Horizon Actuarial Services, LLC

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September 30, 2020

VIA ELECTRONIC MAIL

Alicia Cochran, Administrator
Industry & Local 338 Pension Plan
Associated Administrators, LLC
911 Ridgebrook Rd.
Sparks, MD 21152

Re: Industry & Local 338 Pension Plan: Employer Withdrawal Liability
HP Hood – Estimate for Withdrawal in 2019-2020 Plan Year

Dear Alicia:

As requested, we have determined the estimated Employer Withdrawal Liability from the Industry & Local 338 Pension Plan (the "Plan") for HP Hood for a withdrawal from the Plan during the July 1, 2019 through June 30, 2020 plan year. The withdrawal liability estimate is therefore based on the Unfunded Vested Benefits ("UVBs") of the Plan determined as of June 30, 2019. The Plan's contribution history was based on information in audits of the Plan included in Form 5500 filings.

As you are aware, the Plan first emerged from Critical status in the Plan year beginning July 1, 2019. Based on our understanding of the statute and proposed regulations, we have reflected the contribution increases required by the Rehabilitation Plan during the period while that Plan was in Critical status for purposes of allocating the Plan's UVBs. These increases would not be included for purposes of determining the highest contribution rate when determining the annual withdrawal liability payment. Since Horizon Actuarial does not engage in the practice of law, we of course defer to fund counsel regarding any interpretations of the statute and regulations.

The Plan Administrator, Associated Administrators, LLC, provided the contribution and hours-worked history for HP Hood. We have included contributions for all contracts and locations identified as HP Hood locations at which contributions were required to be made to the Plan in the past 10 years. The locations reported are (1) Crowley Newburgh (338-14), last contributing in the 2010-2011 plan year, (2) Crowley Binghamton (338-12), last contributing in the 2014-2015 plan year and (3) Crowley Lafargeville (338-13), still contributing in the 2019-2020 plan year. If there are additional locations or if HP Hood is related to any other contributing employer, withdrawal liability could be materially different than what is shown on the enclosed exhibit. If there are additional contribution amounts which should be included or if there are any other omissions or errors, a revised calculation should be performed.

The net estimated withdrawal liability for a complete withdrawal of HP Hood during the July 1, 2019 to June 30, 2020 plan year is $27,120,973. This does not reflect any adjustment that may be applicable due to the application of the 20-year cap in accordance with ERISA 4219(c)(1)(B). We have enclosed an exhibit showing the details of our calculations and a summary of the assumptions used in the calculation.

Please let us know if you have any comments.

Sincerely,

Mary Ann Dunleavy

Mary Ann Dunleavy, ASA, MAAA
Consulting Actuary

Enclosures

cc: Elizabeth O'Leary (w/ attachments)

Industry & Local 338 Pension Plan
Estimate of Employer Withdrawal Liability for
HP Hood
for a Complete Withdrawal in the 2019 - 2020 Plan Year

Exhibit I

		Contributions					
Year Ended 6/30 (1)	Unfunded Vested Benefits (UVBs) (2)	Total for Plan (3)	Previously Withdrawn Employers (4)	Merged Plan for 5 Full Preceding Plan Years (5)	Total, Adjusted for Withdrawn Employers and Mergers [(3) - (4) + (5)] (6)	Withdrawing Employer (7)	Withdrawing Employer's Share of UVBs [(2) ÷ (6) x (7)] (8)
2015		$ 3,098,753	$ 125,644	$ -		$ 1,556,110	
2016		2,969,275	134,094	-		1,360,074	
2017		3,276,496	201,950	-		1,422,712	
2018		3,238,894	194,916	-		1,408,939	
2019		3,538,306	-	-		1,419,841	
Totals	$ 45,911,804	$ 16,121,724	$ 656,604	$ -	$ 15,465,120	$ 7,167,676	

(8)	Allocation of Unfunded Vested Benefits = [(2) ÷ (6) x (7)]	$ 21,278,912
(9)	De Minimis Reduction	
	A. Excess liability (Over $100,000, but not less than zero)	$ 21,178,912
	B. Lesser of $50,000 and .75% of UVBs	50,000
	C. De Minimis Reduction (9)(B) - (9)(A), not less than zero	0
(10)	Allocation of Affected Benefits	
	A. Outstanding Balance of Affected Benefits Pool as of June 30, 2019	$ 12,604,948
	B. Allocation of Affected Benefits Pool to Withdrawing Employer = [(10)(A) ÷ (6	5,842,061
(11)	Net Withdrawal Liability = (8) - (9), but not less than zero, + (10)	$ 27,120,973

Industry and Local 338 Pension Plan
Summary of Key Actuarial Assumptions & Methods
Withdrawal Liability During the July 1, 2019 – June 30, 2020 Plan Year

a) Interest Rate

For liabilities up to the market value of assets, valued using PBGC interest rates as of June, 2019 of 3.07% and 3.05% (for 20 years and thereafter, respectively).

For liabilities in excess of the market value of assets, valued using 7.25% for all years.

b) Non-Disabled Mortality

Non-annuitant: 125% of the sex-distinct RP-2014 Blue Collar Employee Mortality Table.

Annuitant: 125% of the sex-distinct RP-2014 Blue Collar Annuitant Mortality Table

Adjusted to future years using generational projection under Scale MP-2014 to anticipate future mortality improvement.

c) Disabled Mortality

125% of the sex-distinct RP-2014 Disabled Mortality Tables.

Adjusted to future years using generational projection under Scale MP-2014 to anticipate future mortality improvement.

d) Termination

Sample Rates as follows:

Age	Probability
20	6.58%
25	5.27%
30	4.83%
35	4.47%
40	3.84%
45	3.21%
50	1.52%
55	0.33%
60	0.00%

e) Form of Payment

All unmarried participants are assumed to elect a Life Annuity.

All married participants are assumed to elect an actuarially reduced 75% Joint and Survivor Annuity.

f) Marriage / Spouse Ages

75% of non-retired participants are assumed to be married.

Male spouses are assumed to be three years older than female spouses if age is unknown.

g) Retirement Age

Sample Rates as follows:

Age	Probability
55-59	10%
60-61	20%
62	75%
63-65	50%
66-69	25%
70	100%

h) Disability

Sample Rates as follows:

Age	Probability
20	0.05%
25	0.05%
30	0.05%
35	0.06%
40	0.09%
45	0.18%
50	0.40%
55	0.85%
60	1.74%

Vested benefit valued at decrement

i) Operating Expenses — As prescribed by PBGC formula (29 CFR Part 4044, Appendix C); applied only to liabilities valued with PBGC interest rates.

j) Value of Assets — Market Value

k) Allocation Method — Rolling-Five, with application of de minimis

Additional detail on assumptions used in the development of liabilities for withdrawal liability purposes is disclosed in the July 1, 2019 actuarial valuation report for the Plan.