Waterfront Warehouses Local No. 1429 Pension Fund

Actuarial Valuation
As of January 1, 2021

Bolton

Submitted by:

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Bolton
Employee Benefits, Actuarial & Investment Consulting

November 17, 2021

Board of Trustees
Waterfront Warehouses
Local No. 1429 Pension Fund
c/o Associated Administrators, LLC.
Waterfront Warehouses Local No. 1429 Pension Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

Re: ***January 1, 2021 Actuarial Valuation***

Dear Trustees:

This report sets forth the actuarial valuation of the Waterfront Warehouses Local No. 1429 Pension Fund as of January 1, 2021 for the plan year beginning on that date. The report is based on census and contribution data submitted by Associated Administrators, LLC. Financial data for the plan year ended December 31, 2020 was submitted by Weyrich, Cronin & Sorra, Chartered. We have relied on the accuracy of this data.

Actuarial Methods and Assumptions

The mortality table was updated from the RP-2014 Blue Collar Mortality adjusted to 2006 and projected generationally using MP-2018 to the Pri-2012 Blue Collar Mortality projected generationally using MP-2020.

The expense assumption was updated to include a 2.0% increase from the prior year's expenses.

All other methods and assumptions remain the same as those used in the prior valuation.

Plan Provisions

No plan changes have taken place since the prior valuation.

Plan Assets and Investment Performance

The market value of assets (MV) as of January 1, 2021 is $9,315,242. The actuarial value of assets (AV) as of the same date is $8,805,627.

The net return for the year ended December 31, 2020 after investment expenses was 12.60% on a market value basis and 8.70% on an actuarial value basis.

PPA Zone Status

The Plan is in Neither Critical Nor Endangered Status for the 2021 plan year. Our current projections of the funded percentage and credit balance indicate that the plan will remain in Neither Critical Nor Endangered Status for the 2022 plan year.

Minimum Funding

The minimum funding requirement is the normal cost including expenses for the year plus an amortization of unfunded liabilities under the plan's actuarial cost method, with interest to the end of the year.

Minimum Funding Requirement before the Credit Balance		
Total Normal Cost	$	176,119
Net Amortization Charges		125,416
Interest		19,600
Total Minimum Funding Requirement	**$**	**321,135**

For the plan to satisfy minimum funding requirements, employer contributions to the plan plus the credit balance for prior contributions in excess of minimums must exceed this total. Total contributions plus interest for 2021 are anticipated to be $260,168. The credit balance with interest is $828,122. These total $1,088,290. Thus, assuming all assumptions are met, the minimum contribution requirements are met for the year.

Each year's actuarial gain or loss is amortized over a 15-year period. Most plan amendments and actuarial assumption changes are amortized over a 15-year period. One-time bonus checks, like 13th checks, are recognized immediately. A schedule later in this report sets forth each component of the amortization, the outstanding balance and the number of years remaining.

Deductible Contributions

Following IRS Announcement 96-25, Section 360, if the anticipated contributions for the year do not exceed the deductible limit, then the actual amounts contributed are deemed to be deductible. For this purpose, anticipated employer contributions are determined in a manner consistent with the manner in which actual contributions are determined. For 2021, the anticipated contributions are $251,979 and the deductible limit is $10,565,071. Therefore, anticipated contributions do not exceed the deductible limit.

Since the anticipated contributions for 2020 did not exceed the deductible limit of $8,922,114, the actual contribution total of $251,979 is deductible.

Actuarial Certification

This actuarial valuation sets forth our calculation of an estimate of the liabilities of the pension plan, together with a comparison of these liabilities with the value of the plan assets, as reported by the plan's auditor. This liability calculation and comparison with assets are applicable for the valuation date only. The future is uncertain, and the plan may become better funded or more poorly funded in the future. This valuation does not provide any guarantee that the plan will be able to provide the promised benefits in the future.

This is a deterministic valuation in that it is based on a single set of assumptions. This set of assumptions is one possible basis for our calculations. Other assumptions may be equally valid. We may consider that some factors are not material to the valuation of the plan and may not provide a specific assumption for those factors. We may have used other assumptions in the past. We will likely consider changes in assumptions at a future date.

A change in assumptions does not indicate that the prior assumptions were invalid. At the time the prior assumptions were chosen, they represented our best estimate of the future experience of the plan. If we change assumptions in the future, it would be to align the assumptions with our then-current best estimate.

The trustees could reasonably ask how the valuation would change if we used a different assumption set or if plan experience exhibited variations from our assumptions. This report does not contain such an analysis. This type of analysis would be a separate assignment.

In addition, decisions regarding benefit improvements, benefit changes, the trust's investment policy, and similar issues should not be based on this valuation. These are complex issues and other factors should be considered when making such decisions. These other factors might include the anticipated vitality of the local economy and the growth expectation for the industry within which the contributing employers work, as well as other economic and financial factors.

The cost of this plan is determined by the benefits promised by the plan, the plan's participant population, the investment experience of the plan and many other factors. An actuarial valuation is a budgeting tool for the trustees. It does not affect the cost of the plan. Different funding methods provide for different timing of contributions to the plan. As the experience of the plan evolves, it is normal for the level of contributions to the plan to change. If a contribution is not made for a particular year, either by deliberate choice or because of an error in a calculation, that contribution can be made in later years. We will not be responsible for contributions that are made at a future time rather than an earlier time. The contributing employers are responsible for funding the cost of the plan.

We make every effort to ensure that our calculations are accurately performed. These calculations are complex. We reserve the right to correct any potential errors by amending the results of this report or by including the corrections in a future valuation report.

The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information. The plan sponsor is solely responsible for the validity and completeness of this information.

The information in this report was prepared for the internal use of the Board of Trustees and its auditors in connection with our actuarial valuations of the pension plan. It is neither intended nor necessarily suitable for other purposes. We are not responsible for the consequences of any other use.

This report provides certain financial calculations for use by the auditor. These values have been computed in accordance with our understanding of generally accepted actuarial principles and practices and fairly reflect the actuarial position of the Plan. The various actuarial assumptions and methods which have been used are, in our opinion, appropriate for the purposes of this report.

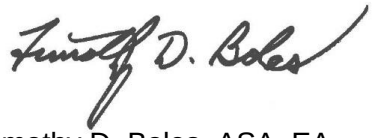
This report is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the Plan in the case of Plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

The valuation was completed using both proprietary and third-party models (including software and tools). We have tested these models to ensure they are used for their intended purposes, within their known limitations, and without any known material inconsistencies unless otherwise stated.

The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein and is currently compliant with the continuing professional education requirements developed by the Joint Board for the Enrollment of Actuaries. We are not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest that would impair the objectivity of our work.

The remaining sections of this report set forth details of the valuation as well as the information required for the auditors in accordance with FASB Accounting Standards Codification No. 960.

Respectfully Submitted,



Timothy D. Boles, ASA, EA

Meredith Miraglia, CEBS

Section I. Summary of Assets

Income Statement for the Plan Year Ended December 31, 2020

Beginning of the year		
Market Value of Assets for Valuation as of January 1, 2020	$	8,320,665
Plus: Auditor's Adjustments		0
Market Value of Assets Reflecting Auditor's Adjustments	**$**	**8,320,665**

Receipts		
Employer Contribution for the Plan Year	$	251,979
Interest and Dividends		344,660
Net Appreciation		750,773
Investment Expenses		(50,153)
Other Income		0
Total Receipts	**$**	**1,297,259**

Disbursements		
Distributions to Participants/Beneficiaries	$	206,095
Administrative Expenses		96,587
Total Disbursements	**$**	**302,682**

End of the year		
Net Increase/(Decrease) in Assets	$	994,577
Market Value of Assets as of January 1, 2021	**$**	**9,315,242**

Section I. Summary of Assets (cont.)

Determination of Investment Gain/(Loss) for Assets

Market Value of Assets		
As of January 1, 2020	$	8,320,665

Item (1)	Amount (2)	Weight for Timing (3)	Weighted Amount (2) x (3)
Contributions	$ 251,979	50%	$ 125,990
Benefits Paid	(206,095)	50%	(103,048)
Expenses	(96,587)	50%	(48,294)
Total			**(25,352)**
Market Value plus Total Weighted Amount			8,295,313
Assumed Rate of Return for the Year			6.50%
Expected Return			**$ 539,195**

Actual Return		
1. Market Value as of January 1, 2020	$	8,320,665
2. Contributions		251,979
3. Benefits and Administrative Expenses Paid		(302,682)
4. Market Value as of January 1, 2021		9,315,242
Actual Return [(4) - (1) - (2) - (3)]	**$**	**1,045,280**
Calculation Base (1) + 50% x [(2) + (3)]		8,295,313
Market Value Return as a Percentage		**12.60%**

Investment Gain/(Loss)		
Actual Return minus Expected Return	**$**	**506,085**

Section I. Summary of Assets (cont.)

Development of Actuarial Value of Assets

Market Value of Assets		
As of January 1, 2021	$	9,315,242

Plan Year End (1)	Investment Gain/(Loss) (2)	Percent Recognized (3)	Percent Deferred (4)		Deferred Gain/(Loss) (2) x (4)
12/31/2020	$506,085	20%	80%	$	404,868
12/31/2019	894,567	40%	60%		536,740
12/31/2018	(1,225,525)	60%	40%		(490,210)
12/31/2017	291,085	80%	20%		58,217
Total				**$**	**509,615**

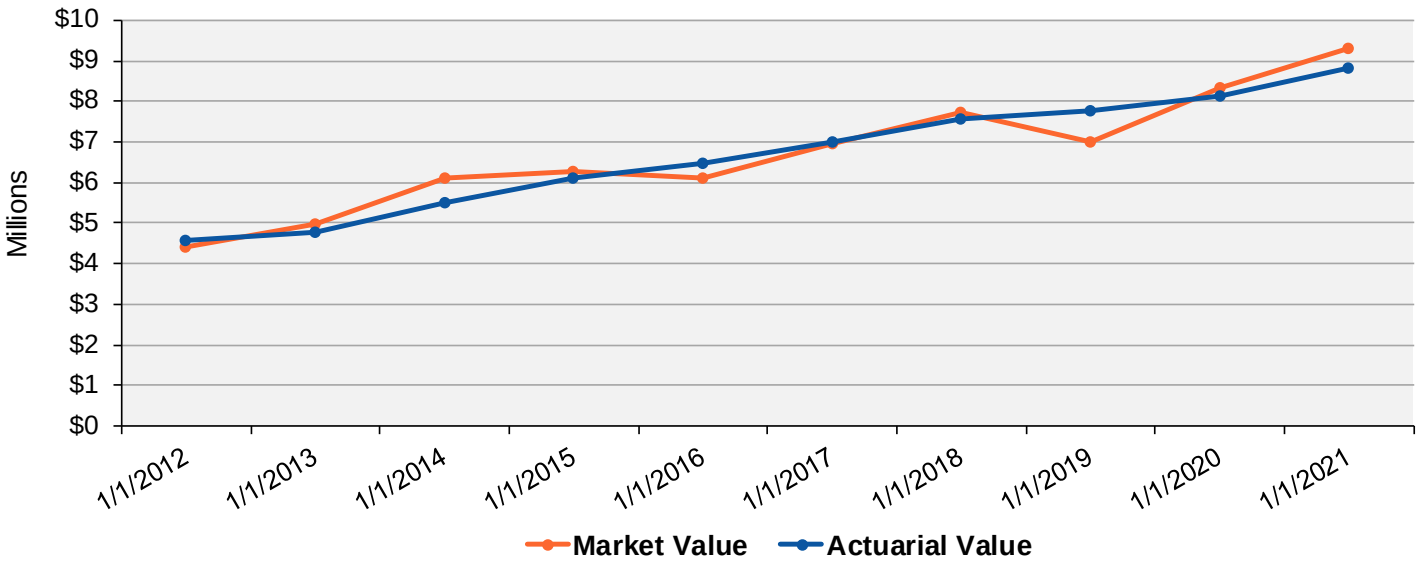
Preliminary Actuarial Value of Assets		
As of January 1, 2021 (Market Value of Assets less total Deferred Gain/(Loss))	$	8,805,627

Final Actuarial Value of Assets		
Minimum actuarial value of assets (80% of MVA)		7,452,194
Maximum actuarial value of assets (120% of MVA)		11,178,290
As a Percentage of Market Value		94.5%
Actuarial Value of Assets as of January 1, 2021	**$**	**8,805,627**

Calculation of Actuarial Return		
1. Actuarial Value as of January 1, 2020	$	8,149,356
2. Contributions		251,979
3. Benefits and Administrative Expenses Paid		(302,682)
4. Actuarial Value as of January 1, 2021		8,805,627
5. Actuarial Return [(4) - (1) - (2) - (3)]		706,974
6. Calculation Base (1) + 50% x [(2) + (3)]		8,124,005
Actuarial Return as a Percentage [(5) / (6)]		**8.7%**

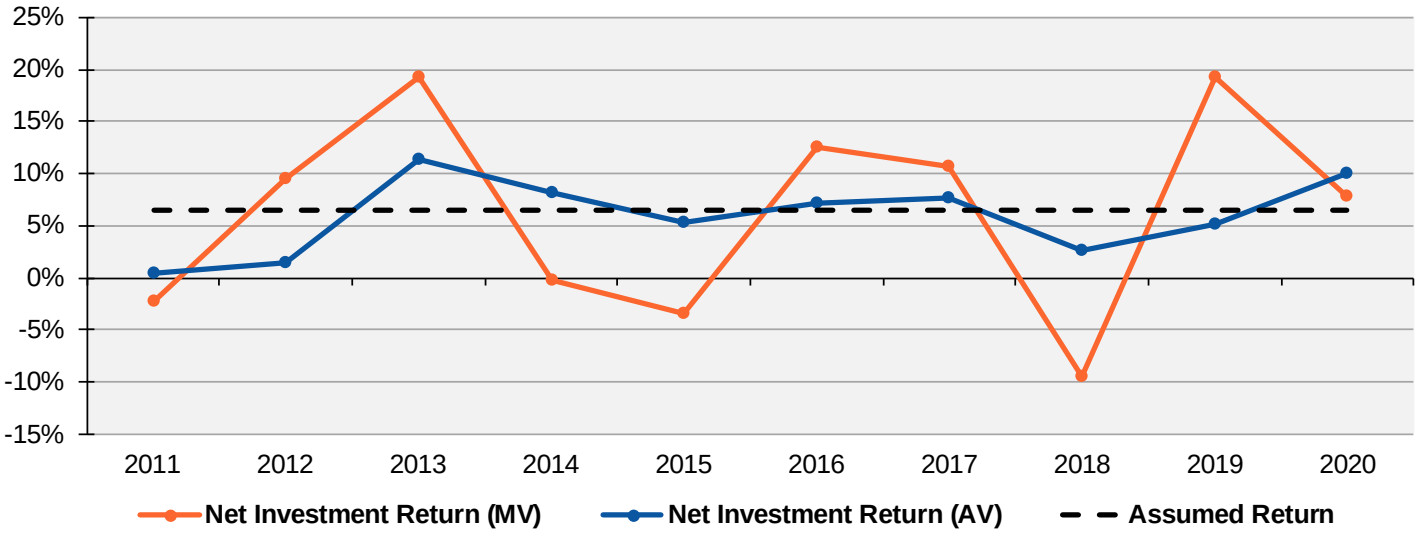
Section I. Summary of Assets (cont.)

10-Year: Market Value vs. Actuarial Value of Assets



10-Year: Market Value vs. Actuarial Value Rates of Return

The assumed long-term rate of return is 6.50%. This rate considers past experience, the Trustees' asset allocation policy, and future expectations.



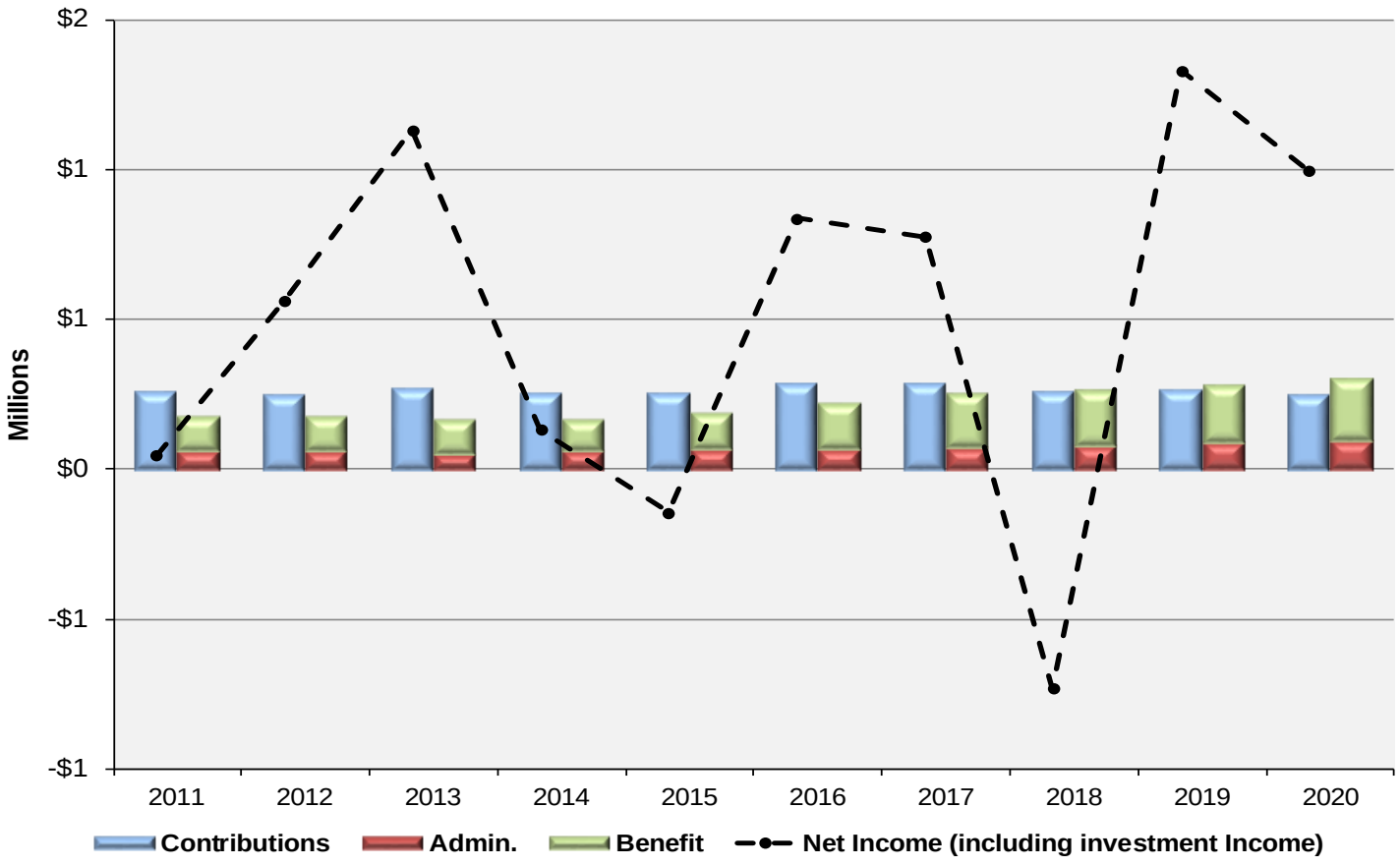
Average Rates of Return	Market Value	Actuarial Value
Most recent year return	12.60%	8.70%
Most recent five-year average return	8.69%	6.20%
Most recent ten-year average return	6.46%	5.73%

Section I. Summary of Assets (cont.)

Summary of Investment Returns & Historical Cash Flows

Plan Year Ending	Market Value Net Investment Return Amount	Market Value Net Investment Return Percent	Total Contributions	Benefit Payments	Admin. Expenses
2011	$ (33,606)	-2.20%	$ 260,869	$ 118,578	$ 63,413
2012	495,400	9.60%	249,034	117,242	63,180
2013	1,032,051	19.30%	270,485	116,314	54,431
2014	47,951	-0.20%	256,166	109,934	62,229
2015	(211,656)	-3.40%	259,271	122,790	68,763
2016	771,791	12.60%	289,141	155,262	67,993
2017	743,578	10.70%	290,638	182,011	75,524
2018	(723,890)	-9.40%	260,330	186,341	82,212
2019	1,348,325	19.30%	266,078	193,544	89,647
2020	1,045,280	12.60%	251,979	206,095	96,587
Total	**$ 4,515,224**		**$ 2,653,991**	**$ 1,508,111**	**$ 723,979**

Comparison of Net Income versus Historical Cash Flows



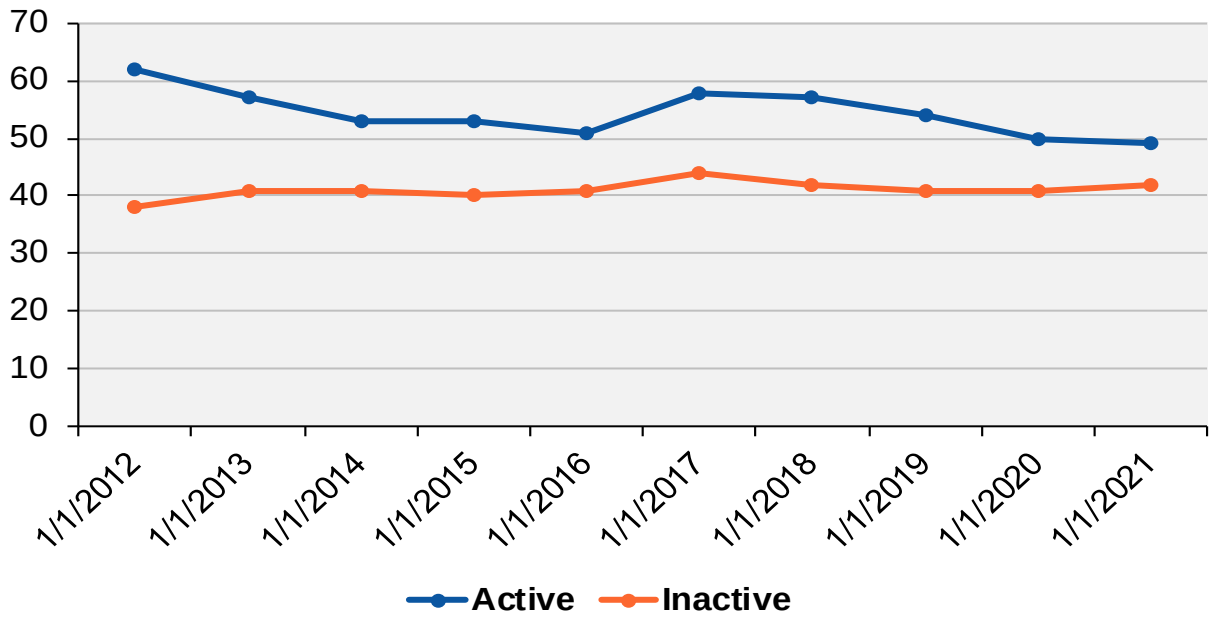
Section II. Summary of Data

Participant Reconciliation

The accuracy of an actuarial valuation depends on the accuracy of the participant data used to generate the liability and future income estimates. In an effort to ensure reliability and consistency between valuations, we have performed a reconciliation consisting of an accounting for all the exits from, and entries into, each of the three participant groups (actives, deferred vesteds, and retireds) as well as for the participant group as a whole.

	Actives	Deferred Vested Participants	Pensioners & Beneficiaries	Total
Participants as of January 1, 2020	50	20	21	91
Change During Year				
a. deaths with beneficiary				0
b. deaths without beneficiary				0
c. deaths with deferred beneficiary				0
d. retirements		(2)	2	0
e. beneficiary began deferred benefit				0
f. vested terminations	(1)	1		0
g. non-vested terminations				0
h. new alternate payees				0
i. returns to active employment				0
j. data corrections				0
k. new entrants				0
l. total increase (decrease)	(1)	(1)	2	0
Participants as of January 1, 2021	**49**	**19**	**23**	**91**

Plan Participation: Ten Years



Section II. Summary of Data (cont.)

Schedule of Active Participant Data as of January 1, 2021

Years of Credited Service

Attained Age	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	**0**
25 - 29	0	0	0	0	0	0	0	0	0	0	**0**
30 - 34	0	2	0	0	0	0	0	0	0	0	**2**
35 - 39	0	0	1	0	2	0	0	0	0	0	**3**
40 - 44	0	0	1	0	4	4	0	0	0	0	**9**
45 - 49	0	1	0	0	1	3	0	0	0	0	**5**
50 - 54	0	2	0	0	4	2	2	1	0	0	**11**
55 - 59	0	0	0	1	5	4	0	1	0	0	**11**
60 - 64	0	0	0	0	2	0	2	0	0	0	**4**
65 - 69	0	0	0	0	2	0	1	0	0	1	**4**
70 & Over	0	0	0	0	0	0	0	0	0	0	**0**
Total	**0**	**5**	**2**	**1**	**20**	**13**	**5**	**2**	**0**	**1**	**49**

10-Year Historical Active Participant Data

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Age	46.6	48.0	48.4	49.4	50.3	48.3	48.7	50.1	50.6	51.5
Average Service	12.9	14.2	15.3	16.3	17.3	14.8	15.8	17.0	22.5	19.0

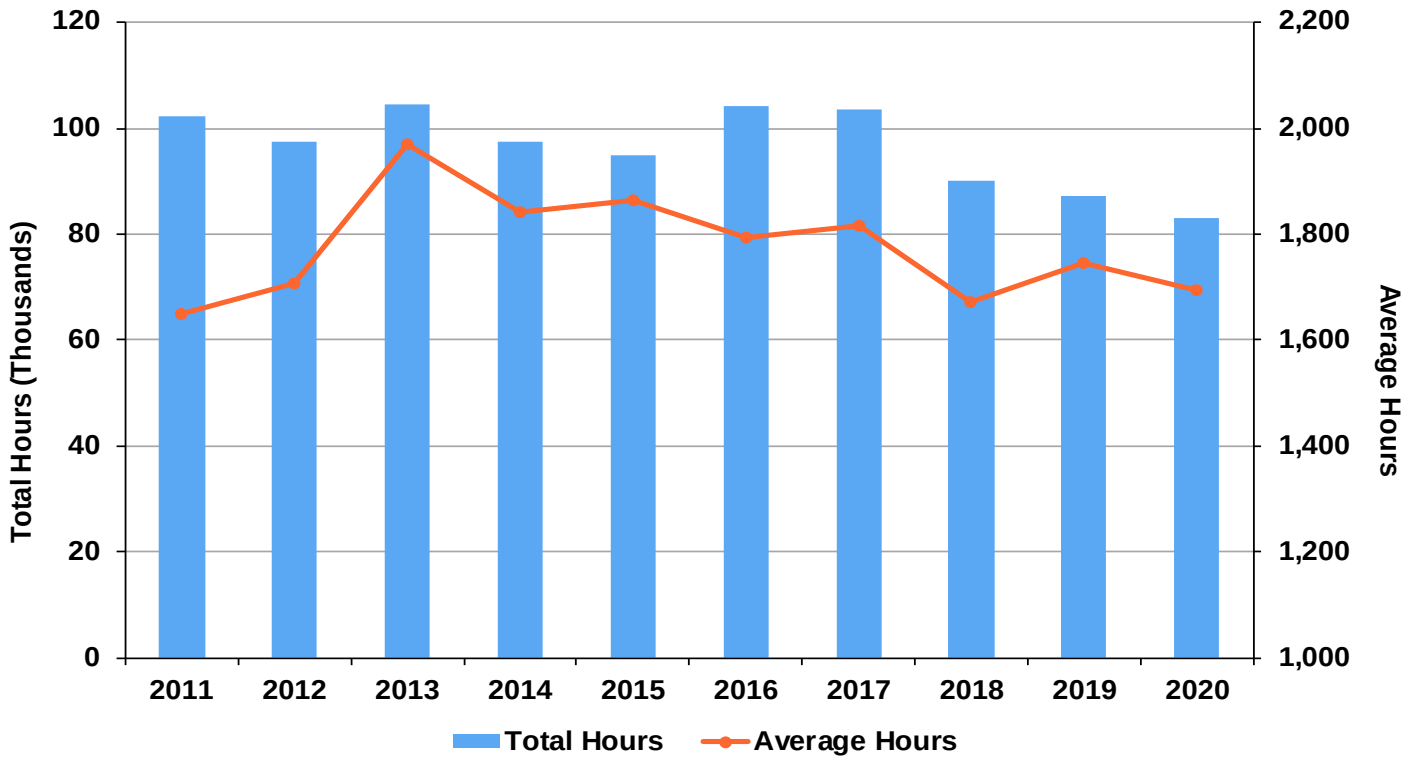
Section II. Summary of Data (cont.)

Employment History

Year Ended December 31	Total Pension Hours * Number	% Change	Active Participants Number	% Change	Average Pension Hours Number	% Change
2011	102,302	-8.9%	62	-7.5%	1,650	-1.6%
2012	97,373	-4.8%	57	-8.1%	1,708	3.5%
2013	104,461	7.3%	53	-7.0%	1,971	15.4%
2014	97,543	-6.6%	53	0.0%	1,840	-6.6%
2015	95,024	-2.6%	51	-3.8%	1,863	1.2%
2016	104,069	9.5%	58	13.7%	1,794	-3.7%
2017	103,413	-0.6%	57	-1.7%	1,814	1.1%
2018	90,203	-12.8%	54	-5.3%	1,670	-7.9%
2019	87,271	-3.3%	50	-7.4%	1,745	4.5%
2020	82,931	-5.0%	49	-2.0%	1,692	-3.0%

Five-year average hours:	**1,743**
Ten-year average hours:	**1,775**

Total Pension Hours versus Average Hours



* The total pension hours are based on the sum of the pension hours reported in the valuation data collection, which may differ from the hours reported to the Fund Office.

Section III. Valuation Results

Summary of Valuation Results

	1/1/2020	1/1/2021
Interest Rate	6.50%	6.50%
Unfunded Actuarial Accrued Liability (Entry Age)		
Actuarial Accrued Liability		
Active	$ 5,073,901	$ 5,308,678
Retired	1,918,805	1,954,727
Terminated Vested	722,354	870,820
Total Actuarial Accrued Liability	**7,715,060**	**8,134,225**
Actuarial Value of Assets	8,149,356	8,805,627
Funded Percentage	105.6%	108.3%
Unfunded Actuarial Accrued Liability	**$ (434,296)**	**$ (671,402)**
Total Normal Cost		
Pension service & auxiliary benefits	$ 95,768	$ 91,860
Administration expense	86,911	93,640
Total Normal Cost	**$ 182,679**	**$ 185,500**
Components of Minimum Funding		
Total Normal Cost	$ 182,679	$ 185,500
Net Amortization Charges	127,270	125,416
Interest	20,147	20,210
Minimum Funding Before Credit Balance	**330,096**	**331,125**
Credit Balance	795,781	777,579
Minimum Funding After Credit Balance	**0**	**0**
Maximum Deductible Limit		
Maximum Deductible Limit	$ 8,922,114	$ 10,563,077
Present Value of Accumulated Plan Benefits		
Active	$ 4,075,902	$ 4,309,418
Retired	1,918,805	1,954,727
Terminated Vested	722,354	870,820
Total Present Value of Accumulated Plan Benefits	**$ 6,717,061**	**$ 7,134,965**
Funded Percentage	121.3%	123.4%
Unfunded Vested Benefits for EWL		
Vested Benefits for EWL	$ 6,670,154	$ 7,086,252
Actuarial Value of Assets	8,149,356	8,805,627
Unfunded Vested Benefits for EWL	**$ 0**	**$ 0**

Section III. Valuation Results (cont.)

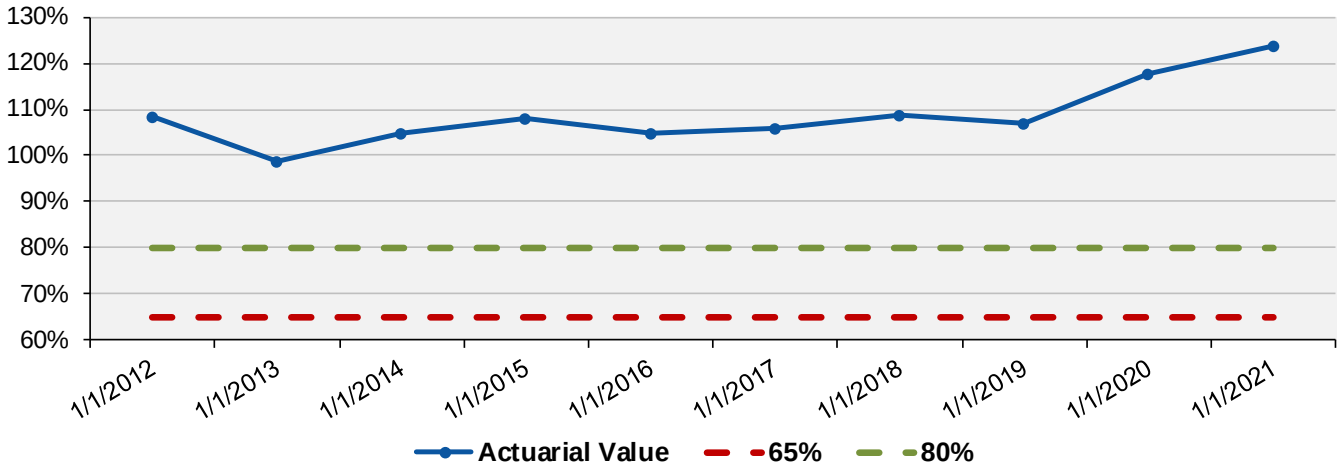
Pension Protection Act of 2006 (PPA)

For plan years beginning after December 31, 2007, a multiemployer defined benefit pension plan's actuary must certify the plan's funding status pursuant to the Pension Protection Act of 2006 (PPA). PPA originally established three categories (or "zones") of plans: (1) "Green Zone" for healthy; (2) "Yellow Zone" for endangered; and (3) "Red Zone" for critical. These zones were expanded upon under the Multiemployer Pension Reform Act of 2014 (MPRA). There are multiple tests that must be evaluated for the actuary to determine a plan's Zone Status. One criterion is to measure the funded percentage based on the Actuarial Value of Assets as of the beginning of the plan year. In general, Green Zone plans have a funding percentage greater than 80%, Yellow Zone plans have a funding ratio between 65% and 79%, and Red Zone plans are less than 65% funded. Healthy plans must also avoid a Funding Standard Account (FSA) accumulated funding deficiency. Each plan's actuary must certify the plan status within 90 days of the start of the plan year.

10-Year History of Funded Percentage and Zone Status

Valuation Date	Market Value	Actuarial Value	Projected FSA Deficiency	Zone Status
1/1/2012	103.8%	108.4%	No	Green
1/1/2013	102.7%	98.9%	No	Green
1/1/2014	116.3%	104.8%	No	Green
1/1/2015	111.1%	108.1%	No	Green
1/1/2016	98.3%	104.8%	No	Green
1/1/2017	104.4%	105.9%	No	Green
1/1/2018	110.6%	108.9%	No	Green
1/1/2019	96.2%	107.1%	No	Green
1/1/2020	120.0%	117.6%	No	Green
1/1/2021	130.6%	123.8%	No	Green

10-Year Funded Percentage versus PPA zone benchmarks



Section III. Valuation Results (cont.)

Funding Standard Account (FSA)

ERISA established a minimum funding standard for defined benefit pension plans, including multiemployer plans. The concept of a Funding Standard Account (FSA) is used to keep track of actual employer contributions as compared to minimum required contributions on a cumulative basis. To the extent that actual contributions exceed minimum required contributions on a cumulative basis, an FSA credit balance is developed. On the contrary, to the extent that actual contributions fall short of minimum required contributions on a cumulative basis, an FSA funding deficiency is developed. A plan satisfies the minimum funding standard if employers make contributions sufficient to ensure that the plan does not develop a funding deficiency as of the end of any plan year. The minimum funding standard does not apply to multiemployer plans in Critical Status after the Trustees have adopted a Rehabilitation Plan and that Rehabilitation Plan is reflected in bargaining agreements.

Each year the plan's normal cost and amortization charges for past increases in the unfunded actuarial accrued liability are charged against the FSA. Similarly, employer contributions and amortization credits for past decreases in the unfunded actuarial accrued liability are credited to the FSA. All charges and credits, including any credit balance or funding deficiency, are adjusted to the end of the applicable plan year by interest at the plan's assumed interest rate for funding purposes.

Below is a table showing the charges against and the credit to the FSA for the latest plan year.

FSA for the Plan Year Ended December 31, 2020

Charges		
Prior Year Funding Deficiency	$	0
Normal Cost plus Administration Expense		182,679
Amortization Charges		296,068
Interest		31,119
Total Charges	**$**	**509,866**

Credits		
Prior Year Credit Balance	$	795,781
Employer Contribution		251,979
Amortization Credits		168,798
Interest		70,887
Full Funding Credit		0
Total Credits	**$**	**1,287,445**

Credit Balance, End of Year	**$**	**777,579**

Section III. Valuation Results (cont.)

Development of Actuarial (Gain)/Loss for January 1, 2020 to December 31, 2020

	Liability	Asset	UAAL
Beginning of year total	$ 7,715,060	$ 8,149,356	$ (434,296)
Normal cost (net of admin exp)	95,768		95,768
Administration Expense		(86,911)	86,911
Benefit payments	(206,095)	(206,095)	
Contributions		251,979	(251,979)
Interest	501,006	525,550	(24,544)
Expected end of year total	**8,105,739**	**8,633,879**	**(528,140)**
Actual end of year (before changes)	8,117,670	8,805,627	(687,957)
(Gain) / Loss	**$ 11,931**	**$ (171,748)**	**$ (159,817)**

Development of Actuarial Unfunded Accrued Liability as of December 31, 2020

Development of Actual Unfunded Actuarial Accrued Liability	
1. Expected UAAL as of December 31, 2020	$ (528,140)
2. Changes in UAAL due to:	
a. Actuarial (Gain)/Loss	(159,817)
b. Plan Change	0
c. Assumption Change	16,555
d. Method Change	0
e. Other	0
3. Total of all changes in UAAL	(143,262)
Actual UAAL as of December 31, 2020 [(1) + (3)]	**$ (671,402)**

Historical Actuarial (Gains) and Losses

	Actuarial (Gain)/Loss		
Plan Year Ended	Non-Asset	Asset	Total
12/31/2016	$ (100,028)	$ 31,399	$ (68,629)
12/31/2017	(99,956)	2,304	(97,652)
12/31/2018	(319,090)	381,726	62,636
12/31/2019	(114,733)	114,265	(468)
12/31/2020	11,931	(171,748)	(159,817)

Section III. Valuation Results (cont.)

Schedule of Amortization Bases as of January 1, 2021

Charges		Date Established	Years Remaining	Outstanding Balance	Amortization Amount
(1)	Plan Amendment	01/01/06	15	$ 274,348	$ 27,397
(2)	Actuarial Loss	01/01/07	1	3,425	3,425
(3)	Plan Amendment	01/01/08	2	131,452	67,795
(4)	Actuarial Loss	01/01/09	3	166,741	59,111
(5)	Plan Amendment	01/01/11	5	89,922	20,319
(6)	Actuarial Loss	01/01/11	5	45,007	10,169
(7)	Actuarial Loss	01/01/12	6	185,201	35,921
(8)	Assumption Change	01/01/12	6	69,260	13,433
(9)	Plan Amendment	01/01/13	7	69,791	11,948
(10)	Actuarial Loss	01/01/13	7	82,520	14,127
(11)	Actuarial Loss	01/01/15	9	52,459	7,400
(12)	Actuarial Loss	01/01/16	10	114,049	14,897
(13)	Plan Amendment	01/01/18	12	17,531	2,017
(14)	Actuarial Loss	01/01/19	13	57,287	6,255
	Total Charges			**$ 1,358,993**	**$ 294,214**

Credits		Date Established	Years Remaining	Outstanding Balance	Amortization Amount
(1)	Actuarial Gain	01/01/08	2	$ 131,569	$ 67,851
(2)	Plan Amendment	01/01/09	3	83,064	29,446
(3)	Actuarial Gain	01/01/10	4	17,335	4,750
(4)	Actuarial Gain	01/01/14	8	175,838	27,117
(5)	Asset Method Change	01/01/15	4	12,000	3,289
(6)	Actuarial Gain	01/01/17	11	56,123	6,853
(7)	Actuarial Gain	01/01/18	12	84,732	9,752
(8)	Assumption Change	01/01/19	13	180,795	19,740
	Total Credits			**$ 741,456**	**$ 168,798**

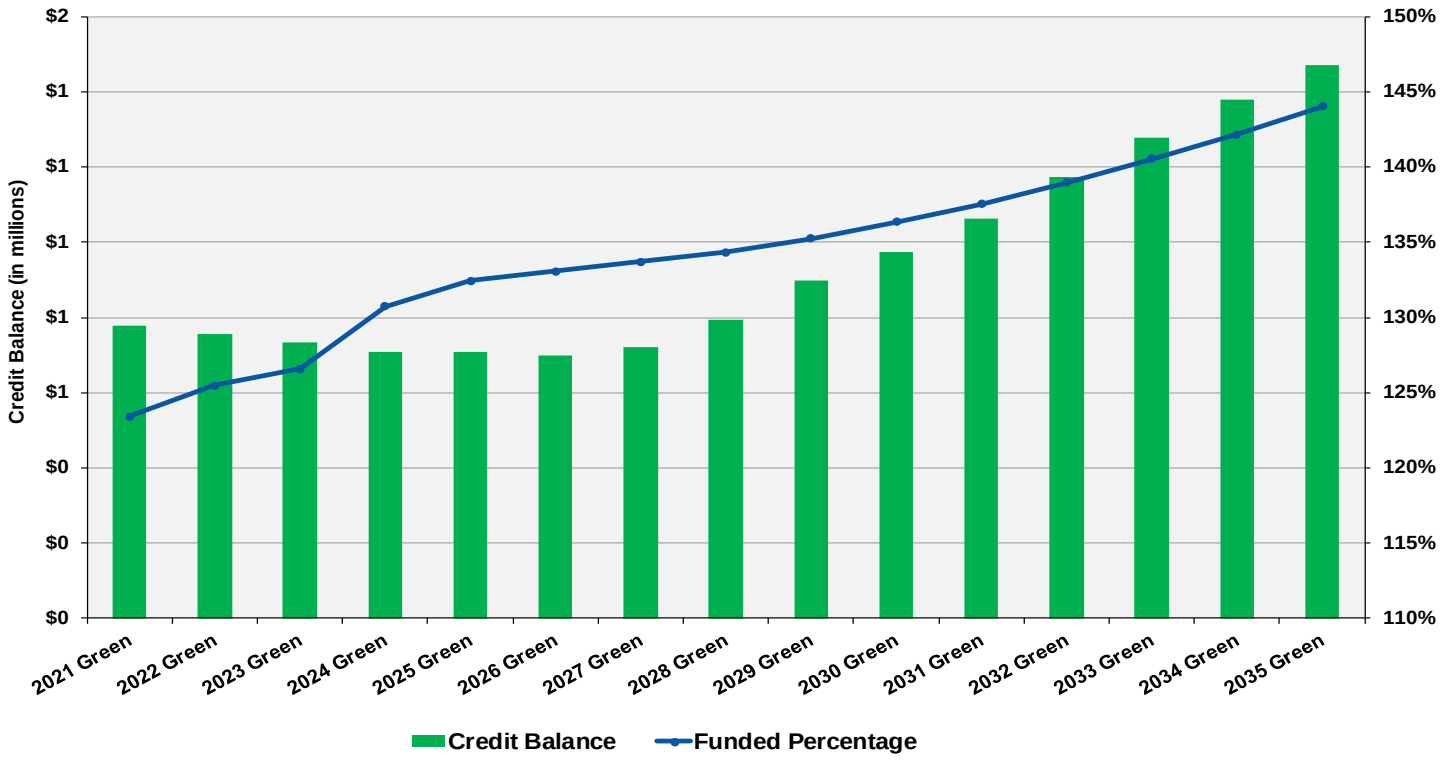
Section III. Valuation Results (cont.)

15-Year Projection of the Credit Balance and Funded Percentage

Plan Year	PPA Funded %	Beginning Credit Balance	Total Normal Cost	Net Amort. Charge	Anticipated Contribution	Interest	Ending Credit Balance
2021	123.4%	$ 777,579	$ 187,372	$ 125,416	$ 251,979	$ 38,401	$ 755,171
2022	125.5%	755,171	189,283	121,982	251,979	37,043	732,928
2023	126.6%	732,928	191,231	122,050	251,979	35,467	707,093
2024	130.7%	707,093	193,218	92,377	251,979	35,586	709,063
2025	132.5%	709,063	195,245	100,415	251,979	35,060	700,442
2026	133.1%	700,442	197,313	69,943	251,979	36,346	721,511
2027	133.7%	721,511	199,422	20,589	251,979	40,787	794,266
2028	134.3%	794,266	201,573	(5,493)	251,979	47,071	897,236
2029	135.2%	897,236	203,767	21,625	251,979	51,859	975,682
2030	136.4%	975,682	206,005	14,215	251,979	57,294	1,064,735
2031	137.5%	1,064,735	208,288	(687)	251,979	63,903	1,173,016
2032	139.0%	1,173,016	210,617	6,194	251,979	70,343	1,278,527
2033	140.5%	1,278,527	212,992	13,905	251,979	76,545	1,380,154
2034	142.2%	1,380,154	215,415	27,397	251,979	82,116	1,471,437
2035	144.0%	1,471,437	217,886	27,395	251,979	87,890	1,566,025

The Ending Credit Balance is equal to the Beginning Credit Balance, less Normal Cost and Net Amortization Charges (Credits), plus Anticipated Contribution and Interest.

Projection of the Credit Balance and Funding Percentage (Graph)

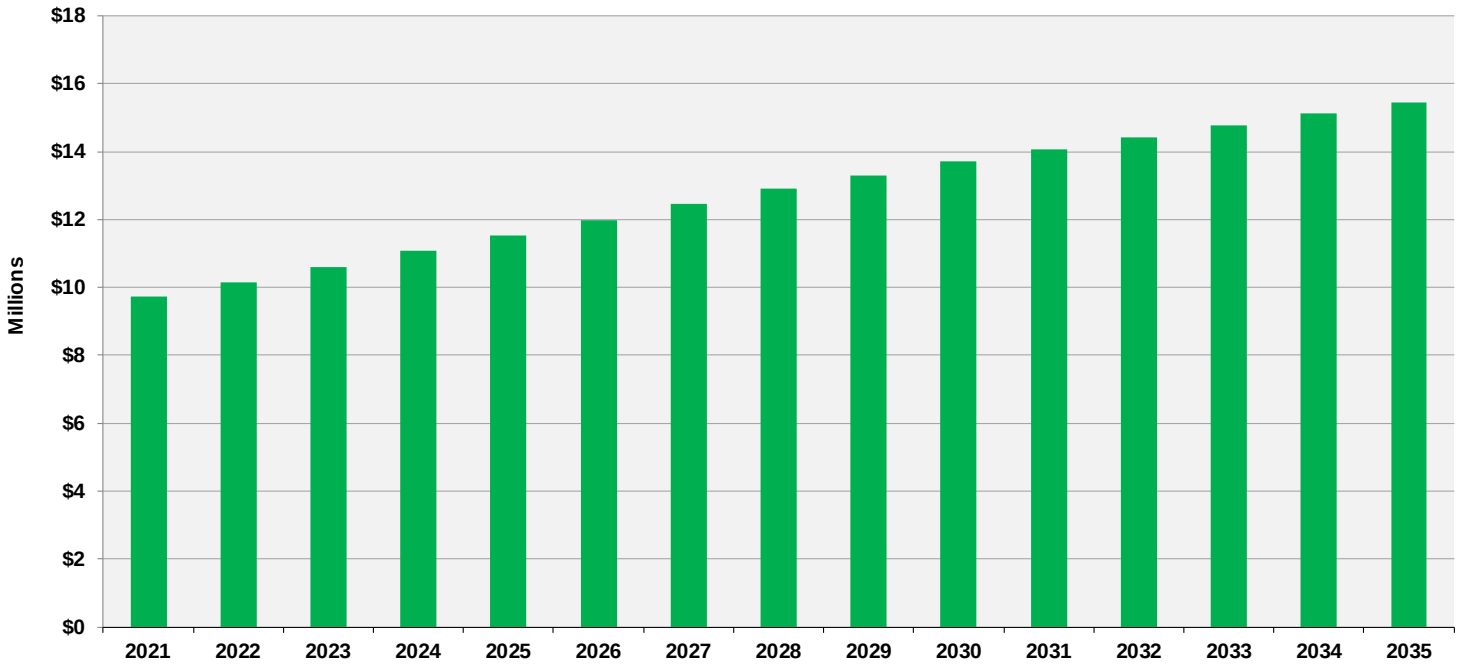


Section III. Valuation Results (cont.)

15-Year Projection of the Market Value of Assets

Plan Year	Market Value BOY	Anticipated Contributions	Estimated Benefit Payments	Estimated Admin. Expenses	Estimated Invest. Return	Market Value EOY
2021	$ 9,315,242	$ 251,979	$ 347,225	$ 95,512	$ 596,187	$ 9,720,671
2022	9,720,671	251,979	339,387	97,423	622,671	10,158,511
2023	10,158,511	251,979	357,855	99,371	650,403	10,603,667
2024	10,603,667	251,979	356,409	101,358	679,256	11,077,135
2025	11,077,135	251,979	406,915	103,385	708,258	11,527,072
2026	11,527,072	251,979	418,867	105,453	736,981	11,991,712
2027	11,991,712	251,979	429,659	107,562	766,695	12,473,165
2028	12,473,165	251,979	502,272	109,713	795,490	12,908,649
2029	12,908,649	251,979	572,776	111,907	821,362	13,297,307
2030	13,297,307	251,979	578,518	114,145	846,293	13,702,916
2031	13,702,916	251,979	652,102	116,428	870,118	14,056,483
2032	14,056,483	251,979	671,906	118,757	892,305	14,410,104
2033	14,410,104	251,979	682,206	121,132	914,801	14,773,546
2034	14,773,546	251,979	729,130	123,555	936,742	15,109,582
2035	15,109,582	251,979	756,668	126,026	957,528	15,436,395

Projection of the Market Value of Assets as of December 31 (Graph)



Section IV. ASOP 51 Disclosure

Assessment and Disclosure of Risk

Actuarial Standard of Practice No. 51 *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions* which is effective for actuarial valuations after November 2018. The standard requires actuaries to provide information so that users of an actuarial report can better understand the potential for future results to vary from the results presented in the report and identify risks related to estimating the plan's future financial condition. This standard does not require the assessment to be based on numerical calculations.

Examples of risk common to most multiemployer plans include the following (generally listed from greatest to least risk)

- Investment risk: The potential that investment returns will be different than expected.
- Contribution risk: Most commonly, this is associated with the potential that actual future contributions are less due to a reduction in hours worked. When this occurs, it can create negative, long-term problems.
- Asset/liability mismatch risk: The potential that changes in asset values are not matched by changes in the value of liabilities.
- Cash flow risks: The potential that contributions coming into the plan will not cover benefit payments. While common in well-funded plans, this still requires the use of interest, dividends or principal to cover benefit payments. When assets need to be sold (or more cash held) it can be an issue.
- Longevity risk: The risk that the life expectancy of participants will be different than assumed.
- Demographic risk: The risk that assumptions will differ from what is expected (e.g. termination of employment, retirement, and disability).

One item left off this list is "interest rate risk," i.e., the potential that interest rates will be different than expected. This risk is common in corporate single employer ERISA plans where funding is based on bond rates. Interest rates on bonds are still an important consideration when setting an expected return assumption and can change over time. Some recent legislative proposals contemplate extending these rules to multiemployer plans. If those were enacted this could become a greater risk for the plan.

There are some plan maturity measures that are significant to understanding the risks associated with the plan. The following table shows two commonly used measures of the relative riskiness of a pension plan, relative to the plan sponsors and the employee group covered by the plan. The Conservative Measures column provides a rough guideline of what these values often look like for plans with lower risk profiles. These are not hard and fast rules. Assessing the risk for any plan requires looking at the total picture, and these measures are one piece of that picture.

Section IV. ASOP 51 Disclosure (cont.)

Assessment and Disclosure of Risk (cont.)

Risk Measures	12/31/18	12/31/19	12/31/20	Conservative Measures
Inactive Vested Liability as a % of Total Liability	43%	34%	35%	< 50%
Benefit Payments to Contributions *	0.72	0.73	0.82	< 2

* For the year ending on the date shown.

Often, adverse experience can be dealt with through changes in contribution rates and/or benefit accrual rates. For mature plans, however, the ability to adapt to adverse experience using these levers becomes increasingly limited as the plan continues to mature.

If the Trustees are interested in doing more quantitative assessments of risks, the following are examples of tests that we could perform:

Scenario Test – A process for assessing the impact of one possible event, or several simultaneously or sequentially occurring possible events, on a plan's financial condition.

Sensitivity Test – A process for assessing the impact of a change in an actuarial assumption on an actuarial measurement.

Stochastic Modeling – A process for generating numerous potential outcomes by allowing for random variations in one or more inputs over time for the purpose of assessing the distribution of those outcomes.

Stress Test – A process for assessing the impact of adverse changes in one or relatively few factors affecting a plan's financial condition.

Section V. History of Unfunded Vested Benefits for Withdrawal Liability Purposes

History of Unfunded Vested Benefits

For purposes of employer withdrawal liability under the Multiemployer Pension Plan Amendments Act of 1980 we have calculated the value of unfunded vested benefits as of the end of each plan year. Effective January 1, 2009, the Actuarial Value of Assets is used to calculate the unfunded vested benefits. Prior to January 1, 2009, the Market Value of Assets was used. The pertinent assumptions are the same as those used for the basic actuarial valuations. For purposes of determining the present value of vested benefits, we excluded all benefits that are not protected by IRC Section 411(d)(6).

The following table shows the results of those calculations:

Plan Year Ending	Present Value of Vested Benefits	Market Value of Assets	Unfunded Vested Benefits
12/31/1996	$ 1,634,028	$ 1,832,422	$ (198,394)
12/31/1997	1,782,546	2,124,340	(341,794)
12/31/1998	1,817,866	2,209,508	(391,642)
12/31/1999	2,075,947	2,080,753	(4,806)
12/31/2000	2,152,932	2,090,463	62,469
12/31/2001	2,191,082	2,179,900	11,182
12/31/2002	2,233,407	2,110,775	122,632
12/31/2003	2,353,850	2,652,097	(298,247)
12/31/2004	2,252,118	2,945,955	(693,837)
12/31/2005	2,569,986	3,173,062	(603,076)
12/31/2006	2,815,647	3,636,074	(820,427)
12/31/2007	3,083,436	3,940,348	(856,912)
12/31/2008	3,234,472	3,070,498	163,974
12/31/2009	3,621,487	3,712,967	(91,480)
12/31/2010	3,900,666	4,378,117	(477,451)
12/31/2011	4,488,062	4,423,389	64,673
12/31/2012	4,876,617	4,987,401	(110,784)
12/31/2013	5,216,764	6,119,192	(902,428)
12/31/2014	5,759,685	6,251,146	(491,461)
12/31/2015	6,208,277	6,107,208	101,069
12/31/2016	6,455,452	6,944,885	(489,433)
12/31/2017	6,816,932	7,721,566	(904,634)
12/31/2018	6,476,867	6,989,453	(512,586)
12/31/2019	6,670,154	8,320,665	(1,650,511)
12/31/2020	7,086,252	9,315,242	(2,228,990)

Section VI. Statement of Accounting Standards Codification No. 960

Statement of Accumulated Plan Benefits as of January 1, 2021

Present Value of Accumulated Plan Benefits (PVAB)		1/1/2020		1/1/2021
Vested Benefits				
Participants Currently Receiving Payments	$	1,918,805	$	1,954,727
Deferred Vested Participants		722,354		870,820
Active Participants		4,028,995		4,260,705
Total Vested Benefits		**6,670,154**		**7,086,252**
Non-Vested Benefits		46,907		48,713
Total (PVAB)	**$**	**6,717,061**	**$**	**7,134,965**

The interest rate used in determining the present value of accumulated plan benefits was 6.50% for 2020 and 6.50% for 2021.

Statement of Changes in Accumulated Plan Benefits				
Actuarial Present Value of Accumulated Plan Benefits as of January 1, 2020			$	6,717,061
Increase (Decrease) during the year attributable to:				
Interest	$	429,911		
Plan Experience		188,067		
Benefits Paid		(206,095)		
Assumption Change		6,021		
Plan Amendment		0		
Net Decrease				417,904
Actuarial Present Value of Accumulated Plan Benefits as of December 31, 2020			$	7,134,965

Section VII. Summary of Plan Provisions

Effective Date

November 16, 1967. Rukert Terminals Corporation withdrew from the plan January 6, 1997.

Plan Year

January 1 through December 31

Eligibility

- **Age Requirement:** none
- **Service Requirement:** engaged in Covered Employment during which he worked at least 501 hours

Credited Service

- **Future Service (effective January 1, 1968):** One-quarter of a credit for every 300 hours with a maximum of one credit
- **Past Service (before January 1, 1968):** One-half of the Continuous employment with Local No. 1429 to January 1968, to a maximum of 5 years.

Total Credited Service is the sum of Future Service and Past Service. Rukert participants will earn no further Credited Service effective January 6, 1997.

Vesting Service

Hours	Vesting Service
1,000 or more	1.00
500 to 999	0.25
Less than 500	0.00

Normal Retirement

- **Age Requirement:** 65
- **Service Requirement:** 5 years of Covered Employment
- **Amount:** Credited Service times $4.50 for each 10¢ per hour contribution rate. On November 1, 1994, the plan was amended to provide for the following benefit rates for each employer:

Employer	Rate
Belt's Wharf Warehouses, Inc.	$22.50
Rukert Terminals Corporation	$31.50
Terminal Corporation	$35.55

Benefits for Rukert participants were frozen as of January 6, 1997.

Effective January 1, 1999, the benefit rate for Terminal employees was increased to $50.00.

Effective January 1, 2005, the benefit rate for Terminal employees was increased to $63.00.

Section VII. Summary of Plan Provisions (cont.)

Normal Retirement (continued)	Effective January 1, 2007, the benefit rate for Terminal employees was increased to $68.00. Effective July 1, 2009, the benefit rate for Terminal employees was changed to $60.00. For the 2009 Plan Year only, employees are entitled to the greater of: (1) the annual benefit based on total hours of service earned during January 1, 2009 to June 30, 2009 using a $68.00 credit rate, or (2) the annual benefit based on total hours of service earned during January 1, 2009 to December 31, 2009 using a $60.00 credit rate. As of September 2011, effective January 1, 2007, the benefit rate for Terminal employees is $68.00. As of January 1, 2013, the benefit rate for Terminal employees is $70.00.
Early Retirement	• **Age Requirement:** 55 • **Service Requirement:** 10 years of Covered Service • **Amount:** Accrued Benefit based on Credited Service with actuarial reduction for each month that payment precedes Normal Retirement Date
Disability Pension	• **Age Requirement:** none • **Service Requirement:** Service equals or exceeds 5 years • **Amount:** Accrued Benefit based on Credited Service at date of disability, with no reduction for early payment
Pre-Retirement Death Benefit	• **Prior to January 1, 2018:** The Plan only provided this survivor annuity to married vested participants. • **After January 1, 2018:** Upon the death of a vested participant, his spouse or beneficiary shall receive a monthly benefit, payable for life, equal to the spouse or survivor's portion of the Joint and 50% Survivor Annuity. Payments will commence the first day of the month following the Participant's death and the amount of payment will be adjusted by the early retirement adjustment factors provided for in the plan for early retirement.
Normal Form of Benefit	• **Unmarried Participant:** Single Life Annuity • **Married Participant:** Joint and 50% Survivor Annuity

Section VII. Summary of Plan Provisions (cont.)

Optional Forms of Benefit

- Single Life Annuity
- 10 Year Certain and Continuous
- 50% or 75% Joint and Survivor Annuity

Changes to Prior Year's Plan Provisions

No plan changes have taken place since the prior valuation.

Section VIII. Actuarial Methods and Assumptions

Actuarial Funding Method

The Entry Age Normal Cost (EAN) cost method has been used to develop the funding requirements presented in this report. It takes into account the benefits (including future accruals) payable at expected retirement age(s) for active participants and smooths them over the participants' expected working lifetime. The Normal Cost is designed to be level from each participants' entry age through their retirement age. Actuarial gains or losses resulting from plan experience which differs from the actuarial assumptions, plan amendments or changes in the actuarial assumptions are considered new pieces of actuarial liability and must be funded over no more than fifteen years.

Asset Valuation Method

The actuarial value of assets is a calculated value determined by adjusting the market value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return based on the prior year market value) during each of the last five years at the rate of 20% per year. The actuarial value is subject to a restriction that it cannot be less than 80% nor more than 120% of market value.

Mortality

Funding

Healthy: Pri-2012 Blue Collar Employee and Healthy Retiree Tables with generational projection using Scale MP-2020.

Disabled: Pri-2012 Disabled Retiree Mortality Table with generational projection using Scale MP-2020.

Due to the small group of active participants covered by the Plan, we have relied upon the standard mortality tables published by the Society of Actuaries, and based on the Plan demographics, we have relied upon the blue-collar version of these tables. The standard improvement scales were also used to reflect estimated future experience.

Current Liability:

2021 IRS Static Mortality Table.

Interest Rate

Valuation:

6.50% annual compound interest in the future, based on expected earnings from portfolio analysis.

Current Liability:

2.43% per year compounded annually. The current liability interest rate is chosen from a specified range that is set by law.

Section VIII. Actuarial Methods and Assumptions (cont.)

Termination & Disability

No disability rates assumed.

For termination, Turnover Table T-5. Representative rates are:

Age	Rate
25	7.7%
40	5.2%
55	0.9%

Due to the small group of active participants covered by the Plan, there is not sufficient data to determine any appropriate plan specific assumption. An assumption of no pre-retirement decrements (other than death) is more likely to produce no gain/loss (i.e., when the assumption that an active participant will not terminate is realized); however, if an active participant does terminate before retirement, the gain/loss at that time will be greater. The effect of assuming pre-retirement turnover is not expected to produce materially different results than if an assumption regarding pre-retirement turnover was included.

Expenses

For the current year, the prior year's administrative expenses are increased by 2.0% and assumed as a mid-year number for the current year. That mid-year number is then discounted to the beginning of the year and included in the normal cost. For projection purposes, expenses are assumed to increase 2.0% annually.

The expense load was determined based on professional judgment.

Age at Pension

Normal Retirement Age for active participants (65). Age 62, or attained age if over 62, for terminated vested participants.

The weighted average retirement age for the 2021 plan year is age 65.2. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the of January 1, 2021 actuarial valuation.

The retirement age assumption used was reviewed and determined to be reasonable taking into account the following factors:

- The Plan's early retirement provisions,
- Access to postretirement healthcare coverage,
- The actuary's experience with other plans of a similar size, demographic composition, and plan design.

Future Service Credit

Current rate of service.

Section VIII. Actuarial Methods and Assumptions (cont.)

Percent Married

85% of the population is assumed to be married with females assumed to be three years younger than males. The percent married and spousal age assumptions are based on professional judgement.

Form of Payment

All active and terminated vested participants are assumed to elect a life annuity at assumed retirement age.

Assumptions reflected in the determination of plan assets and liabilities that are not specifically discussed are not considered significant relative to the measurement.

Changes to Prior Year's Valuation

The mortality table was updated from the RP-2014 Blue Collar Mortality adjusted to 2006 and projected generationally using MP-2018 to the Pri-2012 Blue Collar Mortality projected generationally using MP-2020. All other methods and assumptions remain the same as those used in the prior valuation.

The expense assumption was updated to include a 2.0% increase from the prior year's expenses. Previously, the prior year's administrative expenses were assumed as a mid-year number and then discounted to the beginning of the year.

Section IX. Contribution Rate History

The following table shows the Fund's historical contribution rates, including those rates as set by the current Collective Bargaining Agreement.

Effective Date	Contribution History
November 2002*	$ 1.55
03/15/04	1.60
03/15/05	1.65
03/15/06	1.70
03/15/07	1.75
03/15/08	1.80
03/15/09	2.05
03/15/10	2.30
11/16/10	2.55
04/01/13	2.60
11/16/14	2.70
11/16/15	2.75
11/16/16	2.80
11/16/17	2.85

**exact date not known*

Section X. Full Funding Limitation

Determination of Current Liability as of January 1, 2021

	Number of Participants		RPA '94 Current Liability
Retired Participants and Beneficiaries	23	$	2,896,109
Terminated Vested Participants	19		1,647,382
Active Participants			
Non-Vested			138,402
Vested			8,860,722
Total Active Participants	49		8,999,124
Total	**91**	**$**	**13,542,615**

RPA '94 Information		
Value of Benefits Accruing During the Year	$	386,822
Expected Benefit Payments During the Year		347,839
Interest Rate		2.43%
Mortality Table		2021 IRS Static Mortality

Full Funding Limitation for Minimum Funding As of December 31, 2021

The Full Funding Limitation for Minimum Funding establishes the maximum net charge to the Funding Standard Account calculated without regard for contributions or credit balance. If the net charge exceeds this limit, then a special credit is taken on the Schedule MB of Form 5500. The net charge for the Fund does not exceed this limitation.

Full Funding Limitation for Minimum Funding		ERISA		RPA
Expected Liability	$	8,760,781	$	13,915,857
Liability Percentage		100%		90%
Funding Limit Liability		8,760,781		12,524,271
Expected Assets for Minimum Funding		(8,450,145)		(8,919,122)
Preliminary Full Funding Limitation (not less than 0)		310,636		3,605,149
Full Funding Limitation (greater of ERISA and RPA)	**$**	**3,605,149**		

Section X. Full Funding Limitation (cont.)

Full Funding Limitation for Maximum Deductible as of December 31, 2021

The Full Funding Limitation for Maximum Funding provides one of several components in the calculation of the limit for deductible contributions for the plan.

The maximum Deductible Limitation is the greater of:

(1) 140% of current Liability Deductible Limit on RPA basis less actuarial value of assets, and
(2) The lesser of:
  (a) Normal Cost plus Ten Year Amortization of the UAAL, or
  (b) Full Funding Limitation for Maximum Funding.

Full Funding Limitation for Maximum Funding		ERISA		RPA
Expected Liability	$	8,760,781	$	13,915,857
Liability Percentage		100%		90%
Funding Limit Liability		8,760,781		12,524,271
Expected Assets for Maximum Funding		(9,278,266)		(8,919,122)
Preliminary Full Funding Limitation (not less than 0)		0		3,605,149
Full Funding Limitation (greater of ERISA and RPA)	**$**	**3,605,149**		

Current Liability Deductible Limit		
140% of RPA Expected Liability – RPA Expected Assets	**$**	**10,563,077**

For the current year, the 140% Current Liability deductible Limit is $10,565,071, the Normal Cost plus Ten Year Amortization is $199,551 and the Full Funding Limitation is $3,607,142. Therefore, the Maximum Deductible Limit is $10,565,071.

Section XI. Glossary

Actuarial Accrued Liability:

In general, this term means the present value, expressed in a single sum, of the benefits yet to be paid. It is computed differently under different Actuarial Funding Methods.

Actuarial Funding Methods:

An actuarial method that defines the allocation of pension costs over a member's working career. All standard actuarial cost methods are comprised of two components: Normal Cost and the Actuarial Accrued Liability. An Actuarial Funding Method determines the timing of pension costs, not the ultimate cost of a pension plan; that cost is determined by the actual benefits paid less the actual investment income.

Actuarial Gain or Loss:

A pension plan incurs actuarial gains or losses when the actual experience of the pension plan does not exactly match assumptions.

Actuarial Value of Assets (AVA):

The value of the pension plan's investments and other property used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). This may be the market or fair value of plan assets or a smoothed value to reduce the year-to-year volatility.

Funded Percentage:

The ratio of a plan's assets compared to the liabilities. There are several acceptable methods of measuring a plan's assets and liabilities for this purpose.

Market Value of Assets (MVA):

The value of the pension plan's assets based on the value they would trade at on an open market, including accrued income and expenses (sometimes referred to as fair value). This is typically provided by the plan's auditor.

Normal Cost:

Computed differently under different funding methods. The Normal Cost generally represents the value of benefits being earned that are allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL):

The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.