this time.</p>
Future work units	<p>Based on review of recent plan experience.</p>

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

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

Assumed return on fund assets			
<i>Current year projections</i>	7.25% for all years		
<i>Prior year projections</i>	7.25% for all years		
Expenses			
<i>Current year projections</i>	\$185,000 per year excluding investment expenses.		
<i>Prior year projections</i>	\$180,000 per year excluding investment expenses.		
Future work units			
<i>Current year projections</i>	<u>Current Plan Year</u>	<u>Thereafter</u>	
<i>Months</i>	11	11.55	
<i>Hours</i>	1,900	1,955	
<i>Weeks</i>	44	46.2	
<i>Days</i>	130	136.5	
<i>Gross earnings</i>	\$37,000	\$38,850	
<i>Prior year projections</i>	<u>All Future Years</u>		
<i>Months</i>	11		
<i>Hours</i>	1,900		
<i>Weeks</i>	44		
<i>Days</i>	170		
<i>Gross earnings</i>	\$35,000		
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 current participation agreements.		
<i>Prior year projections</i>	Rates as summarized on page A-2 of the April 1, 2019 actuarial valuation report plus all future contribution rate increases spelled out in participation agreements as of March 31, 2019.		
Plan changes since prior year	None		

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS (CONT.)

Open group projections <i>Current year projections</i>	Stable population assumed with new entrants replacing active participants as they withdraw, retire, or die. New entrants are based upon the distribution of entry ages of actual new entrants over the last 5 years.
<i>Prior year projections</i>	Stable population assumed with new entrants replacing active participants as they withdraw, retire, or die. New entrants are based upon the distribution of entry ages of active participants as of April 1, 2019.
Stochastic modeling	1,000 trials. Future returns are modeled using an expected return of 6.34% for the first 10 years and 7.21% thereafter and a standard deviation of 11.46%, which is representative of the plan's investment portfolio. The preceding expected returns are one year values which are not representative of longer-term geometric average returns as considered when setting the ERISA return assumption.

*Appendix B – Actuarial Assumptions and Methods
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

ACTUARIAL METHODS

Funding method	
<i>ERISA Funding</i>	Traditional unit credit cost method, effective April 1, 2008
<i>Funding period</i>	Individual entry age normal with costs spread as a level dollar amount over service
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, 2020 Actuarial Valuation

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		4/1/2020 Outstanding Balance	4/1/2020 Amortization Payment
				Years	Months		
Charges							
4/1/1991	Amendment		30	1	0	251,282	251,282
4/1/1992	Assumptions		30	2	0	45,303	23,445
4/1/1993	Assumptions		30	3	0	70,636	25,212
4/1/1994	Assumptions	332,364	30	4	0	93,492	25,881
4/1/1995	Assumptions	267,368	30	5	0	90,937	20,818
4/1/1996	Assumptions	176,956	30	6	0	69,936	13,787
4/1/1997	Assumptions	274,512	30	7	0	122,535	21,385
4/1/1998	Amendment	125,865	30	8	0	62,193	9,805
4/1/1998	Assumptions	584,856	30	8	0	288,993	45,563
4/1/1999	Assumptions	965,339	30	9	0	519,973	75,208
4/1/2000	Assumptions	1,895,667	30	10	0	1,099,853	147,700
4/1/2001	Amendment	1,672,581	30	11	0	1,034,280	130,210
4/1/2001	Assumptions	727,078	30	11	0	449,584	56,601
4/1/2002	Amendment	741,827	30	12	0	485,083	57,705
4/1/2002	Assumptions	481,998	30	12	0	315,179	37,494
4/1/2003	Amendment	31,128	30	13	0	21,376	2,419
4/1/2003	Assumptions	854,813	30	13	0	587,209	66,442
4/1/2004	Assumptions	1,450,330	30	14	0	1,040,870	112,642
4/1/2005	Assumptions	2,957,701	30	15	0	2,207,332	229,551
4/1/2006	Amendment	73,178	30	16	0	56,562	5,675
4/1/2006	Assumptions	1,790,545	30	16	0	1,383,950	138,869
4/1/2006	Experience	1,454,368	15	1	0	152,930	152,930
4/1/2007	Assumptions	1,066,818	30	17	0	850,978	82,682
4/1/2007	Experience	729,912	15	2	0	148,151	76,667
4/1/2009	Relief 09 Asset Loss	11,598,304	29	18	0	9,611,920	907,093
4/1/2010	Relief 09 Asset Loss	1,178,181	28	18	0	986,760	93,122
4/1/2011	Assumptions	270,413	15	6	0	143,517	28,291
4/1/2011	Relief 09 Asset Loss	2,854,997	27	18	0	2,418,730	228,259
4/1/2012	Assumptions	505,989	15	7	0	303,038	52,887
4/1/2012	Relief 09 Asset Loss	5,055,343	26	18	0	4,336,616	409,254
4/1/2013	Experience	1,995,583	15	8	0	1,321,754	208,392
4/1/2016	Assumptions	1,343,594	15	11	0	1,111,626	139,948
4/1/2016	Experience	2,730,221	15	11	0	2,258,856	284,378
4/1/2017	Experience	2,613,804	15	12	0	2,286,767	272,034
4/1/2018	Assumptions	1,567,462	15	13	0	1,440,656	163,008

*Appendix C - Minimum Funding Amortization Bases
Teamsters Local Union No. 716 Pension Plan
April 1, 2020 Actuarial Valuation*

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		4/1/2020 Outstanding Balance	4/1/2020 Amortization Payment
				Years	Months		
4/1/2018	Experience Loss	1,758,034	15	13	0	1,615,809	182,827
4/1/2019	Assumptions	2,550,737	15	14	0	2,451,169	265,264
4/1/2019	Experience Loss	3,567,056	15	14	0	3,427,818	370,956
4/1/2020	Experience Loss	4,302,906	15	15	0	4,302,906	447,481
Total Charges:						49,466,559	5,863,167
 Credits							
4/1/2014	Experience	2,951,941	15	9	0	2,129,407	307,990
4/1/2015	Assumptions	505,288	15	10	0	392,238	52,674
4/1/2015	Experience	1,147,604	15	10	0	890,849	119,633
4/1/2017	Assumptions	1,224,847	15	12	0	1,071,595	127,477
4/1/2020	Assumptions	72,307	15	15	0	72,307	7,520
Total Credits:						4,556,396	615,294
Net Charges:						44,910,163	5,247,873
Less Credit Balance:						22,460,614	
Less Reconciliation Balance:						0	
Unfunded Actuarial Liability:						22,449,549	

SUMMARY OF PPA RULES

Background

Since 2008, all multiemployer pension plans have been required to engage an actuary to certify their status under the Pension Protection Act of 2006 (“PPA”). Such certification must be performed annually and must be filed with the government by the 90th day of the plan year.

This Appendix D provides a high-level summary of some of the rules related to PPA. Please seek advice from your actuary or Fund Counsel for more detailed information.

PPA Status Criteria

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

PPA Status	Getting In	Getting Out
Safe (“green zone”)	A plan is safe if it is not described in any of the other statuses. Generally, a plan that is at least 80% funded and has no projected funding deficiencies in the current year or next 6 years is safe.	A plan leaves safe status when it is certified as being in another status
Safe (“green zone”) special rule	Beginning in 2015, a plan that would otherwise be endangered, but was safe for the prior year, remains safe if it is projected to return to safe within 10 years	A plan leaves safe status when it is certified as being in another status
Endangered (“yellow zone”)	A plan is endangered if it is <u>not</u> in a worse status <u>and</u> it is described in one of the following: <ul style="list-style-type: none"> • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years. 	A plan leaves endangered status when it no longer meets the requirements to be classified as endangered or when it enters a worse status
Seriously endangered (“orange zone”)	A plan is seriously endangered if it is <u>not</u> in a worse status <u>and</u> it meets <u>both</u> of the following: <ul style="list-style-type: none"> • Funded percentage is less than 80%, <u>and</u> • Projected funding deficiency in the current year or next 6 years. 	A plan leaves seriously endangered status when it no longer meets both of the requirements listed or when it enters a worse status

SUMMARY OF PPA RULES (CONT.)

PPA Status	Getting In	Getting Out
<p>Critical (“red zone”)</p>	<p>A plan is critical if it is not in critical and declining status and is described in one or more of the following:</p> <ul style="list-style-type: none"> • Projected funding deficiency (<u>not</u> recognizing extensions) in the current year or next 3 years (next 4 years if funded at less than 65%), or • Funded percentage is less than 65%, <u>and</u>, inability to pay nonforfeitable benefits and expenses for next 7 years, or • (1) Contributions are less than current year costs (i.e. “normal cost”) plus interest on any unfunded past liabilities, <u>and</u>, (2) value of vested benefits for non-actives is greater than for actives, <u>and</u>, (3) projected funding deficiency (<u>not</u> recognizing extensions) in the current year or next 4 years, or • Inability to pay all benefits and expenses for next 5 years. <p>A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from critical status in 2015 or later will re-enter critical status <u>only</u> if it is described in one of the following:</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 <p>If a plan is certified as safe or endangered status but projected to be critical within the next 5 years, the Trustees have the <u>option</u> of electing to have the plan treated as critical status immediately.</p>	<p>A 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, and, • No projected funding deficiencies in the current year or next 9 years, and, • 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 both of the following:</p> <ul style="list-style-type: none"> • No projected funding deficiencies in the current year or next 9 years, and, • No projected insolvencies in the next 30 years

SUMMARY OF PPA RULES (CONT.)

<i>PPA Status</i>	<i>Getting In</i>	<i>Getting Out</i>
Critical and declining ("deep red zone")	Beginning in 2015, a plan is in critical and declining status if: <ul style="list-style-type: none"> • It satisfies one or more of the critical status criteria, and, • It is projected to become insolvent within the next 15 years (20 years if the plan has a ratio of inactive participants to active participants that exceeds 2 to 1 or if the funded percentage of the plan is less than 80%) 	A plan leaves critical and declining when it no longer satisfies the criteria. Status cannot change to safe, endangered, or seriously endangered unless the plan also meets the critical status emergence rules (see above).

Restrictions for Non-Safe Zone Plans

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

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

SUMMARY OF PPA RULES (CONT.)

Employer Surcharges for Critical Status Plans

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

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

Special Critical/Critical and Declining Status Tools

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

The Trustees of a critical and declining plan may apply to the Treasury Department for approval to suspend certain payments (suspensions are benefit cuts that will be restored once they are no longer needed). The suspensions may affect even those participants are already in pay status. However, certain protections apply to participants who are age 75 or older or are disabled. Furthermore, no one's benefit can be reduced below 110% of the amount guaranteed by the PBGC.

GLOSSARY OF COMMON PENSION TERMS

Benefits

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

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

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

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

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

Assets

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

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

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

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

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

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

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

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

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

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

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

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

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

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

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

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

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

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

Withdrawal Liability

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

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

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