Classic Values, Innovative Advice

UNITE HERE Local 25 and Hotel Assoc. of Washington DC Pension Fund

Actuarial Presentation

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March 4, 2026

2026 PPA Certification

- Certification is due by March 31, 2026
- Plan likely to be in Olive (Safe under Special Rule) status for 2026
  - Based on the following estimated financial information from Novak
    - 12/31/2025 Estimated Market Value = $414.9 million (return of 15.84%)
    - 2025 Employer Contributions = $26.9 million (10% decrease compared to 2024)
    - 2025 Benefit Payments = $24.6 million
    - 2025 Administrative Expenses = $1.1 million
  - Liabilities reflect increase to active benefits ($41 to **$50** for future and past service) and **10%** increase to in-pay participants benefits effective January 1, 2026
  - Projection can only reflect known bargained contribution rate increases
- Industry activity (a Trustee Assumption)

Special Rule to Remain Safe

- Eligibility
  - Cannot be Critical or Endangered in prior year
  - Must be Endangered in current year if not for this rule
    - Projected to be 79.4% on AVA basis (84.4% on MVA basis)
  - Plan is projected to become green after 10 years without making any Plan changes
  - Local 25 Plan meets these requirements for 2026 Plan Year
- Notice to bargaining parties and PBGC is still **required**
- **No** notice required to participants

BEFORE 2026 Estimated Financial

MFD	None
Insolvent PYB	None
Emergence	N/A
1934 Fully Funded	2032

Discount Rate	6.75%
2025 Return	#N/A
Est. December 31, 2025 MVA	$ 383.6 million

Jan 1, 2026	
Est. Funded Status (AVA)	78.7%
Est. Funded Status (MVA)	78.4%

Year Change	2026
Active Accrual	$50.00
Apply to Past Svc	Yes
Retiree Increase	10%
TV Increase	0%

PYB	Return	Contrib Rate*	Hours Growth
2025	6.75%	$2.85	0.0%
2026	6.75%	$3.10	0.0%
2027	6.75%	$3.35	1.0%
2028	6.75%	$3.60	1.2%
2029	6.75%	$3.60	1.0%
2030	6.75%	$3.60	0.0%
2031	6.75%	$3.60	0.0%
2032	6.75%	$3.60	0.0%
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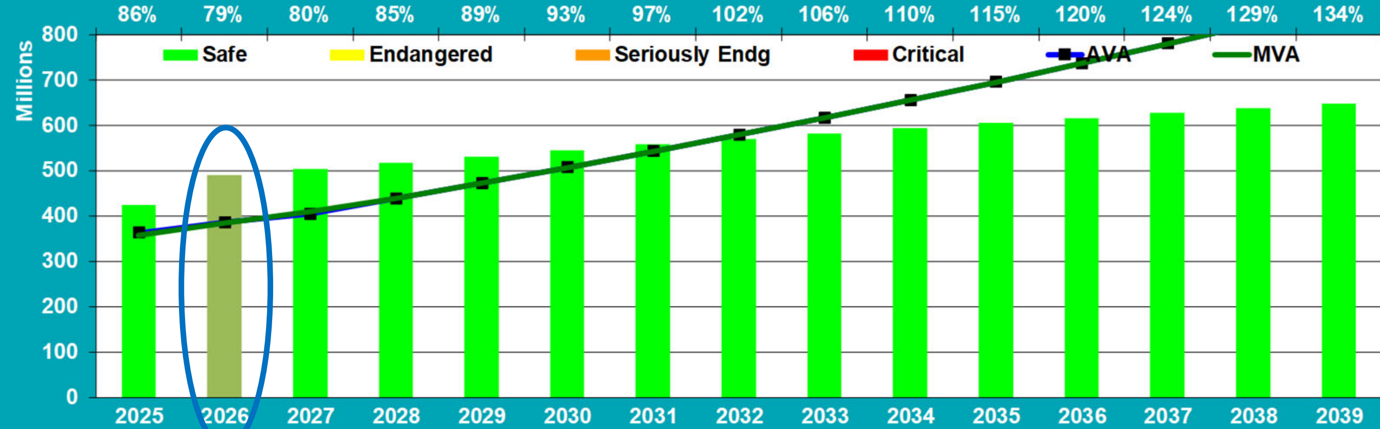
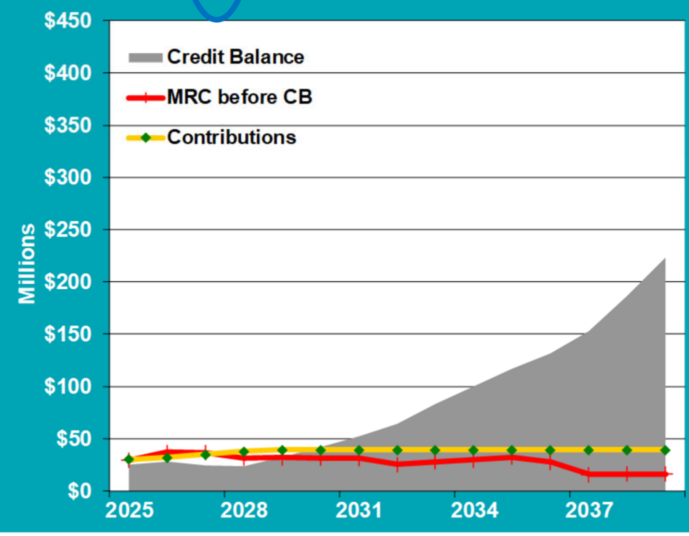
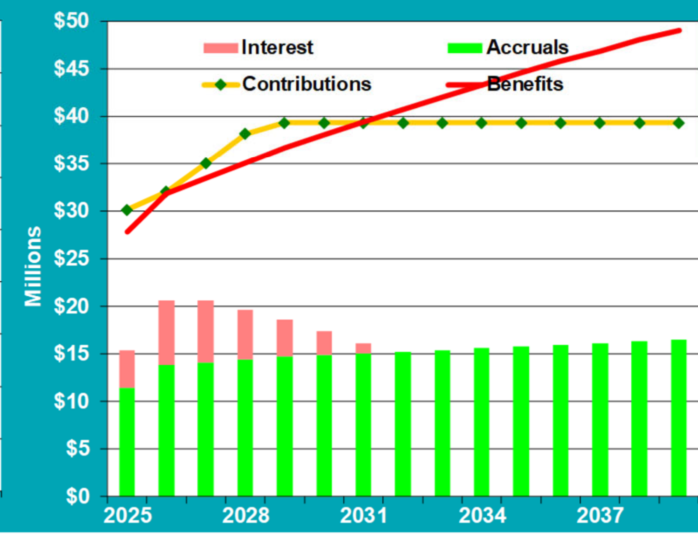
2047	6.75%	$3.60	0.0%
2048	6.75%	$3.60	0.0%
2049	6.75%	$3.60	0.0%

Return	
6.75%	20-Year Geometric Average



Actuarial Liability + Assets





Cash Flows

AFTER 2026 Estimated Financial

MFD	None
Insolvent PYB	None
Emergence	N/A
1934 Fully Funded	2031

		Jan 1, 2026	
Discount Rate	6.75%	Est. Funded Status (AVA)	79.4%
2025 Return	15.84%	Est. Funded Status (MVA)	84.4%
Est. December 31, 2025 MVA	$ 414.9 million		

Year Change	2026
Active Accrual	$50.00
Apply to Past Svc	Yes
Retiree Increase	10%
TV Increase	0%

PYB	Return	Contrib Rate*	Hours Growth
2025	15.84%	$2.85	0.0%
2026	6.75%	$3.10	0.0%
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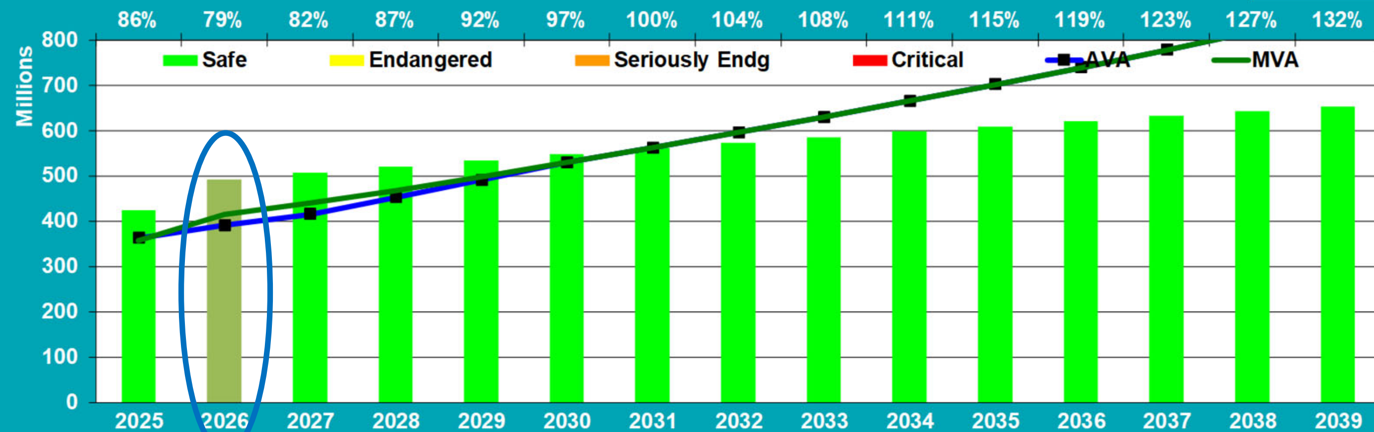
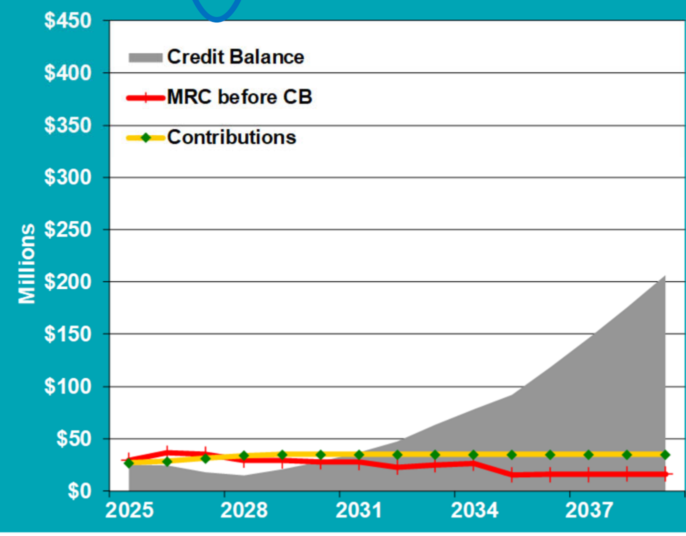
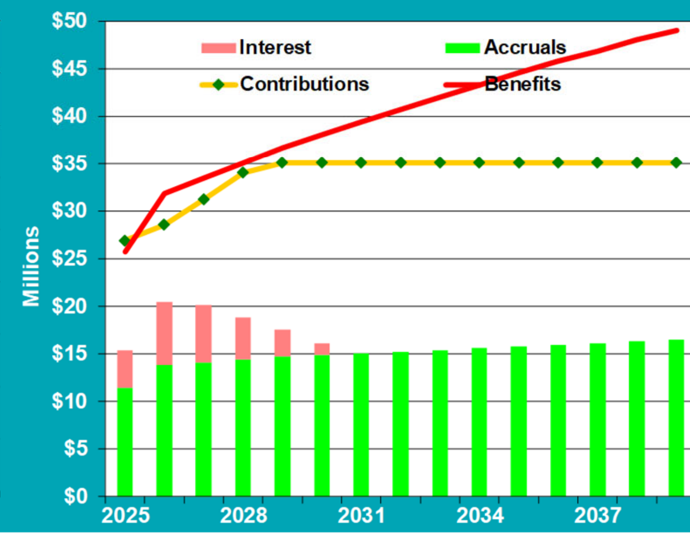
Return: 7.19% 20-Year Geometric Average



Actuarial Liability + Assets





Cash Flows

Next Steps

- PPA certification due by March 31, 2026
  - Will be based on estimated financials from Novak
  - Trustees' industry activity expectations?
  - Are contribution rates officially bargained?
- Will circulate among the professionals, a draft notice to PBGC and bargaining parties
  - Notice is due 30 days after PPA certification
  - Will coordinate to mail along with Annual Funding Notice (AFN) which is due April 30
  - AFN goes to all participants but PPA notice ***only*** goes to bargaining parties and PBGC

Required Disclosures

In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office and auditor. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. This analysis was based on the current assumptions and methods, estimated financial performance as of December 31, 2025 and the data provided to perform the January 1, 2025 valuation. For complete details on the assumptions and methods, refer to the January 1, 2025 valuation report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

This presentation and its contents were prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, We meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared solely for the UNITE HERE Local 25 and Hotel Association of Washington DC Pension Fund for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such other users.

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