Form 15315 (December 2022)	Department of the Treasury - Internal Revenue Service **Annual Certification for Multiemployer Defined Benefit Plans**	OMB Number 1545-2111

This Form is required to be filed under Internal Revenue Code (IRC) Section 432(b)(3)
Complete all entries in accordance with the instructions

For calendar plan year 2023 or fiscal plan year beginning 1/1/2023 and ending 12/31/2023

Part I – Basic Plan Information

1a. Name of plan	1b. Three-digit plan number (PN)
Warehouse Employees Union Local No. 730 Pension Trust Fund	001
1c. Plan sponsor's name	1d. Employer identification number (EIN)
Board of Trustees Warehouse Employees Local No. 730 Pension Trust Fund	52-6124754

1e. Plan sponsor's telephone number	1f. Plan sponsor's address, city, state, ZIP code
(410) 683-7763	911 Ridgebrook Road, Sparks, MD, 21152-9451

Part II – Plan Actuary's Information

2a. Plan actuary's name	2b. Plan actuary's firm name
Peter R. Hardcastle	Cheiron, Inc.

2c. Plan actuary's firm address, city, state, ZIP code

8300 Greensboro Drive, Suite 800, McLean, VA, 22102

2d. Plan actuary's enrollment number	2e. Plan actuary's telephone number
20-05197	(703) 893-1456

Part III – Plan Status

3. Check the appropriate box to indicate the plan's IRC Section 432 status

- ☐ Neither endangered nor critical
- ☐ Endangered
- ☐ Seriously endangered
- ☐ Critical
- ☒ Critical and declining
- ☐ Not endangered due to special rule in IRC Section 432(b)(5)
- ☐ Critical due to election under IRC Section 432(b)(4)
- ☐ Plans that are not currently in critical status, but are projected to be in critical status within the next five years under 432(b)(3)(D)(v)

Part IV – Scheduled Progress in Funding Improvement Plan or Rehabilitation Plan

4. Check the appropriate box to indicate whether the plan is making the scheduled progress in meeting the requirements of an applicable funding improvement plan (FIP) or rehabilitation plan (RP)

	Yes	No	N/A
Funding Improvement Plan	☐	☐	☒
Rehabilitation Plan	☒	☐	☐

Part V – Sign Here

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. The projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the plan.

Actuary's signature	Date
PRHardcastle	3/31/2023

FOR PLAN YEAR COMMENCING JANUARY 1, 2023

ANNUAL CERTIFICATION OF PLAN STATUS UNDER SECTION 432(b) OF THE INTERNAL REVENUE CODE, (SEC. 305(b) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974)

FOR

WAREHOUSE EMPLOYEES UNION
LOCAL NO. 730 PENSION TRUST FUND

EIN: 52-6124754
PN: 001

Plan Year 1/1/2023

Fund Contact
Ms. Alicia Cochran
Account Executive
(410) 683-6500

March 31, 2023

CHEIRON

Board of Trustees of the Warehouse Employees Union
Local No. 730 Pension Trust Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

March 31, 2023
EIN: 52-6124754
PN: 001
Tel: (410) 683-6500

Re: Annual Certification of Plan Status under Internal Revenue Code §432(b) and Employee Retirement Income Security Act of 1974 §305(b)

Dear Board of Trustees:

CERTIFICATION

As required by Section 432(b)(3) of the Internal Revenue Code ("Code") and Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), we certify, for the plan year beginning January 1, 2023, that the Fund is classified as being in Critical and Declining status as this term is defined in Section 432(b) of the Code and Section 305(b) of ERISA as amended by the Multiemployer Pension Reform Act of 2014.

The rehabilitation period for the Rehabilitation Plan adopted by the Trustees on November 26, 2009 began on January 1, 2012 and requires all reasonable measures to forestall insolvency. As discussed in Appendix III, we certify that the Fund is making scheduled progress in meeting the requirements of its Rehabilitation Plan due to the exhaustion of all reasonable measures to forestall insolvency.

This certification is complete and has been prepared in accordance with the requirements of Section 432 of the Code, Section 305 of ERISA, and 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 certification. This certification does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This certification was prepared exclusively for the Trustees of the Warehouse Employees Union Local 730 Pension Trust Fund and the Secretary of Treasury. It only certifies the condition of the Fund under Code Section 432 as added by the Pension Protection Act of 2006 and should be used only for that purpose. Other users of this certification are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

In preparing this certification, we have relied on information (some oral and some written) supplied by the Fund Office staff and the Fund's investment manager. This information includes, but is not limited to, the plan provisions, employee data, financial information, and expectations of future industry activity. 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.

Future analyses may differ significantly from those presented in this certification letter 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.

The attached appendices show the results for the statutory tests and describe the methodologies and assumptions used to perform the tests. Please contact the undersigned with any questions.

Sincerely,
Cheiron

Peter R. Hardcastle, FSA, EA (20-05197)	Matthew Deveney, FSA, EA (20-07754)
Principal Consulting Actuary	Principal Consulting Actuary

Attachments: Appendix I: Tests of Fund Status
Appendix II: Detail for Actuarial Certification
Appendix III: Scheduled Progress
Appendix IV: Methodology and Assumptions

cc: Secretary of the Treasury

APPENDIX I – TESTS OF FUND STATUS

Critical Status – The Fund, which has a 431(d) five-year automatic extension, was certified as Critical last year and will remain Critical unless it meets the two conditions for emergence:		**Condition Met?**
1	The Fund is not projected to have an accumulated funding deficiency for the current plan year or the next nine plan years.	NO
2	The Fund is not projected to become insolvent within 30 years.	NO

Critical and Declining Status – The Fund will be certified as Critical and Declining if it meets test 3.

3	The Fund is in Critical Status and is projected to become insolvent within the current or the next 19 plan years since the funding level is below 80%.	YES

The Fund is certified to be in Critical and Declining status for 2023.

APPENDIX II – DETAIL FOR ACTUARIAL CERTIFICATION

A. CREDIT BALANCE / FUNDING DEFICIENCY (Used for Test 1)
(uses 431(d) five-year automatic extension)

	Credit	adjusted with interest to end of year		
Date	**Balance**	**Charges**	**Credits**	**Contributions**
1/1/2023	($66,119,699)	19,627,935	10,104,402	5,511,357
1/1/2024	($74,760,254)			

Because a funding deficiency is projected at year end, it is not required to project the funding standard account credit balance any further. The projected funding standard account is based on the methods and assumptions set out in Appendix IV.

The projection of future contributions is based on the Trustees' estimate of future industry activity multiplied by the contribution rates contained in the current collective bargaining agreements under which the Fund is maintained. Additionally, future Withdrawal Liability payments by McKesson Drug Corporation are included.

B. SOLVENCY PROJECTION (Used for Tests 2 and 3)
(assumes contribution increases continue in accordance with CBAs in effect as of January 1, 2023)

The chart below shows a projection of the assets of the Fund over the next 12 years. The projection indicates that the Fund is expected to run out of assets during the 2034 Plan Year.

Plan Year Beginning	Market Value of Assets	Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Investment Return Assumption
1/1/2023	$ 149,222,611	$ 4,664,356	$ 663,674	$ 22,599,941	$ 496,000	$ 9,834,225	7.00%
1/1/2024	141,288,925	4,871,025	663,674	23,108,986	405,395	9,271,577	7.00%
1/1/2025	132,580,819	4,899,823	663,674	23,679,864	414,966	8,643,030	7.00%
1/1/2026	122,692,517	4,929,206	663,674	24,107,317	424,735	7,936,816	7.00%
1/1/2027	111,690,162	4,943,354	663,674	24,599,961	434,704	7,149,844	7.00%
1/1/2028	99,412,369	4,943,354	663,674	24,922,197	445,007	6,278,957	7.00%
1/1/2029	85,931,150	4,943,354	663,674	24,976,229	455,405	5,333,056	7.00%
1/1/2030	71,439,599	4,943,354	663,674	25,244,427	465,928	4,309,057	7.00%
1/1/2031	55,645,328	4,943,354	663,674	25,298,933	494,126	3,200,611	7.00%
1/1/2032	38,659,909	4,943,354	663,674	25,087,799	505,448	2,018,508	7.00%
1/1/2033	20,692,197	4,943,354	165,919	24,816,394	516,917	752,585	7.00%
1/1/2034	1,220,744	4,943,354	0	24,519,022	528,501	0	7.00%
1/1/2035	0						

APPENDIX III – SCHEDULED PROGRESS

Pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees has adopted a Rehabilitation Plan to forestall insolvency as defined in ERISA Section 4245. The Rehabilitation Plan removes some adjustable benefits and requires contribution increases from all employers to match those affordable to the largest employer. The current required increases are 4.9% per year. Currently, all active employers are increasing contribution rates by 4.9% annually. On this basis and also considering lack of guidance from the Internal Revenue Service, we are certifying that the Fund is making the scheduled progress in meeting the requirements of its Rehabilitation Plan as discussed in ERISA Section 305(b)(3)(A)(ii).

A. Actuarial Assumptions

1. Rates of Investment Return

7.00% net of investment expenses.

2. Administrative Expenses

Admin expenses for 2023 are based on the actual admin expenses from the prior year increased with inflation for one year (rounded to the nearest thousand), with an additional amount included to reflect the non-recurring cost of the SFA application in the first year. Future recurring admin expenses are assumed to increase by 2.5% per year thereafter and reflect known future PBGC premium increases.

3. 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 2022 Static Mortality Table as prescribed under IRS Regulations.

4. Rates of Retirement

For individuals commencing from Active status:

Age	Less than 30 Years of Service NRA = 60	Less than 30 Years of Service NRA = 62	30 Years of Service	Over 30 Years of 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%

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%

5. 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

6. Rates of Disability

None assumed.

7. Marriage Rates

- 61% of participants are assumed to be married.
- 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. Active Participants

All non-retired participants who have hours worked during the plan year ending December 31, 2021.

10. Future Hours Worked By Active Participants

Contribution Base Units are assumed to remain constant at the 2019 level. Each active participant will work average annual hours worked in the past three years, excluding the year of entry. The default hours worked is assumed to be 2,040 hours. No participant is assumed to work less than 870 hours per year.

11. Contribution Rates Used for Determination of Minimum Flat Benefit and Percentage of Contributions Benefit

The contribution rate in effect at the date of adoption of the Rehabilitation Schedule.

12. Contribution Rate Used for Determination of Employer Contributions

Contribution rates are based on the Preferred Schedule of the Rehabilitation, with increases based on each employer's collective bargaining agreement in effect as of January 1, 2023. In addition, a $0.35 per hour rate is included in the contribution rates for Giant Warehouse each year to reflect the additional (non-benefit bearing) contributions required when working vacation relief hours.

13. Future Withdrawal Liability Payments and Future Employer Withdrawals

Future withdrawal liability payments are based on the actual payment schedules for withdrawals that occurred and were assessed by December 31, 2022 and are assumed to be 100% collectable. No current employers are assumed to withdraw on or after January 1, 2023.

14. New Entrant Profile

New entrants are based on the distribution below, assuming 92% male.

Age	Service	Accrued Benefit	Annual Benefit Accrual	Relative Proportion
20	0.531	$68.94	$1,370.88	14%
25	0.567	$60.67	$1,370.88	9%
30	1.933	$254.38	$1,370.88	18%
35	1.456	$163.33	$1,370.88	18%
40	2.123	$348.61	$1,370.88	14%
45	6.955	$902.12	$1,370.88	7%
50	9.582	$1,463.13	$1,370.88	10%
55	13.168	$2,272.00	$1,370.88	10%

15. Participant Data, Basis for Projections

The January 1, 2022 actuarial valuation and related participant data serves as the basis for the 2023 Zone Certification.

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, 2021 are assumed to be active participants as of January 1, 2022 unless identified as having been terminated.

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, 2022.

17. Projected Industry Activity

As required by Section 432 of the Code, assumptions with respect to projected industry activity are based on information provided by the Trustees. It is the Trustees' expectation that the contribution base units will remain level during the projection period.

18. Exclusions

No participants were excluded from the projections.

19. Reciprocity

There are no assumptions related to reciprocity as the Plan has no reciprocal agreements.

20. Missing or incomplete data

There is no missing or incomplete data.

21. Justification for Assumptions

Economic: The expected investment return was chosen by modeling the Fund's current asset allocation with the Horizon Investment Survey and using input from the Fund's investment adviser. The Horizon survey expected 10-year return is 5.63% and the expected 20-year return is 6.29%. Historically the Fund has averaged 11.61% annual return over the past 10 years and has outperformed its benchmark. Taking into account the historical returns and forward-looking expectations, a long-term rate return of 7% is reasonable.

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 Safe-harbor mortality assumption defined in the American Rescue Plan Act.

B. Actuarial Methods

1. Funding Method: Entry Age Normal Cost Method

Under the entry age normal actuarial 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.

2. 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 (with the exception of the 2008 loss which is recognized at a rate of 1/10 per plan year due to funding relief). Gains or losses prior to January 1, 2006 are ignored.

3. Disclosures Regarding Models Used

In accordance with Actuarial Standard of Practice No. 56 (Modeling), the following disclosures are made:

a. Valuation Software

Cheiron utilizes and relies upon ProVal, an actuarial valuation software leased from Winklevoss Technologies for the intended purpose of calculating liabilities and projected benefit payments. Projected expected results of future valuations in this report were developed using P-scan, our proprietary tool for the intended purpose of developing projections. As part of the review process for this certification, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations or known weaknesses that would affect this certification.

b. Projections

This certification includes projections of future cash flows and funded status for the purpose of determining a zone status for the Fund.

The projections are based on the January 1, 2022 actuarial valuation projected to December 31, 2022 using expected liabilities and preliminary, unaudited December 31, 2022 assets. These projections also assume the continuation of the plan provisions and actuarial assumptions in effect as of January 1, 2022.

The projections assume that all future assumptions are met except where indicated with respect to future investment returns. The future outcomes become increasingly uncertain over time, and therefore the general trends and not the absolute values should be considered in the review of these projections.

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