Industry & Local 338 Pension Plan

Actuarial Update

June 28, 2023

Mary Ann Dunleavy, ASA
Peter Bernstein, FSA

Today's Discussion

- **Review of Valuation Results Reflecting Service Cap Amendment**
- **PPA Zone Certification: 7/1/2023 - 6/30/2024**
- **Funding Projections**
- **Early Retirement Factors**
- **Appendix**
  - Contribution Rate Summaries
  - Data, Assumptions, Methods, and Plan Provisions

Review of Valuation Results Reflecting Service Cap Amendment

Service Cap Amendment

- **Amendment adopted at the January 27, 2023 Board Meeting:**
  - Removes the 35-year Pension Credit maximum in the determination of benefits
  - The elimination of the cap applies to both past accruals and future accruals
  - The amendment applies to participants who are active as of at the time of the amendment

- **The immediate impact of the removal of the service cap is an increase in the cost of Benefit Accruals of $4,428 and in increase in the Actuarial Accrued Liability of $57,016.**

- **The monthly amount of the Regular Pension is equal to:**

Pension Credits earned	Benefit Accrual per Pension Credit
After 6/30/2016	0.9% of total contributions
7/1/2010 – 6/30/2016	$37.00 per $1 of hourly contribution rate
7/1/1997 – 6/30/2010	$49.00 per $1 of hourly contribution rate
prior to 7/1/1997	Accrued Benefit based on prior plan formula • increased by 20.75% if active at 7/1/1997 • increased by 15.0% if inactive vested at 7/1/1997

- For retirements prior to June 30, 2022 pension credits were capped at a maximum of 35.
- For retirements on or after July 1, 2022, all pension credits are used to determine the amount of benefit.

Benefit Improvement Restrictions

- **The following special rules were elected by the Trustees under the funding relief provided by the American Rescue Plan Act of 2020:**
  - Special amortization rule: The portions of experience losses attributable to the eligible net investment losses incurred during the two plan years ending after 2/29/2020 over a 29-year period.
  - Similar to relief elected under provisions of the Pension Reform Act of 2010
- **Restriction on Benefit Increases: If a plan sponsor elects to use funding relief, then there can be no amendments to improve benefits:**
  - During the current plan year or next two plan years
  - Unless the plan actuary certifies that the benefit improvements are:
    - funded by additional contributions,
    - the plan's funded percentage is not projected to decrease as a result of the change, and
    - funding standard account credit balance is not projected to decrease as a result of the change.

Benefit Improvement Options

- **Benefit Restriction Period:**
  - Last plan year that an extended amortization base is established: 7/1/2023 – 7/1/2024
  - Restriction period: 7/1/2023 – 6/30/2026
  - Benefit improvement with no additional contribution can be made effective 7/1/2026
- **Additional Employer Contributions**
  - Benefit improvement with additional contributions can be made effective at any time
  - Additional Employer Contributions are contributions not anticipated by collective bargaining agreements (CBAs) in place at the application of the special amortization rule, 7/1/2020.
  - New agreements since 7/1/2020:
    - Hood contract with increases effective 9/1/2021
    - Friesland contract with increases effective 1/1/2022
    - Montefiore contract with increases effective 11/6/2020
    - Paraco contract with increases effective 2/1/2021
    - Westchester contract with increases effective 10/1/2021

Summary of Key Results

Measurement Date		July 1, 2022		July 1, 2022		July 1, 2021
A. Normal Cost		**Amendment**		**Pre Amendment**		
1. Cost of Benefit Accruals	$	930,164	$	925,736	$	961,434
2. Assumed Operating Expenses		361,882		361,882		361,882
3. Total	$	1,292,046	$	1,287,618	$	1,323,316
B. Actuarial Accrued Liability						
1. Active Participants	$	14,340,128	$	14,283,112	$	14,585,173
2. Inactive Vested Participants		16,436,865		16,436,865		16,143,838
3. Retired Participants and Beneficiaries		76,523,824		76,523,824		75,962,758
4. Total	$	107,300,817	$	107,243,801	$	106,691,769
C. Assets						
1. Market Value of Assets	$	92,586,065	$	92,586,065	$	106,926,830
Prior Year Net Investment Return		-8.7%		-8.7%		25.0%
2. Actuarial Value of Assets	$	105,907,526	$	105,907,526	$	106,926,830
Prior Year Net Investment Return		4.1%		4.1%		
D. Funded Percentages						
1. Market Value Funded Percentage (C.1. / B.4.)		86.2%		86.3%		100.2%
2. Actuarial Value Funded Percentage (C.2. / B.4.)		98.7%		98.7%		100.2%

Contribution Margin – With Removal of Cap

Measurement Date		July 1, 2022		July 1, 2022
A. Unfunded Actuarial Accrued Liability		**Amendment**		**Pre Amendment**
1. Actuarial Accrued Liability	$	107,300,817	$	107,243,801
2. Market Value of Assets		92,586,065		92,586,065
3. Unfunded Liability	$	14,714,752	$	14,657,736
B. Actuarial Cost				
1. Normal Cost				
a. Cost of Benefit Accruals	$	963,882	$	959,294
b. Assumed Operating Expenses		375,000		375,000
c. Total	$	1,338,882	$	1,334,294
2. Unfunded Liability Amortization Payment		2,047,693		2,039,760
3. Total Actuarial Cost for Plan Year	$	3,386,575	$	3,374,054
C. Expected Employer Contributions				
1. Expected Weeks		9,600		9,600
2. Average Contribution Rate per Week	$	325.35	$	325.35
3. Expected Contributions	$	3,123,375	$	3,123,375
D. Contribution Margin				
1. Contribution Margin for Plan Year	$	(263,200)	$	(250,679)
2. Contribution Margin per Week	$	(27.42)	$	(26.11)

Notes

1) The actuarial costs in B. above include an include interest adjustments to reflect payments throughout the year.
2) The immediate impact of the removal of the service cap resulted in an increase in the cost of Benefit Accruals of $4,428 and an increase in the actuarial accrued liability of $57,016, which reduces the contribution margin by $1.31 per week.
3) The average contribution rate assuming the current population as of 7/1/2020 was $315.09. The additional contributions from increases included in CBA's adopted after 7/1/2020 account for approximately $98,000 in contributions annually (assuming 9,600 weeks per year), which covers the cost of the amendment for Funding Standard Account and Funded Percentage purposes.

PPA Zone Certification
7/1/2023 - 6/30/2024

2023 PPA Certification

- **Due September 28, 2023**
  - Expect to certify the Plan in the Green Zone
- **Will be based on:**
  - Assets
    - Preliminary assets as of June 30, 2023
    - 7.25% per year beginning July 1, 2023
  - Liabilities
    - Projected based on results of the July 1, 2022 actuarial valuation
- **Contribution Rates**
  - Zone Status: rate increases included in CBAs as of the certification date
  - Scheduled Progress: consider all increases required by the Rehabilitation Plan

2023 PPA Certification (continued)

- **Projected Contributions:**
  - Contribution Rates
    - Only rate increases already included in CBAs as of the certification date are recognized
  - Industry Activity Assumption
    - PPA requires that the actuary's annual certification of the zone status of a multiemployer plan reflects industry activity assumptions that are based on input from the Trustees, provided in good faith
    - The industry activity assumption is very important, as it directly affects the level of the contributions expected in future years
    - Assumption is often based on prior year's work levels or contributions

2023 PPA Certification: Industry Activity

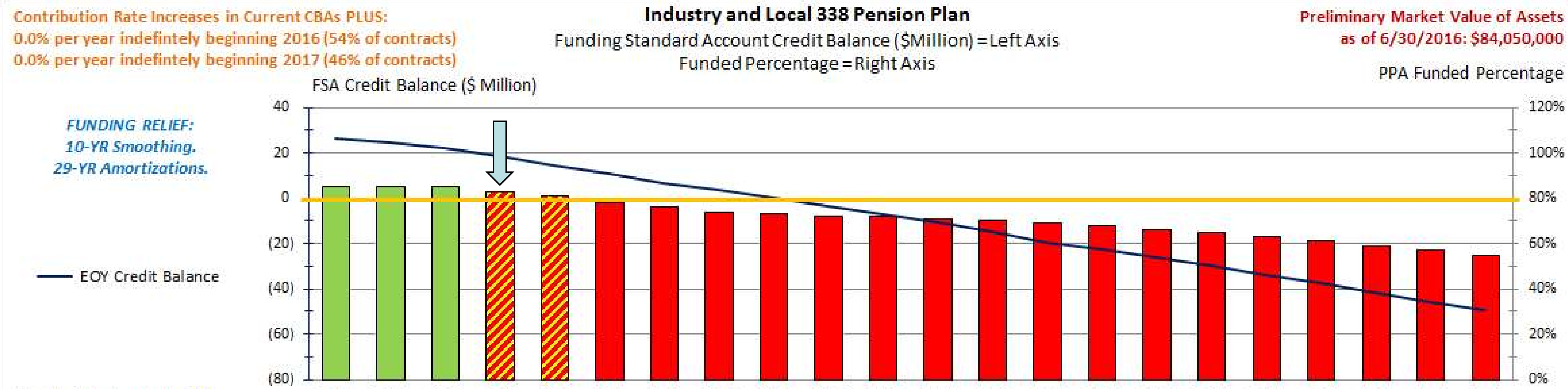
Plan Year	Active Count	Average Weeks / Active		Total Weeks	Average Ultimate Contribution Rate
		Total Wks	Active Wks		
7/1/2023 – 6/30/2024+	?	?		?	?
7/1/2022 – 6/30/2023	192 average 1st 10 months	?		?	$325.35
7/1/2021 – 6/30/2022	196	48.7	46.2	9,540	320.70
7/1/2020 – 6/30/2021	207	49.4	47.7	10,228	315.70
7/1/2019 – 6/30/2020	204	51.2	48.0	10,240	302.62
7/1/2018 – 6/30/2019	226 CNR=17	54.7	48.4	12,366	274.36
7/1/2017 – 6/30/2018	238 CNR=20, Culinart=21	51.9	47.7	12,351	261.20
7/1/2016 – 6/30/2017	238 CNR=13, Culinart=19	50.6	49.3	11,740	249.60
7/1/2015 – 6/30/2016	243	48.5	47.5	11,775	232.00
7/1/2014 – 6/30/2015	265	50.2	47.5	13,303	215.20
7/1/2013 – 6/30/2014	306	51.3	N/A	15,698	223.20
7/1/2012 – 6/30/2013	326	49.9	N/A	16,267	206.80
7/1/2011 – 6/30/2012	382	51.2	N/A	19,558	177.60

Historical contribution information for plan years prior to 7/1/2015 – 6/30/2016 obtained from prior years' actuarial valuation reports.

July 1, 2016 PPA Certification Basis

0.9% of Contributions Formula

-0.79% Asset Return in PYB 2015 | 11.9 Thousand Weeks Worked beginning PYB 2016 | Current CBA Contribution Increases[1]



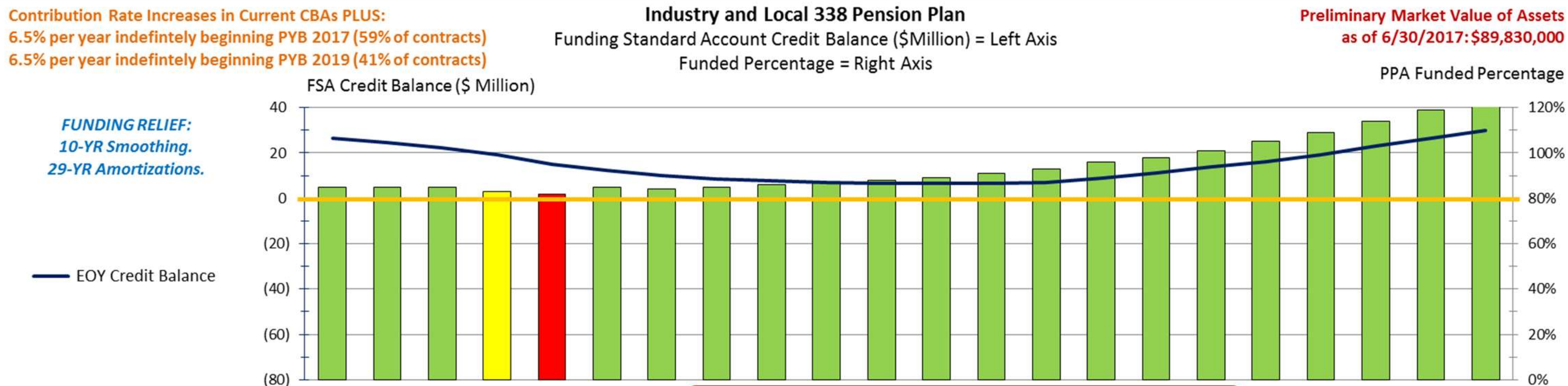
(1) Plan Year beginning 7/1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(2) Asset Return during Year (%)	15.86	3.10	(0.79)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3) Weekly Contribution Rate	203	223	232	246	248	248	248	248	248	248	248	248	248	248	248	248	248	248	248	248	248	248
(4) Weeks Worked (Thousands)	15.7	13.9	12.6	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9
(5) Contributions in Plan Year ($M)	3.37	3.28	2.93	2.92	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94
(6) PYE Credit Balance ($M)	26	25	22	18	14	11	7	3	0	(3)	(7)	(11)	(15)	(19)	(22)	(26)	(30)	(34)	(38)	(42)	(46)	(50)
(7) Actuarial Value of Assets ($M)	87	91	94	92	91	88	86	85	84	84	84	83	82	81	79	78	76	74	72	69	66	63
(8) Unit Credit Accd. Liability ($M)	102	107	110	111	112	112	113	114	115	115	116	116	116	117	117	117	117	116	116	115	115	114
(9) PPA Funded Percentage at 7/1	85%	85%	85%	83%	81%	78%	76%	74%	73%	72%	72%	71%	70%	69%	68%	66%	65%	63%	61%	59%	57%	55%

Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing.

July 1, 2017 Valn: RP Reflected, Two Ers Withdraw

Eliminates All Adjustable Benefits | 7.50% Return PYB 2017+ | 9.7 Thousand Weeks Worked beginning PYB 2017 | Current CBA Contribution Increases PLUS 10 Years of 6.5% Annual Contribution Rate Increases[1]



(1) Plan Year beginning 7/1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(2) Asset Return during Year (%)	15.86	3.10	(1.58)	13.13	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3) Weekly Contribution Rate	203	233	252	267	272	287	306	326	347	369	393	419	446	475	487	499	499	499	499	499	499	499
(4) Weeks Worked (Thousands)	15.7	13.3	11.8	12.0	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
(5) Contributions in Plan Year ($M)	3.37	3.28	3.15	3.45	2.64	2.78	2.97	3.16	3.36	3.58	3.81	4.06	4.33	4.61	4.72	4.84	4.84	4.84	4.84	4.84	4.84	4.84
(6) PYE Credit Balance ($M)	26	25	22	19	15	12	10	9	8	7	7	7	7	7	9	11	14	16	19	23	26	30
(7) Actuarial Value of Assets ($M)	87	91	94	93	93	91	90	90	91	92	92	93	94	95	96	98	99	101	102	104	106	108
(8) Unit Credit Accd. Liability ($M)	102	107	110	111	113	107	106	106	105	105	104	103	102	101	100	99	97	95	93	91	89	86
(9) PPA Funded Percentage at 7/1	85%	85%	85%	83%	82%	85%	84%	85%	86%	87%	88%	89%	91%	93%	96%	98%	101%	105%	109%	114%	119%	124%

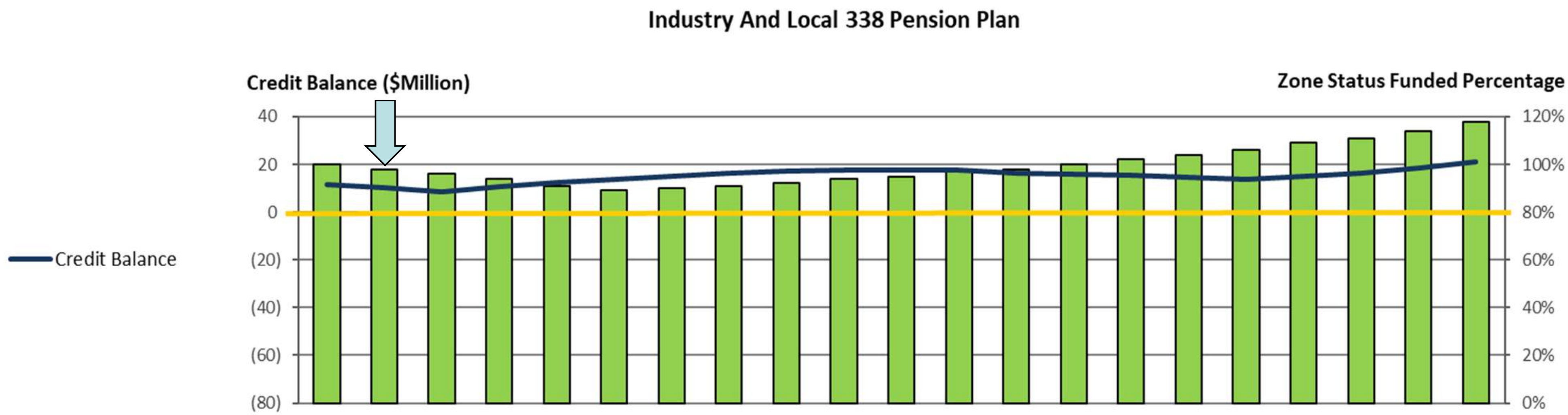
Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing. Contribution rate changes made by the RP are reflected beginning in the July 1, 2017 plan year. See graph for detail regarding assumed rate increases.
2) Benefit changes made by the RP are reflected beginning in the July 1, 2018 plan year.

Horizon

July 1, 2022 Valuation

7.25% Return PYB 2022+ | 9.6 Thousand Weeks Worked beginning PYB 2022



Plan Year Beginning 7/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
(1) Investment Return (%)	(8.72)	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	10.1	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
(3) Weekly Contribution Rate ($)	325	330	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333
(4) Contributions+EWL Payments($M)	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
(5) Actuarial Value of Assets ($M)	107	106	103	100	97	94	94	95	95	95	96	96	97	98	98	99	100	101	102	104	105
(6) Zone Status Liability ($M)	107	107	107	106	106	105	104	103	102	101	100	99	98	97	96	95	94	92	91	90	89
(7) Credit Balance ($M)	11	10	8	11	13	14	15	16	17	18	18	18	17	16	16	15	14	15	16	19	21
(8) Zone Status Funded Percentage	100%	98%	96%	94%	91%	89%	90%	91%	92%	94%	95%	97%	98%	100%	102%	104%	106%	109%	111%	114%	118%

Funding Projections

Projection Assumptions and Methods

- **Unless otherwise stated, the projection assumptions, methods, data and plan provisions used are the same as those used for the July 1, 2022 actuarial valuation.**
  - No future expected gains or losses other than those attributable to investment returns, as applicable.
  - Plan amendment effective July 1, 2022 is reflected.
- **Investment Earnings**
  - -8.72% return on assets for the plan year ending June 30, 2022
  - 7.25% per year, net of investment-related expenses, thereafter unless otherwise noted
- **Operating Expenses**
  - $375,000 for the plan year beginning July 1, 2022, increasing 2.5% per year
- **Work Levels**
  - Plan year beginning July 1, 2022 – 9,600 total weeks, unless otherwise noted
- **Contribution Rates**
  - Included in Collective Bargaining Agreements as bargained
  - All contributions rate increases are benefit-bearing

Other assumptions may be reasonable and could produce different results. Other risks can negatively impact the funded status of the plan such as participants living longer than assumed. Additional scenarios available upon request.

Projection Assumptions and Methods (cont.)

- **Contracts**
  - 85% of hours worked under contracts beginning that are expected to renew in PYB 2023
    - HP Hood, expiration September 30, 2023
    - FrieslandCampina, expiration December 31, 2023
    - Montefiore New Rochelle, expiration November 5, 2023
    - Paraco, expiration January 31, 2024
  - 15% of hours worked under contracts beginning that are expected to renew in PYB 2025
    - LP Transport, expires August 15, 2025
    - Westchester Local 860, expires September 30, 2025

Other assumptions may be reasonable and could produce different results. Other risks can negatively impact the funded status of the plan such as participants living longer than assumed. Additional scenarios available upon request.

Projection Roadmap

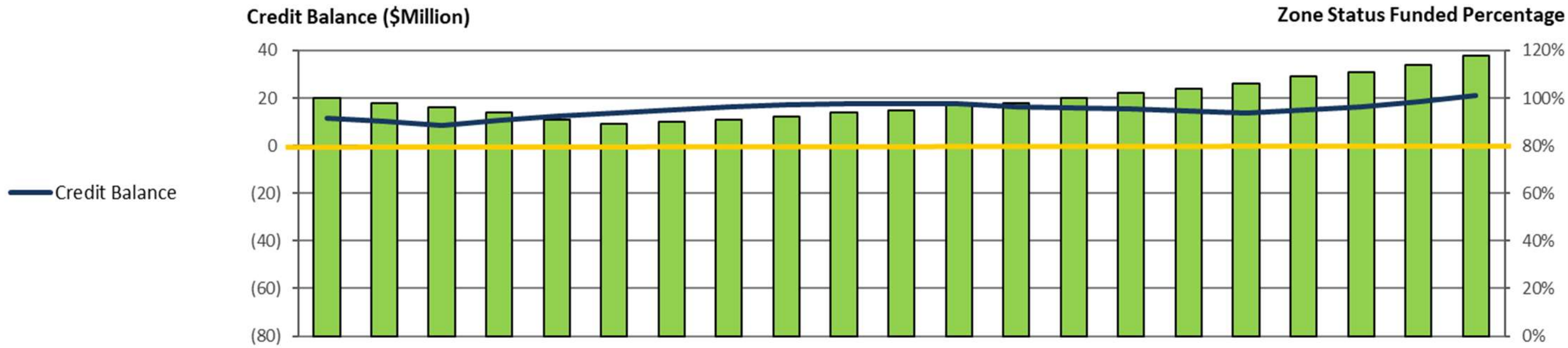
Scenario	Investment Return PYB 2022 / PYB 2023+	Weeks Worked PYB 2022+	Funded % / Credit Bal ($M) PYB 2023	Future Zone Status Changes	100% Funded PYB	% Funded 7/1/2041	Credit Balance ($M) 6/30/2042
1 July 1, 2022 Valuation	7.25% / 7.25% thereafter	9,600	96% / $8	Green	2034	118%	$21
2 YTD ROA PYB 2022	5.88% 2022 / 7.25% thereafter	9,600	95% / $8	Green	2036	113%	$16
3 YTD ROA PYB 2022 Lower Hours	5.88% 2022 / 7.25% thereafter	9,150 (5% lower)	95% / $8	Green	2037	108%	$12
4 ROA PYB 2023 That Results in Non-Green 2024	5.88% 2022 / -6.00% 2023 / 7.25% thereafter	9,600	96% / $8	Proj Red 2024 Red 2030	N/A	69%	($25)
5 3.5% Per Year Contribution Increases	5.88% 2022 / -6.00% 2023 / 7.25% thereafter	9,600	96% / $8	Yellow 2027 Red 2033 Green 2041	N/A	95%	$1

Notes:
- All scenarios include the removal of the service cap effective July 1, 2022
- Scenario 5 Contribution Increases begin 7/1/2024

July 1, 2022 Valuation

7.25% Return PYB 2022+ | 9.6 Thousand Weeks Worked beginning PYB 2022

Industry And Local 338 Pension Plan

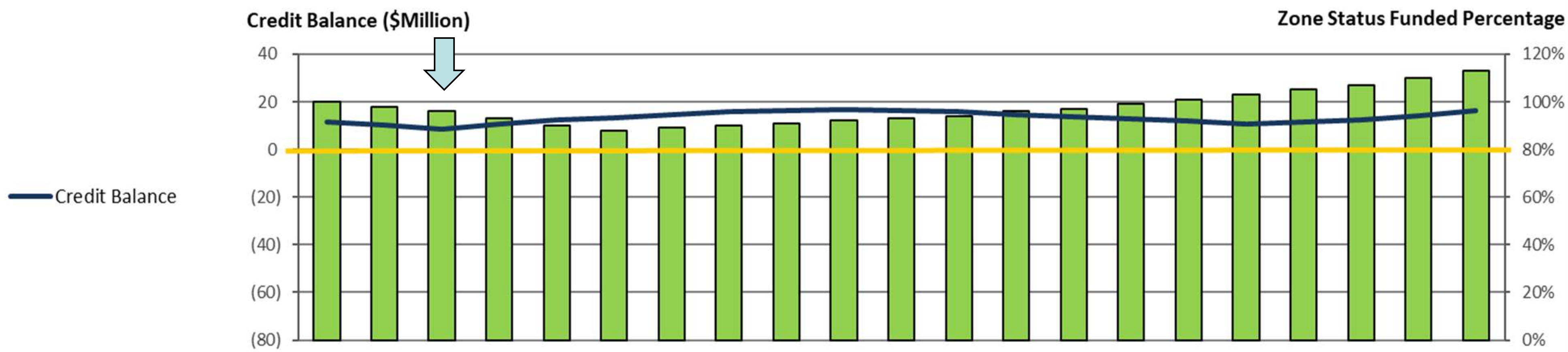


Plan Year Beginning 7/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
(1) Investment Return (%)	(8.72)	$\boxed{7.25}$	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	10.1	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
(3) Weekly Contribution Rate ($)	325	330	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333
(4) Contributions+EWL Payments($M)	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
(5) Actuarial Value of Assets ($M)	107	106	103	100	97	94	94	95	95	95	96	96	97	98	98	99	100	101	102	104	105
(6) Zone Status Liability ($M)	107	107	107	106	106	105	104	103	102	101	100	99	98	97	96	95	94	92	91	90	89
(7) Credit Balance ($M)	11	10	8	11	13	14	15	16	17	18	18	18	17	16	16	15	14	15	16	19	21
(8) Zone Status Funded Percentage	100%	98%	96%	94%	91%	89%	90%	91%	92%	94%	95%	97%	98%	100%	102%	104%	106%	109%	111%	114%	118%

Scenario 2: PYB 2022 Year-to-Date Return

5.88% Return PYB 2022; 7.25% Return PYB 2023+ | 9.6 Thousand Weeks Worked beginning PYB 2022

Industry And Local 338 Pension Plan

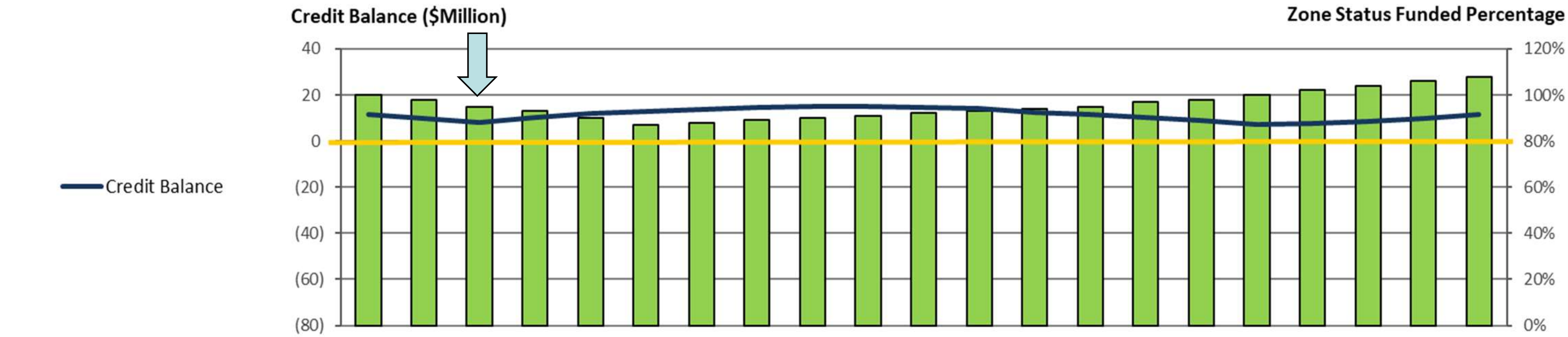


Plan Year Beginning 7/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
(1) Investment Return (%)	(8.72)	5.88	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	10.1	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
(3) Weekly Contribution Rate ($)	325	330	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333
(4) Contributions+EWL Payments($M)	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
(5) Actuarial Value of Assets ($M)	107	106	103	100	96	93	93	93	93	93	94	94	94	95	95	96	97	98	99	100	101
(6) Zone Status Liability ($M)	107	107	107	106	106	105	104	103	102	101	100	99	98	97	96	95	94	92	91	90	89
(7) Credit Balance ($M)	11	10	8	11	12	13	15	16	16	17	16	16	15	14	13	12	11	11	13	14	16
(8) Zone Status Funded Percentage	100%	98%	96%	93%	90%	88%	89%	90%	91%	92%	93%	94%	96%	97%	99%	101%	103%	105%	107%	110%	113%

Scenario 3: PYB 2022 YTD Return & Low Weeks Worked

5.88% Return PYB 2022; 7.25% Return PYB 2023+ | 9.2 Thousand Weeks Worked beginning PYB 2022

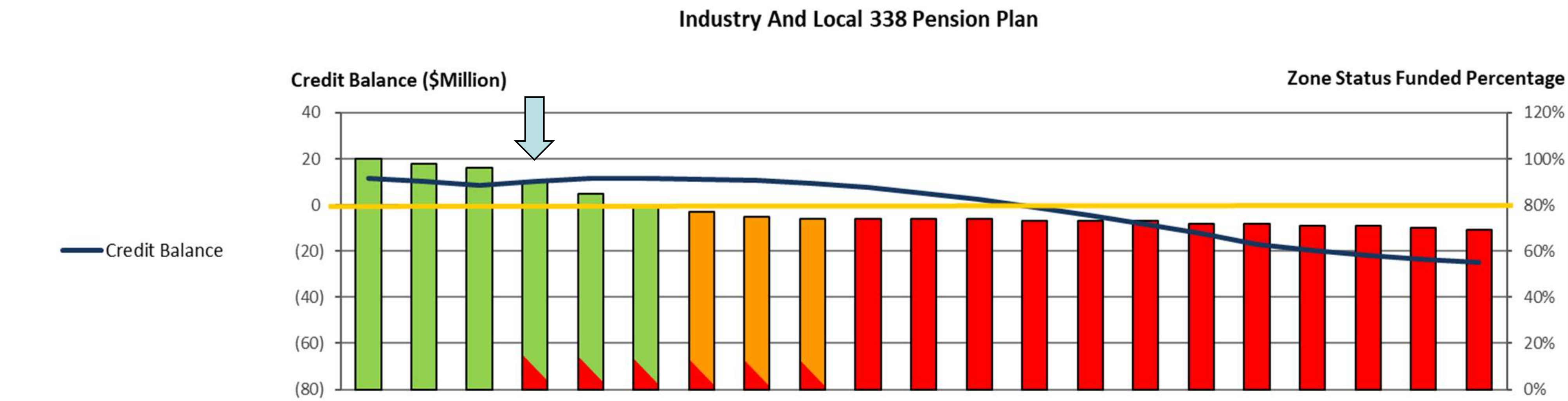
Industry And Local 338 Pension Plan



Plan Year Beginning 7/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
(1) Investment Return (%)	(8.72)	5.88	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	10.1	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
(3) Weekly Contribution Rate ($)	325	330	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333
(4) Contributions+EWL Payments($M)	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
(5) Actuarial Value of Assets ($M)	107	106	103	99	96	92	92	92	92	92	92	92	92	92	92	93	93	93	94	94	95
(6) Zone Status Liability ($M)	107	107	107	106	106	105	104	103	102	101	100	99	98	96	95	94	93	91	90	89	87
(7) Credit Balance ($M)	11	10	8	10	12	13	14	15	15	15	15	14	13	11	10	9	7	8	9	10	12
(8) Zone Status Funded Percentage	100%	98%	95%	93%	90%	87%	88%	89%	90%	91%	92%	93%	94%	95%	97%	98%	100%	102%	104%	106%	108%

Scenario 4: Low 2023 ROA That Results in Non-Green 2024

-6.0% Return in PYB 2023; 7.25% Return PYB 2024+ | 9.6 Thousand Weeks Worked beginning PYB 2022



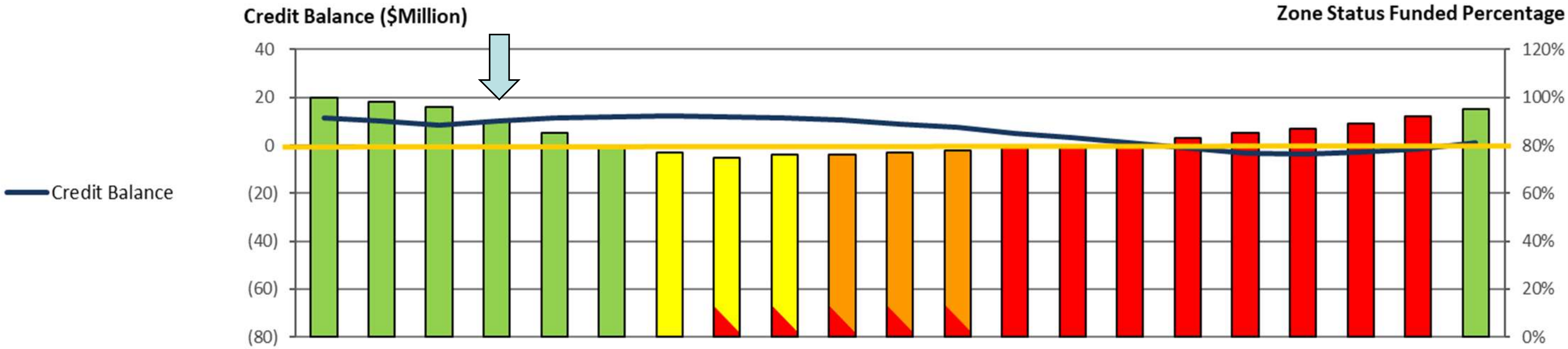
Plan Year Beginning 7/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
(1) Investment Return (%)	(8.72)	5.88	$\boxed{(6.00)}$	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	10.1	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
(3) Weekly Contribution Rate ($)	325	330	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333
(4) Contributions+EWL Payments($M)	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
(5) Actuarial Value of Assets ($M)	107	106	103	96	91	84	81	77	77	76	75	73	72	71	70	69	68	66	65	64	62
(6) Zone Status Liability ($M)	107	107	107	106	106	105	104	103	102	101	100	99	98	97	96	95	94	92	91	90	89
(7) Credit Balance ($M)	11	10	8	10	11	11	11	11	9	8	5	3	(1)	(5)	(8)	(12)	(17)	(20)	(22)	(24)	(25)
(8) Zone Status Funded Percentage	100%	98%	96%	90%	85%	80%	77%	75%	74%	74%	74%	74%	73%	73%	73%	72%	72%	71%	71%	70%	69%

Scenario 5: 3.5% Per Year Contribution Increases

-6.00% Return in PYB 2023; 7.25% Return in PYB 2023+; 9.6 Thousand Weeks Worked beginning PYB 2022

3.5% per year increase in Contribution Rate beginning 7/1/2024

Industry And Local 338 Pension Plan



Plan Year Beginning 7/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
(1) Investment Return (%)	(8.72)	5.88	(6.00)	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	10.1	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
(3) Weekly Contribution Rate ($)	325	330	333	345	357	370	382	396	410	424	439	454	470	487	504	521	539	558	578	598	619
(4) Contributions+EWL Payments($M)	3.3	3.2	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.1	4.2	4.4	4.5	4.7	4.8	5.0	5.2	5.4	5.5	5.7	5.9
(5) Actuarial Value of Assets ($M)	107	106	103	96	91	84	81	79	79	78	79	79	79	80	81	82	84	86	88	91	94
(6) Zone Status Liability ($M)	107	107	107	106	106	105	104	104	103	102	101	101	100	100	99	99	98	98	98	99	99
(7) Credit Balance ($M)	11	10	8	10	12	12	12	12	11	11	9	8	5	3	1	(1)	(3)	(3)	(3)	(1)	1
(8) Zone Status Funded Percentage	100%	98%	96%	90%	85%	80%	77%	75%	76%	76%	77%	78%	79%	80%	81%	83%	85%	87%	89%	92%	95%

Observations

- **The Plan is mature**
  - High negative net cash flow
  - High number of inactive participants supported by each active participant

Historical Plan Measures

Plan Year Ended June 30	Net Cash Flow % Market Value	# Active	Inactive to Active Ratio	Total Liability per Active	Unfunded per Active	Contributions Incl Wdl Liab	Contrib per Active
2022	-5.0%	196	6.5	$ 547,453	$ 75,075	$ 3,306,650	$ 16,871
2021	-5.9%	207	6.3	515,419	-	3,432,621	16,583
2020	-2.9%	204	6.9	520,003	78,095	5,839,691	28,626
2019	-5.3%	226	6.3	468,149	64,821	3,721,091	16,465
2018	-5.7%	238	5.9	430,222	45,228	3,435,385	14,434
2017	-6.1%	238	3.9	476,419	98,968	3,448,566	14,490
2016	-5.6%	243	3.9	456,389	110,458	3,152,597	12,974
2015	-5.1%	265	3.6	413,283	72,394	3,282,076	12,385
2014	-5.1%	306	2.7	349,703	48,774	3,372,931	11,023
2013	-5.5%	326	2.7	314,414	58,630	3,043,650	9,336
10-Year Average	-5.2%	245	4.8	449,146	65,244	3,603,516	

Observations

- **The Plan remains sensitive to both investment return and contributions**
  - A further decrease in hours as demonstrated in Scenario 3 will remove some of the Plan's ability to handle investment volatility
  - Scenario 4 demonstrates how the Plan may encounter zone status issues in the future
    - Absent investment returns above those assumed, an increase in contributions of 3.5% annually would be required to recover from such a one-time investment loss, as demonstrated in Scenario 5
- **Long term funding improvement is compromised if investment returns are less than assumed or if contributions levels fall**
  - Investment returns for the current plan year are slightly below the assumed rate of return
  - We continue to monitor movements in the outlook for future investment returns reported by investment professionals

Early Retirement Reductions

Early Retirement changes made by the Rehab Plan

Plan Provision	Description of Plan Provision
Service Pension	<u>Eligibility:</u> 20, 25, 30 or 35 pension credits <u>Amount of Benefit:</u> At the Service Pension Commencement Date, a Participant will be entitled to receive a monthly benefit equal to his Normal Retirement Benefit actuarially reduced for early commencement. *If the participant retired before January 1, 2018*, the Service Pension is determined under the Plan rules in effect at that time. 20 Year Service Pension = 50% of the Regular Pension 25 Year Service Pension = 90% of the Regular Pension 30 Year Service Pension = 95% of the Regular Pension 35 Year Service Pension = 100% of the Regular Pension
Early Pension	<u>Eligibility:</u> An Employee is eligible for an Early Pension if the Employee has attained age 55 and has earned 15 pension credits. <u>Amount of Benefit:</u> Upon the Early Retirement Date, a Participant will be entitled to receive a monthly benefit equal to his Normal Retirement Benefit actuarially reduced for early commencement. *If the participant retired before January 1, 2018*, the Early Pension is determined under the Plan rules in effect at that time. Normal Retirement Benefit earned reduced by: 2% for each year of age less than 65 to age 55 for benefits accrued before July 1, 2010. 6% for each year of age less than 65 to age 55 for benefits accrued on or after July 1, 2010.

Plan Early Retirement Reductions

- **Early Retirement reductions before and after changes made by the Rehabilitation Plan.**

Industry & Local 338 Pension Plan

Early Retirement

	Approx. % of NRB at Each Age		
	Prior to Rehab Plan		After Rehab Plan
Age	2% per year from NRD	6% per year from NRD	Actuarial Equivalent
55	80.0%	40.0%	35.7%
56	82.0%	46.0%	39.2%
57	84.0%	52.0%	43.2%
58	86.0%	58.0%	47.6%
59	88.0%	64.0%	52.5%
60	90.0%	70.0%	58.1%
61	92.0%	76.0%	64.4%
62	94.0%	82.0%	71.6%
63	96.0%	88.0%	79.8%
64	98.0%	94.0%	89.2%
65	100.0%	100.0%	100.0%

Plan Early Retirement

- **Actuarial equivalent early retirement factors are difficult to duplicate with proforma factors.**
- **The following table shows the approximate amount payable at whole ages as a percentage of the normal retirement benefit.**

Industry & Local 338 Pension Plan
Early Retirement Reductions

Age	Actuarial Equivalent Annual Reduction from Next Older Age	Total Annual Reduction from Age 65	Approx. % of NRB at Each Age
55	3.51%	64%	36%
56	3.92%	61%	39%
57	4.40%	57%	43%
58	4.95%	52%	48%
59	5.59%	47%	53%
60	6.33%	42%	58%
61	7.19%	36%	64%
62	8.20%	28%	72%
63	9.39%	20%	80%
64	10.79%	11%	89%
65			100%

- For example, a participant can expect to collect about 72% of the accrued benefit if he or she retires and collects benefits starting at age 62.
- It is important to note that the reduction is calculated by months and not years, for example, a member who is 55 and 8 months won't have the same reduction as a member who retires on their 55th birthday.

Appendix

Contribution Rate Summary

Employer	Contract Expiration Date	As of 7/1/2020 Active Count (Valn Data)	As of 7/1/2020 Total Wkly Contrib Rate	As of 7/1/2021 Active Count (Valn Data)	As of 7/1/2021 Total Wkly Contrib Rate	As of 7/1/2022 Active Count (Valn Data)	As of 7/1/2022 Total Wkly Contrib Rate
HP Hood / Crowley	9/30/2023	91	342.58	94	342.58	89	345.38
Freisland Campina	12/31/2023	62	261.33	65	281.24	58	290.00
LP Transport	8/15/2025	29	331.51	27	340.53	28	349.82
Montefiore New Rochelle	11/5/2023	13	290.21	13	311.41	14	333.99
Paraco Gas	1/31/2024	8	283.75	7	292.51	6	305.40
Westchester L860	9/30/2025	1	243.28	1	243.28	1	305.14
Total		204		207		196	

Notes

1) All contributions are benefit-bearing, effective beginning July 1, 2016.
2) Contribution rates shown above are as reported by Plan Administrator.

Data, Assumptions, Methods, and Plan Provisions

- **Please see our January 27, 2023 presentation**

Actuarial Certification

We have prepared this actuarial report for use by the **Industry & Local 338 Pension Plan** (the "Plan"). This report has been prepared solely for the benefit of the Plan, and it is not complete without the accompanying discussion with a representative of Horizon Actuarial Services, LLC. This report should not be distributed to others not affiliated with the Plan or relied upon by any other person without prior written consent from Horizon Actuarial Services, LLC.

In preparing this report, we have relied on all the information and data provided by the Plan, including plan provisions and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have reviewed the data for reasonableness to the extent that we believe appropriate based on the purpose for which it has been used.

The valuation summarized in this report involves actuarial calculations that require assumptions about future events. These calculations are performed using actuarial models, the intended purpose of which is the estimation and projection of the Plan's liabilities and assets, zone status, and other related information summarized herein. We believe that the assumptions and methods used in this report are reasonable individually and in the aggregate, and are appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could generate materially different results. We have relied on the input of experts in developing certain assumptions, such as mortality and the valuation interest rate. Because it is not possible or practical to model all aspects of a situation, we may use summary information, estimates, or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are immaterial in our judgment.

We have not performed a detailed analysis of the potential effects of risk on the Plan's future financial condition, but have included a discussion of some risks that may significantly affect the Plan. A more detailed assessment of the risks could provide the Trustees with a better understanding of the risks inherent in the Plan and may include additional scenario testing, sensitivity testing, stress testing and stochastic modeling.

Future events and actual experience will vary from any assumptions we have used, and calculations prepared with actual data will vary from estimates or summaries used for modeling purposes. Actual future results will differ from our projections. As these differences arise, contributions and/or benefits may need to be adjusted to take these changes into account.

In our opinion, any methods, assumptions, and calculations are in accordance with the applicable provisions of the Internal Revenue Code and ERISA, and the procedures followed and presentation of results conform with generally accepted actuarial principles and practices. The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Mary Ann Dunleavy

Mary Ann Dunleavy, ASA, EA, MAAA
Senior Consulting Actuary

Peter Bernstein

Peter Bernstein, FSA, EA, MAAA
Consulting Actuary