Industry & Local 338 Pension Plan

Actuarial Update

September 8, 2025

Mary Ann Dunleavy, ASA

Peter Bernstein, FSA

Today's Discussion

- **2025 PPA Zone Status Certification**
  - Preliminary Information
  - Industry Activity Information
  - Funding Projections
- **Appendix**
  - Annual Timeline
  - Contribution Rate Summaries
  - Data, Assumptions, Methods and Plan Provisions
  - PPA Zone Certification Statuses
  - Actuarial Certification

2025 PPA Certification Preview

- **Due September 29, 2025**
  - Expect to certify the Plan in the Green Zone
- **Funded Percentage**
  - 98.1% as of July 1, 2025 (preliminary)
    - Assets: $104.0 million (Actuarial Value of Assets, estimate)
    - Liabilities: $106.0 million (projected)
- **Projected Minimum Funding Standards**
  - Minimum required contributions met during the required projection period
- **Assumptions Included**
  - 13.17% return for the plan year ending June 30, 2025 (preliminary)
  - 7.25% per year beginning July 1, 2025
  - 9,600 weeks worked per year
  - Contribution Rates:
    - Zone Status: rate increases included in CBAs as of the certification date

2025 PPA Certification: Industry Activity

- **To complete the PPA Certification, the law requires that we obtain input on "industry activity" from the Trustees**
  - Generally this refers to expected future levels of weeks and contributions
  - We also requesting information on other future events of which the Trustees may be aware
    - Expected change in the status of any contributing employer
    - Unusual number of retirements different than what might otherwise be anticipated
    - Significant changes in the participant data used to complete the actuarial valuation

2025 PPA Certification: Industry Activity

Plan Year	Active Count	Average Weeks / Active		Total Weeks	Average Ultimate Contribution Rate
		Total Wks	Active Wks		
7/1/2024 – 6/30/2025	221 Average 12 months	?	?	?	?
7/1/2023 – 6/30/2024	194	54.7	48.6	10,613	$334.56
7/1/2022 – 6/30/2023	192	50.0	46.6	9,594	$325.35
7/1/2021 – 6/30/2022	196	48.7	46.2	9,540	319.32
7/1/2020 – 6/30/2021	207	49.4	47.7	10,228	315.57
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.

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, 2024 preliminary actuarial valuation.**
  - No future expected gains or losses other than those attributable to investment returns, as applicable.
- **Investment Earnings**
  - 7.25% per year, net of investment-related expenses, thereafter unless otherwise noted
- **Operating Expenses**
  - $375,000 for the plan year beginning July 1, 2024, increasing 3.0% per year
- **Work Levels**
  - Plan year beginning July 1, 2024 and later: 9,600 total weeks, unless otherwise noted
- **Contribution Rates**
  - Included in Collective Bargaining Agreements as bargained
- **Withdrawal Liability Income**
  - Reflects expected payments from employers withdrawn before July 1, 2024
  - Approximately $183,000 per year for 9 years

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**
  - 17% of weeks worked under contracts beginning that are expected to renew in PYB 2025
    - LP Transport, expired August 15, 2025
    - Westchester Local 860, expires September 30, 2025
  - 83% of weeks worked under contracts expected to renew after PYB 2025
    - FrieslandCampina, expiration December 31, 2026
    - Montefiore New Rochelle, expiration November 5, 2026
    - HP Hood, expiration March 27, 2027
    - Paraco, expiration January 31, 2029

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 2024/ PYB 2025/ PYB 2026+	Weeks Worked PYB 2025+	Funded % / Credit Bal ($M) PYB 2026	Future Zone Status Changes	100% Funded PYB	% Funded 7/1/2044	Credit Balance ($M) 6/30/2044
1 July 1, 2024 Valuation	7.25% all years	9,600	96% / $17	**Green**	2028	174%	$71
2 Preliminary PPA Certification	13.17% PYB 2024 / 7.25% thereafter	9,600	99% / $17	**Green**	2027	200%	$94
3 Lower Weeks Worked	13.17% PYB 2024 / 7.25% thereafter	9,120 (5% lower)	99% / $17	**Green**	2027	196%	$89
4 ROA PYB 2025 That Results in Non-Green 2026	13.17% PYB 2024 / -25.00% 2025 / 7.25% thereafter	9,600	86% / 16	**Orange 2029** **Red 2031**	N/A	58%	($34)
5 Consistently Lower Returns	13.17% PYB 2024 / 6.00% thereafter	9,600	99% / $17	**Green**	2027	142%	$55

Scenario 1: July 1, 2024 Valuation

Investment Returns: 7.25% Return PYB 2024+

Weeks Worked: 9,600 PYB 2025+

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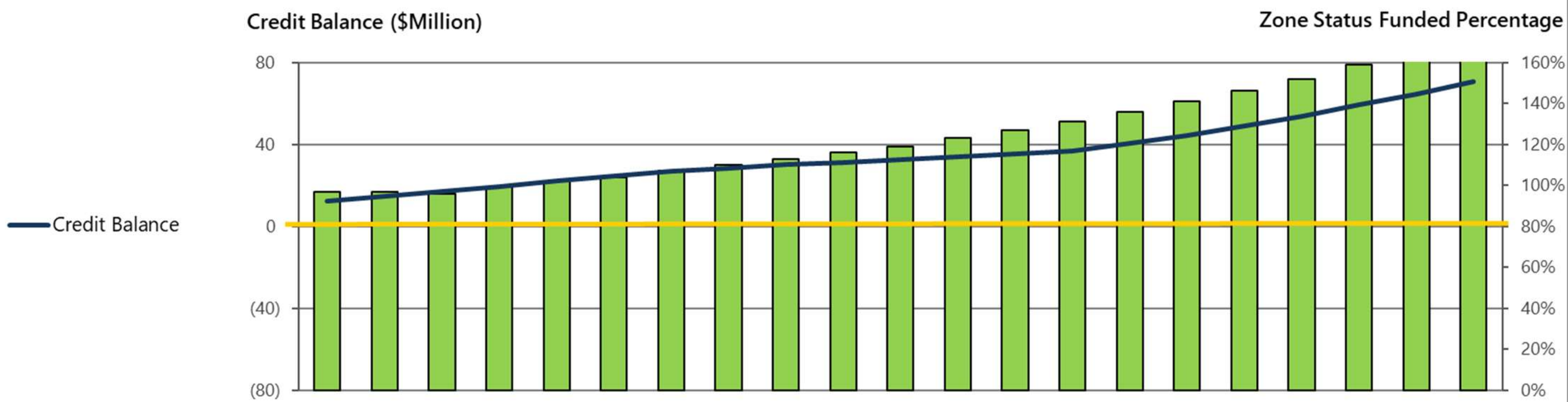

Plan Year Beginning 7/1	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
(1) Investment Return (%)	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
(3) Weekly Contribution Rate ($)	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335
(4) Contributions+EWL Payments($M)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	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 ($M)	104	103	102	104	106	108	109	111	113	114	116	118	120	123	125	128	132	135	139	143	148
(6) Zone Status Liability ($M)	106	106	105	105	104	103	102	101	99	98	97	96	94	93	92	91	90	88	87	86	85
(7) Credit Balance ($M)	12	15	17	19	22	24	27	28	30	31	32	34	35	37	40	44	49	54	59	65	71
(8) Zone Status Funded Percentage	97%	97%	96%	99%	102%	104%	107%	110%	113%	116%	119%	123%	127%	131%	136%	141%	146%	152%	159%	166%	174%

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Scenario 2: 2025 Preliminary PPA Zone Certification

Investment Returns: ***13.17% PYB 2024***; 7.25% Return PYB 2025+

Weeks Worked: 9,600 PYB 2025+

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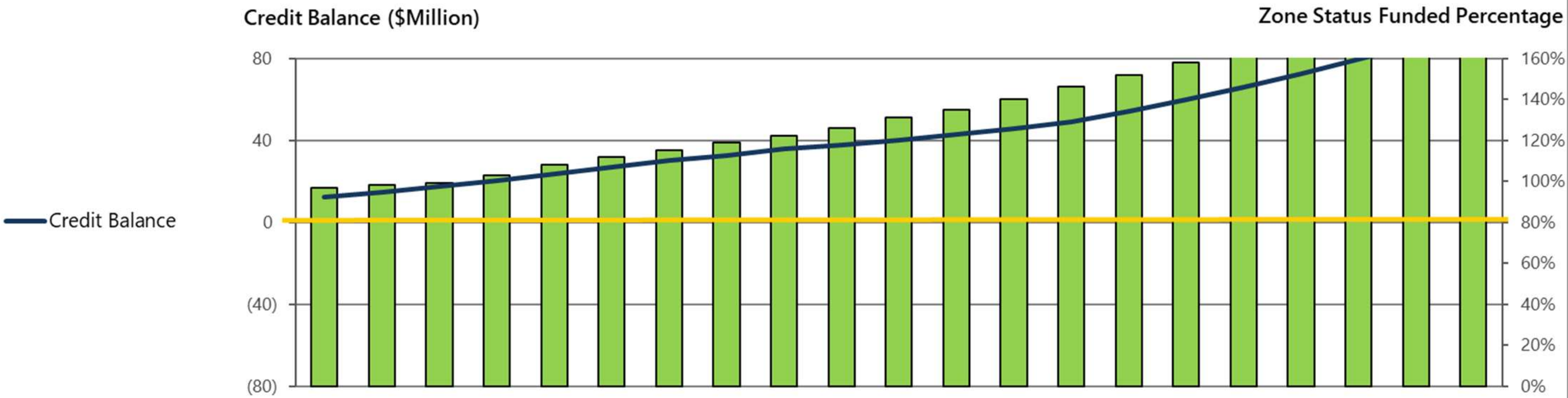

Plan Year Beginning 7/1	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
(1) Investment Return (%)	$\boxed{13.17}$	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
(3) Weekly Contribution Rate ($)	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335
(4) Contributions+EWL Payments($M)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	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 ($M)	104	104	105	109	112	116	118	120	122	125	127	130	133	136	140	144	148	153	158	164	170
(6) Zone Status Liability ($M)	106	106	105	105	104	103	102	101	99	98	97	96	94	93	92	91	90	88	87	86	85
(7) Credit Balance ($M)	12	15	17	20	24	27	30	33	36	38	40	43	46	49	54	60	66	73	80	87	94
(8) Zone Status Funded Percentage	97%	98%	99%	103%	108%	112%	115%	119%	122%	126%	131%	135%	140%	146%	152%	158%	165%	173%	181%	190%	200%

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Scenario 3: Lower Weeks Worked

Investment Returns: 13.17% PYB 2024; 7.25% Return PYB 2025+

Weeks Worked: ***9,120 PYB 2025+***

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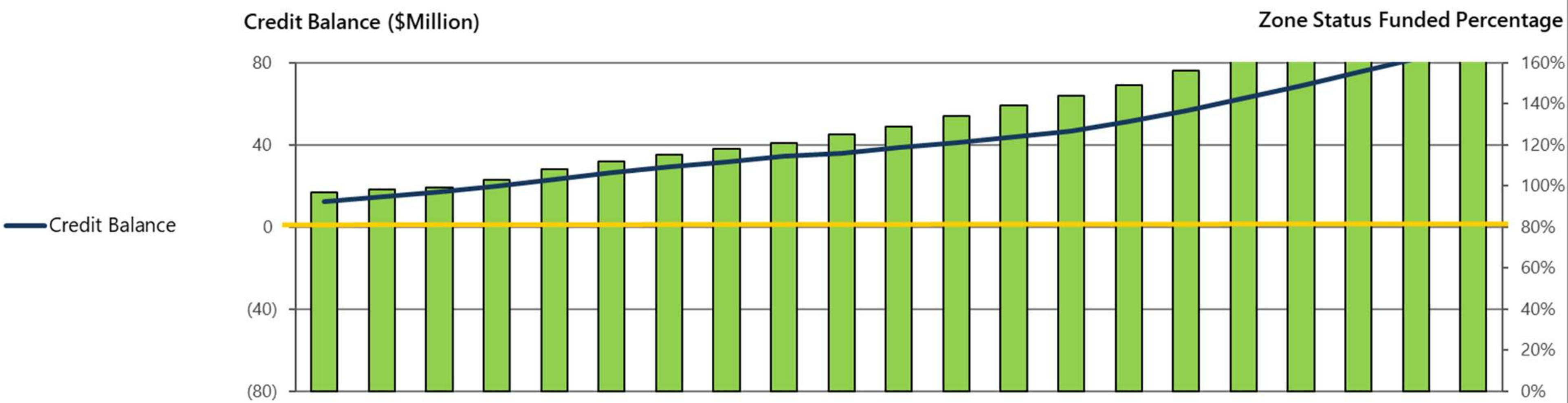

Plan Year Beginning 7/1	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
(1) Investment Return (%)	13.17	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	9.60	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12
(3) Weekly Contribution Rate ($)	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335
(4) Contributions+EWL Payments($M)	3.4	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
(5) Actuarial Value of Assets ($M)	104	104	104	108	112	115	117	119	121	123	125	128	130	133	137	140	144	148	153	158	164
(6) Zone Status Liability ($M)	106	106	105	104	103	103	101	100	99	98	96	95	94	92	91	90	88	87	86	84	83
(7) Credit Balance ($M)	12	15	17	20	23	26	29	32	34	36	38	41	44	47	51	57	63	69	75	82	89
(8) Zone Status Funded Percentage	97%	98%	99%	103%	108%	112%	115%	118%	121%	125%	129%	134%	139%	144%	149%	156%	163%	170%	178%	187%	196%

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Scenario 4: Low 2025 ROA That Results in Non-Green 2026

Investment Returns: 13.17% PYB 2024; ***-25.00% PYB 2025***; 7.25% per year thereafter

Weeks Worked: 9,600 PYB 2025+

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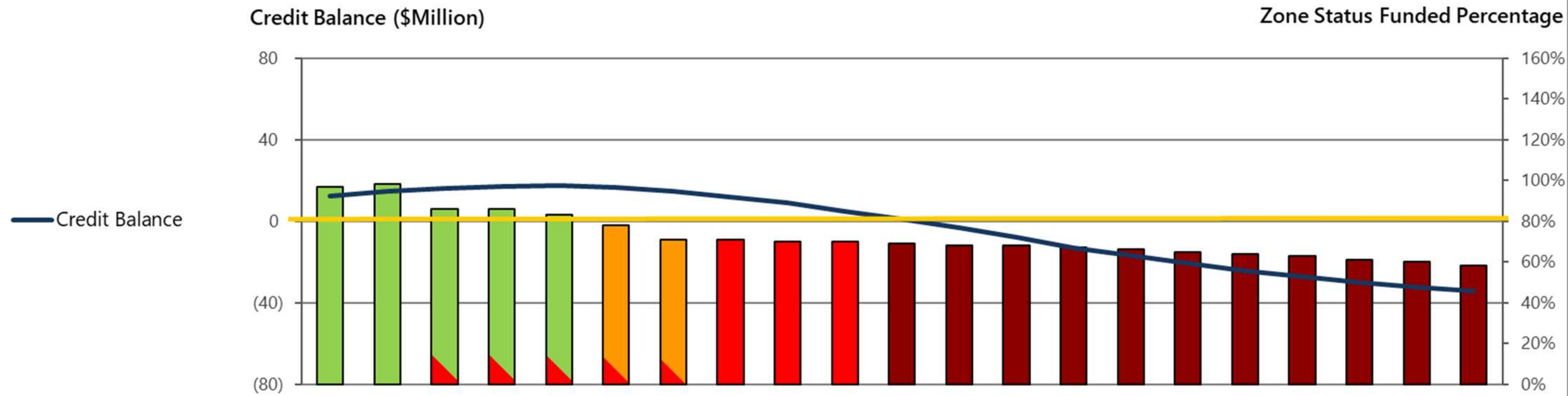

Plan Year Beginning 7/1	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
(1) Investment Return (%)	13.17	(25.00)	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
(3) Weekly Contribution Rate ($)	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335
(4) Contributions+EWL Payments($M)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	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 ($M)	104	104	91	90	87	80	73	71	70	69	68	66	64	63	61	59	58	56	54	52	50
(6) Zone Status Liability ($M)	106	106	105	105	104	103	102	101	99	98	97	96	94	93	92	91	90	88	87	86	85
(7) Credit Balance ($M)	12	15	16	17	17	17	15	12	9	5	1	(3)	(8)	(13)	(17)	(21)	(25)	(27)	(30)	(32)	(34)
(8) Zone Status Funded Percentage	97%	98%	86%	86%	83%	78%	71%	71%	70%	70%	69%	68%	68%	67%	66%	65%	64%	63%	61%	60%	58%

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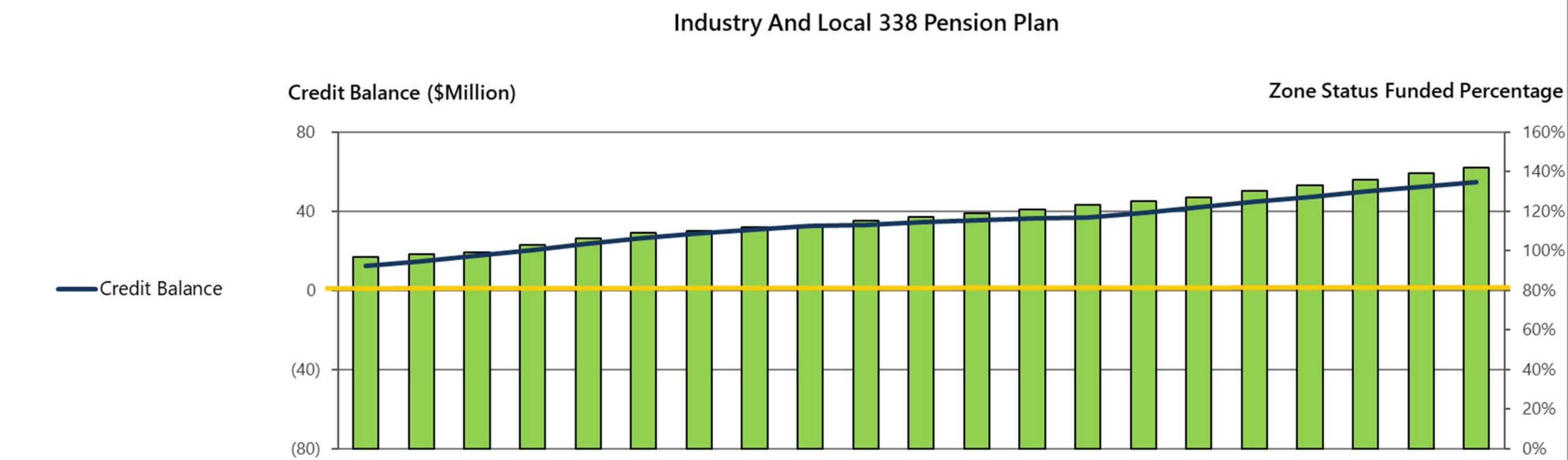
Scenario 5: Lower Returns over Time

Investment Returns: 13.17% PYB 2024; ***6.00% Return PYB 2025+***
Weeks Worked: 9,600 PYB 2025+



Plan Year Beginning 7/1	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
(1) Investment Return (%)	13.17	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
(2) Weeks Worked(Thousands)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
(3) Weekly Contribution Rate ($)	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335
(4) Contributions+EWL Payments($M)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	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 ($M)	104	104	104	108	111	112	113	113	113	113	114	114	114	115	115	116	117	118	119	120	121
(6) Zone Status Liability ($M)	106	106	105	105	104	103	102	101	99	98	97	96	94	93	92	91	90	88	87	86	85
(7) Credit Balance ($M)	12	15	17	20	23	26	29	31	33	33	34	36	36	37	39	42	45	47	50	52	55
(8) Zone Status Funded Percentage	97%	98%	99%	103%	106%	109%	110%	112%	113%	115%	117%	119%	121%	123%	125%	127%	130%	133%	136%	139%	142%

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Observations

- **The Plan remains sensitive to both investment return and contributions**
  - A further decrease in weeks 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 a bounce back in investment returns from a significant downturn – the plan will likely need contribution increases to avoid zone status issues
  - Scenario 5 demonstrates how the Plan can weather some underperformance over time
- **Long term funding improvement is compromised if investment returns are less than assumed or if contributions levels fall**
  - We continue to monitor movements in the outlook for future investment returns reported by investment professionals


Appendix

2025 – 2026 Plan Year Timeline - PPA

Event	Deadline / Information	Latest Date
Actuarial Certification	90 days into plan year	9/29/2025
Notice of Critical Status (if applicable)	30 days after actuarial certification	N/A
Develop Funding Improvement Plan (FIP) or Rehabilitation Plan (RP) (if applicable)	Due 240 days after certification of endangered (FIP) or critical status (RP)	N/A
Funding Improvement or Rehabilitation Period (if applicable)	After expiration of contracts covering at least 75% of active participants, not later than first of plan year following second anniversary of adoption of FIP or RP	N/A

2025 – 2026 Plan Year – Other Actuarial Information

Event	Deadline / Information	Latest Date
Annual Funding Notice	120 days after the end of the plan year	10/28/2025
Schedule MB (Form 5500)	Last day of the 7th month following the end of the Plan Year (2½ month extension available)	1/31/2026 (w/o ext) 4/15/2026 (with ext)
ERISA 104(d) Notice	30 days after due date Form 5500 filing	3/1/2026 (w/o ext) 5/15/2026 (with ext)
PBGC Premium Filing	15th day of the 10th full calendar month in the Plan Year	4/15/2026
Actuarial Valuation		
Review of Actuarial Assumptions	In conjunction with the actuarial valuation	N/A

Contribution Rate Summary

Employer	Contract Expiration Date	As of 7/1/2022 Active Count (Valn Data)	As of 7/1/2022 Total Wkly Contrib Rate	As of 7/1/2023 Active Count (Valn Data)	As of 7/1/2023 Total Wkly Contrib Rate	As of 7/1/2024 Active Count (Valn Data)	As of 7/1/2024 Total Wkly Contrib Rate
HP Hood / Crowley	3/27/2027	89	345.38	91	346.80	92	346.80
Freisland Campina	12/31/2026	58	290.00	51	299.02	53	299.02
LP Transport	8/15/2025	28	349.82	30	349.82	30	349.82
Montefiore New Rochelle	11/5/2026	14	333.99	13	358.04	14	358.04
Paraco Gas	1/31/2029	6	301.53	5	310.82	3	320.39
Westchester L860	9/30/2025	1	305.14	2	329.19	2	354.80
Total		196		192		194	

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 & Plan Provisions

- **Please see our presentation from the February 6, 2025 Board Meeting**

PPA Certification Statuses

Critical	Critical and Declining
In general, a projected funding deficiency within 4 or 5 years (other factors may apply)	*In critical status, and projected to go insolvent within 20 years (15 years in some cases)*

Endangered	Seriously Endangered
Under 80% funded <u>or</u> a projected funding deficiency within 7 years	*Under 80% funded <u>and</u> a projected funding deficiency within 7 years*

"Green Zone"

(none of the above)

Special MPRA rules, effective 12/31/2014:

- A plan newly in endangered status that would require no corrective action under a funding improvement plan is considered in the "green zone".
- A plan projected to enter critical status in the next 5 plan years may elect to be in critical status immediately.

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 analysis 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, 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. Future events and actual experience will vary from the 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.

We have not performed a detailed analysis of the potential range of future results in this report, but various reports provided throughout the year include information regarding the significant risks inherent in the Plan. A more detailed assessment of the risks – including additional scenario tests, sensitivity tests, stress tests, and stochastic modeling – would allow the Trustees to better understand how deviations from the assumptions may affect the Plan.

In our opinion, all 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
Actuary and Managing Consultant

Peter Bernstein

Peter Bernstein, FSA, EA, MAAA
Consulting Actuary