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UNITE HERE Local 25 and Hotel Association of Washington, DC Pension Fund

Kevin Woodrich, FSA, EA, MAAA
Coralie Taylor, FSA, EA, MAAA

September 30, 2025

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Topics for Discussion

- **January 1, 2025 Valuation Results**
  - Historical Review
  - Key Results
  - Stress Testing the Fund
- **Appendix: Updated Alternative Benefit Scenario**

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Overview of Results

- **Market value return on assets = 8.77%**
  - Actuarial value return = 6.09%
- **Liabilities slightly higher than expected (loss of 0.36% of liabilities)**
- **Funded status increased from 82.3% to 85.7% on an Actuarial Value of Asset basis and increased from 79.0% to 84.4% on a Market Value basis**

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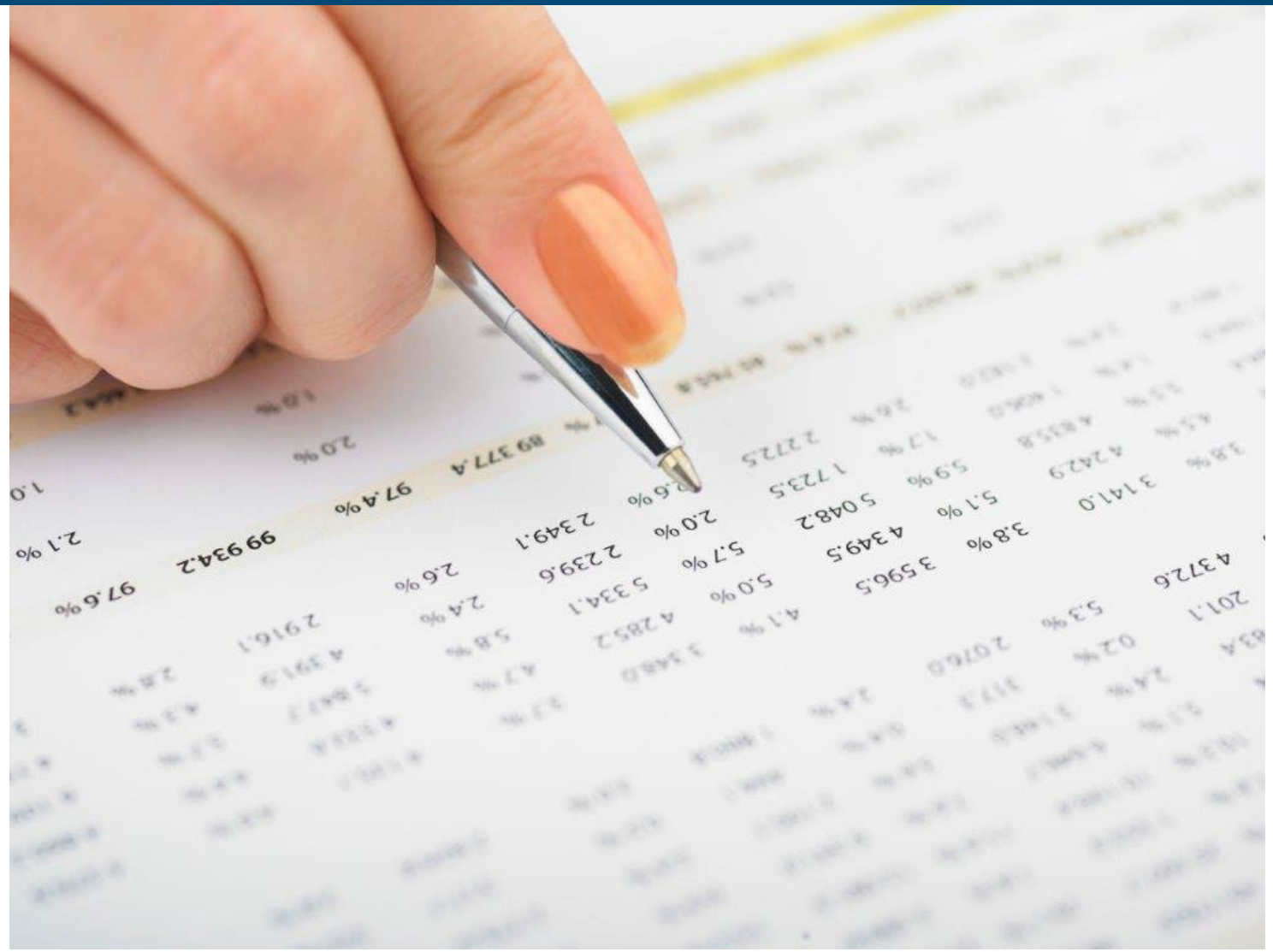
Historical Review



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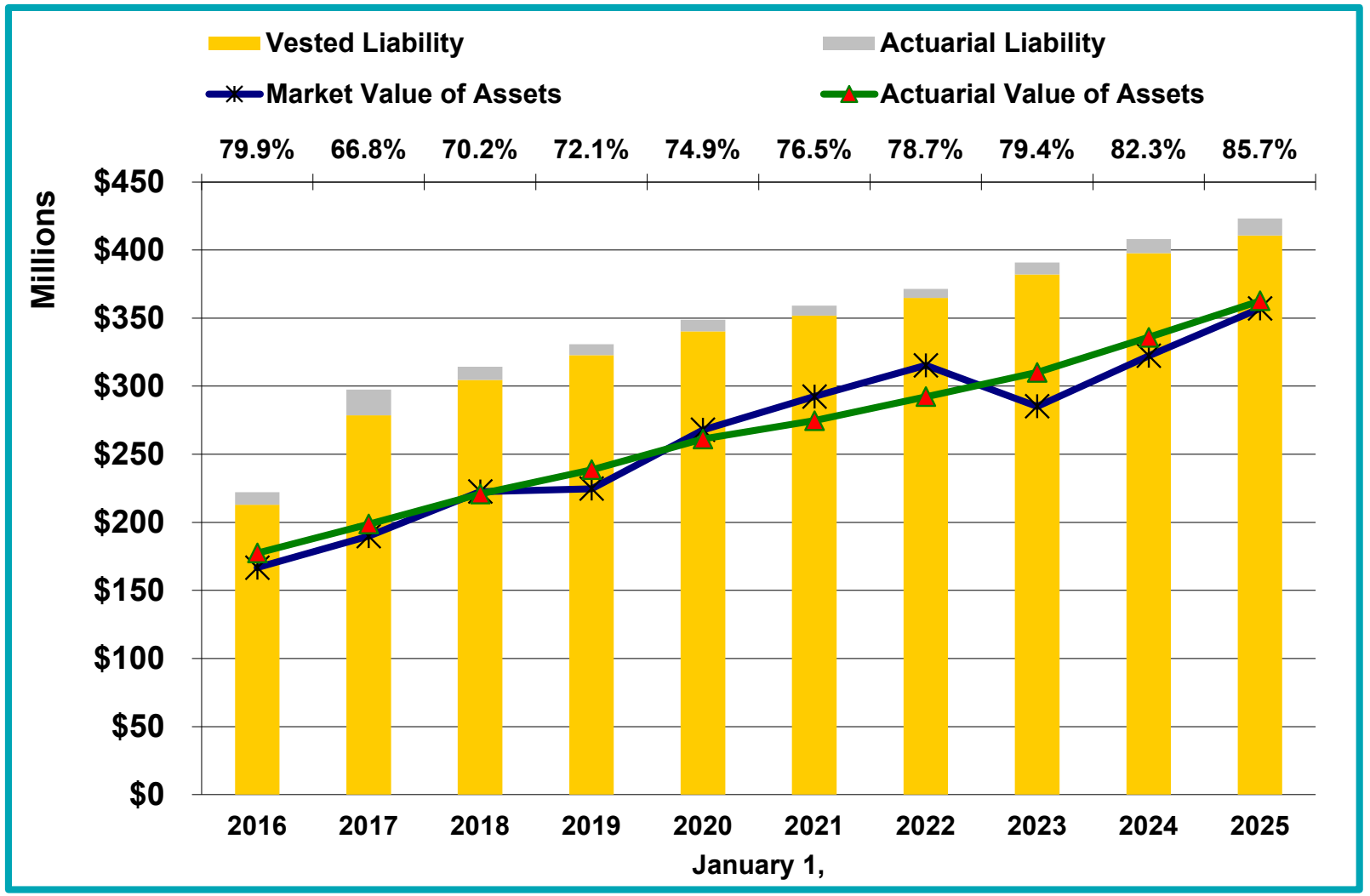
Historical Review

Key Actuarial Indicators: Assets & Liabilities



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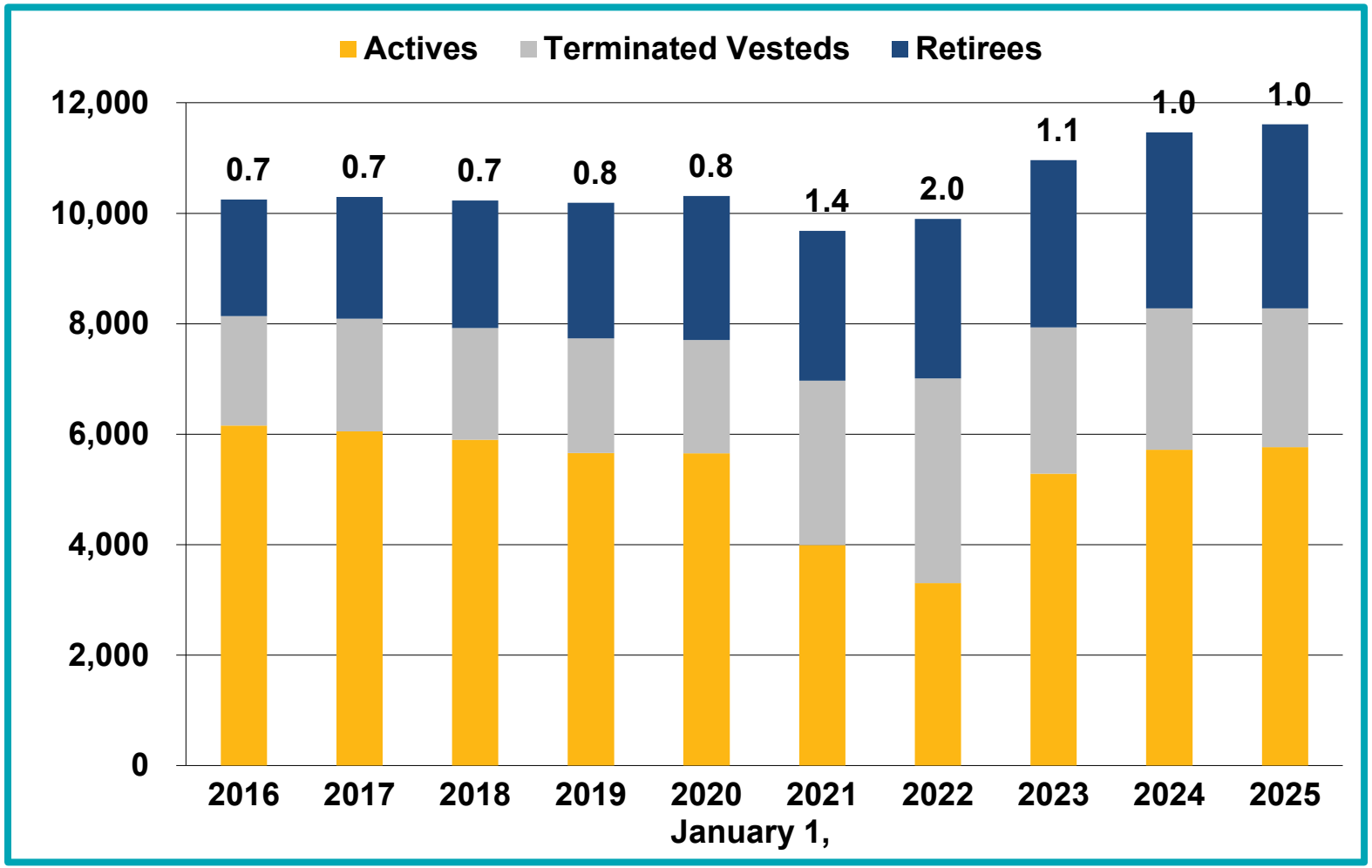
Historical Review

Plan Maturity Indicators: Participation



Ratio above the bars represents the number of inactives (both in pay participants and terminated vesteds) for every one active.

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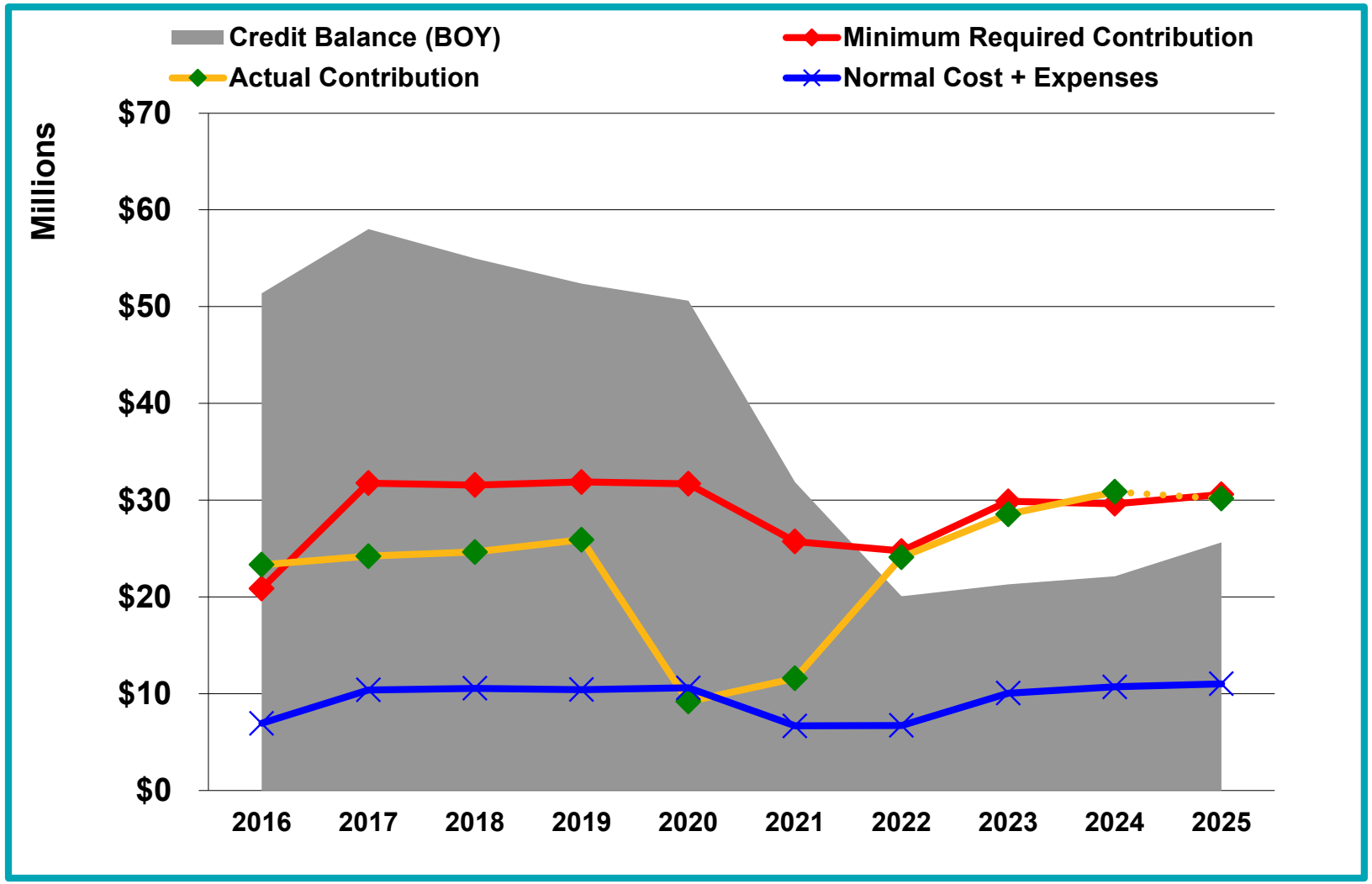
Historical Review

Key Actuarial Indicators: Minimum Funding



Per Trustees' expectation for industry activity, expected contribution for 2025 assumes hours same as 2024.

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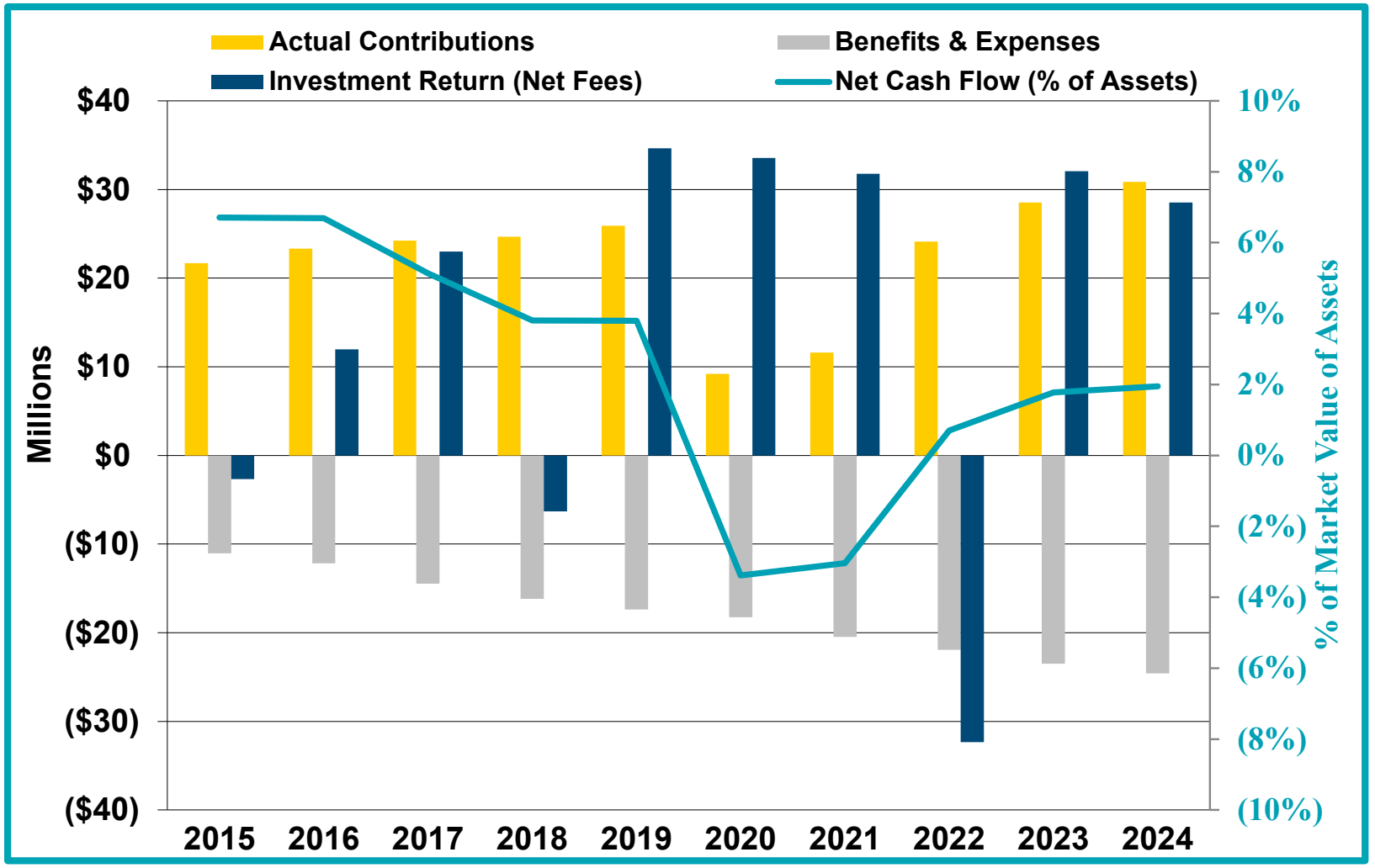
Historical Review

Key Actuarial Indicators: Cash Flow



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Valuation Results

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Key Results

	2024	2025	% Change
Number of Actives	5,721	5,768	0.8%
Total Hours in Prior Year[1]	10,473,351	10,625,660	1.5%
Number of Term Vesteds	2,556	2,511	(1.8)%
Number of Ret/Dis/Ben	3,188	3,334	4.6%
Total Annual Benefits	$21,803,328	$23,029,212	5.6%
Average Annual Benefit	$ 6,839	$ 6,907	1.0%

[1] Based on employer contributions on financial statement divided by average contribution rate for the year.

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Key Results

Valuation Date	1/1/2024	1/1/2025
	$ in millions	
1. Actuarial Accrued Liability	$ 408.2	$ 423.3
2. Actuarial Value of Assets (AVA)	$ 335.8	$ 362.7
3. Unfunded Actuarial Liability [1. – 2.]	$ 72.4	$ 60.6
4. Funded Ratio (on AVA basis) [2. ÷ 1.]	82.3%	85.7%
5. Market Value of Assets (MVA)	$ 322.3	$ 357.1
6. Funded Ratio (on MVA basis) [5. ÷ 1.]	79.0%	84.4%

Minimum Required Contribution	$ 6.0	$ 3.2
Minimum to Preserve Credit Balance	$ 27.2	$ 27.9
Actual ‘24 / *Expected* ‘25 Contribution	$ 30.2	$ *30.2*

Per Trustees expectation for industry activity, expected contribution for 2025 based on same level of hours in 2024.

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Key Results

	($ in Millions)			
	Liability	Actuarial Assets	UAL	% Funded
1/1/2024	$ 408.2	$ 335.8	$ 72.4	82.3%
Expected Change*	13.6	28.9	(15.3)	
Plan Changes	0.0	0.0	0.0	
Assumption Changes	0.0	0.0	0.0	
Expected at 1/1/2025	$ 421.8	$ 364.7	$ 57.1	86.5%
Actual at 1/1/2025	$ 423.3	$ 362.7	$ 60.6	85.7%
(Gain) / Loss	$ 1.5	$ (2.0)	$ 3.5	

* For Liabilities, includes normal cost, benefit payments, and interest
For Assets, includes contributions, benefit payments, and interest

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6.75% Annual Return for ALL Years

MFD	None
Insolvent PYB	None
Emergence	N/A
Fully Funded	2029

1934

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%
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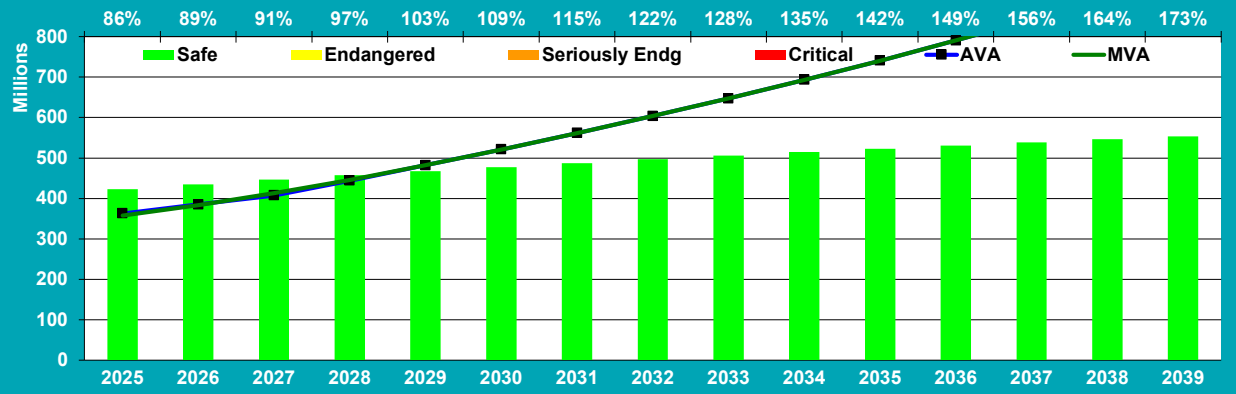
2046	6.75%	$3.60	0.0%
2047	6.75%	$3.60	0.0%
2048	6.75%	$3.60	0.0%
2049	6.75%	$3.60	0.0%

Return: 6.75% — 20-Year Geometric Average

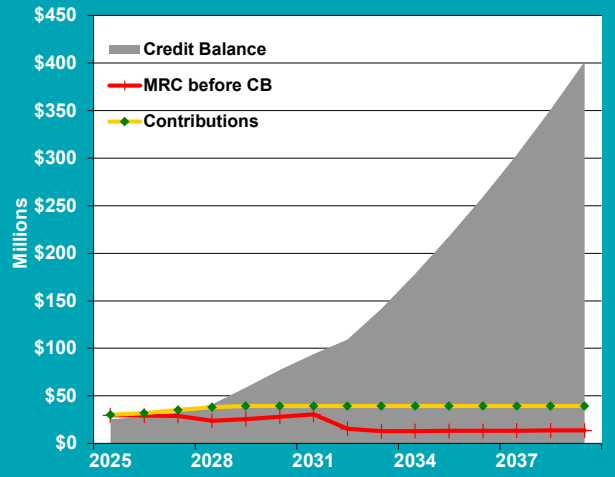
* Effective Mar. 16

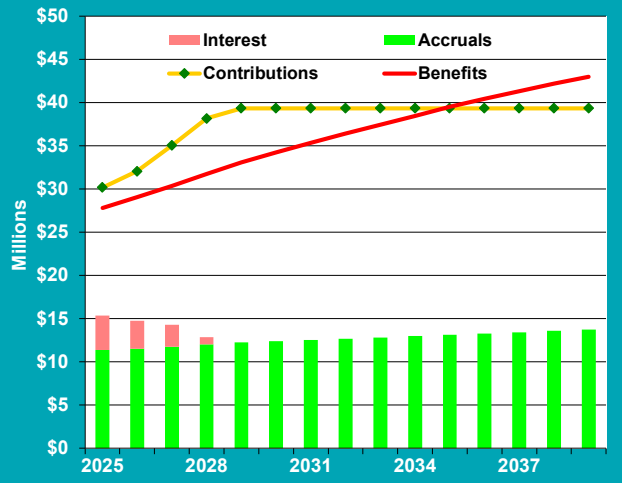
Discount Rate	6.75%	Jan 1, 2026	
2025 Return	#N/A	Est. Funded Status (AVA)	88.5%
Est. December 31, 2025 MVA	$ 383.6 million	Est. Funded Status (MVA)	88.2%

Year Change	2026
Active Accrual	$41.00
Apply to Past Svc	Yes
Retiree Increase	0%
TV Increase	0%



Actuarial Liability + Assets





Cash Flows

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2025 Return That Results in Non-Safe Status in Future

MFD	2031
Insolvent PYB	None
Emergence	N/A
Fully Funded	2041

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PYB	Return	Contrib Rate*	Hours Growth
2025	-45.00%	$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%
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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: 3.27% — 20-Year Geometric Average

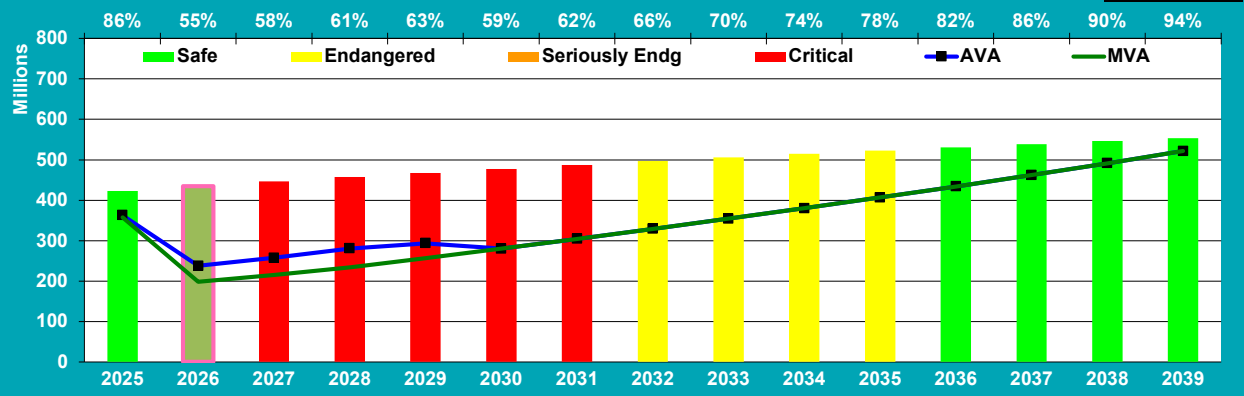
* Effective Mar. 16

Discount Rate	6.75%
2025 Return	-45.00%
Est. December 31, 2025 MVA	$ 198.2 million

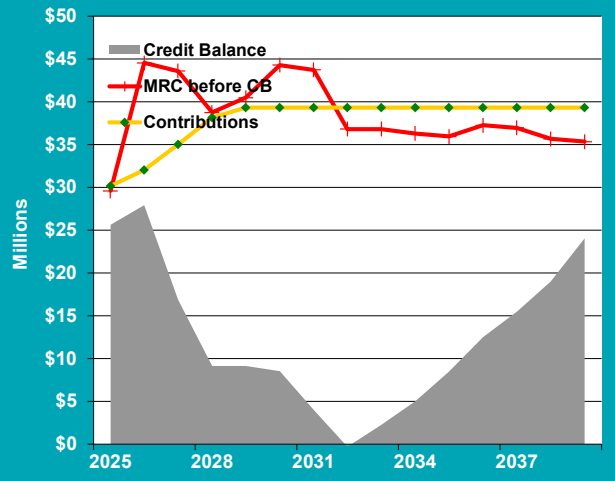
Jan 1, 2026

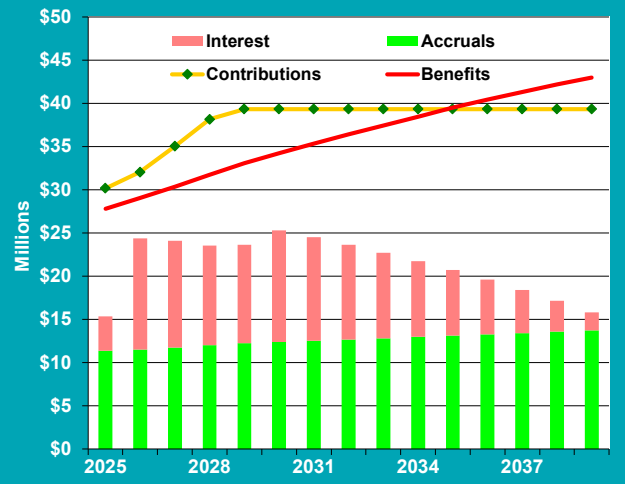
Est. Funded Status (AVA)	54.7%
Est. Funded Status (MVA)	45.6%

Year Change	2026
Active Accrual	$41.00
Apply to Past Svc	Yes
Retiree Increase	0%
TV Increase	0%



Actuarial Liability + Assets





Cash Flows

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Stress Testing the Fund – Stochastic Analysis

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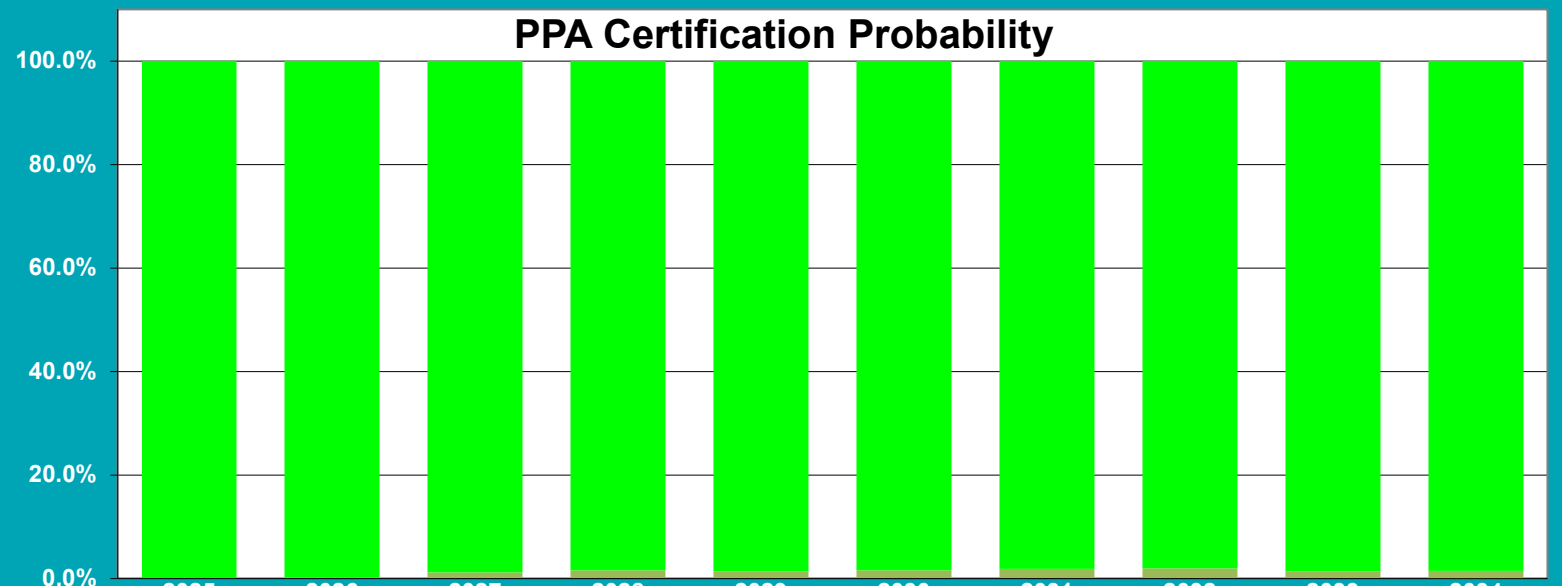
Show State | Run Current | Copy to Baseline | R-Scan

Show Compare

Scenarios 1,000



	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Green	100.0%	99.8%	98.8%	98.4%	98.6%	98.4%	98.1%	98.0%	98.6%	98.5%
Olive	0.0%	0.2%	1.2%	1.6%	1.4%	1.6%	1.9%	2.0%	1.4%	1.4%
Yellow	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Orange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pink	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Red	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maroon	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	Geometric Return	Standard Deviation	Active Multiplier	Apply Past Service	Retiree Increase	Term Vested Increase					
Proposed	6.75%	11.00%	$ 41.00	Yes	0%	0%					Complete
Baseline	6.75%	11.00%	$41.00	Yes	0%	0%					Complete

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Next Steps

- 2024 Schedule MB
- Finalize 2025 valuation report

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$50 Active Benefit Accrual / 10% Retiree Increases

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

1934

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%
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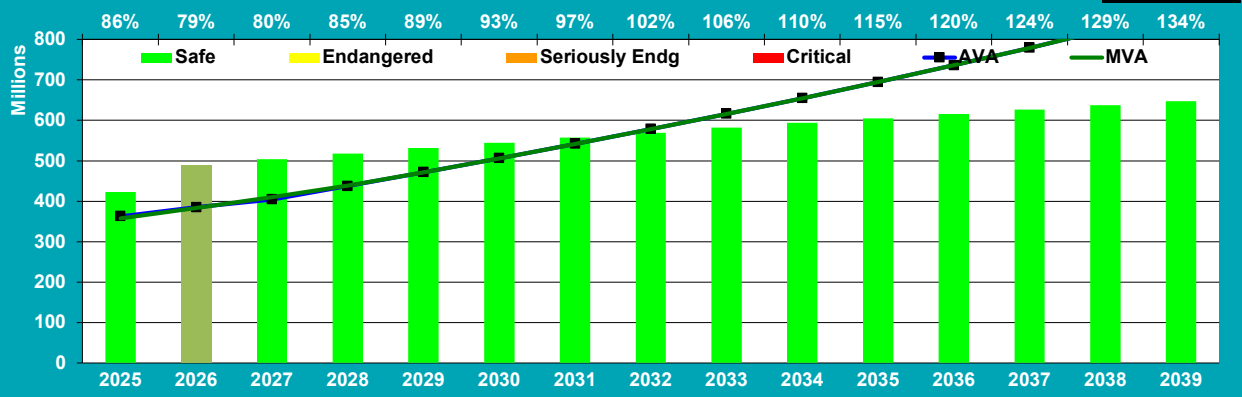
Return	
6.75%	20-Year Geometric Average

* Effective Mar. 16

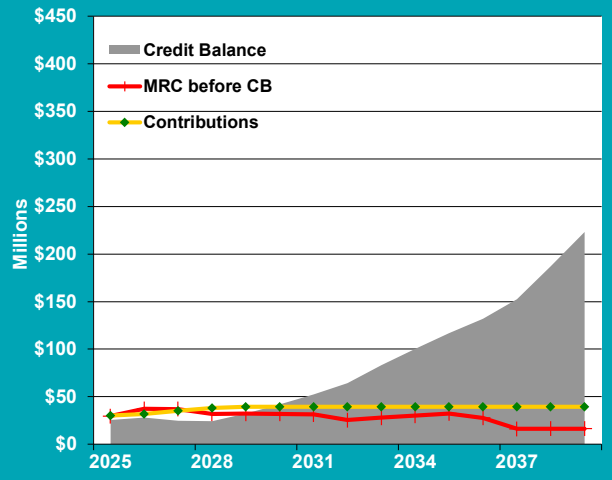
Discount Rate	6.75%	Est. Funded Status (AVA)	78.7%
2025 Return	#N/A	Est. Funded Status (MVA)	78.4%
Est. December 31, 2025 MVA	$ 383.6 million		

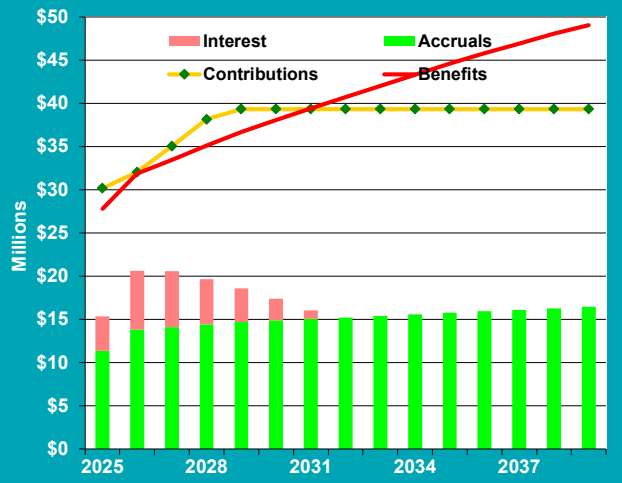
Jan 1, 2026

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



Actuarial Liability + Assets





Cash Flows

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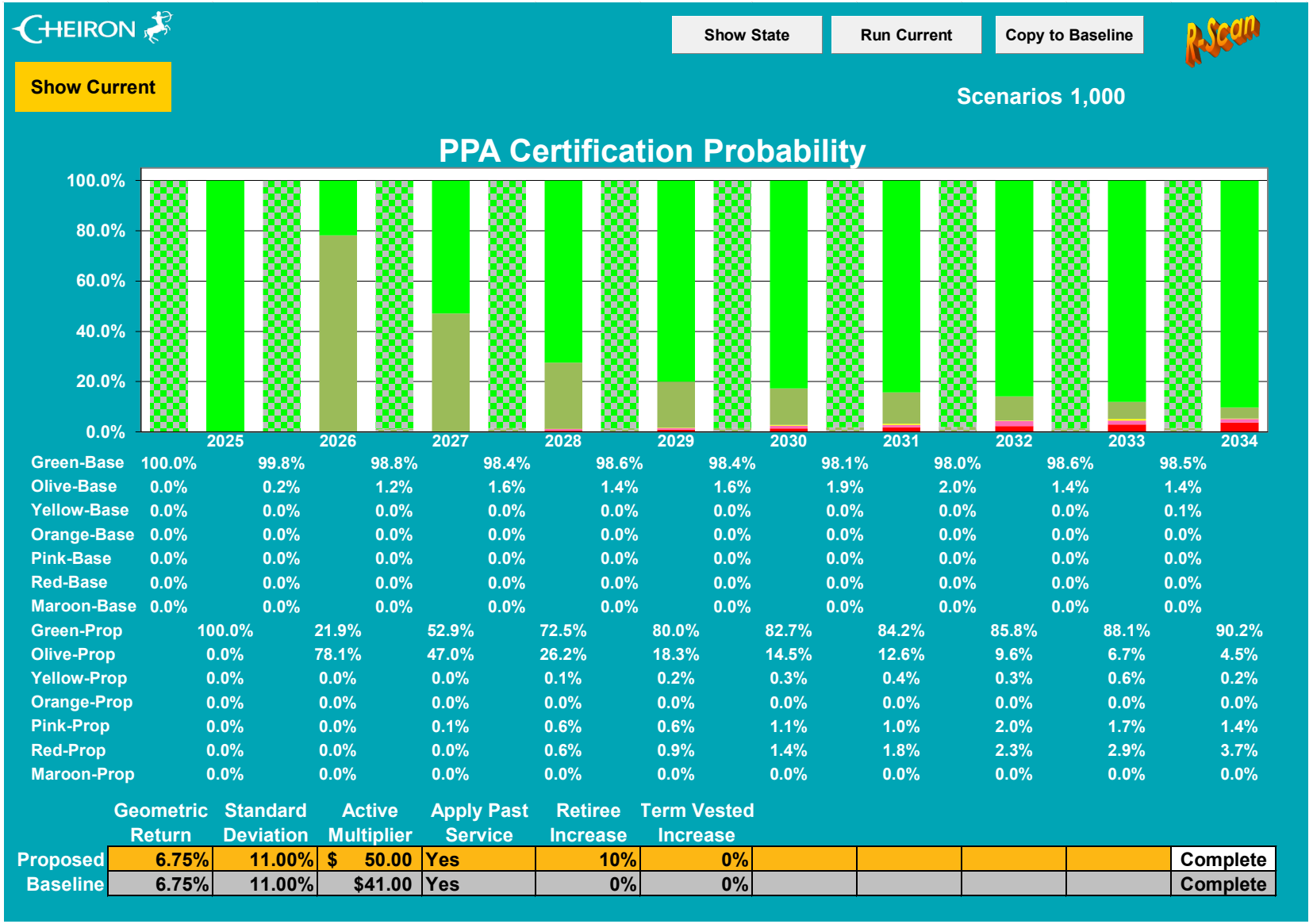
$50 Active Benefit Accrual / 10% Retiree Increases



	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Green-Base	100.0%	99.8%	98.8%	98.4%	98.6%	98.4%	98.1%	98.0%	98.6%	98.5%
Olive-Base	0.0%	0.2%	1.2%	1.6%	1.4%	1.6%	1.9%	2.0%	1.4%	1.4%
Yellow-Base	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Orange-Base	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pink-Base	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Red-Base	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maroon-Base	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Green-Prop	100.0%	21.9%	52.9%	72.5%	80.0%	82.7%	84.2%	85.8%	88.1%	90.2%
Olive-Prop	0.0%	78.1%	47.0%	26.2%	18.3%	14.5%	12.6%	9.6%	6.7%	4.5%
Yellow-Prop	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.3%	0.6%	0.2%
Orange-Prop	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pink-Prop	0.0%	0.0%	0.1%	0.6%	0.6%	1.1%	1.0%	2.0%	1.7%	1.4%
Red-Prop	0.0%	0.0%	0.0%	0.6%	0.9%	1.4%	1.8%	2.3%	2.9%	3.7%
Maroon-Prop	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	Geometric Return	Standard Deviation	Active Multiplier	Apply Past Service	Retiree Increase	Term Vested Increase					
Proposed	6.75%	11.00%	$ 50.00	Yes	10%	0%					Complete
Baseline	6.75%	11.00%	$41.00	Yes	0%	0%					Complete

Disclaimer

In preparing this presentation, we relied on information (some oral and some written) supplied by Associated Administrators, LLC and Novak Francella, LLC. 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, financial data through December 31, 2024, and the January 1, 2025 valuation results. Assumptions, methods, and participant valuation data are outlined in the upcoming 2025 Actuarial 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 have been prepared in accordance with generally recognized and accepted actuarial principles 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.

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Consulting Actuary

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