Warehouse Employee Union
Local No. 730 Pension Trust

Cheiron
Classic Values, Innovative Advice

MPRA Suspension
vs
Special Financial Assistance

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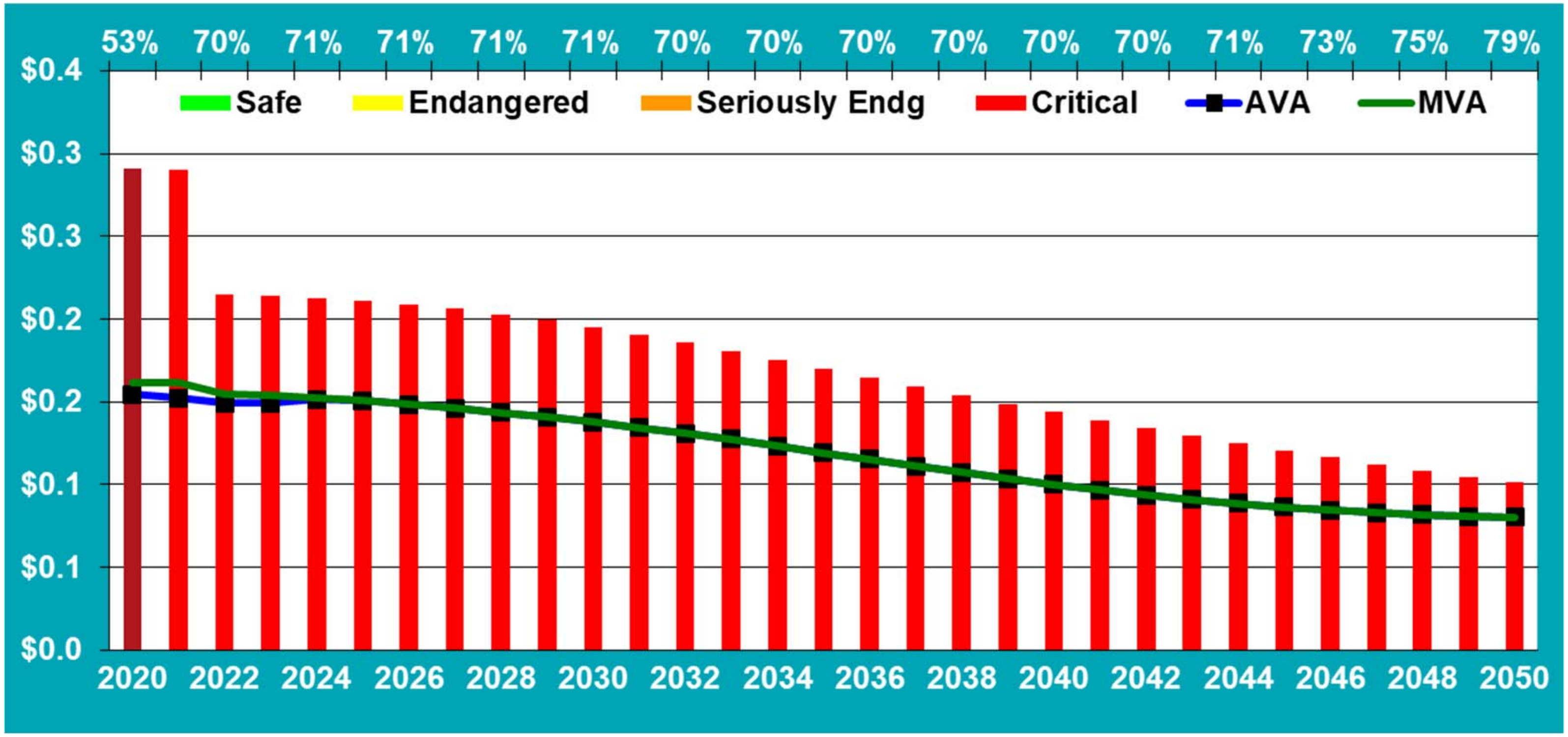
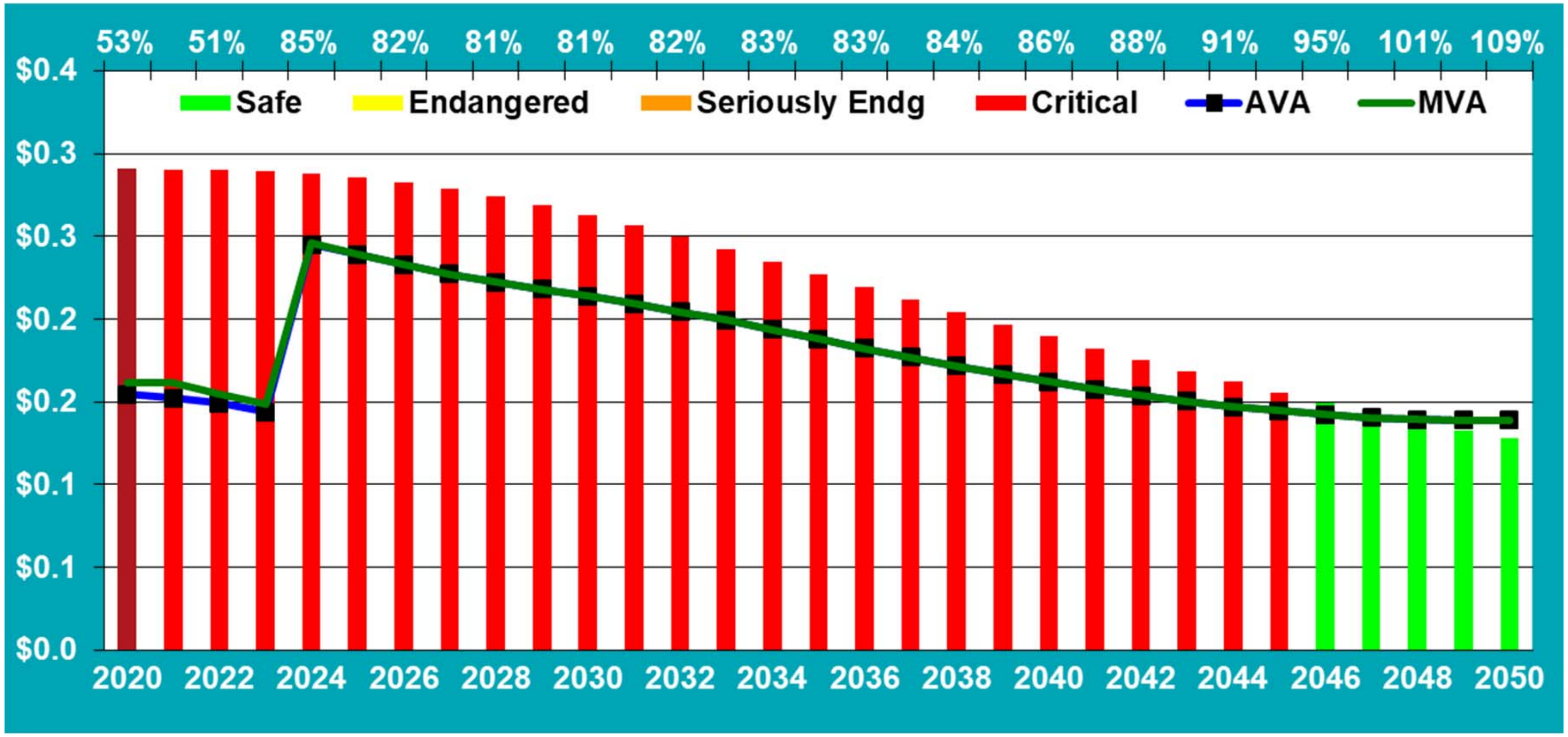
Baseline Projection with Suspension



Baseline Projection with Assistance



The colors above reflect PPA status without reflecting ARPA – ARPA forces a Plan to be in Critical Status (Red) through 2051.

Assumptions used in Projections

- Both projections are made using the same economic assumptions
  - Assets (other than SFA assets) earn 7% per year
  - Contributions increase at 4.9% per year through 2027 and then for 5 more years at 2% per year
  - Employment is unchanged throughout the projection period
  - All demographic assumptions are met
- Estimated amount of SFA
  - $105 million received January 2024

Why does SFA "work" for Local 730?

- In a word "ARBITRAGE"
  - Amount of SFA is based on a valuation made using a return assumption of about 5.5%
    - SFA assets are restricted to investment grade bonds (may change) which will return considerably less than the 5.5% assumption (bad)
    - Other assets are less restricted and are assumed to earned 7.0% which is more than the 5.5% assumption (good)
    - SFA assets used to pay benefits and expenses for 2024 through 2027
    - Other assets given 4 years to grow and then continue to outperform 5.5%
- Plans in worse shape than Local 730 will not expect such a favorable outcome

Reliance

In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. This analysis was based on current assumptions and methods, financial data through 12/31/2020, and the 1/1/2020 membership data. Assumptions, methods and participant valuation data are outlined in the 2020 Actuarial Valuation Report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

We hereby certify that, 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 our firm does not provide any legal services or advice.

This presentation was prepared solely for the Warehouse Employee Union Local No. 730 Pension Plan for the purpose of deciding whether to go forward with an application for benefit suspensions under MPRA. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

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