

Warehouse Employees Union Local No. 730 Pension Trust

**Actuarial Valuation Report
as of January 1, 2024**

Produced by Cheiron

February 2025

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February 3, 2025

Warehouse Employees Union
Local No. 730 Pension Trust
911 Ridgebrook Road
Sparks, Maryland 22102

Dear Trustees:

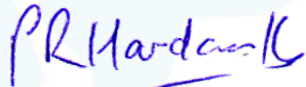
At your request, we have performed the January 1, 2024 Actuarial Valuation of the Warehouse Employees Union Local No. 730 Pension Trust (the "Fund"). This report contains information on the Fund's assets and liabilities and discloses contribution levels, including the minimum required amount as mandated by Federal law. This report is for the use of the Board of Trustees and its auditors in preparing financial reports in accordance with applicable law and accounting requirements.

Your attention is called to the introductory section in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete to the best of our knowledge and belief. The results of this report are only applicable to the 2024 Plan Year. Future results may differ significantly from the current plan year presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

This report and its contents have been 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 report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared exclusively for the Fund for the purposes described herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other users.

Sincerely,
Cheiron

A handwritten signature in blue ink, reading "P. R. Hardcastle".

Peter R. Hardcastle, CFA, FSA, EA, MAAA
Principal Consulting Actuary

A handwritten signature in blue ink, reading "Matthew Deveney".

Matthew Deveney, FSA, EA, MAAA
Principal Consulting Actuary

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024**

FOREWORD

Cheiron has performed the Actuarial Valuation of the Warehouse Employees Union Local No. 730 Pension Trust as of January 1, 2024. The purpose of this report is to:

- 1) Measure and disclose**, as of the valuation date, the financial condition of the Fund;
- 2) Provide specific information** and documentation required by the Federal Government and the auditors of the Fund; and
- 3) Review past and expected trends** in the financial conditions of the Fund.

An actuarial valuation establishes and analyzes fund assets, liabilities and contributions on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the fund's investment performance as well as an analysis of Actuarial Liability gains and losses.

Section I presents a summary of the key valuation results, general comments about the results, a review of historical trends, and projection scenarios.

Section II discloses specific risks that may significantly affect the Plan's future financial condition. This section includes assumptions about the receipt of Special Financial Assistance without which the Fund is likely to fail to meet its benefit obligations.

Section III contains exhibits relating to the valuation of assets.

Section IV shows the various measures of liabilities.

Section V shows the development of the minimum and maximum contributions.

Section VI provides the calculation of Unfunded Vested Benefits for Withdrawal Liability purposes as of January 1, 2024 that would be allocated to employers that withdrew during the 2024 calendar year.

Section VII provides the FASB Accounting Standard Codification (ASC) 960 Disclosure required by the Fund's auditor.

The appendices to this report contain a summary of the Fund's membership at the valuation date, a summary of the major provisions of the Fund, and the actuarial methods and assumptions used in the valuation.

In preparing our report, 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 fund 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.

The actuarial assumptions reflect our understanding of the likely future experience of the Fund and the assumptions, taken individually, represent our best estimate for the future experience of the Fund. Future experience may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

Please note the valuation was prepared using census data and financial information as of the valuation date, January 1, 2024.

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SECTION I – SUMMARY

The table below sets out the principal results of this year's valuation and compares them to last year's results. Both years reflect that the Board adopted funding relief under Internal Revenue Code Sections 431(d) and 431(b)(8).

Table I-1 Summary of Principal Results			
	January 1, 2023	January 1, 2024	Change
Participant Counts			
Actives	289	309	6.9%
Terminated Vesteds	600	564	(6.0%)
In Pay Status	<u>1,085</u>	<u>1,095</u>	0.9%
Total	1,974	1,968	(0.3%)
Financial Information			
Market Value of Assets	\$ 147,710,912	\$ 147,229,143	(0.3%)
Actuarial Value of Assets	153,404,690	150,830,376	(1.7%)
AVA as a % of MVA	103.9%	102.4%	
Entry Age Actuarial Liability	\$ 294,739,854	\$ 293,087,810	(0.6%)
Surplus (Unfunded Actuarial Liability)	(141,335,164)	(142,257,434)	N/A
Present Value of Accrued Benefits/Accrued Liability	\$ 288,324,593	\$ 288,003,258	(0.1%)
Accrued Benefit Surplus (Unfunded)	(134,919,903)	(137,172,882)	N/A
Accrued Benefit Funding Ratio (AVA Basis)	53.2%	52.4%	N/A
Present Value of Vested Benefits	\$ 285,460,815	\$ 284,832,908	(0.2%)
Vested Benefit Surplus (Unfunded)	(137,749,903)	(137,603,765)	N/A
Vested Benefit Funding Ratio (MVA Basis)	51.7%	51.7%	N/A
Contributions and Cash Flows			
ERISA Credit Balance (Beginning of Year)	\$ (67,090,179)	\$ (75,848,634)	13.1%
Employer Contributions (actual/ <i>estimated</i>)	6,223,504	6,496,210	4.4%
ERISA Minimum Funding before Credit Balance	10,499,786	9,326,967	(11.2%)
Prior Year Benefit Payouts	\$ 21,314,557	\$ 21,886,547	2.7%
Prior Year Administrative Expenses	416,829	514,925	23.5%

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION I – SUMMARY

Valuation Highlights

- The Market Value of Assets (MVA) returned 11.24% during the year ending December 31, 2023 which exceeded the assumed return of 7%. For long-term planning and especially for minimum funding requirements, the Fund develops an Actuarial Value of Assets (AVA) to smooth investment gains and losses over time. Due to the continued phase-in of historical investment gains and losses of the past five years, the rate of return on the AVA was 9.42%, resulting in an actuarial gain of \$3.5 million.
- For IRS minimum funding requirements, the Fund's actuarial liability is determined using the Entry Age Normal cost method. The liability at the valuation date was greater than expected based on the prior the valuation resulting in a liability experience gain of \$0.5 million or about 0.5% of the Fund's actuarial liability.
- The end of year Minimum Required Contribution, before taking into account the Credit Balance, decreased from \$10.5 million to \$9.3 million. The decrease was attributable to amortization charge bases being fully recognized in addition to the net actuarial gain for the year.
- During the 2023 Plan Year, the Fund's funding deficiency increased from \$67.1 million to \$75.8 million. Due to the Pension Protection Act of 2006 (PPA), no excise tax is due provided the Fund has a valid Rehabilitation Plan and all employers are complying with it.
- For 2024, the Fund was certified as "Critical and Declining" under PPA as amended with a projected insolvency date in 2035.
- The Unfunded Vested Benefits (UVB) on a market value basis decreased from \$137.7 million to \$137.6 million. Under the provisions of the Multiemployer Pension Plan Amendment Act of 1980 (MPPAA) if the vested benefit liabilities exceed fund assets, an assessment of Withdrawal Liability may be made to any employer withdrawing from the Fund.

Historical Summary

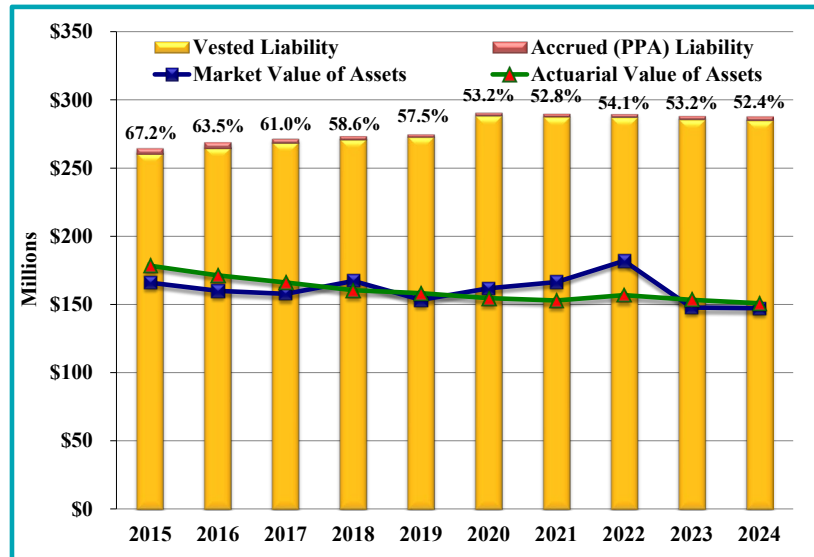
The Fund was first classified as in Critical Status under PPA in 2009 and the Trustees adopted a Rehabilitation Plan on November 26, 2009. The Fund then experienced a number of employer withdrawals which significantly reduced the contribution base. Consequently, in 2014 the Trustees concluded that the Fund could no longer adopt reasonable measures to emerge from Critical Status within the statutory Rehabilitation Period. The Trustees had applied for benefit suspensions under MPRA at the time ARPA was enacted and, at the suggestion of PBGC, withdrew their suspension application.

On the following pages we present four charts which display key results from the valuations of the last ten years.

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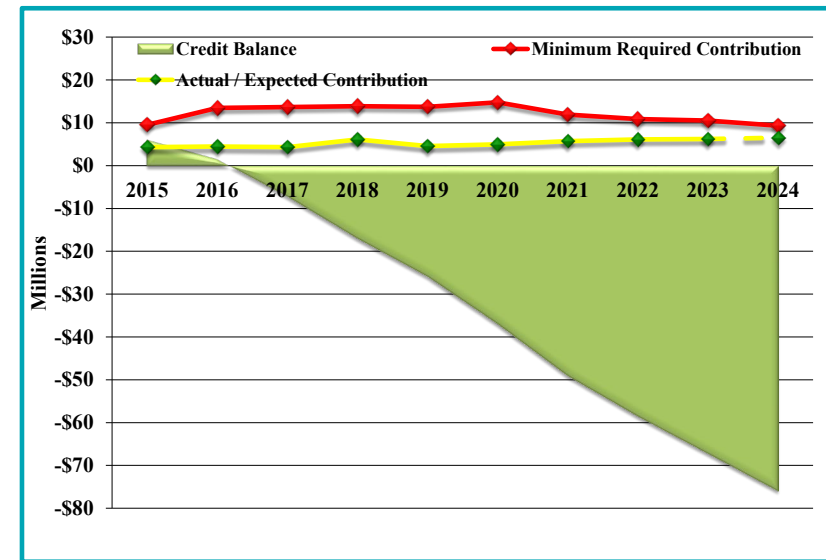
SECTION I – SUMMARY

Assets & Liabilities: This graph compares historical assets and liabilities. The gold bars represent the Present Value of Vested Benefits while the red bars add the additional non-vested benefits making up the Accrued Liability. The blue line is the Market Value of Assets and the green line is the Actuarial Value of Assets. The percentages shown on top of the bars represent the Fund's PPA funding ratio (AVA as a percentage of Accrued Liabilities).



The funded ratio has decreased each year in the period shown. From 2023 to 2024, the PPA funded ratio decreased from 53.2% to 52.4%.

Minimum Funding: The next graph shows the Credit Balance / Funding Deficiency (green area) which is the accumulated contributions in excess of the Minimum Required Contribution before allowance for any Credit Balance or Funding Deficiency (red line), and the Actual Contributions (yellow line).



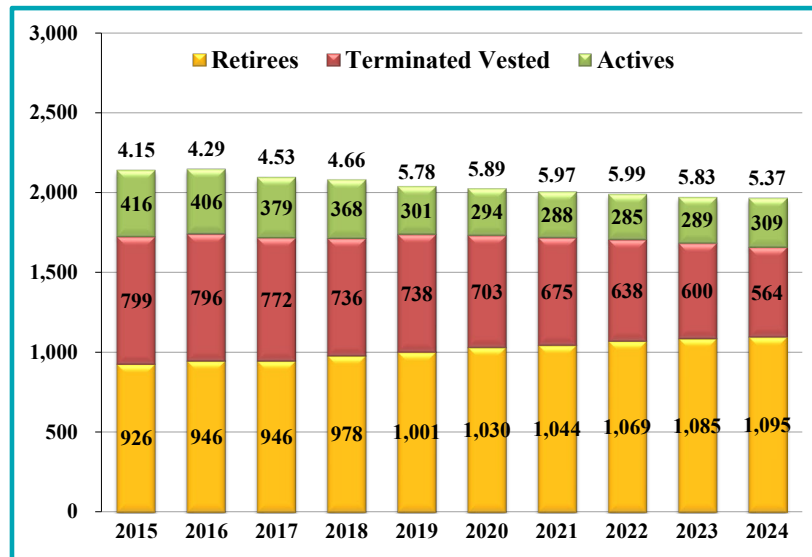
The contributions for the last ten years have been significantly lower than the Minimum Required Contribution. This has caused a steep decline in the green area, leading to a funding deficiency beginning in 2017. Contributions, including expected Withdrawal Liability payments, are again expected to fall short of the Minimum Required Contribution in 2024.

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SECTION I – SUMMARY

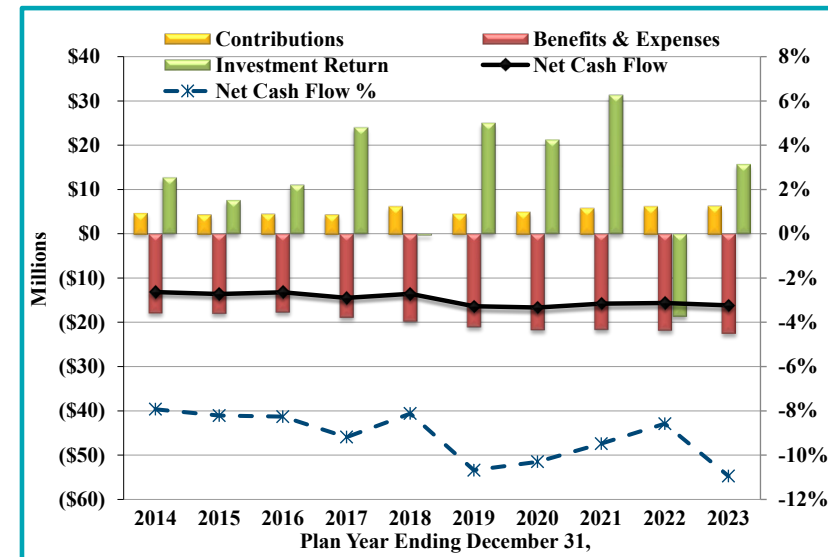
Participation: The following graph shows the participation of the Fund at successive valuation dates. The numbers above each bar represent the number of inactive members to active members (i.e., support ratio) at each valuation date.

The support ratio increased as of January 1, 2019 as a result of the 2018 withdrawal of Adams Burch.



In 2023 the Fund's active population count increased by 20, which reduced the support ratio.

Cash Flow: The following graph shows the Fund's cash flow, contributions less benefit payments and expenses, in dollars (black line) and a percentage of beginning year assets (dashed line). This is a critical measure, as it reflects the ability to have funds available to meet benefit payments without having to make difficult investment decisions about sale of assets to meet benefit payments, especially during volatile markets.



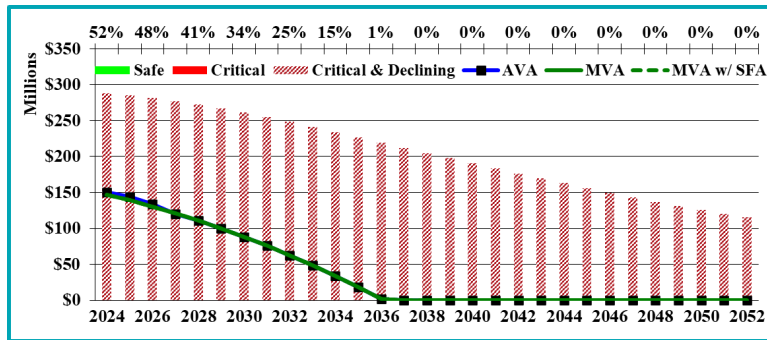
The main consequence for a fund with negative cash flow is that the impact of market fluctuations will be more severe. This is because assets will have to be used to pay benefits in down markets and there will be less principal left to benefit from later favorable investment experience.

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SECTION I – SUMMARY

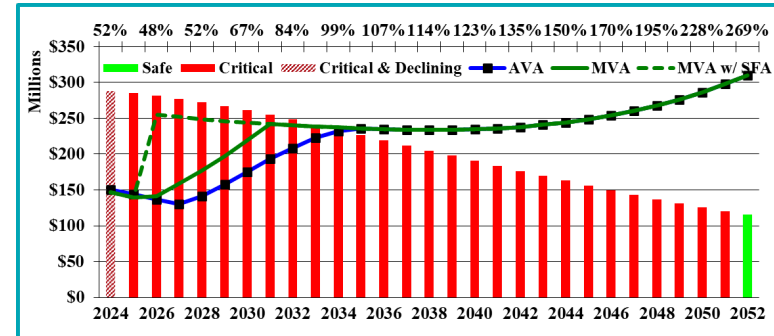
Future Outlook

Turning away from viewing a single year's results or historical trends here we focus on the future of the Fund. Without special financial assistance, and if all actuarial assumptions are met, the fund is projected to become insolvent (as defined in ERISA) in 2036.



For projection purposes we have assumed that participation remains constant, annual contribution increases of 4.9% are made during the lifetime of the CBAs currently in effect and the withdrawal liability payments due from McKesson Drug are received.

As mentioned earlier in the report, the Fund is eligible for special financial assistance and is estimated to receive approximately \$122 million of assistance in 2025. The following projection includes the expected special financial assistance. In addition to the assumptions made in the first projection an assumption that special financial assistance assets are assumed to return 4.5% per year has been incorporated.



Under this scenario, the Fund will no longer be classified as Critical and Declining and will become fully-funded in 2035. But the Fund will remain in Critical status through 2052 under the terms of ARPA.

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION II – RISK ANALYSIS

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. The assumptions we are using are our best estimate of the Fund's long-term future experience, but it is important to realize that future experience could deviate, sometimes significantly, from that predicted by our assumptions. This deviation of actual experience compared to expected experience can affect the future viability of the Fund and must be monitored closely.

This section of the report is intended to identify the primary risks to this Fund, provide some background information about those risks and the factors that influence them, and provide an assessment of them.

Identification of Risks

The primary risk that every plan faces is future insolvency and without special financial assistance this would be the future for the Plan. With assistance the Plan has a reasonable chance of becoming financially healthy, although there is still a risk of declining funded ratios and insolvency if experience is bad. The key items that will impact the financial health of the Plan:

- Investment returns,
- Contributions and Withdrawal Liability payments.

Investment Risk is the potential for investment returns to be different than expected. The current assumption for investment returns is 7.00% per year net of investment expenses. This is a long-term expectation. In any given year, investment returns can be greater than or less than this assumption. However, over time the geometric mean of the actual investment returns over time should be close to the assumption.

The potential magnitude and volatility of future investment returns is influenced by economic conditions and the Fund's asset allocation.

Contribution and Withdrawal Liability Payment risk is the potential for actual future money coming into the Fund to deviate from what is expected in the baseline projection. In particular, additional future withdrawals can reduce the regular contribution income because increases under the Rehabilitation Plan will cease and the contribution rate used to calculate the Withdrawal Liability payment is the 2014 rate. Additionally, bankruptcies can impact the willingness or ability of previously withdrawn employers to make their required Withdrawal Liability payments to the Fund.

Deterministic Scenarios/Stress Testing

To understand the impact of the identified risks, we compare the baseline projection, including the assumption of special financial assistance of \$122 million received in 2025 with other scenarios to investigate how the risks can affect the future financial condition of the Plan.

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION II – RISK ANALYSIS

The scenarios are listed below, and the results are summarized in Table II-1.

For Investment Risk analysis we have analyzed:

- Returns on non-assistance assets being 6.0% for all future years; and
- Returns on non-assistance assets being 8.0% for all future years.

Note: The assumed return on SFA assets used in these projections is 4.5% per year. This return is not of great importance to the outcomes shown because the SFA assets, if used before the non-assistance assets, cover less than 6 years of benefit payments and expenses and so have an average investment period of less than three years.

For Contribution Risk analysis we have analyzed:

- A 33% reduction in contributions occurring in 2026, after receipt of special financial assistance.
- A 50% reduction in contributions occurring in 2026, after receipt of special financial assistance.

Table II-1	
Scenario	Funded Ratio in 2052
Baseline (7.0% in all years)	269%
Investment Return on non-SFA Assets	
6% for 2024 and thereafter	149%
8% for 2024 and thereafter	429%
Contribution Risk	
33% decline in contributions	163%
50% decline in contributions	79%

While we have identified investment risk and contribution risk as the two most important risks, other risks, including longevity risk, may also prove a significant source of deviation from the baseline expectation. A more detailed assessment of risks including risks other than investment and contribution risk can be valuable to enhance the understanding of the potential variability of future results. However, given the risk assessment presented above the advantages of a more detailed analysis may not justify its costs. We recommend the Trustees review the above risk measures annually and consider a more detailed assessment periodically when there are substantial changes in the Fund's financial situation.

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION III – ASSETS

Assets at Market Value

Market values represent “snap-shot” or “cash-out” values, which provide the principal basis for measuring financial performance from one year to the next.

Table III-1 Statement of Assets at Market Value, December 31		
	2022	2023
Invested Assets		
Common Stocks	\$ 44,660,027	\$ 44,458,312
U.S. Government Agencies Notes and Bonds	1,028,592	1,605,373
Corporate Notes and Bonds	827,984	1,344,293
Limited Partnerships & DFEs	68,155,778	64,475,275
Common Collective Trusts	29,211,698	30,392,290
Temporary Investments	1,492,975	2,508,848
Other	113,189	152,883
Total Investments:	\$ 145,490,243	\$ 144,937,274
Other Assets		
Employer Contributions Receivable	504,003	505,392
Accrued Interest and Dividends	57,885	71,566
Other Receivables	3,507	4,090
Prepaid Expenses	34,614	30,055
Cash	1,773,044	1,806,765
Accounts Payable	(152,384)	(125,999)
Accounts Receivable	0	0
Due from Broker	0	0
Total Non-Invested Assets:	\$ 2,220,669	\$ 2,291,869
Net Assets Available for Benefits	\$ 147,710,912	\$ 147,229,143

The table above shows the Market Value of Assets for funding purposes. These values exclude receivable Withdrawal Liability payments because regulations only permit contributions actually received within the 8½ months after the close of the plan year and before the Form 5500 is filed to be

included in plan assets. At December 31, 2023, the amount including this receivable shown in the audited financial statement was \$151,685,101.

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2023 are presented below.

Table III-2 * Changes in Market Values	
Value of Assets - January 1, 2023	\$ 147,710,912
Employer Contributions	5,559,830
Withdrawal Liability Payments	663,674
Investment Return (Gross)	17,298,525
Benefit Payments	(21,886,547)
Administrative Expenses	(514,925)
Investment Expenses	(1,602,326)
Value of Assets - January 1, 2024	\$ 147,229,143

* On this table \$567 of other income is classed as investment income.

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SECTION III – ASSETS

Investment Performance

The following table calculates the investment gain/loss and the return for the plan year on a market value basis. The return is an appropriate measure for comparing the actual asset performance to the prior year's long-term 7% assumption.

Table III-3 Change in Market Value of Assets	
Item	Market Value
January 1, 2023 value	\$ 147,710,912
2023 Employer Contributions	5,559,830
2023 Withdrawal Liability Payments	663,674
2023 Benefit Payments	(21,886,547)
Actual Administrative Expenses	(514,925)
Expected Investment Earnings (7%)	<u>9,783,112</u>
Expected Value December 31, 2023	\$ 141,316,056
Investment Gain / (Loss)	5,913,087
January 1, 2024 value	\$ 147,229,143
Investment Return	11.24%

Assets at Actuarial Value

For long-term planning, actuaries commonly use smoothing techniques to develop an Actuarial Value of Assets that mitigates the effects of short-term volatility exhibited by the capital markets. The asset valuation method phases in actuarial investment gains and losses over five years. The Actuarial Value of Assets is then constrained, if necessary, so that it is not more than 120% of the market value and is not less than 80% of the market value. The asset valuation method is described more fully in Appendix C.

The table below shows the development of the Actuarial Value of Assets.

Table III-4 Development of Actuarial Value of Assets				
Market Value of Assets as of January 1, 2024				\$ 147,229,143
Plan Year	Investment Gains / (Losses)	Percent Recognized	Percent Deferred	Amount Deferred
2019	13,373,011	100%	0%	0
2020	10,457,671	80%	20%	2,091,534
2021	20,193,022	60%	40%	8,077,209
2022	(30,834,076)	40%	60%	(18,500,446)
2023	5,913,087	20%	80%	<u>4,730,470</u>
Total				\$ (3,601,233)
Preliminary Actuarial Value of Assets January 1, 2024				\$ 150,830,376
120% of MV, upper limit for actuarial value				176,674,972
80% of MV, lower limit for actuarial value				117,783,314
Actuarial Value of Assets January 1, 2024				\$ 150,830,376
- as a percent of Market Value of Assets				102.4%

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION III – ASSETS

Asset Gain/(Loss)

The following table calculates the investment gain/loss and the return for the plan year on an actuarial value basis. This gain/loss is one component of the Fund's overall actuarial experience gain/loss, which is recognized for minimum funding requirements.

Over 2023, the Fund's assets at actuarial value produced an actuarial gain of \$3,533,721.

Table III-5 Change in Actuarial Value of Assets	
Item	Actuarial Value
January 1, 2023 value	\$ 153,404,690
2023 Employer Contributions	5,559,830
2023 Withdrawal Liability Payments	663,674
2023 Benefit Payments	(21,886,547)
Expected Administrative Expenses	(602,230)
Expected Investment Earnings (7%)	10,157,238
Expected Value December 31, 2023	\$ 147,296,655
Investment Gain / (Loss)	3,533,721
January 1, 2024 value	\$ 150,830,376
Investment Return	9.42%

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SECTION IV – LIABILITIES

In this section, we present detailed information on the Fund's liabilities including:

- **Disclosure** of the Fund's liabilities at January 1, 2023 and January 1, 2024; and
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which they are used.

- **Actuarial Liabilities:** Used in determining minimum funding requirements, maximum tax-deductible contributions, and long-term funding targets, this amount is calculated using the **Entry Age Normal** cost method.
- **Accrued Liabilities:** These liabilities represent the total amount of money needed to fully pay off all future obligations of the Fund using funding assumptions and assuming no further accrual of benefits. They are determined using the **Unit Credit** cost method.

These liabilities are used for determining funded status under PPA. The law requires them to be compared to the Actuarial Value of Assets to measure funded status. They can also be used to establish comparative benchmarks with other plans.

The Accrued Liabilities must also be included in the Fund's financial statement for accounting disclosure purposes (FASB ASC Topic No. 960). However, the accounting disclosure must also include the present value of future administrative expenses. This sum is called the Present Value of Accumulated Benefits.

- **Vested Liabilities:** Used for administrative purposes in determining employer Withdrawal Liability, this liability represents that portion of the Accrued Liabilities, which are vested. These liabilities are also reported in the Fund's financial statement.
- **Current Liabilities:** Used for Federal Government compliance purposes, the calculation of this liability is defined by federal regulations and is used to determine maximum allowable tax-deductible contributions.
- **Low-Default-Risk Obligation Measure (LDROM):** Used to measure the expected savings that would be realized for bearing the investment risk in the Plan's current asset allocation. Alternatively, it can be viewed as the potential cost of mitigating the investment risk by switching to a low-default-risk fixed income portfolio as of the valuation date.

The table on the following page discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of fund assets yields, for each respective type, a **surplus or Unfunded Liability**.

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024

SECTION IV – LIABILITIES

Table IV-1		
Liabilities/Net Surplus (Unfunded)		
	January 1, 2023	January 1, 2024
ACTUARIAL LIABILITY		
Active Participant Benefits	\$ 40,400,290	\$ 37,755,933
Retiree and Inactive Benefits	254,339,564	255,331,877
Actuarial Liability	\$ 294,739,854	\$ 293,087,810
Actuarial Value of Assets	153,404,690	150,830,376
Net Surplus (Unfunded)	\$ (141,335,164)	\$ (142,257,434)
ACCRUED LIABILITY		
Active Participant Benefits	\$ 33,985,029	\$ 32,671,381
Retiree and Inactive Benefits	254,339,564	255,331,877
Accrued Liability	\$ 288,324,593	\$ 288,003,258
Actuarial Value of Assets	153,404,690	150,830,376
Net Surplus (Unfunded)	\$ (134,919,903)	\$ (137,172,882)
VESTED LIABILITY		
Accrued Liability	\$ 288,324,593	\$ 288,003,258
Less Present Value of Non-Vested Benefits	2,863,778	3,170,350
Vested Liability	\$ 285,460,815	\$ 284,832,908
Market Value of Assets	147,710,912	147,229,143
Net Surplus (Unfunded)	\$ (137,749,903)	\$ (137,603,765)
CURRENT LIABILITY (RPA 1994)		
Current Liability	\$ 479,425,931	\$ 430,074,341
Market Value of Assets	147,710,912	147,229,143
Net Surplus (Unfunded)	\$ (331,715,019)	\$ (282,845,198)
LOW-DEFAULT-RISK OBLIGATION MEASURE (UNIT CREDIT FUNDING METHOD)		
Accrued Liability	N/A	\$ 333,928,096
Market Value of Assets	N/A	147,229,143
Net Surplus (Unfunded)	N/A	\$ (186,698,953)

LDROM is based on the ERISA 4044 Annuity Select & Ultimate rates

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION IV – LIABILITIES

Allocation of Liabilities by Type

The Fund's participants may qualify for a benefit upon death, termination, and disability as well as upon retirement. The value of the liabilities arising from each of these sources is shown in the following table.

Table IV-2 Allocation of Liabilities by Type					
Benefit Type	Retirement	Termination	Death	Expenses	Total
Entry Age Normal Cost	\$ 726,499	\$ 123,820	\$ 6,601	\$ 560,706	\$ 1,417,626
Entry Age Actuarial Liability					
Actives	\$ 37,294,758	\$ 313,245	\$ 147,930	\$ 0	\$ 37,755,933
Terminated Vesteds	0	68,823,800	0	0	68,823,800
Retirees and Beneficiaries	178,430,885	0	8,077,192	0	186,508,077
Total	\$ 215,725,643	\$ 69,137,045	\$ 8,225,122	\$ 0	\$ 293,087,810
Current Liability Normal Cost	\$ 2,262,935	\$ 221,259	\$ 15,193	\$ 0	\$ 2,499,387
Current Liability					
Actives	\$ 55,313,998	\$ 2,614,167	\$ 261,805	\$ 0	\$ 58,189,970
Terminated Vesteds	0	116,582,390	0	0	116,582,390
Retirees and Beneficiaries	244,158,604	0	11,143,377	0	255,301,981
Total	\$ 299,472,602	\$ 119,196,557	\$ 11,405,182	\$ 0	\$ 430,074,341
Vested Current Liability					
Actives	\$ 50,620,051	\$ 2,313,998	\$ 247,697	\$ 0	\$ 53,181,746
Terminated Vesteds	0	116,582,390	0	0	116,582,390
Retirees and Beneficiaries	244,158,604	0	11,143,377	0	255,301,981
Total	\$ 294,778,655	\$ 118,896,388	\$ 11,391,074	\$ 0	\$ 425,066,117

Currently Liability is based on the RPA 94 assumptions, including an interest rate of 3.29%.

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SECTION IV – LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the table below is subject to change at successive valuations as the experience of the Fund varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments
- Interest on liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- Changes in actuarial methods

Table IV-3 Reconciliation of Liabilities		
	Actuarial Liability	Accrued Liability
Liabilities as of January 1, 2023	\$ 294,739,854	\$ 288,324,593
Liabilities as of January 1, 2024	\$ 293,087,810	\$ 288,003,258
Liability Increase (Decrease)	\$ (1,652,044)	\$ (321,335)
Change Due due to:		
Plan Amendment	\$ 0	\$ 0
Assumption Change	0	0
Accrual of Benefits	823,244	1,317,652
Passage of Time (Interest less benefits paid)	(1,950,203)	(2,364,663)
Other Sources	0	0
Actuarial Liability (Gain) / Loss	(525,085)	725,676
Total Change	\$ (1,652,044)	\$ (321,335)

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION V – CONTRIBUTIONS

In this section, we present detailed information on the Fund's contributions from two perspectives:

- **Actuarially determined** contributions or actuarial cost and
- **Government Limits**, which could affect the above.

Actuarially Determined Contributions

For this Fund, the cost method used to calculate the actuarially determined contribution is the **Entry Age Normal** cost method. The actuarially determined contribution or cost is determined in two parts.

The first part is the **Entry Age Normal** cost. This is the level cost of providing the benefits promised by the Fund to each individual participant in service at the valuation date, assuming that contributions are made over the period of the participant's working life. Each year the normal cost is increased by the anticipated cost of the expenses needed to administer the Fund.

The second part is an amortization payment to pay off the Unfunded Actuarial Liability. The Unfunded Actuarial Liability is the difference between the actuarial assets of the Fund at the valuation date and the assets the Fund should hold as determined by the actuarial cost method. The amortization payment is determined using the amortization schedule established by the IRS minimum funding rules. In addition to this amount, a Funding Deficiency needs to be addressed. Under the IRS rules prior to PPA this would have been a simple one-time addition to the required contribution.

Government Limits

ERISA and the IRS tax code place various limits on the contributions made to qualified pension plans. The limits impact the minimum that must be paid, the maximum that can be deducted and the timing of contributions. Pension plans are required to retain an Enrolled Actuary to report on the progress of funding through completion of Schedule MB to Form 5500 on an annual basis. The actuarially determined contribution and cost for 2024 are shown in the following table compared to the various Government Limits and the estimated employer contributions (including Withdrawal Liability payments).

The table below summarizes the results of the tables on the following pages. It also shows the per capita actuarially determined contribution/actuarial cost and per capita expected contribution.

Table V-1 Contributions for 2024	
Required Contribution Before Funding Deficiency	
Entry Age Normal Cost	\$ 856,920
Administrative Expense	560,706
Amortization Payment	7,299,166
Interest to End of Year	610,175
Total	\$ 9,326,967
Government Limits	
Maximum Deductible Contribution	\$ 455,611,704
Minimum Required Contribution (before Funding Deficiency)	\$ 9,326,967
Funding Deficiency (with interest to End of Year)	\$ 81,158,038
Minimum Contribution (after Funding Deficiency)	\$ 90,485,005
Employer Contributions with Interest*	\$ 6,719,732
Count of Active Participants	309
Per Capita Actuarial Cost	\$ 30,184
Per Capita Contribution	\$ 21,747

* Estimated contributions of \$6,496,210 (including interest to end of year)

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION V – CONTRIBUTIONS

Table V-2 Funding Standard Account for 2023 and 2024 Plan Years		
	2023	2024
1. Charges For Plan Year		
a. Funding Deficiency	\$ 67,090,179	\$ 75,848,634
b. Normal Cost with Expenses	1,425,474	1,417,626
c. Amortization Charges	17,839,334	17,125,317
d. Interest on a., b. and c. to Year End	6,044,849	6,607,410
e. Additional Funding Charge	N/A	N/A
f. Interest Charge due to Late Quarterly Contributions	<u>N/A</u>	<u>N/A</u>
g. Total Charges	\$ 92,399,836	\$ 100,998,987
2. Credits For Plan Year		
a. Prior Year Credit Balance	\$ 0	\$ 0
b. Employer Contributions (actual/expected)	6,223,504	6,496,210
c. Amortization Credits	9,451,924	9,826,151
d. Interest on a., b., and c. to Year End	875,774	911,353
e. Full Funding Limit Credit	<u>0</u>	<u>0</u>
f. Total Credits	\$ 16,551,202	\$ 17,233,714
3. Credit Balance at End of Year [2. - 1., not less than \$0]	\$ 0	\$ 0
4. Funding Deficiency at End of Year [1. – 2., not less than \$0]	\$ 75,848,634	\$ 83,765,273

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024

SECTION V – CONTRIBUTIONS

Table V-3 Calculation of the Maximum Deductible Contribution for the Plan Year Starting January 1, 2024	
1. "Fresh Start" Method	
a. Normal Cost with Expenses	\$ 1,417,626
b. Net Charge to Amortize Unfunded Actuarial Liability Over 10 years	18,929,213
c. Interest on a. and b.	1,424,279
d. Total	21,771,118
e. Minimum Required Contribution at Year End	90,485,005
f. Larger of d. and e.	90,485,005
g. Full Funding Limitation as of Year End	<u>244,149,519</u>
h. Regular Maximum Deductible Contribution, lesser of f. and g.	\$ 90,485,005
2. 140% of Current Liability Calculation*	
a. RPA 1994 Current Liability at Start of Year	\$ 430,074,341
b. Present Value of Benefits Estimated to Accrue during Year	2,499,387
c. Expected Benefit Payments	23,497,625
d. Net Interest on a., b. and c. at Current Liability Interest Rate	13,848,268
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	422,924,371
f. 140% of e.	592,094,119
g. Actuarial Value of Assets	150,830,376
h. Expected Expenses at Start of Year	560,706
i. Net Interest on c., g. and h. at Valuation Interest Rate	9,710,370
j. Estimated Value of Assets, [g. – c. – h. + i.]	<u>136,482,415</u>
k. Unfunded Current Liability at Year End, [f. – j.]	\$ 455,611,704
3. Maximum Deductible Contribution at Year End, greater of 1. and 2.	\$ 455,611,704

* Based on combined mortality specified in Reg. §1.412(l)(7)-1 and an interest rate of 3.29%.

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION V – CONTRIBUTIONS

Table V-4 Development of Actuarial Gain/(Loss) for the Year Ended December 31, 2023	
1. Unfunded Actuarial Liability at Start of Year	\$ 141,335,164
2. Normal Cost (with expenses) at Start of Year	\$ 1,425,474
3. Interest on 1. and 2. to End of Year	\$ 9,993,245
4. Employer Contributions for Year	\$ 6,223,504
5. Interest on 4. to End of Year	\$ 214,139
6. Change in Unfunded Actuarial Liability Due to Changes in Plan Design	\$ 0
7. Change in Unfunded Actuarial Liability Due to Changes in Assumptions	\$ 0
8. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6.+ 7.]	\$ 146,316,240
9. Actual Unfunded Actuarial Liability at End of Year, not less than zero	\$ 142,257,434
10. Actuarial Gain / (Loss) [8. – 9.]	\$ 4,058,806
(a) Liability Gain / (Loss)	\$ 525,085
(b) Asset Gain / (Loss)	\$ 3,533,721

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024

SECTION V – CONTRIBUTIONS

Table V-5
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2024

Type of Base	Date	1/1/2024	Remaining	Beginning of Year
CHARGES	Established	Outstanding	Amortization	Amortization
		Balance	Years ¹	Amount
1. Increase in Employer Contributions	01/01/1990	106,027	1	106,027
2. Increase in Employer Contributions	01/01/1991	328,228	2	169,663
3. Plan Amendments	01/01/1992	12,640	3	4,503
4. Increase in Employer Contributions	01/01/1992	185,999	3	66,235
5. Change in Actuarial Assumptions	01/01/1992	540,927	3	192,637
6. Increase in Employer Contributions	01/01/1993	375,457	4	103,594
7. Increase in Employer Contributions	01/01/1994	551,550	5	125,718
8. Increase in Employer Contributions	01/01/1995	516,996	6	101,367
9. Plan Amendments	01/01/1996	322,382	7	55,906
10. Increase in Employer Contributions	01/01/1996	617,848	7	107,144
11. Plan Amendments	01/01/1997	22,729	8	3,558
12. Increase in Employer Contributions	01/01/1997	708,635	8	110,910
13. Increase in Employer Contributions	01/01/1998	327,311	9	46,951
14. Plan Amendments	01/01/1998	5,942,479	9	852,421
15. Increase in Employer Contributions	01/01/1999	1,078,753	10	143,543
16. Plan Amendments	01/01/1999	2,434,937	10	324,000
17. Increase in Employer Contributions	01/01/2000	284,484	11	35,456
18. Plan Amendments	01/01/2001	250,530	12	29,479
19. Change in Actuarial Assumptions	01/01/2001	463,799	12	54,573

¹ The remaining amortization period for the charge bases established prior to 1/1/2009 reflect a 5-year automatic extension granted under 431(d).

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024

SECTION V – CONTRIBUTIONS

Table V-5 (cont'd) Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2024				
Type of Base	Date Established	1/1/2024 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
CHARGES				
20. Increase in Employer Contributions	01/01/2001	\$ 1,561,058	12	\$ 183,683
21. Plan Amendments	01/01/2002	412,564	13	46,135
22. Increase in Employer Contributions	01/01/2002	1,453,799	13	162,568
23. Increase in Employer Contributions	01/01/2003	1,660,790	14	177,480
24. Increase in Employer Contributions	01/01/2004	1,521,214	15	156,095
25. Increase in Employer Contributions	01/01/2005	1,744,764	16	172,614
26. Experience Loss	01/01/2005	497,454	1	497,454
27. Recognized Portion of the 2008 ENIL	01/01/2009	32,735,993	14	3,498,313
28. Bifurcation Base	01/01/2009	3,956,384	5	901,800
29. Bifurcation Base	01/01/2010	806,116	1	806,116
30. Recognized Portion of the 2008 ENIL	01/01/2011	4,734,501	14	505,950
31. Recognized Portion of the 2008 ENIL	01/01/2012	15,158,693	14	1,619,925
32. Assumption Change	01/01/2012	4,422,365	3	1,574,907
33. Recognized Portion of the 2008 ENIL	01/01/2013	5,067,090	14	541,492
34. Recognized Portion of the 2008 ENIL	01/01/2014	3,196,753	14	341,619
35. Experience Loss	01/01/2015	2,514,140	6	492,949
36. Experience Loss	01/01/2016	4,221,576	7	732,082
37. Experience Loss	01/01/2017	1,662,751	8	260,242
38. Experience Loss	01/01/2018	1,440,353	9	206,612
39. Assumption Change	01/01/2020	<u>12,946,827</u>	11	<u>1,613,596</u>
TOTAL CHARGES		<u>\$116,786,896</u>		<u>\$ 17,125,317</u>

¹ The remaining amortization period for the charge bases established prior to 1/1/2009 reflect a 5-year automatic extension granted under 431(d).

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION V – CONTRIBUTIONS

Table V-5 (cont'd) Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2024				
Type of Base	Date Established	1/1/2024 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
CREDITS				
1. Change in Actuarial Assumptions	01/01/1996	601,385	2	310,861
2. Change in Actuarial Assumptions	01/01/1999	86,823	5	19,791
3. Change in Actuarial Assumptions	01/01/2002	575,213	8	90,027
4. Method Change	01/01/2009	10,307,796	15	1,057,701
5. Recognized Portion of the 2008 ENIL	01/01/2010	5,835,616	14	623,620
6. Plan Amendment	01/01/2010	2,232,896	1	2,232,896
7. Bifurcation Base	01/01/2011	1,553,952	2	803,249
8. Bifurcation Base	01/01/2012	915,834	3	326,149
9. Bifurcation Base	01/01/2013	5,981,173	4	1,650,291
10. Bifurcation Base	01/01/2014	1,778,064	5	405,283
11. Experience Gain	01/01/2019	605,850	10	80,616
12. Experience Gain	01/01/2020	1,566,487	11	195,236
13. Experience Gain	01/01/2021	4,110,164	12	483,624
14. Assumption Change	01/01/2022	131,054	13	14,655
15. Experience Gain	01/01/2022	8,686,670	13	971,371
16. Experience Gain	01/01/2023	1,350,313	14	144,300
17. Experience Gain	01/01/2024	4,058,806	15	416,481
TOTAL CREDITS		<u>50,378,096</u>		<u>\$ 9,826,151</u>
NET CHARGE		\$ 66,408,800		\$ 7,299,166

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION V – CONTRIBUTIONS

**Table V-6
Accumulated Reconciliation Account and Balance Test
as of January 1, 2024**

1. Amount due to Additional Interest Charges in prior years	\$ 0
2. Amount due to Additional Funding Charges in prior years	<u>NA</u>
3. Reconciliation Account at Start of Year [1. + 2.]	\$ 0
4. Net Outstanding Amortization Bases	\$ 66,408,800
5. Funding Deficiency at Start of Year	\$ 75,848,634
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. + 5.]	\$ 142,257,434
7. Actuarial Liability at Start of Year	\$ 293,087,810
8. Actuarial Value of Assets at Start of Year	\$ 150,830,376
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8., Limited to Zero]	\$ 142,257,434

The Fund passes the Balance Test because line 6. equals line 9.

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024

SECTION V – CONTRIBUTIONS

Table V-7 Development of Full Funding Limitation for Plan Year Starting January 1, 2024		
	Minimum	Maximum
1. Entry Age Actuarial Liability Calculation		
a. Actuarial Liability	\$ 293,087,810	\$ 293,087,810
b. Normal Cost with Expenses	1,417,626	1,417,626
c. Lesser of Market Value and Actuarial Value of Assets	147,229,143	147,229,143
d. Credit Balance at Start of Year	0	0
e. Actuarial Liability Full Funding Limit [a. + b. – c. + d.] x 1.07, limited to zero	\$ 157,585,634	\$ 157,585,634
2. Full Funding Limit Override (RPA 1994)		
Interest Rate used to Calculate Current Liability	3.29%	3.29%
a. RPA 1994 Current Liability at Start of Year	\$ 430,074,341	\$ 430,074,341
b. Present Value of Benefits Estimated to Accrue during Year	2,499,387	2,499,387
c. Expected Benefit Payments	23,497,625	23,497,625
d. Net Interest on a., b. and c. at Current Liability Interest Rate	13,848,268	13,848,268
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	422,924,371	422,924,371
f. 90% of e.	380,631,934	380,631,934
g. Actuarial Value of Assets at Start of Year	150,830,376	150,830,376
h. Expected Expenses	560,706	560,706
i. Net Interest on c., g. and h. at Valuation Interest Rate	9,710,370	9,710,370
j. Estimated Value of Assets, [g. – c. – h. + i.]	136,482,415	136,482,415
k. RPA 1994 Full Funding Limit Override	\$ 244,149,519	\$ 244,149,519
3. Full Funding Limitation at End of Year, greater of 1e. and 2k.	\$ 244,149,519	\$ 244,149,519

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024

SECTION VI – WITHDRAWAL LIABILITY

The Multi-Employer Pension Plan Amendments Act of 1980 (MPPAA) provides that a contributing employer who withdraws from a multi-employer pension plan, either partially or totally, will be liable to the Fund for a share of the Fund's Unfunded Vested Benefits (UVB) that exist as of the end of the plan year prior to the year in which the withdrawal occurs. The UVB is apportioned using the Presumptive Method as described in ERISA §4211(b)(1).

Vested Benefits are the benefits that the Fund cannot take away from participants. Vested Benefits belong to two groups of participants: those former employees who have retired and are currently receiving retirement benefits; and those employees and former employees who have not yet retired, but who have accumulated enough service to earn the right to receive a benefit when they do retire even if their employment is terminated prior to retirement.

The total liability for all Vested Benefits as of December 31, 2023 is \$284,832,908. This liability has been determined using the actuarial assumptions shown in Appendix C for funding purposes. As of December 31, 2023, the Market Value of Assets applicable to the use of the Presumptive Method of allocating UVB was \$147,229,143. Because the Present Value of Vested Benefits exceeds the assets of the Fund, there are Unfunded Vested Benefits as of December 31, 2023. Consequently, a participating employer who withdraws from the Fund during the plan year beginning January 1, 2024 may have a Withdrawal Liability, which will be based on its share of the Unfunded Vested Benefits.

In addition, a withdrawing employer will be assessed a portion of the Affected Benefit liability in accordance with the provisions of the Pension Protection Act. The Affected Benefit liability arose when the Fund removed certain Adjustable Benefits effective January 1, 2010. The unamortized balance of the Affected Benefit liability at December 31, 2023 is \$39,883.

Table VI-1	
Withdrawal Liability	
Unfunded Vested Benefits as of December 31, 2023	
1. Present Value of Vested Benefits	
a. Retirees and Beneficiaries	\$ 186,508,077
b. Terminated Vested Participants	68,823,800
c. Active Participants	29,501,031
d. Total	\$ 284,832,908
2. Market Value of Assets	\$ 147,229,143
3. Unfunded Vested Benefits [1d. – 2.]	\$ 137,603,765
4. Funded Ratio [2. ÷ 1d.]	51.69%
5. Unamortized Balance of Affected Benefits	\$ 39,883
6. Total Allocable Withdrawal Liability [3. + 5.]	\$ 137,643,648

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
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SECTION VII – FASB ASC 960 DISCLOSURES

Table VII-1 Present Value of Accumulated Benefits as of January 1, 2024 in Accordance with FASB ASC 960		
	Amounts	Counts
1. Actuarial Present Value of Vested Benefits		
For Retirees and Beneficiaries	\$ 186,508,077	1,095
Terminated Vesteds	68,823,800	564
Active Participants	29,501,031	199
Total Vested Benefits	\$ 284,832,908	1,858
2. Non-vested Benefits	\$ 3,170,350	110
3. Present Value of Expected Administrative Expenses ¹	\$ 7,522,885	
4. Accumulated Benefits	\$ 295,526,143	1,968
5. Market Value of Assets	\$ 147,229,143	
6. Funded Ratios		
Vested Benefits	52%	
Accumulated Benefits	50%	
Reconciliation of Present Value of Accumulated Benefits		
1. Actuarial Present Value at Start of Prior Year	\$ 288,324,593	
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	\$ 1,317,652	
Benefit Payments	(21,886,547)	
Increase for Interest	19,521,884	
Liability Experience (Gains)/Losses	725,676	
Changes in Assumptions	0	
Plan Amendments	0	
Total	\$ (321,335)	
3. Actuarial Present Value at End of Prior Year (w/o Administrative Expenses)	\$ 288,003,258	
4. Present Value of Expected Administrative Expenses ¹	\$ 7,522,885	
5. Actuarial Present Value at End of Prior Year (w/ Administrative Expenses)	\$ 295,526,143	

¹ The present value of expected administrative expenses is equal to 2.61% of the Accrued Liability.

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided by Associated Administrators LLC (AA). Cheiron did not audit any of the data; however, the data was reviewed to ensure that it complies with generally accepted actuarial standards. The data is as of January 1, 2024.

The following is a list of data charts contained in this section:

- Age/Service Distribution for Active Participants
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Terminated Vested Participants

Table A-1 Age/Service Distribution of Active Participants as of January 1, 2024								
COMPLETED YEARS OF CREDITED SERVICE								
AGE	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total
Under 25	11	0	0	0	0	0	0	11
25-29	10	3	0	0	0	0	0	13
30-34	13	4	3	0	0	0	0	20
35-39	19	11	11	6	0	0	0	47
40-44	25	4	7	9	5	1	0	51
45-49	14	4	9	7	8	1	0	43
50-54	5	1	6	10	7	10	0	39
55-59	9	2	3	8	9	9	5	45
60-64	3	4	4	7	8	2	6	34
65 & Up	2	2	0	0	1	1	0	6
Total	111	35	43	47	38	24	11	309
Average Age = 46.6 Average Service = 12.1								

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-2
Age/Benefit Distribution of Inactive Participants as of January 1, 2024**

PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS

Age	Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
	Number	Monthly Benefit	Number	Monthly Benefit	Number	Monthly Benefit
Under 55	3	\$ 11,095	1	\$ 545	4	\$ 11,640
55-59	30	122,804	8	7,987	38	130,791
60-64	230	575,975	19	13,171	249	589,146
65-69	254	495,807	22	10,454	276	506,261
70-74	180	273,141	24	11,586	204	284,727
75-79	120	141,017	28	17,955	148	158,972
80 & Over	140	133,469	36	19,697	176	153,166
Total	957	\$ 1,753,308	138	\$ 81,395	1,095	\$ 1,834,703

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	78	\$ 78,666
45-49	74	95,308
50-54	121	193,460
55-59	202	418,603
60-64	59	81,693
65 & Over	30	15,420
Total	564	\$ 883,150

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APPENDIX A – MEMBERSHIP INFORMATION

Table A-3 Participant Reconciliation from January 1, 2023 to January 1, 2024							
	Actives	Terminated Vested	Deferred Spouses	Retired	QDROs	Spouses	Total
1. January 1, 2023 Valuation	289	577	23	916	32	137	1,974
2. Additions							
a. New entrants	45						45
b. New spouse							0
c. New QDRO					3		3
d. Pickups		1		1			2
Total Additions	45	1	0	1	3	0	50
3. Reductions							
a. Terminated - not vested	(6)						(6)
b. Non-Participating	(4)						(4)
c. Lump sum							0
d. Deaths without beneficiary		(3)	(1)	(26)		(10)	(40)
e. Data corrections, missing				(1)		(2)	(3)
Total Reductions	(10)	(3)	(1)	(27)	0	(12)	(53)
4. Changes in status							
a. Terminated - vested	(11)	11					0
b. Returned to work	7	(7)					0
c. Retired	(10)	(32)	(5)	42		5	0
d. Died with beneficiary	(1)	(1)	2	(9)		11	2
e. Data corrections		(10)	9	(1)		(3)	(5)
Total Changes	(15)	(39)	6	32	0	13	(3)
5. January 1, 2024 Valuation	309	536	28	922	35	138	1,968

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APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

This summary of plan provisions provides an overview of the major provisions of the pension fund used in the actuarial valuation. It is not intended to replace the more precise language of the plan document and is not to be relied upon for calculating participant benefits.

1. Eligibility

Any employee on whose behalf contributions are made to the pension plan is eligible to participate in the Fund.

2. Normal Retirement

Eligibility: Age 60 with five years of service.

For service after the adoption or imposition of a Rehabilitation Benefit Schedule, the normal retirement age has been increased to age 62 with five years of service.

Amount: Percentage of Contributions

For service prior to the adoption or imposition of a Rehabilitation Benefit Schedule:

A monthly life annuity reducing to 55% of the original amount after 60 months, equal to (a) 4.17% of all contributions required to be made on a participant's behalf on and after January 1, 1978 plus (b) X% of all contributions required to be made on a participant's behalf prior to January 1, 1978, where "X" is determined from the following table:

Participant's Age on January 1, 1978	X%	Participant's Age on January 1, 1978	X%
60 or over	12.0	49	7.6
59	11.6	48	7.2
58	11.2	47	6.8
57	10.8	46	6.4
56	10.4	45	6.0
55	10.0	44	5.6
54	9.6	43	5.2
53	9.2	42	4.8
52	8.8	41	4.4
51	8.4	40 and under	4.17
50	8.0		

For those employers who elected through a collective bargaining agreement to make a supplemental contribution beginning January 1, 1998, the monthly life annuity above reduces to 55% of the original amount after 96 months instead of 60.

Effective for participants who earned an hour of service on or after January 1, 1999, 24 months is added to the number of months described above (i.e., 60 months and 96 months for a total of 84 and 120 months, respectively).

For service after the adoption or imposition of a Rehabilitation Benefit Schedule:

Preferred Schedule: 2.0% of all contributions required to be made on a participant's behalf on and after the date of adoption of the Preferred Schedule, reducing to 1.0% after the pension has been in effect for 60, 84, 96, or 120 months.

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APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

Default Schedule: 1.0% of all contributions required to be made on a participant's behalf on and after the date of adoption or imposition of the Default Schedule.

3. Early Retirement Benefit

Eligibility: On completion of 30 years of service with the Fund.

Amount: Accrued normal retirement benefit payable immediately.

4. Postponed Retirement Benefit

A participant who elects to postpone his retirement of contributions benefit beyond his normal retirement date is entitled to a postponed retirement benefit, in lieu of his normal retirement benefit, in the amount of the normal retirement benefit calculated as if he had reached his normal retirement date on the day he actually retires.

5. Termination Benefit

Eligibility: Five credited years of service for vesting.

Amount: A deferred annuity in the amount of the participant's accrued normal benefit at termination commencing at the participant's normal retirement age.

6. Death Benefits

Pre-Retirement Lump-Sum Death Benefit

Eligibility: Five continuous years of participation in the pension plan, and has had at least 40 weeks' payments into the trust fund by an employer.

Amount: \$2.00 per paid week up to a maximum of \$2,000 reduced by any disability benefits paid.

Eliminated after the adoption or imposition of a Rehabilitation Benefit Schedule.

Pre-Retirement Spouse's Pension

Eligibility: Available only to married participants who are eligible for a termination benefit, including vested terminated participants.

Amount: A life annuity to the participant's lawful spouse in the amount of the surviving spouse's benefit that would have been provided under the qualified joint and survivor annuity payable at what would have been the participant's earliest retirement date.

The pre-retirement spouse's benefit will be paid in addition to the lump-sum death benefit.

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APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

7. Normal Form of Pension

For participants who are married as of the normal retirement date, the normal retirement benefit is automatically payable as a joint and survivor annuity actuarially equivalent to the above benefit. The normal form of pension payable to a married employee who does not elect otherwise will be an actuarially reduced pension on the Joint and 50% Survivor basis.

8. Effective Date of Plan

August 15, 1965

9. Last Amended

The last restatement was as of January 1, 2015.

The Rehabilitation Plan was last amended in 2014 to adopt reasonable measures to forestall insolvency.

10. Contributions

Employee: None permitted or required.

Employer: On an hourly or weekly basis, on behalf of participating employees, as specified in the applicable collective bargaining agreement.

11. Changes since Last Valuation

None

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APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding purposes: 7.00%

Current Liability under RPA 1994: 3.29%

This interest rate is the top of the corridor established by law.

LDROM: 5.45% for 20 years, 5.22% thereafter; based on the ERISA 4044 rates for valuation dates occurring January 2024 – March 2024.

All investment returns are net of investment expenses.

2. Rates of Mortality

Funding:

Pri-2012 amount-weighted Blue-Collar table with projection scale MP-2021 as published by the Retirement Plans Experience Committee (RPEC) of the Society of Actuaries

Current Liability under RPA 1994:
The 2024 Static Mortality Table as prescribed under IRS Regulations.

3. Rates of Disability

None assumed.

4. Rates of Turnover

Double the combination of Sarason's Advanced Pension Tables. Sample rates:

Age	Rate
20	24.77%
22	22.62
24	20.47
25	19.40
26	18.02
28	15.25
30	12.49
35	8.21
40	5.24
45	2.57
50	0.00

5. Rates of Retirement

For individuals commencing from Active status:

	Less than 30 Years of Service		30 Years of Service	Over 30 Years of Service
Age	NRA = 60	NRA = 62	Service	Service
<60	0%	0%	35%	15%
60	25%	0%	100%	100%
61	15%	0%	100%	100%
62	15%	25%	100%	100%
63 – 64	15%	15%	100%	100%
65+	100%	100%	100%	100%

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APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

6. Rates of Retirement (continued)

For individuals commencing from Inactive status:

Age	NRA of 60	NRA of 62
<60	0%	0%
60	50%	0%
61	25%	0%
62	25%	50%
63-64	25%	25%
65+	100%	100%

7. Marriage Rates

Percentage Married: Males – 61%
Females – 61%

Age Differences: Males are assumed to be three
years older than spouse.

8. Payment Form Elections

Level Income Option – 65%
Single Life or Certain Annuity – 15%
Joint & Survivor Annuity – 20%

9. Administrative Expenses

\$560,706 payable at the beginning of the year.
Projected expenses incorporate an expense inflation
assumption of 2% per year.

For financial disclosure under FASB ASC 960, the
present value of future administrative expense is 2.61%
of accrued liability. This amount is based on future
projected cash flows of \$284.91 per participant,
mid- year, that increase 2% per year for inflation.

10. Active Participants

All non-retired participants who have hours worked
during the plan year ending December 31, 2023.

11. Future Hours Worked By Active Participants

Each active participant will work average annual hours
worked in the past three years, excluding the year of
entry. No participant is assumed to work less than 870
hours per year.

**12. Contribution Rate Used for Determination of
Minimum Flat Benefit**

The contribution rate in effect on January 1, 2024.

**13. Contribution Rate Used for Determination of
Percentage of Contributions Benefit**

The contribution rate in effect on January 1, 2024.

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024**

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

14. Participant Data

This report is based upon employee data furnished by the Fund Administrator. All non-retired participants who have hours worked during the plan year ending December 31, 2023 are assumed to be active participants as of January 1, 2024 unless identified as having been terminated.

15. Assets

Provided by the independent auditors' report as of December 31, 2023.

The Actuarial Value of Assets is based on the market value with an adjustment to smooth appreciation or depreciation in the market value over the past five years.

80% of the net appreciation or depreciation for the most recently completed plan year is removed from the value of the assets, 60% of the appreciation or depreciation for the year prior to that is removed, etc., until the fifth year prior to this plan year for which none of the appreciation or depreciation is removed. The Actuarial Value of Assets is adjusted, if necessary, to be within 80% to 120% of the market value of the assets.

16. Rehabilitation Plan Benefit Schedule

In preparing our report and valuation results, all participating employers were valued under the Preferred Schedule as of January 1, 2024.

17. Choice of Assumptions

Economic: The expected investment return was chosen by modeling the Fund's current asset allocation with the 2023 Horizon Investment Survey and using input from the Fund's investment adviser.

Demographic: The demographic assumptions were reviewed concurrently with the 2020 valuation and updated to better reflect actual experience. The mortality assumption is based on the PBGC recommended mortality assumption defined in their regulations to the American Rescue Plan Act.

18. Changes in Assumptions since Last Valuation

For funding calculations, the administrative expense assumption was changed from \$602,230 to \$560,706.

For financial disclosure under FASB Topic ASC 960, the present value of future administrative expense is based on future mid-year cash flows of \$284.91 per participant that increase 2% per year for inflation. Last year we used \$305.08 per participant.

The RPA '94 Current Liability interest rate was changed from 2.55% to 3.29% and the RPA '94 Current Liability mortality table was changed from the IRS 2023 Static Mortality Table to the IRS 2024 Static Mortality Table to comply with appropriate guidance.

**WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST
ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2024**

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Asset Valuation Method

The Actuarial Value of Assets is determined in accordance with Section 3.16 of Revenue Procedure 2000-40 using a five-year smoothing period. Specifically, the Actuarial Value of Assets as of January 1, 2006 is set equal to the Market Value of Assets. For each subsequent plan year, the actuarial value shall be the market value minus a decreasing fraction ($4/5$, $3/5$, $2/5$, $1/5$) of each gain or loss for each of the preceding four plan years except for 2008 market losses which are recognized at 10% a year due to funding relief. Gains or losses prior to January 1, 2006 are ignored.

The resulting Actuarial Value of Assets is then limited to be no greater than 120% and no less than 80% of the Market Value of Assets on the valuation date.

2. Funding Method: Entry Age Normal Cost Method

Under the Entry Age Normal cost method, the individual Entry Age Normal cost is determined for each participant by calculating the level annual contribution required to fund that individual's expected benefits based on the current plan provisions over the participant's expected active working lifetime with the Fund at entry.

At the valuation date, the present value of future normal cost is calculated for each individual participant by multiplying the Entry Age Normal cost by the present value of the participant's expected future active working lifetime with the Fund. The cost for each participant is then summed to yield the present value of future normal costs.

The excess of the present value of future benefits for all individuals at the valuation date over the present value of future normal costs is called the Actuarial Liability, or past service liability.

The excess, if any, of the Actuarial Liability over the Actuarial Value of Assets is known as the Unfunded Accrued Liability. If the Actuarial Value of Assets exceeds the Actuarial Liability, the Fund may have a surplus.

3. PRA 2010 Funding Relief

The Fund's Board of Trustees elected funding relief under §431(b)(8) of the Code and §304(b)(8) of ERISA, specifically:

- The "special amortization rule," which allows the Fund's investment losses for the plan year ended December 31, 2008 be separately amortized over 29 years.

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APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

4. Reliance on Models

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Projections in this report were developed using *P-Scan*, our proprietary tool for developing deterministic projections to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan.

5. Changes in Actuarial Methods Since Last Valuation

None



Classic Values, Innovative Advice