TEAMSTERS LOCAL UNION NO. 716 PENSION PLAN

Actuarial Valuation Report
For Plan Year Commencing
April 1, 2021

December 2, 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, 2021. 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

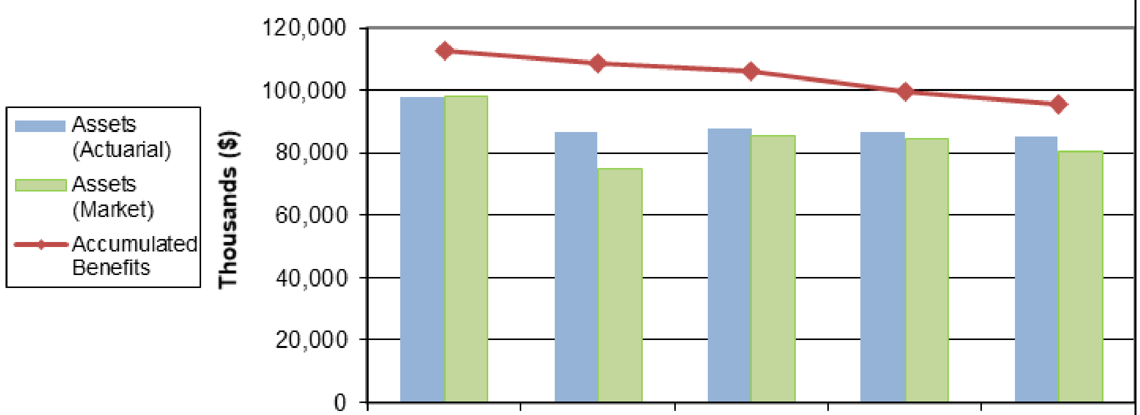
Erika L. Creager

Erika L. Creager, EA, MAAA
Consulting Actuary

PART I: SUMMARY OF RESULTS

5 - YEAR SUMMARY OF VALUATION RESULTS

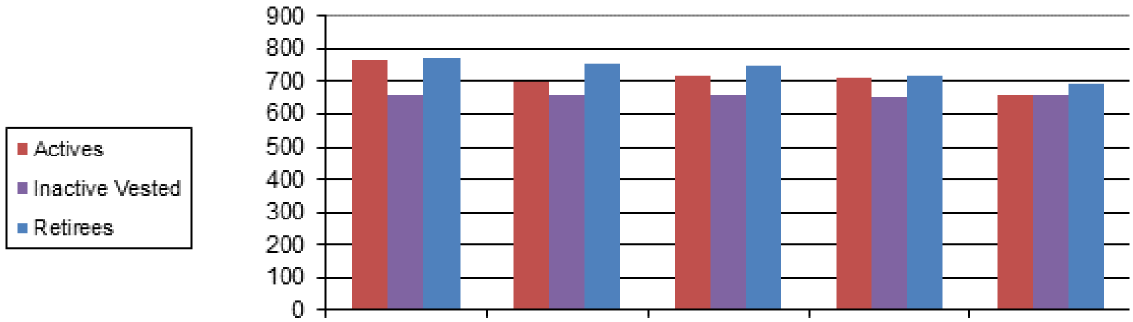
Actuarial Study as of April 1,	*2021*	*2020*	*2019*	*2018*	*2017*
PPA funded status	Safe	Endngrd	Safe	Safe	Safe
Improvements restricted*	No	Yes	No	No	No
Funded ratio					
Valuation report (AVA)	86.9%	79.4%	82.5%	87.0%	89.1%
Valuation report (MVA)	86.9%	68.6%	80.5%	84.4%	84.5%
PPA certification (AVA)	80.7%	79.2%	85.9%	88.2%	89.2%
Proj. year of insolvency	None	None	None	None	None
Credit balance ($ 000)	20,895	22,461	19,623	16,800	13,859
Date of first projected funding deficiency					
Valuation report	None	3/31/28	3/31/32	3/31/35	3/31/33
PPA certification	None	3/31/28	3/31/34	None	3/31/31
Net investment return					
On market value	35.49%	-9.42%	5.47%	8.03%	8.72%
On actuarial value	16.77%	1.95%	4.78%	5.47%	5.16%
Asset values ($ 000)					
Market	97,887	74,714	85,604	84,196	80,599
Actuarial	97,887	86,465	87,751	86,787	84,978
Accum. ben. ($ 000)	112,598	108,914	106,369	99,766	95,385



* Benefit improvement restrictions were due to fund being in endangered status.

5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of April 1,	2021	2020	2019	2018	2017
Participant counts					
Active	763	700	716	712	654
Inactive vested	658	656	659	653	655
Receiving benefits	769	753	749	715	696
Total	2,190	2,109	2,124	2,080	2,005
Average entry age	39.6	38.7	38.9	38.6	36.5
Average attained age	48.7	49.2	49.5	49.3	50.1



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

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

Changes in Actuarial Assumptions and Methods

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

- We recommend a change in the asset valuation method to the smoothed market value method with phase-in effective April 1, 2021. This change requires Trustee approval but is eligible for automatic IRS approval. The results of the report should be considered <u>tentative</u> pending Board approval of this change.

- The assumed mortality rates were adjusted from 110% of the PRI-2012 Blue Collar Mortality Table for males and females to 110% of the PRI-2012 Blue Collar Mortality Table for males and 105% for females. This adjustment was made to incorporate credible plan experience into expected mortality.

- The base for assumed future annual contributions increased from $37,000 to $39,000 for gross earnings contributions and decreased from 130 days to 0 days for daily contributions, decreased 11 months to 10 months for monthly contributions, decreased from 44 weeks to 42 weeks for weekly contributions, and decreased from 1,900 hours to 1,850 hours for hourly contributions. This will produce our best estimate of future contributions based on recent plan experience.

- The assumed operational expenses were increased from $185,000 to $210,000 and are assumed to increase annually by 3.0% in order to reflect our best estimate of future expenses based on recent plan experience.

- The assumed retirement rates were changed according to the schedule in Appendix B to represent our best estimate of future retirement patterns based on recent plan experience.

- The current liability interest rate was changed from 2.83% to 2.02%. The new rate is within established statutory guidelines.

The projection assumptions used in this valuation differ from those used in the prior valuation in the following respects:

- The assumed future work units <u>used for projection purposes</u> was changed from 105% to 100% of the total expected from the valuation asumptions.

- Current year projections reflect the increase in the PBGC premium to $52 per participant in 2031.

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of April 1,				
	2021	2020	2019	2018	2017
Future rate of net investment return	7.25%	7.25%	7.25%	7.25%	7.50%
Mortality table	PRI-2012	PRI-2012	PRI-2012	RP-2006	RP-2006
Adjustment	110% (M) 105% (F)	110%	110%	125%	125%
Projection scale	MP-2020	MP-2020	MP-2019	MP-2017	MP-2016
Future expenses	$210,000	$185,000	$180,000	$180,000	$200,000
Basis for future annual contributions					
Avg. Months	10	11	11	11	11
Hours	1,850	1,900	1,900	1,875	1,800
Weeks	42	44	44	43	41
Days	0	130	170	n/a	n/a
Gross earnings	$39,000	$37,000	$35,000	$34,000	$33,000
Average expected retirement age*					
Vested	63.6	62.7	62.7	62.6	62.4
Non-vested	63.6	63.5	63.3	63.3	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, 2021	*Expected*	*Actual*
Decrements		
Terminations		112
less*: Rehires*		27
Terminations (net of rehires)	84.8	85
Active retirements	43.4	25
Active disabilities	1.1	2
Pre-retirement deaths	6.6	5
Post-retirement deaths	27.5	30
Monthly benefits of deceased retirees	$ 14,929	$ 15,576
Financial assumptions		
Rate of net investment return on actuarial value	7.25%	16.77%
Administrative expenses	$ 185,000	$ 202,119
Other demographic assumptions		
Average retirement age from active (new retirees)	63.7	63.3
*Average retirement age from inactive (new retirees)**	63.5	61.6
Average entry age (new entrants)	38.7	40.4
Basis for future contributions		
Average: Months	11	10
Hours	1,900	1,589
Weeks	44	39
Days	130	n/a
Gross earnings	$ 37,000	$ 42,306
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ (455,818)
(Gain)/loss due to liability experience		1,428,546
Total (gain)/loss		$ 972,728

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

PLAN MATURITY

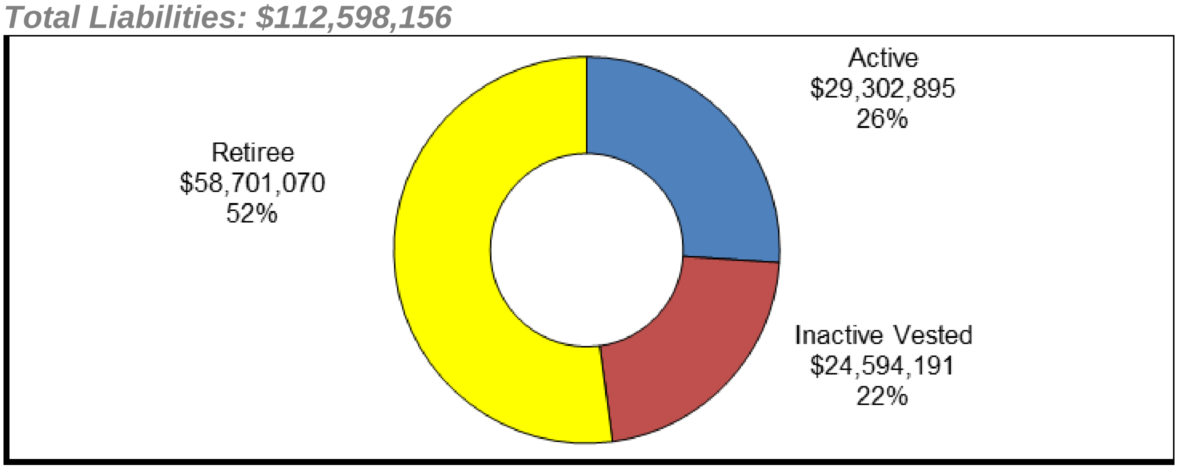
Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

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,	*2021*	*2020*	*2019*	*2018*	*2017*
Retiree/active headcount ratio	1.01	1.08	1.05	1.00	1.06
Nonactive/active headcount ratio	1.87	2.01	1.97	1.92	2.07
Cash flow					
Contr.-ben.-exp. ($000)	(2,838)	(2,966)	(3,112)	(2,761)	(2,957)
Percent of assets	-2.90%	-3.97%	-3.64%	-3.28%	-3.67%

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: $112,598,156



UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

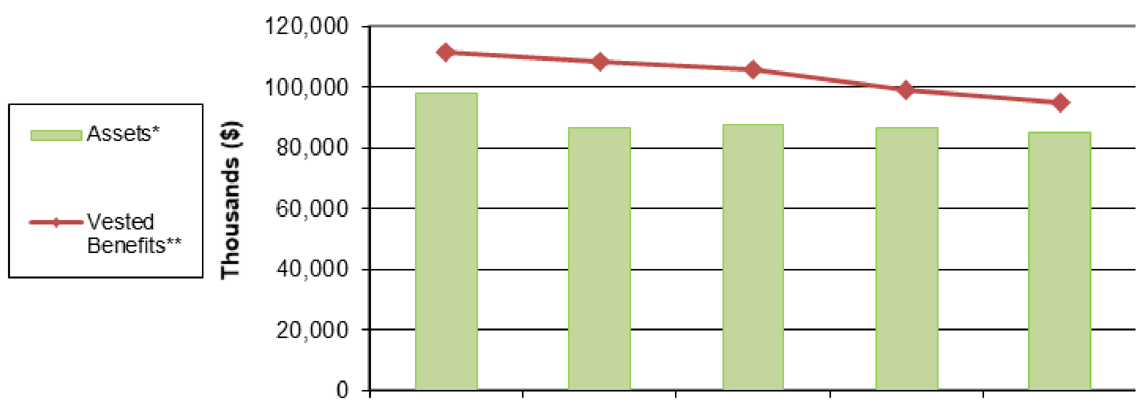
An employer withdrawing during the coming year may have withdrawal liability

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,	*2021*	*2020*	*2019*	*2018*	*2017*
Vested benefits interest	7.25%	7.25%	7.25%	7.25%	7.50%
Vested benefits	110,782	107,512	104,923	97,983	93,555
less: Asset value*	97,887	86,465	87,751	86,787	84,978
UVB	12,895	21,047	17,172	11,196	8,577
Unamortized VAB	713	827	934	1,033	1,125
UVB + VAB	13,608	21,874	18,106	12,229	9,702



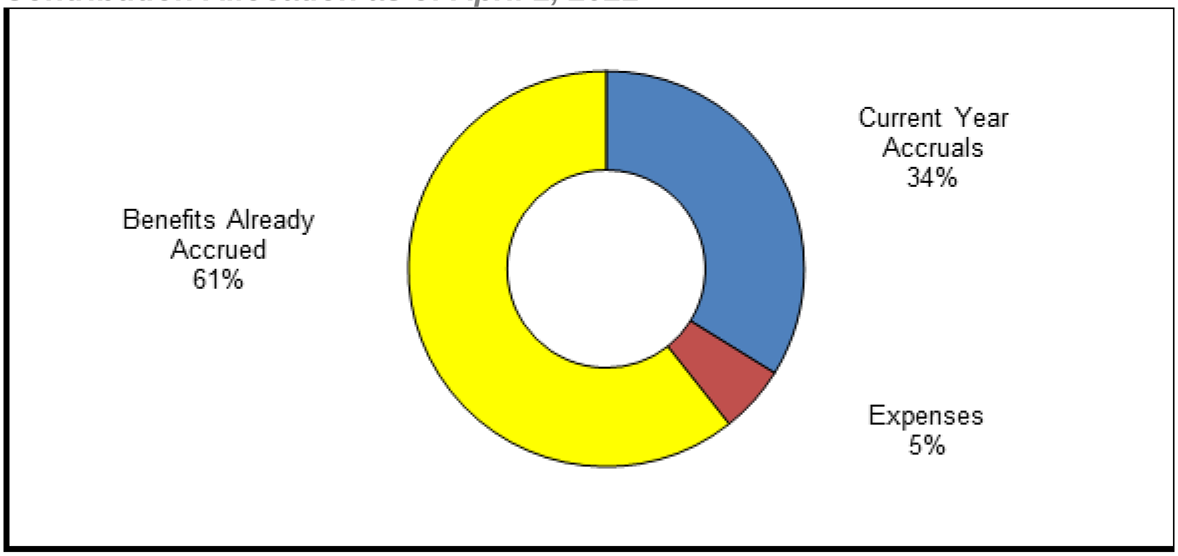
* Actuarial value
** Includes VAB

CONTRIBUTION ALLOCATION

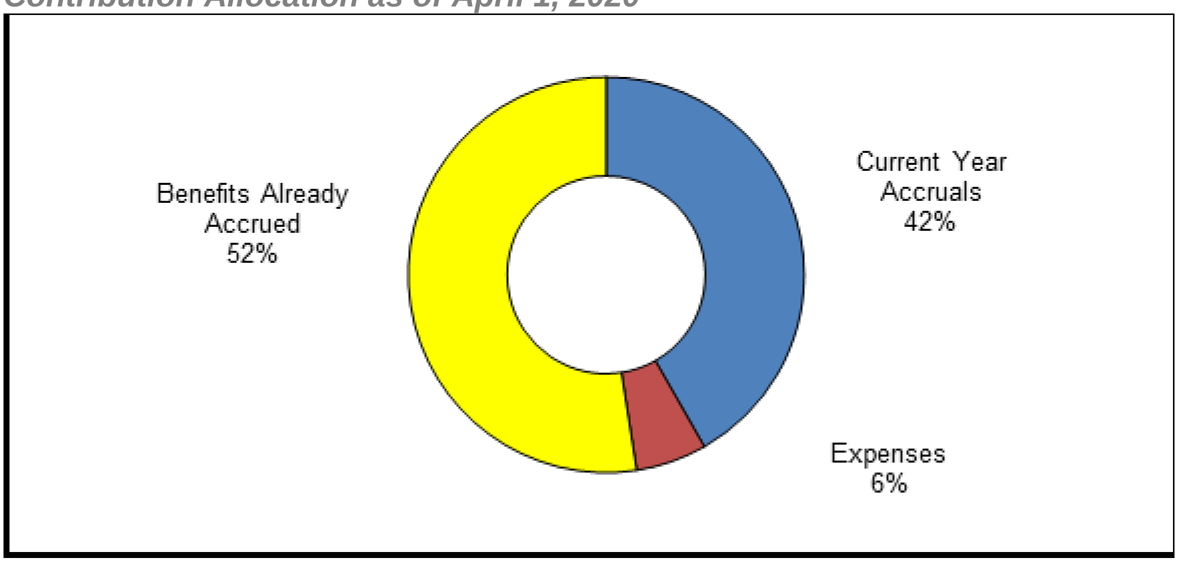
These graphs show how the contributions are being spent

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, 2021



Contribution Allocation as of April 1, 2020

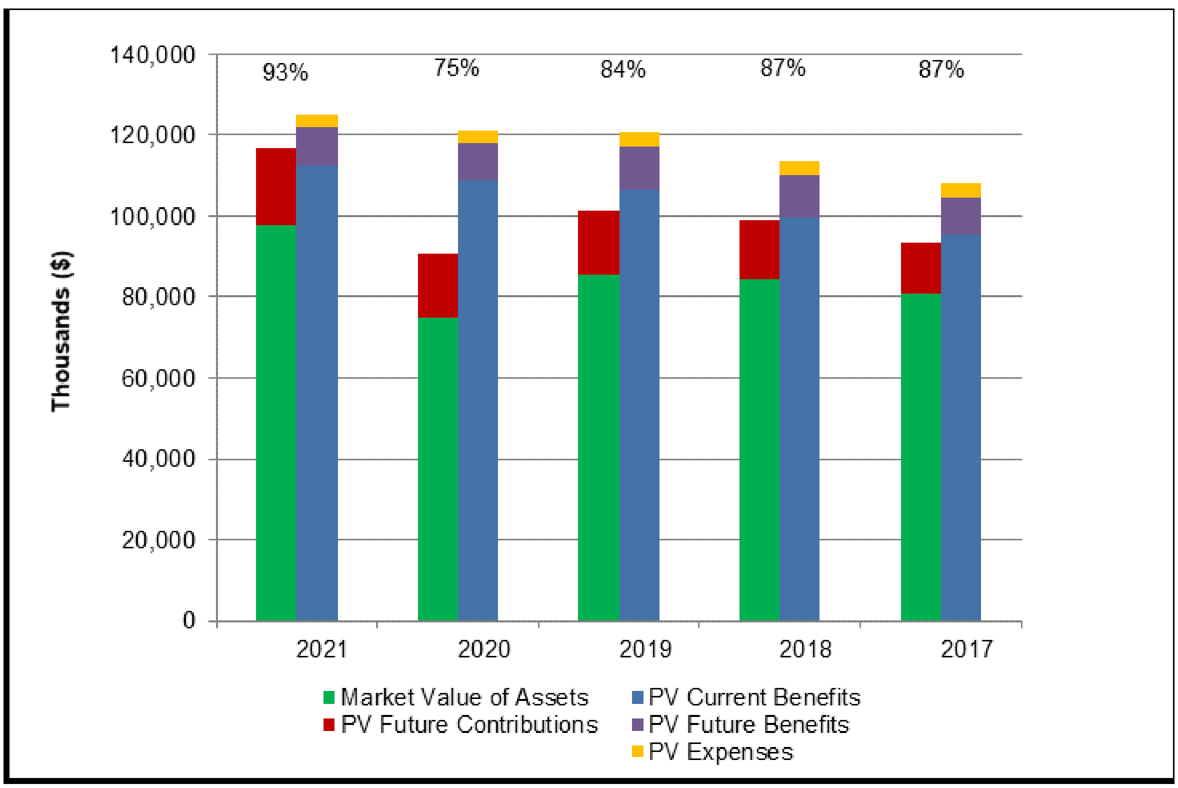


ULTIMATE FUNDED STATUS

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

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

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



FUNDING STANDARD ACCOUNT PROJECTION

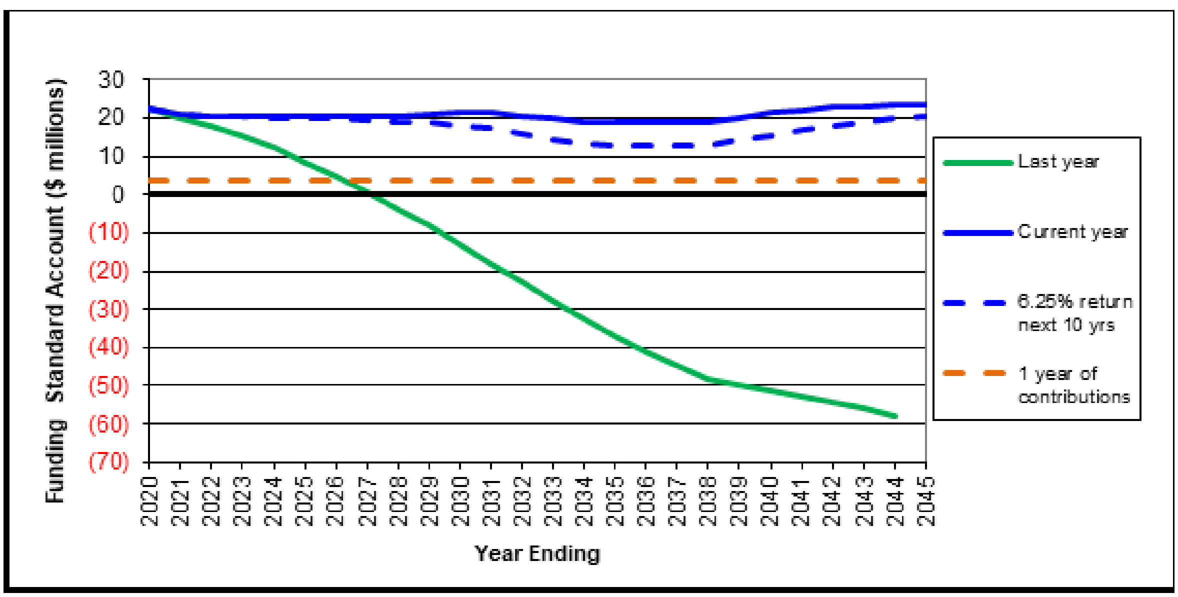
The funding standard account projection is a major driver of PPA status

The funding standard account (FSA) was established by ERISA as a means of determining compliance with minimum funding standards. The FSA is hypothetical in the sense that it does not represent actual assets held by a custodian. Rather, a positive FSA balance (called a "credit balance") means that the plan has exceeded minimum funding standards on a cumulative basis, while a negative balance (called a "funding deficiency") means that the plan has fallen short of such standards.

Actuaries must project the plan's FSA each year in order to determine PPA status. If a funding deficiency is projected in a future year, the plan could be forced into yellow (endangered) or red (critical) status depending how far into the future the first projected funding deficiency is. The plan's FSA projection appears below. These projections are based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B.

As a rule of thumb, UAS recommends in non-Critical status year that plans maintain a projected credit balance of at least one year's contributions (shown as an orange dotted line in the graph below) in each future year. Maintaining a "cushion" in the Funding Standard Account helps minimize the risk of a surprise funding deficiency at the end of a non-Critical status plan year. Such a deficiency could trigger an excise tax payable directly by employers. If the Plan is in Critical status at the start of plan year, it is protected from these excise taxes so long as scheduled progress has been satisfied in at least one of the past three plan years.

An additional blue dashed line has been added to illustrate the impact of a lower potential short term return assumption of 6.25% for the next 10 years.

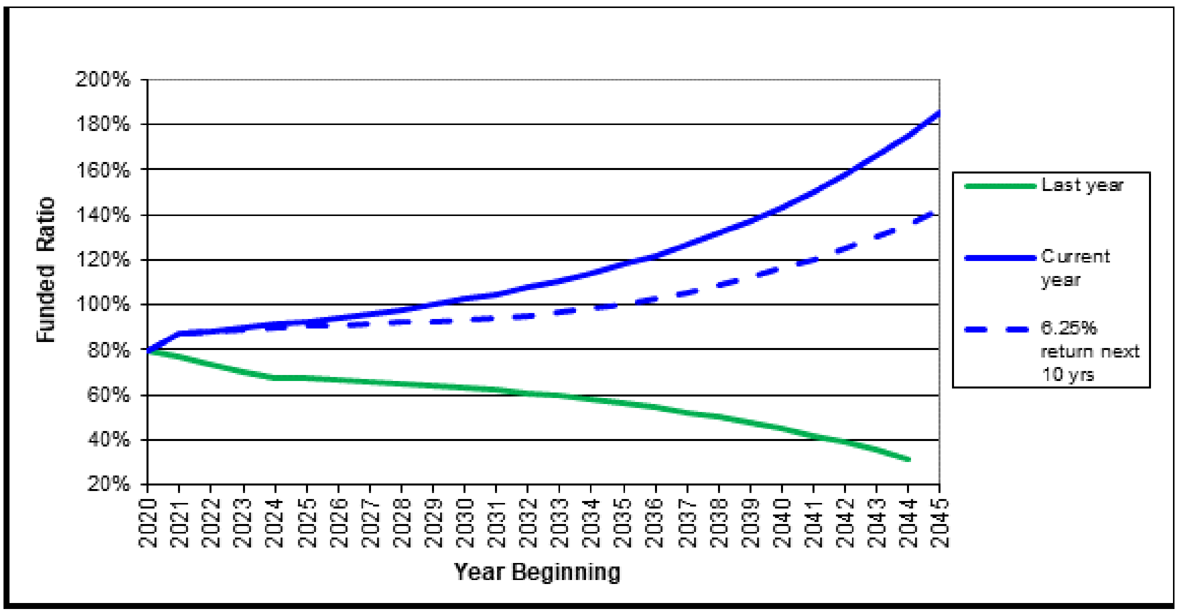


FUNDED RATIO PROJECTION

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.

An additional blue dashed line has been added to illustrate the impact of a lower potential short term return assumption of 6.25% for the next 10 years.

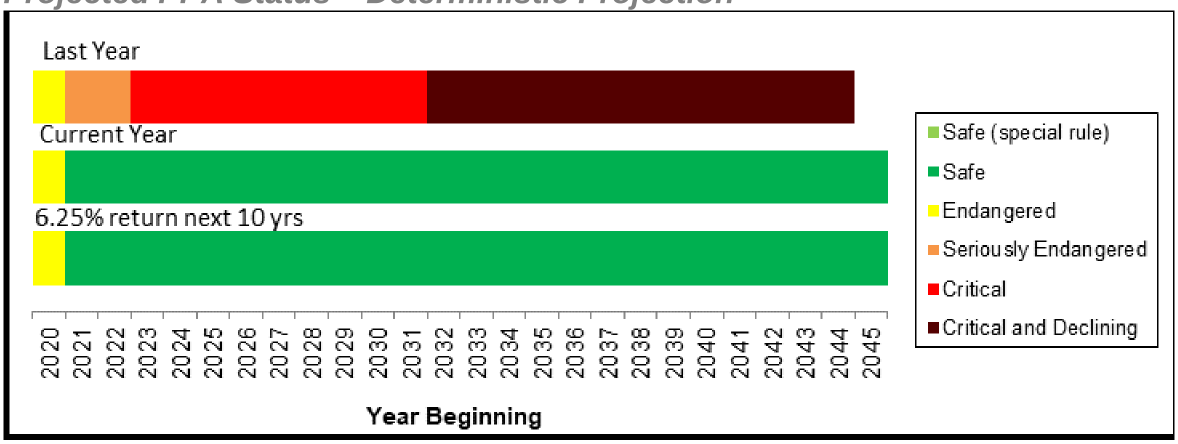


PPA STATUS PROJECTIONS

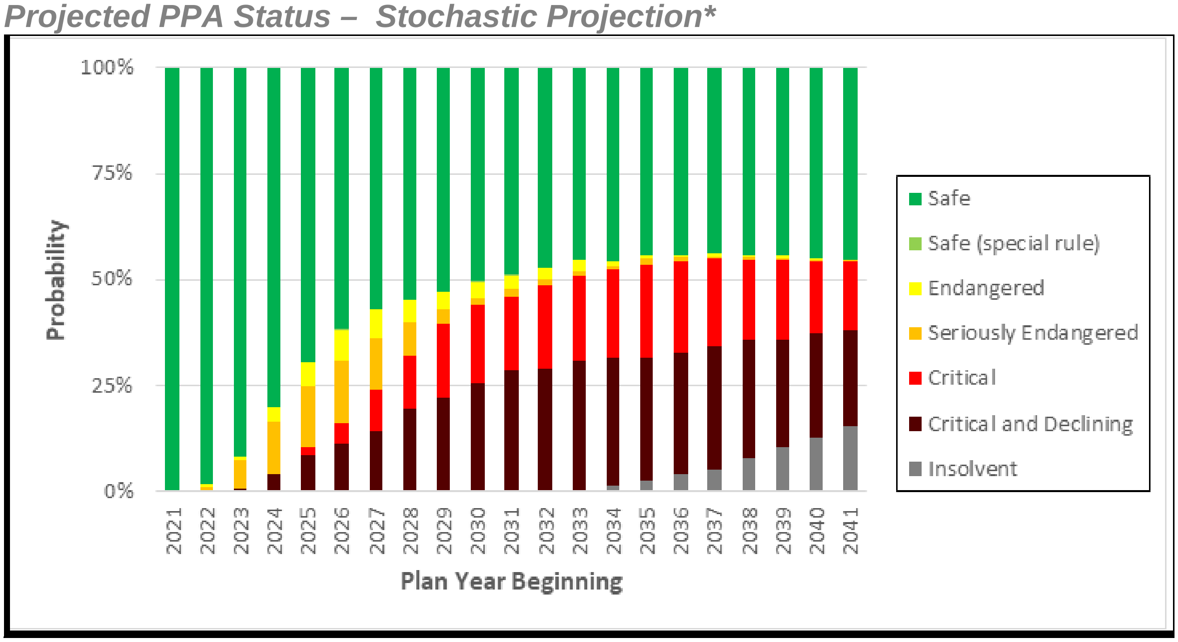
A plan that is not in green (i.e. safe) zone is subject to additional requirements and restrictions

The following graphs show *deterministic* and *stochastic* projections of PPA status based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B. The deterministic projection shows the expected status for each future year. The stochastic projection shows the estimated probability of being in each status in each future year. The projections are based on the current plan and do not assume any changes in plan provisions or contribution rates, even if the plan moves to a worse PPA zone.

Projected PPA Status – Deterministic Projection



*Projected PPA Status – Stochastic Projection**



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

SENSITIVITY ANALYSIS AND SCENARIO/STRESS TESTING

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

Sensitivity analysis studies the funding impact to the plan when a given assumption changes. *Scenario testing* studies the funding impact from actual experience for one or more possible outcomes. *Stress testing* studies the funding impact from poor experience. The sensitivity analysis along with the scenario and stress testing below can be used to gauge a plan's key risks from investments and hours.

Currently, the plan is projected to be 100% funded by 2030, is projected to have no unfunded vested benefits in 2029, and projects no funding deficiencies. In the table below we use these results to perform scenario and stress testing on the investment return assumption by assuming asset returns for the 2021-22 plan year of 10.00%, 7.25%, and 0.00%. We also perform a sensitivity analysis on the future work units assumption by showing the effect of varying it by ±5%. We have also shown the minimum return in the 2021-22 plan year needed for the plan to project Safe or green zone in all future years. 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		*Funding Stats*	*Scenario and Stress Testing Return for 2021-22 PY (7.25% thereafter)*			*Min. 2021-22 Return to Project Green in All Years*
			10.00%	*Assumed Return**	*0.00%*	
5% Lower Work Units Months Hours Weeks Income	 9.5 1,758 39.9 $37,050	100% Funded: No UVB: 2026 Funded %:	2028 2027 96.5%	2030 2029 93.5%	2036 2035 85.6%	-2.4%
Baseline Work Units Months Hours Weeks Income	 10.0 1,850 42.0 $39,000	100% Funded: No UVB: 2026 Funded %:	2028 2027 97.2%	**2030** **2029** **94.2%**	2035 2034 86.3%	-3.9%
5% Higher Work Units Months Hours Weeks Income	 10.5 1,943 44.1 $40,950	100% Funded: No UVB: 2026 Funded %:	2027 2027 97.9%	2029 2028 94.9%	2034 2033 87.0%	-5.5%
Lower short-term 6.25% return for 10 years Baseline Work Units		100% Funded: No UVB: 2026 Funded %:	2032 2030 95.0%	2035 2034 91.0%	2042 2041 84.4%	0.9%

* The assumed return for the 2020-21 plan year is 7.25% in the first three rows and 6.25% in the last row.

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

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

Participants Valued As	Active	Inactive Vested	Receiving Benefits	Total Valued
April 1, 2020	700	656	753	2,109
Change due to:				
New hire	176	-	-	176
Rehire	27	(10)	-	17
Termination	(112)	31	-	(81)
Disablement	(2)	-	2	-
Retirement	(25)	(18)	43	-
Death	(1)	(4)	(30)	(35)
Cash out	-	-	-	-
New beneficiary	-	2	8	10
Certain pd. expired	-	-	(10)	(10)
*Data adjustment**	-	1	3	4
Net change	63	2	16	81
April 1, 2021	763	658	769	2,190

* Inactive vested data adjustment: Addition of one member who was previously thought to be ineligible.

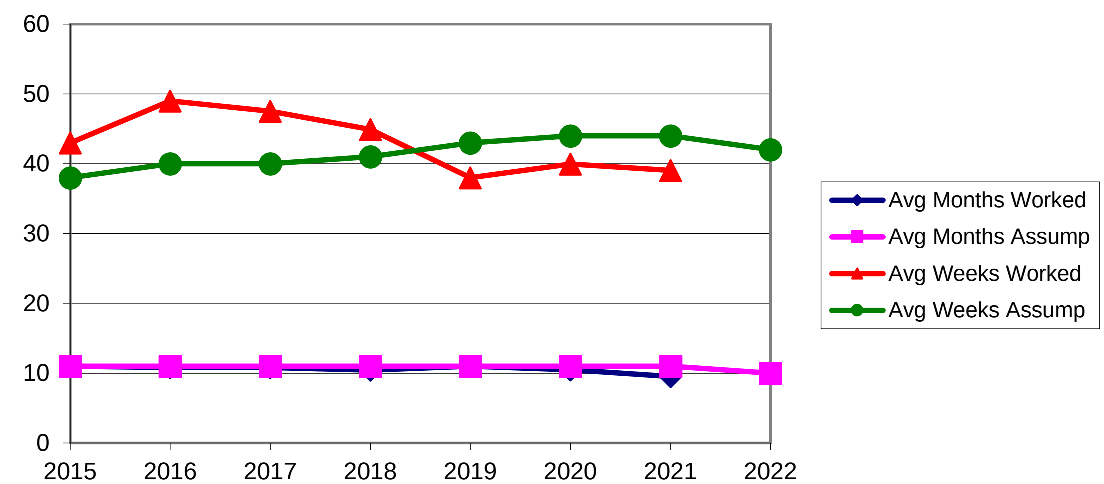
Receiving benefits data adjustment: Addition of 3 retirees previously thought to be ineligible for a benefit

AVERAGE WORK BASIS DURING PLAN YEAR

Hours Worked Per Participant

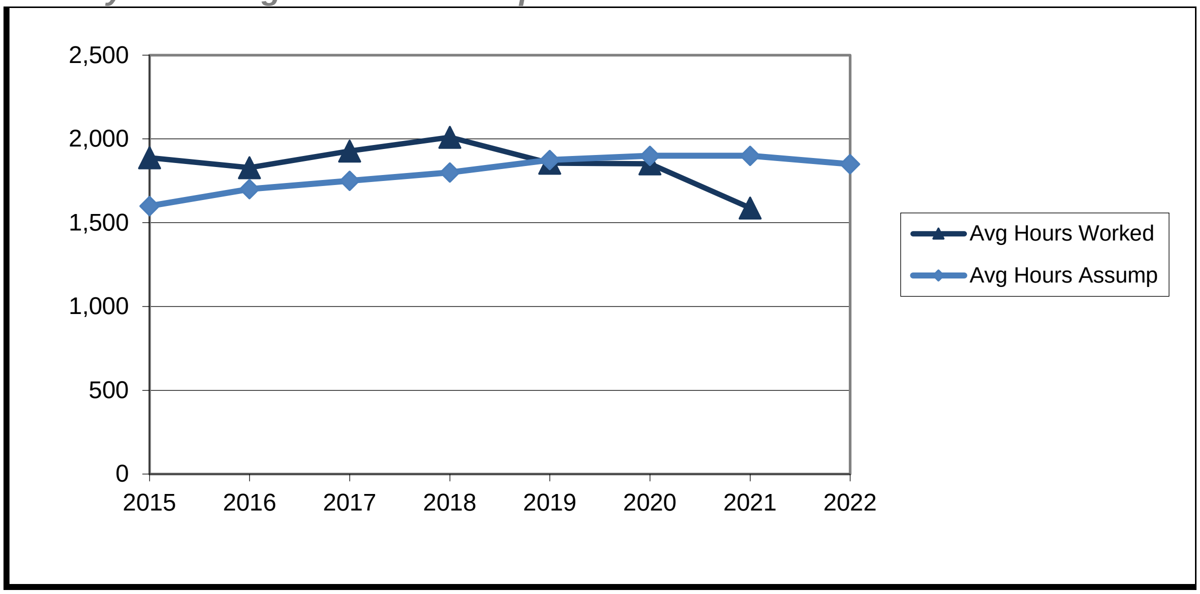
Plan Year Ending March 31, 2020	*Number*	*Average Basis for Annual Contributions*
Actives		
Months	71	10
Hours	293	1,589
Weeks	13	39
Gross Earnings	386	42,306
Total for plan year	763	

History of Average Actual and Expected Hours Worked per Participant

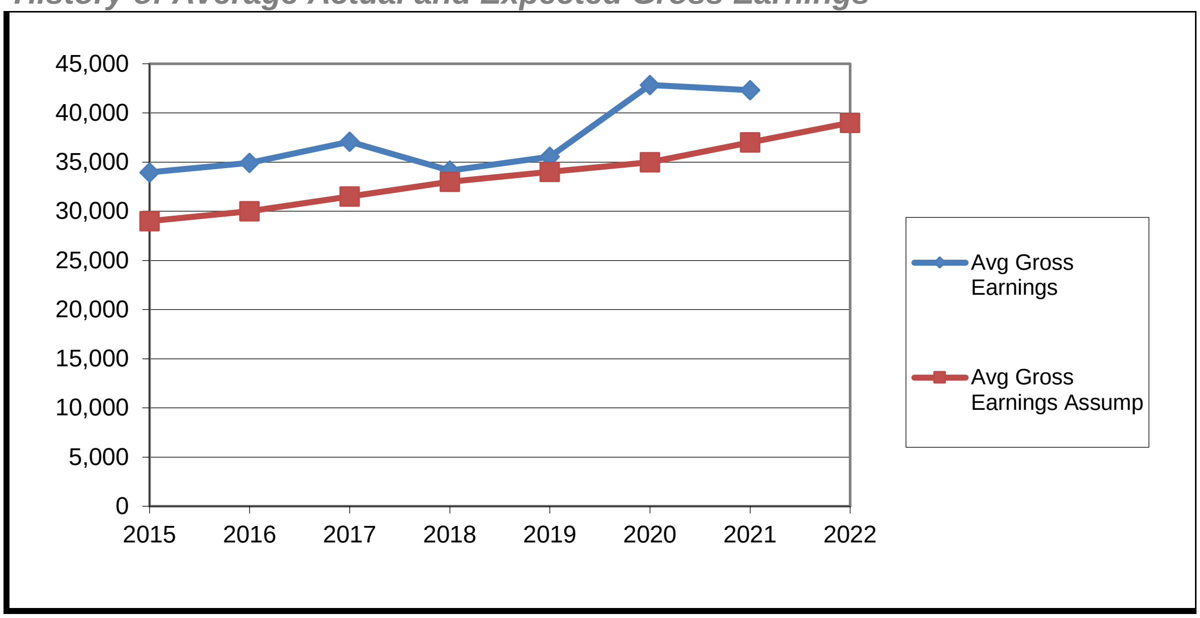


AVERAGE WORK BASIS DURING PLAN YEAR (CONT.)

History of Average Actual and Expected Hours Worked



History of Average Actual and Expected Gross Earnings



CONTRIBUTIONS MADE DURING PLAN YEAR

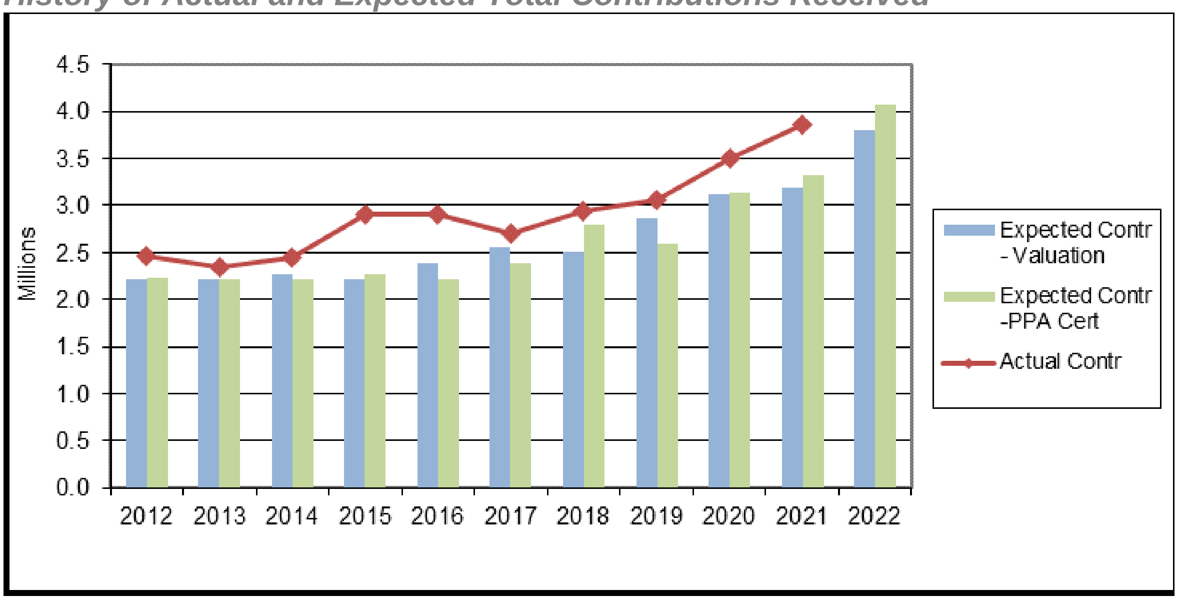
Employer Contributions Reported in Employee Data

Plan Year Ending March 31, 2021	*Number*		*Contributions Reported*
Actives			
Vested	383	$	2,232,854
Non-vested, continuing	205		1,026,459
Non-vested, new entrant	175		422,154
Total valued as active	763		3,681,467
Others	34		96,304
Total for plan year	797	$	3,777,771

Comparison with Audited Employer Contributions

Employer contributions reported in data	$	3,777,771
Total audited employer contributions	$	3,866,040
Percent reported		98%

History of Actual and Expected Total Contributions Received



ACTIVE INFORMATION

Active Participants by Age and Service as of April 1, 2021

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	-	11	1	-	-	-	-	-	-	-	12
25-29	-	29	3	-	-	-	-	-	-	-	32
30-34	-	45	9	-	-	-	-	-	-	-	54
35-39	-	42	9	3	1	-	-	-	-	-	55
40-44	-	41	21	5	5	2	-	-	-	-	74
45-49	-	41	15	8	12	6	3	-	-	-	85
50-54	-	39	21	12	16	11	4	2	-	-	105
55-59	-	31	21	14	18	15	17	5	2	-	123
60-64	-	17	18	16	26	13	18	6	2	-	116
65-69	-	10	4	3	5	1	2	-	1	-	26
70+	-	1	1	3	1	-	-	-	-	-	6
Totals	-	307	123	64	84	48	44	13	5	-	688
Unrecorded DOB	-	73	2	-	-	-	-	-	-	-	75
Total Active Lives	-	380	125	64	84	48	44	13	5	-	763

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of April 1, 2021

Age Group	Number	Estimated Monthly Deferred Vested Benefits*
< 30	-	$ -
30-34	5	1,286
35-39	26	7,051
40-44	53	19,812
45-49	82	31,479
50-54	117	45,874
55-59	158	69,751
60-64	152	67,975
65-69	52	25,098
70+	13	11,806
Totals	658	280,132
Unrecorded birth date	-	-
Total inactive vested lives	658	$ 280,132

* 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, 2021

Form of Payment	Number	Monthly Benefits Being Paid: Total	Average	Smallest	Largest
Life only*	394	$ 308,293	$ 782	$ 23	$ 6,574
Joint & survivor	238	197,081	828	41	4,518
Disability	9	2,787	310	69	500
Beneficiaries	128	45,038	352	13	3,714
Totals	769	$ 553,199	$ 719	$ 13	$ 6,574

* Includes retirees receiving life and certain benefits.

Retirees by Age and Form of Payment as of April 1, 2021

Age Group	Form of Benefits Being Paid: Life Only*	Joint & Survivor	Disability	Beneficiaries	Total
< 40	-	-	-	3	3
40-44	-	-	2	2	4
45-49	-	-	1	-	1
50-54	-	-	4	10	14
55-59	25	9	2	14	50
60-64	49	42	-	11	102
65-69	124	72	-	14	210
70-74	91	54	-	19	164
75-79	51	35	-	17	103
80-84	23	17	-	17	57
85-89	23	8	-	11	42
90-94	6	1	-	7	14
95+	2	-	-	3	5
Totals	394	238	9	128	769

* 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, 2021	2020	2019	2018	2017
< 55	-	-	1	-	-
55	5	4	3	6	2
56	-	-	1	-	4
57	3	-	1	3	2
58	-	1	1	-	3
59	5	1	-	3	1
60	2	3	2	1	3
61	1	3	1	2	2
62	5	5	6	9	7
63	3	1	3	2	4
64	-	4	3	2	5
65	8	9	7	5	5
66+	11	9	6	8	5
Totals	43	40	35	41	43
Average retirement age	62.6	63.3	62.7	62.0	62.3

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,	*2021*	*2020*	*2019*
Invested assets			
Common stocks	$ 68,423,696	$ 49,566,861	$ 49,495,600
Preferred stocks	1,522,546	704,576	3,178,920
U.S. gov't and mortg. sec.	3,159,671	608,583	2,910,575
Mutual funds	804,280	4,142,432	4,080,188
Money market funds	-	-	2,063,783
Municipal bonds	2,070,418	1,174,240	3,265,887
Corporate and other debt	16,854,293	15,569,510	15,890,492
Cash	4,755,719	1,821,066	121,065
Convertible securities	-	-	716,995
Real estate	47,950	901,858	3,259,421
	97,638,573	74,489,126	84,982,926
Net receivables*	248,401	224,906	620,700
Market value	$ 97,886,974	$ 74,714,032	$ 85,603,626
Fund assets - Actuarial value			
Market value	$ 97,886,974	$ 74,714,032	$ 85,603,626
less*: Deferred investment gains and (losses)*	-	(11,750,790)	(2,147,393)
Actuarial value	$ 97,886,974	$ 86,464,822	$ 87,751,019
Actuarial value as a percentage of market value	100.00%	115.73%	102.51%

* 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,	*2021*	*2020*	*2019*
Market value at beginning of plan year	$ 74,714,032	$ 85,603,626	$ 84,195,957
Additions			
Employer contributions	3,866,040	3,495,921	3,067,377
*Net investment income**	26,011,347	(7,923,627)	4,519,382
Other income	-	-	-
	29,877,387	(4,427,706)	7,586,759
Deductions			
Benefits paid	6,502,326	6,277,075	5,990,784
*Net expenses**	202,119	184,813	188,306
	6,704,445	6,461,888	6,179,090
Net increase (decrease)	23,172,942	(10,889,594)	1,407,669
Adjustment	-	-	-
Market value at end of plan year	$ 97,886,974	$ 74,714,032	$ 85,603,626
Cash flow			
Contr.-ben.-exp.	(2,838,405)	(2,965,967)	(3,111,713)
Percent of assets	-2.90%	-3.97%	-3.64%
Estimated net investment return			
On market value	35.49%	-9.42%	5.47%
On actuarial value	16.77%	1.95%	4.78%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending March 31, 2021

Expected market value at end of plan year		
Market value at beginning of plan year	$	74,714,032
Employer contributions and non-investment income		3,866,040
Benefits and expenses paid		(6,704,445)
Expected investment income (at 7.25% rate of return)		5,313,875
		77,189,502
Actual market value at end of plan year		97,886,974
less: Expected market value		77,189,502
Investment gain or (loss)	$	20,697,472

History of Gains and (Losses)

Plan Year Ending March 31,	Investment Gain or (Loss)	Amount Recognized This Year
2021	$ 20,697,472	$ 20,697,472
2020	(14,022,374)	(11,217,899)
2019	(1,472,025)	(883,215)
2018	415,939	166,376
2017	919,739	183,948
Total	$ 6,538,751	$ 8,946,682

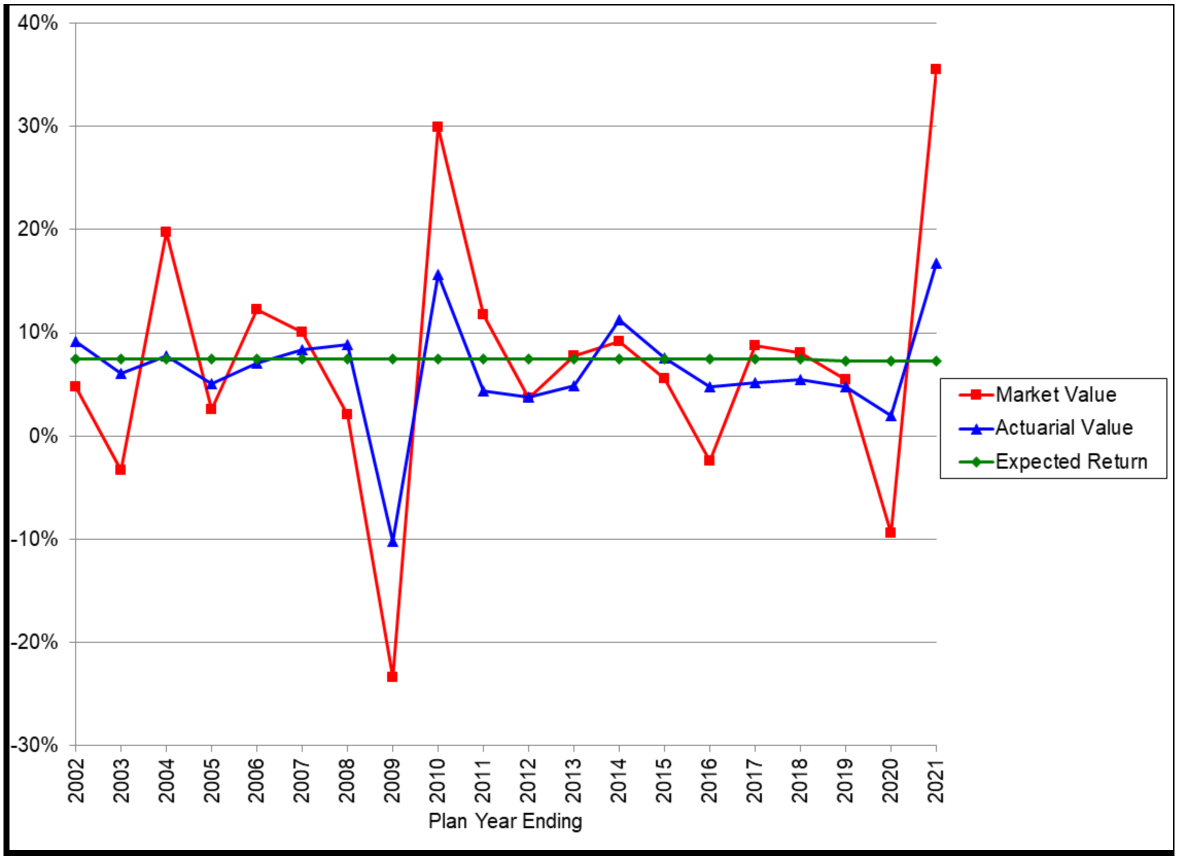
Deferred Investment Gains and (Losses)*

Plan Year Ending March 31,	Amount of Gain or (Loss) Deferred as of March 31,			
	2021	2022	2023	2024
2021	$ -	$ -	$ -	$ -
2020	-	-	-	-
2019	-	-	-	-
2018	-	-	-	-
Totals	$ -	$ -	$ -	$ -

* Prior gains and losses fully recognized as of April 1, 2021 due to (pending) change in asset valuation method.

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



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

Average Rates of Net Investment Return (geometric average)

	Return on Market Value		*Return on Actuarial Value*	
	Period Ending March 31,		*Period Ending March 31,*	
Period	*2021*	*2020*	*2021*	*2020*
One year	35.49%	-9.42%	16.77%	1.95%
5 years	8.74%	1.83%	6.71%	4.42%
10 years	6.69%	4.65%	6.55%	5.37%
15 years	5.97%	4.65%	6.05%	5.44%
20 years	6.20%	4.61%	6.29%	5.99%

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of April 1,		*2021*		*2020*
Benefit accruals	$	1,240,837	$	1,287,118
Anticipated administrative expenses (beg. of year)		202,654		178,528
Total normal cost	$	1,443,491	$	1,465,646

Unfunded Actuarial Liability as of April 1,		*2021*		*2020*
Actuarial liability				
*Participants currently receiving benefits**	$	58,701,070	$	54,891,033
Inactive vested participants		24,594,191		22,049,587
Active participants		29,302,895		31,973,751
		112,598,156		108,914,371
less: Fund assets (actuarial value)		97,886,974		86,464,822
Unfunded actuarial liability (not less than 0)	$	14,711,182	$	22,449,549

* Includes balance of benefits due and unpaid to beneficiaries of $56,237 as of 2021 and $52,805 as of 2020.

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of March 31, 2021		
Unfunded actuarial liability as of April 1, 2020	$	22,449,549
Normal cost (including expenses)		1,465,646
Actual contributions		(3,866,040)
Interest to end of plan year		1,593,707
		21,642,862
Increase (decrease) due to:		
Experience (gain) or loss		972,728
Plan amendment		-
Change in actuarial assumptions		(265,476)
Change in actuarial method		(7,638,932)
Net increase (decrease)		(6,931,680)
Unfunded actuarial liability as of April 1, 2021	$	14,711,182

Projection of Actuarial Liability to Year End

Actuarial liability as of April 1, 2021	$	112,598,156
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		1,240,837
Benefits paid		(7,943,040)
Interest on above		(197,975)
Interest on actuarial liability		8,163,366
Net expected increase (decrease)		1,263,188
Expected actuarial liability as of March 31, 2022	$	113,861,344

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of April 1,		*2021*		*2020*
Present value of vested accumulated benefits				
*Participants currently receiving benefits**	$	58,701,070	$	54,891,033
Inactive vested participants		24,316,909		21,764,076
Active participants		27,763,763		30,856,636
Total		110,781,742		107,511,745
Nonvested accumulated benefits		1,816,414		1,402,626
Present value of all accumulated benefits	$	112,598,156	$	108,914,371
Market value of assets	$	97,886,974	$	74,714,032
Funded ratios (Market value)				
Vested benefits		88.4%		69.5%
All accumulated benefits		86.9%		68.6%
Actuarial value of assets	$	97,886,974	$	86,464,822
Funded ratios (Actuarial value used for PPA)				
Vested benefits		88.4%		80.4%
All accumulated benefits		86.9%		79.4%
Interest rate used to value benefits		7.25%		7.25%

* Includes balance of benefits due and unpaid to beneficiaries of $56,237 as of 2021 and $52,805 as of 2020.

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,***	***2021***	***2020***
Unfunded actuarial liability		
Actuarial liability	$ 117,620,004	$ 114,290,008
less: *Fund assets (actuarial value)*	97,886,974	86,464,822
	19,733,030	27,825,186
Funds available to amortize unfunded		
Anticipated contributions (beg. of yr.)	3,668,476	3,083,215
less: *Normal cost (including expenses)*	1,058,097	903,130
	$ 2,610,379	$ 2,180,085
Funding period (years)	11	29

CURRENT LIABILITY

Current Liability is determined in a manner similar to the value of accrued benefits, but using an interest rate assumption within an acceptable range determined by the IRS. The current liability is used in the determination of the maximum deductible employer contribution and full funding limit under the Internal Revenue Code. For plans in critical status, it may also be used to determine eligibility for financial assistance under the America Rescue Plan. It is not used for any other purpose.

Current Liability as of April 1,		*2021*		*2020*
Vested current liability				
Participants currently receiving benefits	$	96,682,605	$	84,575,891
Inactive vested participants		52,699,295		42,530,413
Active participants		63,319,740		61,899,998
		212,701,640		189,006,302
Nonvested current liability				
Inactive vested participants		375,668		333,971
Active participants		3,925,247		2,427,191
		4,300,915		2,761,162
Total current liability	$	217,002,555	$	191,767,464
Market value of assets	$	97,886,974	$	74,714,032
Current liability funded ratio (Market value)		45.1%		39.0%
Interest rate used for current liability		2.02%		2.83%

Projection of Current Liability to Year End		
Current liability as of April 1, 2021	$	217,002,555
Expected increase (decrease) due to:		
Benefits accruing		3,496,448
Benefits paid		(7,943,040)
Interest on above		(9,596)
Interest on current liability		4,383,452
Net expected increase (decrease)		(72,736)
Expected current liability as of March 31, 2022	$	216,929,819

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending March 31,	*2022 (Projected)*	*2021 (Final)*
Charges		
Prior year funding deficiency	$ -	$ -
Normal cost (including expenses)	1,443,491	1,465,646
Amortization charges (see Appendix C)	5,560,111	5,863,167
Interest on above	507,757	531,334
Total charges	7,511,359	7,860,147
Credits		
Prior year credit balance	20,894,948	22,460,614
Employer contributions	3,801,458	3,866,040
Amortization credits (see Appendix C)	1,668,743	615,294
Interest on above	1,773,670	1,813,147
ERISA full funding credit	-	-
Total credits	28,138,819	28,755,095
Credit balance (credits less charges)	$ 20,627,460	$ 20,894,948

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of April 1, 2021	$	97,886,974	$	97,886,974
Expected increase (decrease) due to:				
Investment income		6,801,258		6,801,258
Benefits paid		(7,943,040)		(7,943,040)
Expenses		(210,000)		(210,000)
Net expected increase (decrease)		(1,351,782)		(1,351,782)
Expected value as of March 31, 2022*	$	96,535,192	$	96,535,192

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

Full Funding Limit as of March 31, 2022		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	113,861,344	$	113,861,344
less: *Assets (lesser of market or actuarial)*		96,535,192		96,535,192
plus: Credit balance (w/interest to year end)		22,409,832		n/a
		39,735,984		17,326,152
Full funding limit override (not less than 0)				
90% of current liability		195,236,837		195,236,837
less: *Assets (actuarial value)*		96,535,192		96,535,192
		98,701,645		98,701,645
Full funding limit (greater of ERISA limit and full funding override)	$	98,701,645	$	98,701,645

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution Plan Year Beginning April 1, 2021

Minimum funding cost		
Normal cost (including expenses)	$	1,443,491
Net amortization of unfunded liabilities		3,891,368
Interest to end of plan year		386,774
		5,721,633
Full funding limit		98,701,645
Net charge to funding std. acct. (lesser of above)		5,721,633
less: *Credit balance with interest to year end*		22,409,832
Minimum Required Contribution (not less than 0)	$	-

Full Funding Credit to Funding Standard Account Plan Year Ending March 31, 2022

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	5,721,633
less*: full funding limit*		98,701,645
	$	-

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, 2021

Preliminary deductible limit		
Normal cost (including expenses)	$	1,443,491
10-year limit adjustment (using "fresh start" alternative)		1,975,582
Interest to end of plan year		247,883
		3,666,956
Full funding limit		98,701,645
Maximum deductible contribution override		
140% of vested current liability projected to March 31, 2022		297,682,484
less*: Actuarial value of assets projected to March 31, 2022*		96,535,192
		201,147,292
Maximum deductible contribution*	$	201,147,292
Anticipated employer contributions	$	3,801,458

* 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
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
2021	7.25%	110,781,742	97,886,974	12,894,768	713,240

* 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 1.69% for the first 20 years and 1.66% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2031 were used.

Illustrative Section 4281 Valuation as of March 31, 2021

Value of nonforfeitable benefits		
*Participants currently receiving benefits**	$	98,880,500
Inactive vested participants		55,540,002
Active participants		67,419,478
Expenses (per Section 4281 of ERISA)		1,300,672
		223,140,652
less: Fund assets (market value)		97,886,974
Value of nonforfeitable benefits in excess of (less than) fund assets	$	125,253,678

* Includes balance of benefits due and unpaid to beneficiaries of $56,237.

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,*		*2021*		*2020*
Present value of vested accumulated benefits				
*Participants currently receiving benefits**	$	58,701,070	$	54,891,033
Expenses on parts. currently rec. benefits		1,761,032		1,646,731
Other participants		52,080,672		52,620,712
Expenses on other participants		1,562,420		1,578,621
		114,105,194		110,737,097
Present value of nonvested accumulated benefits				
Nonvested accumulated benefits		1,816,414		1,402,626
Expenses on nonvested benefits		54,492		42,079
		1,870,906		1,444,705
Present value of all accumulated benefits	$	115,976,100	$	112,181,802
Market value of plan assets	$	97,886,974	$	74,714,032
Interest rate used to value benefits		7.25%		7.25%

* Includes balance of benefits due and unpaid to beneficiaries of $56,237 as of 2021 and $52,805 as of 2020.

Changes in Present Value of Accumulated Benefits		
Present value of accumulated benefits as of April 1, 2020	$	112,181,802
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		(273,441)
Benefits accumulated and experience gain or loss		2,639,003
Interest due to decrease in discount period		8,133,181
Benefits paid		(6,502,326)
Operational expenses paid		(202,119)
Net increase (decrease)		3,794,298
Present value of accumulated benefits as of April 1, 2021	$	115,976,100

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, 2021*
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	$ 3.70/hour ($ 3.80/hour 6-1-2021)
IMI – NV #334	$ 3.70/hour ($ 3.80/hour 6-1-2021)
IMI – Central #520	$ 3.70/hour ($ 3.80/hour 6-1-2021)
IMI – Danville #521	$ 3.70/hour ($ 3.80/hour 6-1-2021)
IMI – Lebanon/Frankfort #522	$ 3.70/hour ($ 3.80/hour 6-1-2021)
IMI – Mooresville #523	$ 3.70/hour ($ 3.80/hour 6-1-2021)
IMI – East #524	$ 3.60/hour ($ 3.70/hour 5-1-2021)
Ingram Enterprise LLC #550	13% of gross earnings
Plumbing Industry Drivers Group:	
Central Supply #600	$ 344.81/month ($377.80/month 5-1-2021)
CEP Concrete Construction #750	$ 120.00/week ($370.00/week 7-1-2021)
Omnisource Corporation #905	$ 115.00/month ($135.00/month 6-1-2021)
City of Martinsville #920	$ 383.05/month
Martin Marietta Materials #1521	$ 2.00/hour

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, 2021*
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.)

Unreduced early retirement benefit	
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.
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.
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.
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
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, 2021
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	2.02% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	
Funding	$210,000 increasing by 3% per year excluding investment expenses.
ASC 960	A 3.00% load was applied to the accrued liabilities for 2021 (3.00% for 2020).
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% for males and 105% for females of the PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2020 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

* 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
55-60	.05	.15
61	.10	.15
62	.25	.15
63	.25	.10
64	.20	.45
65	.15	.35
66-67	.35	.35
68	.35	.50
69+	1.00	1.00

Resulting in an average expected retirement age of 63.6.

Inactive vested lives

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

Months	10
Hours	1,850
Weeks	42
Gross earnings	$39,000

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	
Dollar limit	$230,000 per year
Assumed form of payment for those limited by Section 415	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	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. 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. 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.
Mortality	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. Finally, a 110% multiplier was applied for males and a 105% multiplier for females 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, 2016 to March 31, 2021 for this plan, blended with a study of deaths for larger plans in similar industries. Based on information from the CDC on COVID-19 deaths, this study was adjusted to exclude an increase in deaths due to COVID-19.
Retirement	Actual rates of retirement by age were last studied for this plan for the period April 1, 2016 to March 31, 2021. The assumed future rates of retirement were selected based on the results of this study.
Withdrawal	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.
Future work units	Based on review of recent plan experience.

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

Current year projections — 7.25% for all years

Prior year projections — 7.25% for all years

Lower short term — 6.25% for 10 years (4/1/2021-3/31/2031)
7.25% thereafter

Expenses

Current year projections — $210,000 per year excluding investment expenses. Expenses are assumed to increase 3% each year. An additional increase is reflected in 2031 to account for the scheduled PBGC premium rate increase to $52 per participant.

Prior year projections — $185,000 per year excluding investment expenses.

Future work units

Current year projections

	All Future Years
Months	10
Hours	1,850
Weeks	42
Gross earnings	$39,000

Prior year projections

	Current Plan Year	Thereafter
Months	11	11.55
Hours	1,900	1,955
Weeks	44	46.2
Days	130	136.5
Gross earnings	$37,000	$38,850

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, 2020 actuarial valuation report plus all future contribution rate increases spelled out in current participation agreements.

Plan changes since prior year — None

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS (CONT.)

Open group projections	
Current year projections	Projected normal costs and benefit payment amounts are adjusted using the open group percentage increases from the 2020 valuation.
Prior year projections	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.
Stochastic modeling	1,000 trials. Future returns are modeled using an expected return of 6.62% for the first 10 years and 7.49% thereafter and a standard deviation of 12.20%, which is representative of the plan's investment portfolio. The preceding expected returns are one year values which are not representative of longer-term geometric average returns as considered when setting the ERISA return assumption.

ACTUARIAL METHODS

Funding method	
ERISA Funding	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 with phase-in effective April 1, 2021. 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. **(Pending Trustee approval)**
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		4/1/2021 Outstanding Balance	4/1/2021 Amortization Payment
				Years	Months		
Charges							
4/1/1992	Assumptions		30	1	0	23,442	23,442
4/1/1993	Assumptions		30	2	0	48,717	25,212
4/1/1994	Assumptions	332,364	30	3	0	72,513	25,881
4/1/1995	Assumptions	267,368	30	4	0	75,203	20,818
4/1/1996	Assumptions	176,956	30	5	0	60,219	13,787
4/1/1997	Assumptions	274,512	30	6	0	108,484	21,385
4/1/1998	Amendment	125,865	30	7	0	56,186	9,805
4/1/1998	Assumptions	584,856	30	7	0	261,079	45,563
4/1/1999	Assumptions	965,339	30	8	0	477,010	75,208
4/1/2000	Assumptions	1,895,667	30	9	0	1,021,184	147,700
4/1/2001	Amendment	1,672,581	30	10	0	969,615	130,210
4/1/2001	Assumptions	727,078	30	10	0	421,474	56,601
4/1/2002	Amendment	741,827	30	11	0	458,363	57,705
4/1/2002	Assumptions	481,998	30	11	0	297,817	37,494
4/1/2003	Amendment	31,128	30	12	0	20,332	2,419
4/1/2003	Assumptions	854,813	30	12	0	558,523	66,442
4/1/2004	Assumptions	1,450,330	30	13	0	995,524	112,642
4/1/2005	Assumptions	2,957,701	30	14	0	2,121,171	229,551
4/1/2006	Amendment	73,178	30	15	0	54,577	5,675
4/1/2006	Assumptions	1,790,545	30	15	0	1,335,349	138,869
4/1/2007	Assumptions	1,066,818	30	16	0	823,998	82,682
4/1/2007	Experience	729,912	15	1	0	76,667	76,667
4/1/2009	Relief 09 Asset Loss	11,598,304	29	17	0	9,335,927	907,093
4/1/2010	Relief 09 Asset Loss	1,178,181	28	17	0	958,427	93,122
4/1/2011	Assumptions	270,413	15	5	0	123,580	28,291
4/1/2011	Relief 09 Asset Loss	2,854,997	27	17	0	2,349,280	228,259
4/1/2012	Assumptions	505,989	15	6	0	268,287	52,887
4/1/2012	Relief 09 Asset Loss	5,055,343	26	17	0	4,212,096	409,254
4/1/2013	Experience	1,995,583	15	7	0	1,194,081	208,392
4/1/2016	Assumptions	1,343,594	15	10	0	1,042,125	139,948
4/1/2016	Experience	2,730,221	15	10	0	2,117,628	284,378
4/1/2017	Experience	2,613,804	15	11	0	2,160,802	272,034
4/1/2018	Assumptions	1,567,462	15	12	0	1,370,278	163,008
4/1/2018	Experience Loss	1,758,034	15	12	0	1,536,873	182,827
4/1/2019	Assumptions	2,550,737	15	13	0	2,344,383	265,264

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	4/1/2021 Outstanding Balance	4/1/2021 Amortization Payment
4/1/2019	Experience Loss	3,567,056	15	13	0	3,278,485	370,956
4/1/2020	Experience Loss	4,302,906	15	14	0	4,134,944	447,481
4/1/2021	Experience Loss	972,728	15	15	0	972,728	101,159
				Total Charges:		**47,737,371**	**5,560,111**

Credits

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	4/1/2021 Outstanding Balance	4/1/2021 Amortization Payment
4/1/2014	Experience	2,951,941	15	8	0	1,953,470	307,990
4/1/2015	Assumptions	505,288	15	9	0	364,182	52,674
4/1/2015	Experience	1,147,604	15	9	0	827,130	119,633
4/1/2017	Assumptions	1,224,847	15	11	0	1,012,567	127,477
4/1/2020	Assumptions	72,307	15	14	0	69,484	7,520
4/1/2021	Assumptions	265,476	15	15	0	265,476	27,608
4/1/2021	Method	7,638,932	10	10	0	7,638,932	1,025,841
				Total Credits:		**12,131,241**	**1,668,743**

Net Charges:	**35,606,130**	**3,891,368**
Less Credit Balance:	20,894,948	
Less Reconciliation Balance:	0	
Unfunded Actuarial Liability:	**14,711,182**	

SUMMARY OF PPA AND MPRA RULES

Background

All multiemployer pension plans in effect on July 16, 2006 are required to engage an actuary to annually certify their status under the Pension Protection Act of 2006 ("PPA"). Such certification must be filed with the government by the 90th day of the plan year.

This Appendix D provides a high-level summary of some of the rules related to PPA, which were further modified in 2015 by the Multiemployer Pension Reform Act of 2014 ("MPRA"). Please seek advice from your actuary or Fund Counsel for more detailed information.

PPA Status Criteria

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

PPA Status	*Getting In*	*Getting Out*
Safe ("green zone")	A plan is safe if it is not described in any of the other statuses. Generally, a plan that is at least 80% funded and has no projected funding deficiencies in the current year or next 6 years is safe.	A plan leaves safe status when it is certified as being in another status
Safe ("green zone") special rule	Beginning in 2015, a plan that would otherwise be endangered, but was safe for the prior year, remains safe if it is projected to return to safe within 10 years	A plan leaves safe status when it is certified as being in another status
Endangered ("yellow zone")	A plan is endangered if it is not in a worse status and it is described in one of the following: • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years.	A plan leaves endangered status when it no longer meets the requirements to be classified as endangered or when it enters a worse status
Seriously endangered ("orange zone")	A plan is seriously endangered if it is not in a worse status and it meets both of the following: • Funded percentage is less than 80%, and • Projected funding deficiency in the current year or next 6 years.	A plan leaves seriously endangered status when it no longer meets both of the requirements listed or when it enters a worse status

SUMMARY OF PPA AND MPRA RULES (CONT.)

PPA Status	Getting In	Getting Out
Critical ("red zone")	A plan is critical if it is not in critical and declining status and is described in one or more of the following: • Projected funding deficiency (not 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%, and, 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, and, (2) value of vested benefits for non-actives is greater than for actives, and, (3) projected funding deficiency (not recognizing extensions) in the current year or next 4 years, or • Inability to pay all benefits and expenses for next 5 years. A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from critical status in 2015 or later will re-enter critical status 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 If a plan is certified as safe or endangered status but projected to be critical within the next 5 years, the Trustees have the option of electing to have the plan treated as critical status immediately.	A plan emerges from critical status when it meets all of the following: • No longer meets any of the critical status tests, and, • No projected funding deficiencies in the current year or next 9 years, and, • No projected insolvencies in the next 30 years A plan with a 5-year amortization extension under IRC Section 431(d) emerges from critical status when it meets both of the following: • No projected funding deficiencies in the current year or next 9 years, and, • No projected insolvencies in the next 30 years

SUMMARY OF PPA AND MPRA RULES (CONT.)

PPA Status	Getting In	Getting Out
Critical and declining ("deep red zone")	Beginning in 2015, a plan is in critical and declining status if: • It satisfies one or more of the critical status criteria, and, • It is projected to become insolvent within the next 15 years (20 years if the plan has a ratio of inactive participants to active participants that exceeds 2 to 1 or if the funded percentage of the plan is less than 80%)	A plan leaves critical and declining when it no longer satisfies the criteria. Status cannot change to safe, endangered, or seriously endangered unless the plan also meets the critical status emergence rules (see above).

Restrictions for Non-Safe Zone Plans

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

Period	Endangered/Critical Restrictions
Date of first certification through adoption of funding improvement/rehabilitation plan ("plan adoption period")	• No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the liabilities of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	• Cannot be amended so as to be inconsistent with funding improvement/rehabilitation plan • No amendment that increases benefits, including future accruals, unless actuary certifies as being paid for with contributions not contemplated in funding improvement/ rehabilitation plan and still expected to meet applicable benchmark after considering the amendment

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

SUMMARY OF PPA AND MPRA RULES (CONT.)

Employer Surcharges for Critical Status Plans

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

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

Special Critical/Critical and Declining Status Tools

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

The Trustees of a critical and declining plan may apply to the Treasury Department for approval to suspend certain payments under MPRA (suspensions are benefit cuts that will be restored once they are no longer needed). The suspensions may affect even those participants who are already in pay status. However, certain protections apply to participants who are age 75 or older or are disabled. Furthermore, no one's benefit can be reduced below 110% of the amount guaranteed by the PBGC. While not officially repealed with ARPA (see below), benefit suspensions have taken a backseat to the special financial assistance program.

SUMMARY OF ARPA RULES

Overview

The American Rescue Plan Act (ARPA) was passed in March 2021, and the Interim Final Rule giving more guidance on special financial assistance (SFA) was released July 9, 2021. The PBGC premium is also scheduled to increase to $52 in 2031.

Special Financial Assistance (SFA)

A multiemployer plan is eligible for the SFA program if:

- The plan is in critical and declining status in any plan year beginning in 2020 through 2022 using 2020 certification assumptions;
- A suspension of benefits has been approved with respect to the plan under MPRA as of the date of the enactment of the law; or
- The plan is certified to be in critical status using 2020 certification assumptions (electing critical does not qualify), has a current liability funded percentage of less than 40%, and has a ratio of active to inactive participants which is less than two to three in any plan year beginning in 2020 through 2022. The three parts can be satisfied in different years.

The PBGC has given priority consideration for SFA to select eligible plans that also meet criteria for six priority groups. The most relevant three priority groups include (application start date in parentheses):

- A suspension of benefits has been implemented with respect to the plan under MPRA as of March 11, 2021 (by January 1, 2022).
- The PBGC projects the plan will have more than $1 billion in liability to the PBGC without SFA (by February 11, 2023); or
- The plan is insolvent or is likely to become insolvent within five years (various dates);

Other eligible plans can apply on or after March 11, 2023. An eligible plan must submit an application to the PBGC for special financial assistance by December 31, 2025.

The amount of SFA to be provided by the PBGC shall be the present value of projected benefit payments, back payments to fully restore any MPRA suspended benefits, and expenses less assets and the present value of contributions (including EWL) through the last day of the plan year ending in 2051. For this determination, we would use the assumptions from the plan's 2020 PPA certification with some possible exceptions, including an interest rate capped at average long-term bond rates plus 2%. Projected benefit payments would include future participants entering the plan and future benefits earned.

The SFA will be paid by the PBGC in a single, lump sum payment 60 to 90 days after approval of the application.

SUMMARY OF ARPA RULES (CONT.)

Special Financial Assistance (SFA) - Continued

For plan receiving SFA funds, several restrictions would apply, including:

- The SFA funds must be invested in investment-grade bonds, and the plan must also have a minimum bond investment of one year of benefits and expenses through the plan year ending in 2051;
- Only future benefits can be improved if they are paid for with new contributions;
- Contribution decreases are generally not permitted;
- The plan will no longer be permitted to file for a MPRA benefit suspension;
- Use mass withdrawal interest for EWL for ten years or when SFA runs out, if later;
- The plan will be deemed in critical status through the 2051 plan year end; and
- A statement of compliance must be annually filed with the PBGC.

SUMMARY OF ARPA RULES (CONT.)

Funding Relief Provisions

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

Temporary Delay of PPA Status

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

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

Temporary Extension of Funding Improvement and Rehabilitation Periods

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

Adjustments to the Funding Standard Account Rules

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

- Extend select experience losses in either or both of the first two plan years ending after February 29, 2020 from 15 years to 30 years from the year in which the loss occurred. Such losses must be attributable to investment experience, contribution shortfall, employment reduction or retirement rate experience; and

- Extend the smoothing of the loss attributable to the investment losses in either or both of the first two plan years ending after February 29, 2020 from five years to up to ten years for the determination of the actuarial value of assets. The actuarial value of assets, however, cannot exceed 130% of the market value.

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

PBGC Premium

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

GLOSSARY OF COMMON PENSION TERMS

Benefits

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

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

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

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

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

Assets

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

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

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

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

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

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

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

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

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

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

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

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

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

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

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

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

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

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

Withdrawal Liability

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

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

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