



Actuarial Update for Industry and Local 338 Welfare Fund

Prepared for the Board of Trustees

Michele Domash, FSA, MAAA
Amul Shah, MD, ASA, MAAA

August 17, 2026

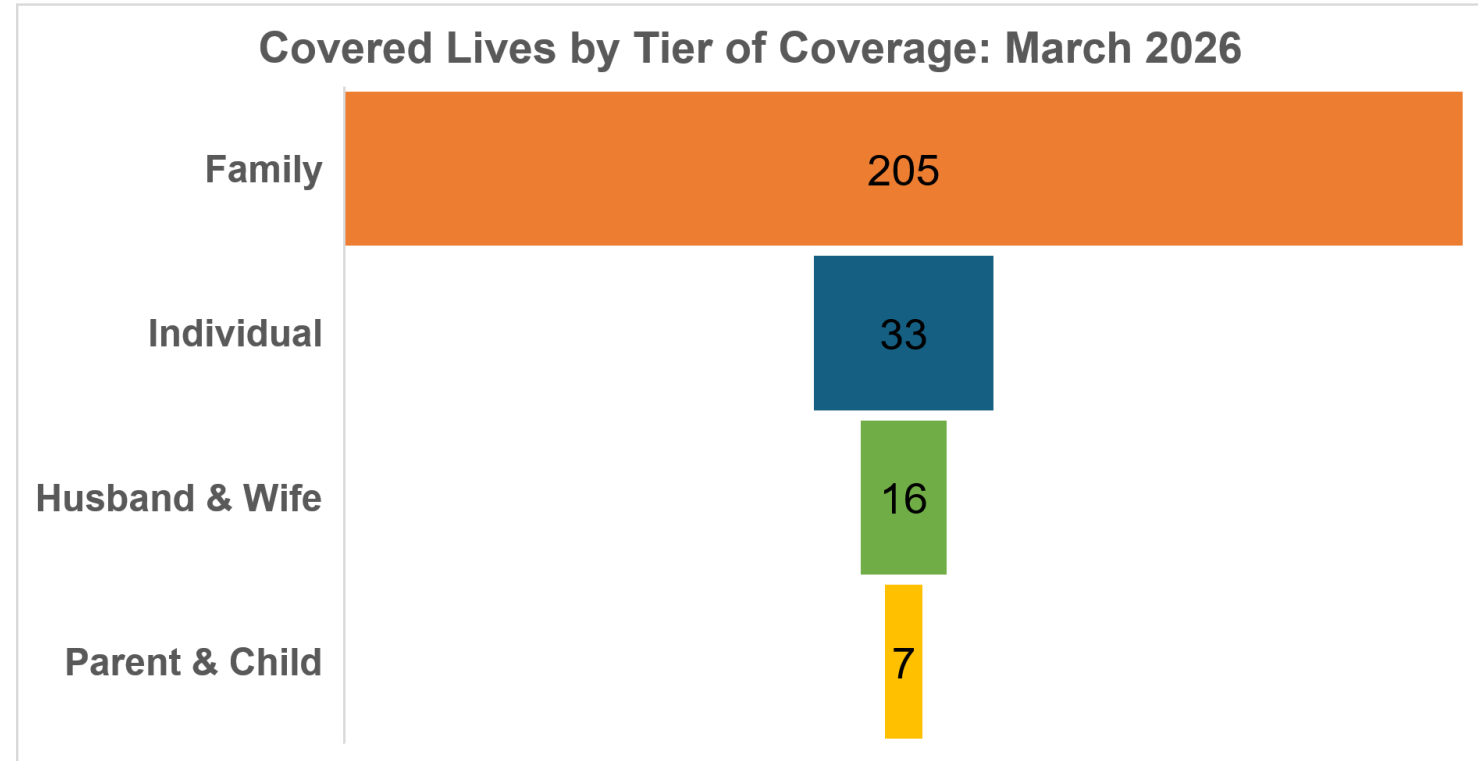


Actuarial Topics Today

- **Financial Update**
 - Cheiron *H-Scan* projections
- **Recommendations and Observations**
- **Looking Ahead**



- Mostly stable enrollment with recent decline
 - ❑ **136** average in the first six months of 2024
 - ❑ **135** enrolled January through March 2025
 - ❑ **114** enrolled in March 2026
 - ❑ **261 covered lives** in March 2026
 - ❑ **Mondelez** and **First Student (Kingston)** had some decreases
 - ❑ No COBRA elections
- Average age of subscribers is **age 50.5**



Source: Associated Administrators March 2026 census



H-Scan Projections and Financial Status

Recap of Available Plan Assets

- At the end of June 30, 2023, **\$7.04 million** in assets.
- At the end of June 30, 2024, **\$6.42 million** in assets.
- At the end of June 30, 2025, assets performed better than the projections and were \$6,434,666 or **\$6.43 million**.
- At March 31, 2026, assets increased to \$6,748,464 or **\$6.7 million**.

KEY RESULTS				
12 Months Ending	7/1/22 to 6/30/23	7/1/23 to 6/30/24	7/1/24 to 6/30/25	7/1/25 to 6/30/26
Average Participants	126	134	132	117
(in \$millions)				
Contribution Revenue	\$1.99	\$2.21	\$2.55	\$2.46
Investment/Other Inc	\$0.25	\$0.48	\$0.34	\$0.39
Expenses (Paid)	\$2.37	\$3.30	\$2.88	\$2.60
Gain/(Loss)	(\$0.13)	(\$0.61)	\$0.01	\$0.25
Projected at End of Year				
Assets	\$7.04	\$6.42	\$6.43	\$6.68

Projected assets at 6/30/26 to be \$6.68 M; actual will vary



Source: audited financials 6/30/23; draft 6/30/24; draft 6/30/25; cash operating statements through 3/31/2026

January 12, 2026

Stress Testing - Industry and Local 338 Health & Welfare Plan - HSCAN

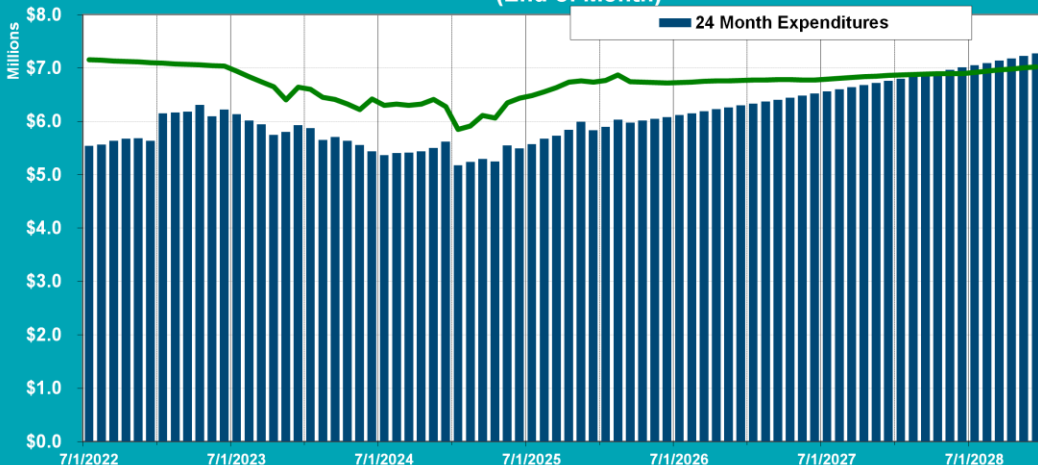
Starting 6/30	TRENDS		
	2025	2026	2027+
Medical	6.0%	6.0%	6.0%
Rx	7.0%	8.0%	8.0%
Dental	5.0%	5.0%	5.0%
Other*	2.5%	2.5%	2.5%
Claims Admin	3.0%	3.0%	3.0%
Expenses	3.2%	3.2%	3.2%
Claim Margin	\$ -	\$ 25,000	\$ 25,000

*Other applies to Life Insurance, Paid Family Leave, Disability, and Stop Loss Insurance

OTHER ASSUMPTIONS	
Organic Participant Growth	0%
Investment Return	4.0%
Projected as of July 1, 2025:	
Increase Employee Count?	Yes
% New Employees	0%
Assumed Additional Ees	0
In Effect ER, Updated, or Target Rates?	Target
Note: If picking Target, manually update Target weekly rates	

PROJECTED PLAN DESIGN AND EMPLOYER CONTRIBUTION					
Plan Design Changes Effective 7/1	2024	2025	2026	2027	2028
	Current Plan	0%	0%	0%	0%
Medical	Current Plan	0%	0%	0%	0%
Rx	Current Plan	0%	0%	0%	0%
Dental/Vision	Current Plan	0%	0%	0%	0%
Model Contribution Rate Changes?	Yes	Future Changes in Employer Contributions			
Average Month Starting for Model	7/1/2024	7/1/2025	7/1/2026	7/1/2027	
Average Weekly Employer Rate	\$390	\$413	\$460	\$506	
Increase in Weekly Employer Rate as %		5.9%	11.4%	10.0%	
Target Weekly Employer Rate	\$396	\$413	\$460	\$506	
In Effect Avg Weekly Employer Rate	\$390	\$413	\$427	\$443	

Assets vs. 24 Month Reserve Expenditures
(End of Month)



KEY RESULTS						
12 Months Ending	7/1/22 to 6/30/23	7/1/23 to 6/30/24	7/1/24 to 6/30/25	7/1/25 to 6/30/26	7/1/26 to 6/30/27	7/1/27 to 6/30/28
Average Participants	126	134	132	117	114	114
(in \$millions)						
Contribution Revenue	\$1.99	\$2.21	\$2.55	\$2.46	\$2.73	\$3.00
Investment/Other Inc	\$0.25	\$0.48	\$0.34	\$0.39	\$0.27	\$0.27
Expenses (Paid)	\$2.37	\$3.30	\$2.88	\$2.56	\$2.94	\$3.15
Gain/(Loss)	(\$0.13)	(\$0.61)	\$0.01	\$0.28	\$0.06	\$0.12
Projected at End of Year						
Assets	\$7.04	\$6.42	\$6.43	\$6.72	\$6.77	\$6.90
Months Reserve	25.6	28.4	28.1	26.5	24.9	23.6
- 24-Mo. Expenditures	\$6.22	\$5.44	\$5.50	\$6.08	\$6.52	\$7.01
Break-Even Est Weekly Rate	\$323.32	\$404.71	\$369.06	\$357.92	\$450.59	\$485.47

Assets do not subtract IBNR in this preliminary analysis.

This scenario assumes for plan year 2026+, all groups have 10% higher than 9/1/2025 actual average. Note: Assumes 10% plan year 2025 increases for those not bargained yet (LP Transportation and Westchester Local 860.) January 12, 2026

Stress Testing - Industry and Local 338 Health & Welfare Plan - HSCAN

	TRENDS		
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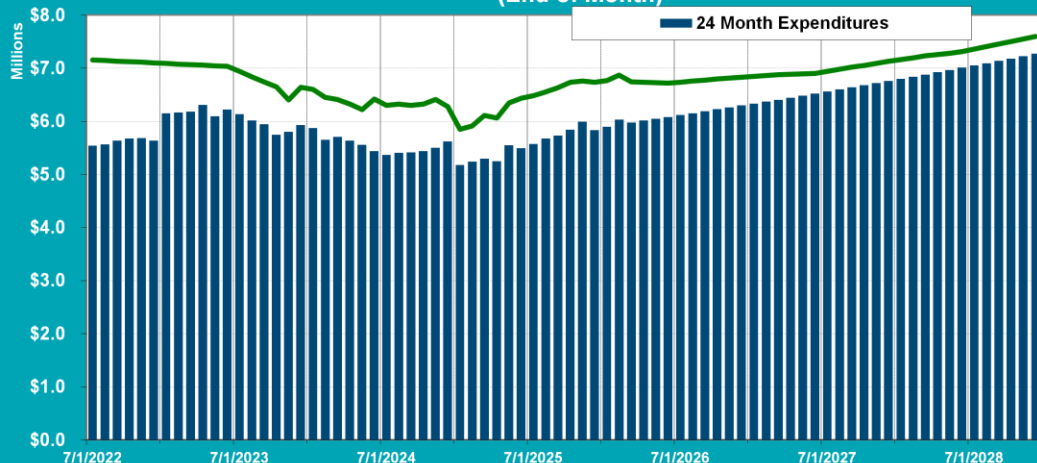
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% New Employees	0%
Assumed Additional Ees	0

In Effect ER, Updated, or Target Rates? **Target**
Note: If picking Target, manually update Target weekly rates

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Model Contribution Rate Changes?	Yes	Future Changes in Employer Contributions			
Average Month Starting for Model	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Average Weekly Employer Rate	\$390	\$413	\$481	\$553	
Increase in Weekly Employer Rate as %		5.9%	16.5%	15.0%	
Target Weekly Employer Rate	\$396	\$413	\$481	\$553	
In Effect Avg Weekly Employer Rate	\$390	\$413	\$427	\$443	

Assets vs. 24 Month Reserve Expenditures
(End of Month)



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Investment/Other Inc	\$0.25	\$0.48	\$0.34	\$0.39	\$0.27	\$0.28
Expenses (Paid)	\$2.37	\$3.30	\$2.88	\$2.56	\$2.94	\$3.15
Gain/(Loss)	(\$0.13)	(\$0.61)	\$0.01	\$0.28	\$0.18	\$0.41
Projected at End of Year						
Assets	\$7.04	\$6.42	\$6.43	\$6.72	\$6.90	\$7.31
Months Reserve	25.6	28.4	28.1	26.5	25.4	25.0
- 24-Mo. Expenditures	\$6.22	\$5.44	\$5.50	\$6.08	\$6.52	\$7.01
Break-Even Est Weekly Rate	\$323.32	\$404.71	\$369.06	\$357.92	\$450.21	\$483.77

Assets do not subtract IBNR in this preliminary analysis.

This scenario assumes for plan year 2026+, all groups have 15% higher than 9/1/2025 actual average. Note: Assumes 15% plan year 2025 increases for those not bargained yet (LP Transportation and Westchester Local 860.) January 12, 2026

Observations and Recommendations

- Given the size of the group and recent claims volatility, we recommend that the Fund consider retaining substantial reserves, from 16 to 24 months to allow for changes as needed.
- Recent experience has been steady for the fund with respect to previous projections.
- As in the interim meeting, target rates going forward are recommended at a 10% increase per annum.
 - Even with 10% increases, we have shown how the reserves in months reduce over time.
 - At 15%, the reserve in months are more stabilized in the projection period.

Looking Ahead

- No plan changes for 2027
 - Summary of Benefits and Coverage remain “as is”
- Update Summary Plan Description for compliance
- Other?

Required Disclosures

The purpose of this presentation is to assist the Industry and Local 338 Welfare Fund (the “Fund”) in assessing the ongoing financial status of the fund and providing a wholistic view of emerging experience. It is intended for the exclusive use of the Fund. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

In preparing our presentation, we relied on information (some oral and some written) supplied by the Fund, as well its administrators and business partners. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

In projecting results, we have smoothened experience using a 50/50 weighting of the last two years of experience; final projections will reflect the final methodology as we gather additional information.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Michele Domash, FSA, MAAA
Principal Consulting Actuary

- These 7/1/2026 rates are intended to represent the full cost of coverage estimated at the time of their calculation.
- Rates include 2% load for COBRA administration expenses and disability rates include the 50% load as law permits.

Industry and Local 338 Health & Welfare Plan COBRA Rates - July 1, 2026 through June 30, 2027		
	Employee	Family
Medical & Rx Claims	\$ 839.98	\$ 2,099.96
TPA Fee (Medical & Rx Allocation)	\$ 33.13	\$ 82.82
Other Admin (Medical & Rx Allocation)	\$ 88.39	\$ 220.97
Stop Loss Premium	\$ 99.96	\$ 249.90
2% COBRA Load	\$ 19.23	\$ 48.08
Medical & Rx COBRA Rate	\$ 1,080.69	\$ 2,701.73
Dental & Vision Claims	\$ 15.89	\$ 39.72
TPA Fee (Dental & Vision Allocation)	\$ 0.63	\$ 1.57
Other Admin (Dental & Vision Allocation)	\$ 1.67	\$ 4.18
2% COBRA Load	\$ 0.36	\$ 0.91
Dental & Vision COBRA Rate	\$ 18.55	\$ 46.38
Full Benefits (Core + Dental & Vision)	\$ 1,099.24	\$ 2,748.11

Review of Current Plans in Effect

- In-Network coverage is comprehensive.
- The plan steers to in-network coverage with higher deductibles and cost sharing for out-of-network coverage.
- Rx applies a 15% coinsurance and uses SaveOnSP for specialty Rx.

Medical Benefits	In-Network (Anthem)	Out-of-Network
Individual/Family Deductible per Year	\$250/\$500	\$2,000/\$5,000
Coinsurance after Deductible	10%	40%
Doctor Visit Copays	\$20 Primary Care; \$40 Specialist Per Visit	40% after deductible
ER	\$150 copay	\$150 copay
Out of pocket Maximum	\$1,850/\$3,700	\$9,450/\$18,900
Rx Benefits	In-Network (ESI)	Out-of-Network
Generic/Brand	15%, \$5 minimum copayment	Not covered
Specialty	30% for drugs included on SaveOnSP List	Not covered

Source: Plan Benefit documents (SBC, SPD, SMM);
<https://www.saveonsp.com/wp-content/uploads/2025/01/local338.pdf>

Source: 2025 SBC

January 12, 2026

- The plan ancillary benefits for dental, vision, disability and life insurance as part of the benefits program.
- We believe that these programs have all been in effect for many years.

Other Benefits	Description
Dental Benefits <i>Administered by S.I.D.S.</i> <i>for Active Employees & Eligible Dependents</i>	• Scheduled benefits • No network offered • Ortho with \$2,700 lifetime maximum
Vision Benefits <i>Administered by NVA</i> <i>for Active Employees & Eligible Dependents</i>	<u>In-Network:</u> • Exams & Lenses, once per 12 months; • Frames, once per 24 months <u>Out-of-Network:</u> Scheduled Benefits
Disability <i>Administered by Amalgamated Life</i> <i>for Active Employees Only</i>	\$240 per week up to 26 weeks
Life Insurance <i>Administered by Amalgamated Life</i> <i>for Active Employees & Eligible Retirees</i>	\$15,000 actives

Source: Plan Benefit documents (SBC, SPD, SMM);

Source: SPD 2006

January 12, 2026