Warehouse Employee Union Local No. 730 Pension Trust

Classic Values, Innovative Advice

SFA Updates

June 27, 2024

Peter Hardcastle, CFA, FSA, EA, MAAA
Matt Deveney, FSA, EA, MAAA

SFA Applications – Statistics

- 240 applications have been submitted on behalf of 116 plans
  - 17 applications currently under review
  - 108 applications were withdrawn
  - 113 applications were approved
  - 1 application was denied
- SFA paid in lump sum around 30 days after approval
- **33** plans ahead of us on the waitlist
  - Have called a total of 33 plans from the waitlist since mid-March 2023
  - Total plans still waiting to apply is 82

SFA Applications – Death Audit

- PBGC published new guidance in November 2023 which required all plans to submit full census data for them to use in a death audit
  - All plans under review at that time had to withdraw and resubmit with the review window restarting
- We submitted our data on February 8, 2024
  - PBGC identified and administrator confirmed 13 records that we need to remove from our projections
  - 2 of the deceased records were confirmed to have spouses
  - Jim Donofrio suggested to the AAA multiemployer committee that plans should not submit data until PBGC request they do so
  - We will need to go through the death audit process again, possibly late notifications will show more deaths

What can we do now?

- Continue to review approved applications and any updates to regulatory guidance
  - PBGC is still revising its guidance on how to handle deaths where the spouse is unknown
- Provide PBGC with any further information they request
- Determine and rationalize a future CBU assumption and future withdrawal liability payments

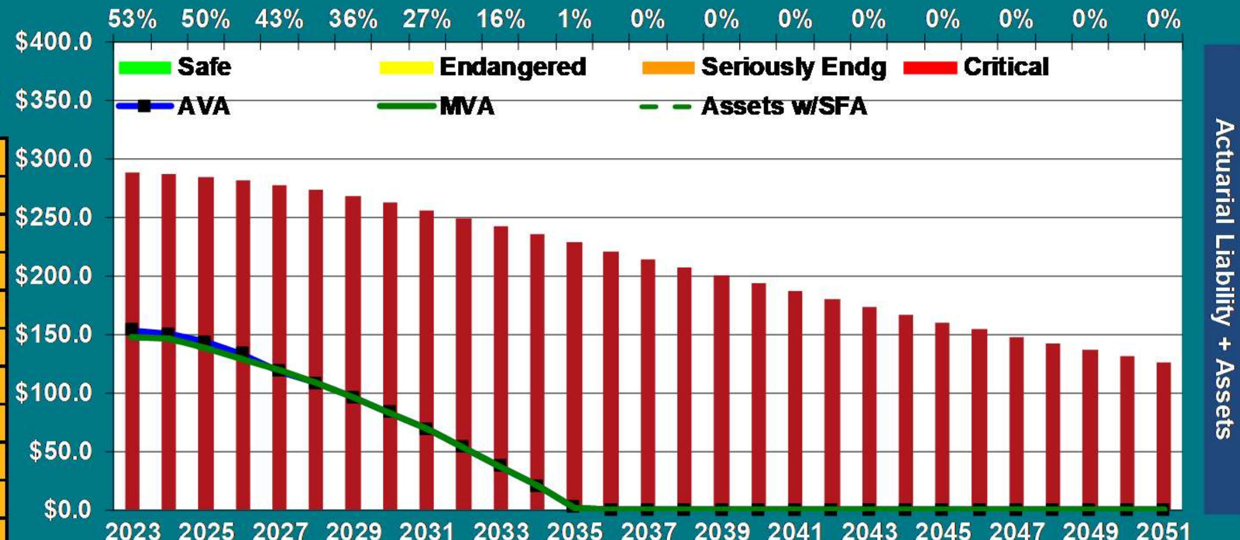
Projections – 2024 PPA Cert

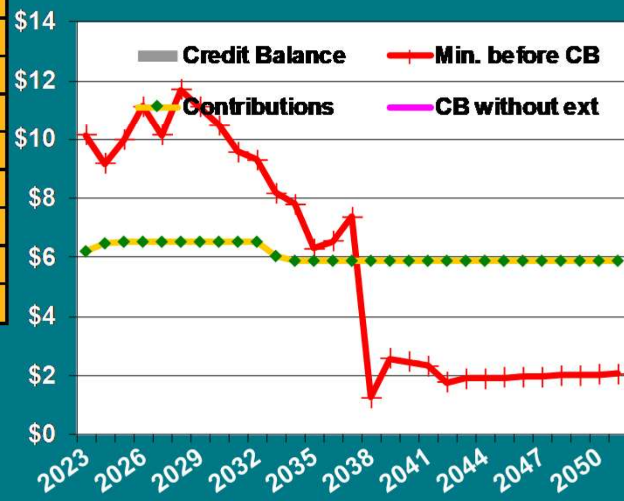
CHEIRON

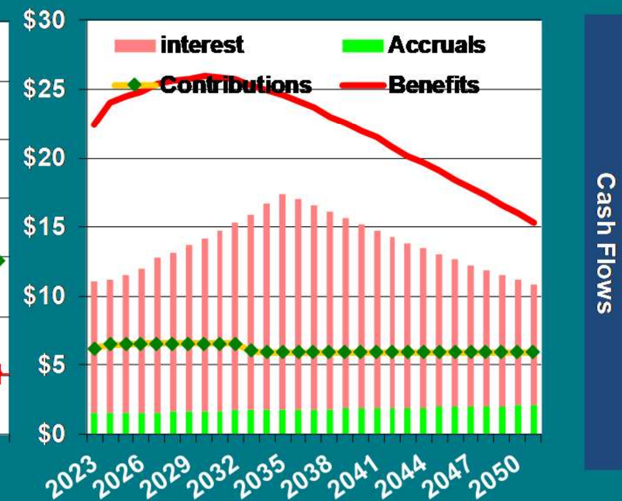
2023 Return	10.45%	SFA Application Date	6/1/2024	Date SFA Received	11/1/2024
Model SFA?	No	SFA Actual Return	5%	SFA $ Amount Received	$ -
Insolvent PYB	2035				

2023

PYB	Return	Cont	Ben	Mem Grwth	Discount Rate
2023	10.45%	0.0%	0.0%	0.0%	7.00%
2024	7.00%	4.4%	0.0%	0.0%	7.00%
2025	7.00%	0.6%	0.0%	0.0%	7.00%
2026	7.00%	0.6%	0.0%	0.0%	7.00%
2027	7.00%	0.3%	0.0%	0.0%	7.00%
2028	7.00%	0.0%	0.0%	0.0%	7.00%
2029	7.00%	0.0%	0.0%	0.0%	7.00%
2030	7.00%	0.0%	0.0%	0.0%	7.00%
2031	7.00%	0.0%	0.0%	0.0%	7.00%
2032	7.00%	0.0%	0.0%	0.0%	7.00%
2033	7.00%	0.0%	0.0%	0.0%	7.00%
2034	7.00%	0.0%	0.0%	0.0%	7.00%
2035	7.00%	0.0%	0.0%	0.0%	7.00%
2036	7.00%	0.0%	0.0%	0.0%	7.00%
2037	7.00%	0.0%	0.0%	0.0%	7.00%
2038	7.00%	0.0%	0.0%	0.0%	7.00%
2039	7.00%	0.0%	0.0%	0.0%	7.00%
2040	7.00%	0.0%	0.0%	0.0%	7.00%
2041	7.00%	0.0%	0.0%	0.0%	7.00%
2042	7.00%	0.0%	0.0%	0.0%	7.00%
AVE	7.17%				







Projections – Preliminary SFA

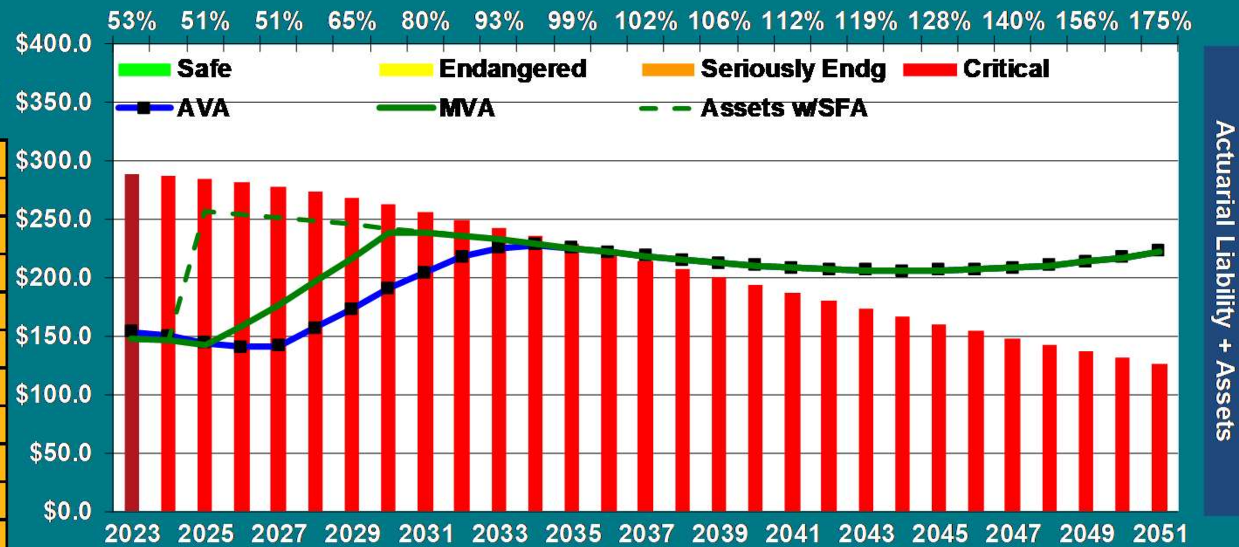
CHEIRON

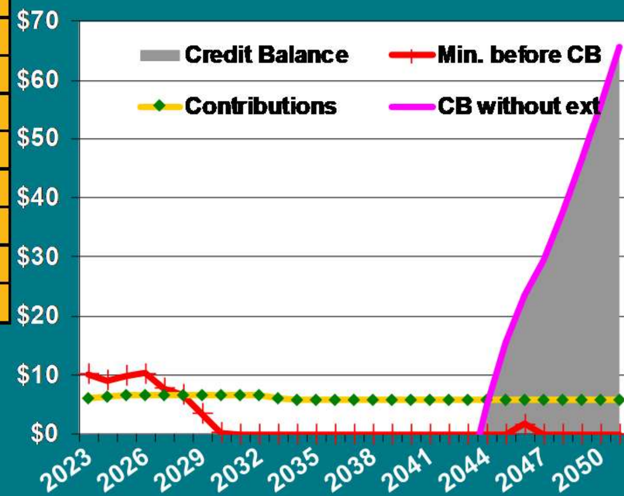
2023 Return	10.45%	SFA Application Date	6/1/2024
Model SFA?	Yes	SFA Actual Return	5%
Insolvent PYB	None		

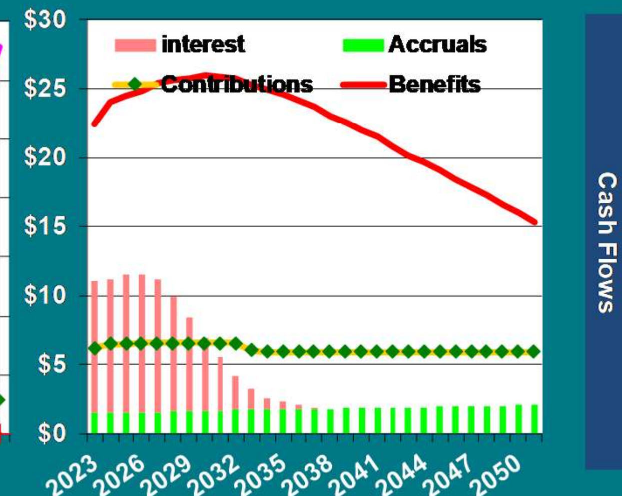
Date SFA Received	11/1/2024
SFA $ Amount Received	$ 117.7

2023

PYB	Return	Cont	Ben	Mem Grwth	Discount Rate
2023	10.45%	0.0%	0.0%	0.0%	7.00%
2024	7.00%	4.4%	0.0%	0.0%	7.00%
2025	7.00%	0.6%	0.0%	0.0%	7.00%
2026	7.00%	0.6%	0.0%	0.0%	7.00%
2027	7.00%	0.3%	0.0%	0.0%	7.00%
2028	7.00%	0.0%	0.0%	0.0%	7.00%
2029	7.00%	0.0%	0.0%	0.0%	7.00%
2030	7.00%	0.0%	0.0%	0.0%	7.00%
2031	7.00%	0.0%	0.0%	0.0%	7.00%
2032	7.00%	0.0%	0.0%	0.0%	7.00%
2033	7.00%	0.0%	0.0%	0.0%	7.00%
2034	7.00%	0.0%	0.0%	0.0%	7.00%
2035	7.00%	0.0%	0.0%	0.0%	7.00%
2036	7.00%	0.0%	0.0%	0.0%	7.00%
2037	7.00%	0.0%	0.0%	0.0%	7.00%
2038	7.00%	0.0%	0.0%	0.0%	7.00%
2039	7.00%	0.0%	0.0%	0.0%	7.00%
2040	7.00%	0.0%	0.0%	0.0%	7.00%
2041	7.00%	0.0%	0.0%	0.0%	7.00%
2042	7.00%	0.0%	0.0%	0.0%	7.00%
AVE	7.17%				







Reliance

The purpose of this presentation is to discuss the 2024 PPA Certification and the special financial assistance regulations of the American Rescue Plan Act of 2021 (ARPA). The results of this presentation rely on future plan experience conforming to the underlying assumptions and methods outlined in the 2023 actuarial valuation report. To the extent that the actual plan experience deviates from the underlying assumptions and methods, or there are any changes in plan provisions or applicable laws, the results would vary accordingly.

In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office and plan auditor. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We set parameters in the software to read the census data, to calculate benefits according to the Plan's provisions, and to apply actuarial assumptions. We review test cases to ensure these parameters are applied correctly, but otherwise, we rely the software to provide accurate results for the Plan. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have an 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 valuation.

This presentation 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 presentation. This presentation does not address any contractual or legal issues. We are not attorneys and Cheiron does not provide any legal services or advice.

This presentation was prepared exclusively for the Warehouse Employee Union Local No. 730 Pension Plan for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

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

Matt Deveney, FSA, EA, MAAA
Principal Consulting Actuary