Merger Feasibility Study for the Potential Merger of

Carpenters Local No. 491 Pension Plan into

Eastern Atlantic States Carpenters Pension Fund

Bolton

Submitted by:

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Bolton
Employee Benefits, Actuarial & Investment Consulting

September 17, 2025

Board of Trustees
Carpenters Local No. 491 Pension Plan
c/o Mr. David Jensen
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152-9451

Re: Merger Feasibility Study for the Potential Merger of Carpenters Local No. 491 Pension Plan into Eastern Atlantic States Carpenters Pension Fund

Dear Trustees:

We were asked by the Board of Trustees to perform an analysis on the potential merger of the *Carpenters Local No. 491 Pension Plan ("491 Plan") into Eastern Atlantic States Carpenters Pension Fund* ("EAS Plan") which together make the "Merged Plan".

This study contains our analysis of the Merged Plan, and will cover the following topics:

- Satisfaction of merger requirements
- Benefit design and comparison
- Assumption changes prior to the merger
- Financial projections of the Merged Plan
  - Funding Standard Account
  - Funded percent
- Withdrawal Liability considerations and options
- ASOP 51 – Risk Assessment

Below are some of the key results as of July 1, 2024 for the 491 Plan and as of January 1, 2024 for the EAS Plan. Results for the 491 Plan do not reflect changes in assumptions to match the assumptions used by the EAS plan. These results are merely the starting point for our analysis.

Funding Measure	July 1, 2024 491 Plan	January 1, 2024 EAS Plan
Market Value of Assets	64,790,425	4,294,823,096
Actuarial Value of Assets	64,393,881	4,435,442,970
Accrued Liability	50,350,291	4,925,134,643
Funded Ratio	127.9%	90.1%
Credit Balance	20,497,973	358,855,591

As part of our analysis, we revised the 491 Plan's assumptions to match the EAS Plan's assumptions and rolled the 491 Plan's liabilities forward to December 31, 2025. We then rolled the EAS Plan's liabilities forward to December 31, 2025. Similarly, each plan's unaudited financials used for their respective 2025 PPA Zone Certification were rolled forward to December 31, 2025. This allows us to compare the funding measures of each plan as of the same date and under the same actuarial assumptions. December 31, 2025, was chosen as the common date for comparing funding measures because it is also a likely merger date, if a merger is approved by both Boards of Trustees.

	Projected Values as of December 31, 2025		
Funding Measure	**491 Plan**	**EAS Plan**	**Merged Plan**
Market Value of Assets	74,333,889	4,698,559,798	4,772,893,687
Actuarial Value of Assets	71,366,609	4,720,360,085	4,791,726,694
Accrued Liability	45,781,186	4,977,228,426	5,023,009,612
Funded Ratio	155.9%	94.8%	95.4%
Credit Balance	24,768,073	310,756,596	335,524,669

*Sums of components may differ slightly from total amounts due to minor rounding errors.

Beyond the issue of simply being 100% funded is the concern that the credit balance remains positive and contributions remain sufficient to support future benefit accruals.

In the 491 Plan's prior valuation (7/1/2024) normal cost, expenses and net amortization charges with interest (charges against the Funding Standard Account) were a little less than 70% of contributions with interest (credits toward the Funding Standard Account). This puts the 491 Plan in a very good position to grow its credit balance. In the EAS Plan's prior valuation (1/1/2024) normal cost, expenses and net amortization charges with interest (charges against the Funding Standard Account) exceeded contributions with interest (credits toward the Funding Standard Account). This means that the EAS Plan is dependent on interest from its existing credit balance to prevent a reduction in its credit balance.

On a combined basis we project that charges to the Funding Standard Account will exceed credits by 11.2% as of the proposed merger date. This is a significant improvement for the EAS Plan. The Merged Plan will benefit from the 491 Plan's better metric in this area, plus assumption changes to match the EAS Plan's assumptions lowered the 491 Plan's liability by 16.8% and its normal cost by 22.0%. Finally, the 491 Plan's normal cost (a charge against the Funding Standard Account) was further reduced due to 491 Participants earning lower accruals due to the 1% of contributions accrual formula. Our projection of the credit balance for the merged plan indicates that the credit balance is expected to decrease during 2026 but then increase throughout the remainder of the projection period.

The bottom line is that we believe a merger of the 491 Plan into the EAS Plan **is feasible**. One notable concern is the EAS Plan's mortality assumption. They are using an older mortality table than the 491 Plan and they are not projecting any improvements in mortality. The mortality change alone reduced the 491 Plan's liability 8.1% and its normal cost 10.6%. We cannot speak to the reasonableness of the EAS Plan's mortality assumption without doing a full experience study, however, it is very unusual to use an older mortality assumption without reflecting future mortality improvements.

The information in this report was prepared for the internal use of the Boards of Trustees. It is neither intended nor necessarily suitable for other purposes. Bolton Partners is not responsible for the consequences of any other use nor the reliance upon this report by any other party.

Several areas covered in this report deal with legal areas. We expect that Steve Batoff will review this report and provide legal advice as necessary.

This report provides certain financial calculations. 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 Plans. The various actuarial assumptions and methods which have been used for the 491 Plan are, in our opinion, appropriate for the purposes of this report. Opining on the assumptions used by the EAS Plan is beyond the scope of this assignment.

The 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. See the Actuarial Certification Section of the most recent actuarial reports for more information that may be relevant to the Board's consideration.

Sincerely,

Timothy D. Boles, ASA, EA, FCA

Travis Bastian

cc: Steve Batoff

Section I: Satisfaction of Merger Requirements

There are four main requirements that must be met for a merger to be considered satisfactory:

- **Preservation of Accrued Benefits (ERISA Regulation §4231.4)**
  - **Satisfied**: The Merged Plan must contain a provision preserving all accrued benefits. We anticipate this will be satisfied as described in the "Data Used" section of this letter.
- **Valuation Requirement (ERISA Regulation §4231.5)**
  - **Satisfied**: An actuarial valuation must be performed for each plan as of a date not earlier than the first day of the last plan year ending before the proposed effective date of the merger. We anticipate these valuations will be the 7/1/2024 valuation for the 491 Plan and the 1/1/2025 valuation for the EAS Plan.
- **Solvency Requirement (ERISA Regulation §4231.6)**
  - **Satisfied**: MVA post-merger >= 5 * (Benefit Payments for the last plan year ending before the proposed effective date of the merger), OR
  - For each of the first five plan years beginning on or after the effective date of the merger:
    - MVA + Expected (Contributions + Investment Earnings >= Expense + Benefit Payments)

ERISA §4231.6 Solvency Requirement	
491 MVA as of 1/1/2026	74,333,889
EAS MVA as of 1/1/2026	4,698,559,798
(A) MVA Post-Merger as of 1/1/2026	4,772,893,687
491 Benefit Payments for PYE 6/30/2025	2,613,485
EAS Benefit Payments for PYE 12/31/2025	370,536,464
Total Benefit Payments	**373,149,949**
(B) 5 * Total Benefit Payments	1,865,749,745
(A) >= (B)?	Yes

- **Notify PBGC of Merger (ERISA Regulation §4231.8 and §4231.9)**
  - Notice must be filed to PBGC at least **45 days before proposed effective date of the merger** (120 days if a request for compliance determination is requested)
  - Transaction does **not** involve any plan that has terminated **(True)**
  - Transaction does **not** involve any significantly affected plan **(True)**
  - Merged Plan will **not** be a significantly affected plan **(True)**
  - Transaction is **not** a de minimis transaction **(True)**
  - Bolton will provide certified statement of Solvency requirement as described above **(True)**

Section II: Data Used

Our analysis was based on participant census data as of June 30, 2024 used in the July 1, 2024 actuarial valuation report for the 491 Plan and participant census data as of December 31, 2023 used in the January 1, 2024 actuarial valuation report for the EAS Plan. For purposes of merging the 491 Plan into the EAS Plan, valuation results were rolled forward to an assumed merger date of December 31, 2025.

Results projected in this study may differ from those determined by an actual valuation of the Merged Plan as a result of demographic and investment experience differing from anticipated experience between the latest valuations of the 491 Plan and the EAS Plan and the first valuation of the Merged Plan (assumed to be December 31, 2025).

In order to satisfy the “Preservation of Accrued Benefits” requirement, each current participant of the 491 Plan was assumed to enter the Merged Plan with their accrued benefit reflecting benefits earned through December 31, 2025 (the day of the hypothetical merger).

For our analysis, we assumed that participants of the 491 Plan would earn benefit accruals of 1.0% of contributions, consistent with rules under the EAS Plan.

Section III: Benefit and Design Comparison

Current service and benefit accrual rules under both the 491 Plan and the EAS Plan are as follows:

Provisions	491 Plan	EAS Plan
Vesting Service[1]	**Hours** — **Vesting Service** 1,000 or more — 1.0 900 to 999 — 0.9 800 to 899 — 0.8 700 to 799 — 0.7 600 to 699 — 0.6 500 to 599 — 0.5 Less than 500 — 0.0	**Hours** — **Vesting Service** 800 or more — 1.0 600 to 799 — 0.75 400 to 599 — 0.5 200 to 399 — 0.25 Less than 200 — 0.0
Service Credits	**Trade Show Participants** **Hours** — **Credited Service** 1,400 or more — 1.4 1,300 to 1,399 — 1.3 1,200 to 1,299 — 1.2 1,100 to 1,199 — 1.1 1,000 to 1,099 — 1.0 900 to 999 — 0.9 800 to 899 — 0.8 700 to 799 — 0.7 600 to 699 — 0.6 500 to 599 — 0.5 Less than 500 — 0.0 **Shop Participants** **Hours** — **Credited Service** 1,000 or more — 1.0 900 to 999 — 0.9 800 to 899 — 0.8 700 to 799 — 0.7 600 to 699 — 0.6 500 to 599 — 0.5 Less than 500 — 0.0	See Vesting Service Above
Normal Pension	Trade Show — $70.00 per Service Credit Shop — $40.00 per Service Credit	For accruals on/after January 1, 2023, benefits are subject to adjustments based on a comparison of the Plan's investment return to a "Hurdle Rate" of 5%. Annual accruals are 1% of "Benefit Contributions," which are a portion of Total Contributions as required by the applicable CBA.
Normal Retirement Age	Age 65. Unreduced early retirement at age 63, if at least 500 hours in the most recently completed Plan Year.	Age 65. Unreduced early retirement at age 62 or at age 55 with 30 years of Credited Service.

[1] Vesting Service for the 491 Plan and Credited Service for the EAS Plan

Section III: Benefit and Design Comparison (Cont'd)

Provisions	491 Plan	EAS Plan
Early Retirement	Eligibility: Age 60 with 10 years of covered employment for which at least 0.25 service credit was earned in each of at least 5 years. Benefit: Normal benefit reduced ½% per month prior to NRD. Reduction is 0% for first 24 months if at least 500 hours in most recently completed Plan Year.	Eligibility: Age 55 with 10 years of Credited Service. Benefit: Normal benefit reduced ¼% per month prior to age 62. No reduction with 30 or more years of Credited Service.
Disability	Eligibility: 5 years of Vesting Service with no age requirement. Benefit: Same as normal.	Eligibility: 10 years of Credited Service with no age requirement. Benefit: With 20 or more years of Credited Service, normal pension. With less than 20 years, the amount payable as Early Retirement as of later of age 55 and age at commencement.

B

Section III: Benefit and Design Comparison (Cont'd)

Sample Participants

The following two tables show benefit accruals for 491 participants under each Plan for three different levels of hours worked during a plan year (500, 1,000 and 1,500). The EAS Plan uses a variable adjustment based on investment performance. The first table shows accruals without the variable adjustment, which means that investments are assumed to return 5.0% (the hurdle rate). The second table assumes that the investment return is 10.25%, allowing for the maximum variable increase of 5.0% for the year.

In both tables, the current contribution rates are used for each group of participants in the 491 Plan. The current benefit multiplier of $40/credit is being used for Shop participants and a proposed benefit multiplier of $80/credit is being used for Trade Show participants. As of the time of this study, the current benefit multiplier for Trade Show participants is $70/credit.

Benefit accruals under the 491 Plan are based on a benefit multiplier times a service credit. Benefit accruals under the EAS Plan, however are based on 1% of contributions. In order to compare benefits under the two plans, we have expressed the 491 Plan accruals as a percentage of contributions.

	Sample Participant (Without Variable Adjustment)					
	1	2	3	4	5	6
Group	**Trade Show**	**Shop**	**Trade Show**	**Shop**	**Trade Show**	**Shop**
Contribution Rate	$5.55	$0.95	$5.55	$0.95	$5.55	$0.95
Hours Worked	500	500	1,000	1,000	1,500	1,500
(A) 491 Plan						
Service Accrual	0.5	0.5	1	1	1.5	1
Benefit Accrual	$40.00	$20.00	$80.00	$40.00	$120.00	$40.00
% of Contributions	1.44%	4.21%	1.44%	4.21%	1.44%	2.81%
(B) EAS Plan						
Service Accrual	0.5	0.5	1	1	1	1
Benefit Accrual	$27.75	$4.75	$55.50	$9.50	$83.25	$14.25
% of Contributions	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
"Better" Provisions	491	491	491	491	491	491

Section III: Benefit and Design Comparison (Cont'd)

	Sample Participant (Assuming 10.25% Returns)					
	1	2	3	4	5	6
Group	**Trade Show**	**Shop**	**Trade Show**	**Shop**	**Trade Show**	**Shop**
Contribution Rate	$5.55	$0.95	$5.55	$0.95	$5.55	$0.95
Hours Worked	500	500	1000	1000	1,500	1,500
(A) 491 Plan						
Service Accrual	0.5	0.5	1	1	1.5	1
Benefit Accrual	$40.00	$20.00	$80.00	$40.00	$120.00	$40.00
% of Contributions	1.44%	4.21%	1.44%	4.21%	1.44%	2.81%
(B) EAS Plan						
Service Accrual	0.5	0.5	1	1	1	1
Benefit Accrual	$29.14	$4.99	$58.28	$9.98	$87.41	$14.96
% of Contributions	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%
"Better" Provisions	491	491	491	491	491	491

As can be seen in the above tables, the Shop benefit accruals are very rich under the 491 Plan, especially for hours worked up to 1,000 in a plan year. Since Shop service credits are limited to 1.0 for 1,000 hours of work, the Shop benefit accruals decrease on a percentage of contributions basis for hours worked beyond 1,000. Trade Show benefit accruals, on the other hand, max out at 1.44% of contributions at 500 hours and for each additional 100 hours worked beyond that.

In all cases shown above, both Shop and Trade Show participants accrue greater benefits under the 491 Plan, even when assuming that the EAS Plan's investment returns will exceed the 5.0% hurdle rate by 5.25 percentage points. The EAS Plan's variable adjustment feature can compound those increases over time if the Plan's investment return consistently exceeds the hurdle rate; however, those increases will also be offset by reductions when the Plan's investment return falls short of the hurdle rate.

It is important to understand that the EAS Plan's variable benefit accruals can increase as much as 5% if the investment return equals or exceeds 10.25%; however, there is no such limit on the decrease in variable benefits when investments return less than the hurdle rate of 5.0%. For example, if investments returned -10.0%, then the variable benefits would be reduced by 14.3% (0.90 / 1.05) -1 = -14.3%.

The variable benefit concept is designed to shift investment risk from contributing employers to participants. Participants can benefit from this design when investment returns exceed the hurdle rate, but participants also pay the cost when investments fall short of the hurdle rate. The decision on whether to convert to a variable benefit design (or to merge into a plan with such a design) is largely a matter of preference and appetite for risk.

Section IV: Assumption Changes Prior to the Merger

Currently, the most recent actuarial assumptions under the 491 Plan and the EAS Plan are as follows:

Assumptions	491 Plan	EAS Plan
Method of Funding	Traditional Unit Credit	Traditional Unit Credit
Valuation Interest Rate	6.00%, net of investment expenses	7.00%, net of investment expenses
Mortality	Healthy: PRI-2012 Blue Collar Amount-Weighted, projected generationally with MP-2021 Disabled: PRI-2012 Disabled Retiree Amount-Weighted, projected generationally with MP-2021	Healthy: RPH-2014 Blue Collar, set forward two years for males and females. No future mortality improvement. Disabled: RPH-2014 Disabled Retiree, set forward three years for males and females. No future mortality improvement.
Retirement Rates	See 491 Plan Retirement Rates below	See EAS Plan Retirement Rates below
Turnover	See 491 Plan Turnover below	See EAS Plan Turnover below

Retirement Rates

491 Plan

Actives

Age	Rate
60	5%
61	5%
62	10%
63	20%
64	20%
65	20%
66	10%
67	10%
68	10%
69	20%
70	100%

Term Vesteds

Age 65

EAS Plan

Actives

Age	Unreduced	Reduced
55	40%	10%
56	35%	10%
57	30%	12.5%
58-60	25%	12.5%
61	25%	20%
62-64	20%	20%
65	100%	100%

Term Vesteds

Age 65

Turnover

491 Plan

Turnover table T-6 of the Actuaries Pension Handbook offset by 1951 GAM Male. Select rates of 25%, 25% and 15% are used for the first three years of service, respectively.

Sample Ultimate Rates:

Age	Rate
25	7.7242%
35	6.8583%
45	5.1633%
55	1.3713%
60	0.1315%
63+	0.0000%

EAS Plan

Svc	Rate	Svc	Rate
0	7.00%	10	3.00%
1	6.60%	11	2.85%
2	6.20%	12	2.70%
3	5.80%	13	2.55%
4	5.40%	14	2.40%
5	5.00%	15-19	2.25%
6	4.60%	20-24	2.00%
7	4.20%	25-29	1.25%
8	3.80%	30+	0.00%
9	3.40%		

Section IV: Assumption Changes Prior to the Merger

<table>
<tr><th>Assumptions</th><th>491 Plan</th><th>EAS Plan</th></tr>
<tr><td>Disability</td><td>U.A.W. Disability Table. Sample rates are shown below.<table><tr><th>Age</th><th>Rate</th></tr><tr><td>20</td><td>0.03%</td></tr><tr><td>30</td><td>0.04%</td></tr><tr><td>40</td><td>0.07%</td></tr><tr><td>50</td><td>0.18%</td></tr><tr><td>55</td><td>0.36%</td></tr><tr><td>60+</td><td>0.00%</td></tr></table></td><td>Age-related rates with sample rates shown below.<table><tr><th>Age</th><th>Rate</th></tr><tr><td>35</td><td>0.09%</td></tr><tr><td>40</td><td>0.17%</td></tr><tr><td>45</td><td>0.35%</td></tr><tr><td>50</td><td>0.62%</td></tr><tr><td>55</td><td>1.10%</td></tr><tr><td>60</td><td>1.55%</td></tr></table></td></tr>
<tr><td>Active Participants</td><td>Participants who worked at least 500 hours in the prior plan year are considered to be active participants.</td><td>Participants who work at least 200 hours in the prior plan year and have credited service greater than zero are considered to be active.</td></tr>
<tr><td>Future Work Year</td><td>Assumed that each active participant will work the same number of hours they did in the latest plan year.</td><td>Future hours assumed to be greater of (a) hours in the latest plan year or (b) the average of hours during the latest two plan years.</td></tr>
<tr><td>Expenses</td><td>Prior year’s expenses, increased 2% and assumed to be a mid-year number, then discounted to beginning of the year.</td><td>$9,000,000 as of the beginning of the year, increased 3% annually.</td></tr>
<tr><td>Percent Married</td><td>100% with females being 3 years younger than males</td><td>80% with females being 3 years younger than males</td></tr>
<tr><td>Optional Election Form</td><td>100% of Participants assumed to elect a SLA.</td><td>Married Participants assumed to elect 50% J&S. Single Participants assumed to elect 5-yr C&L.</td></tr>
<tr><td>Withdrawal Liability Assumptions</td><td>Same as valuation assumptions</td><td>Same as valuation assumptions</td></tr>
</table>

Section IV: Assumption Changes Prior to the Merger

The assumptions and methods used for the Merged Plan in our analysis are as follows in the table below. The majority of our assumptions have moved toward those used in the EAS Plan.

Assumptions	Merged Plan
Method of Funding	Traditional Unit Credit
Valuation Interest Rate	7.00%, net of investment expenses
Healthy Mortality	RPH-2014 Blue Collar, set forward two years for males and females. No future mortality improvement.
Disabled Mortality	RPH-2014 Disabled Retiree, set forward three years for males and females. No future mortality improvement.
Active Retirement Rates	Current participants of the 491 and EAS Plans will be assumed to retire under their respective Plan's previous assumption as stated in the table above. All future participants are assumed to retire under the EAS Plan's current assumption.
Terminated Vested Retirement	Age 65.
Turnover	The current EAS Plan's assumption as stated in the table above.
Disability	The current EAS Plan's assumption as stated in the table above.
Future Work Year	Future hours assumed to be greater of (a) hours in the latest plan year or (b) the average of hours during the latest two plan years.
Percent Married	100% of current participants of the 491 Plan are assumed to be married because the PRDB is payable to non-spouse beneficiaries. 80% of EAS participants are assumed to be married. For all married participants, husbands assumed to be 3 years older than wives.
Payment Form	For the 491 Plan, 80% of participants assumed to elect the 50% J&S and 20% the SLA. For the EAS Plan, married participants assumed to elect the 50% J&S and single participants assumed to elect the 5-yr C&L
Expenses	$9,511,665 as of the beginning of the year.
Withdrawal Liability Assumptions	Same as valuation assumptions.

Section V: Withdrawal Liability Considerations and Options

Unfunded Vested Benefits for Withdrawal Liability

Both the 491 Plan and the EAS Plan are required to use the Presumptive Method for withdrawal liability purposes. The 491 Plan has never had unfunded vested benefits. Based on withdrawal liability information for the EAS Plan, the EAS Plan had unfunded vested benefits of $189,231,262 as of December 31, 2023. The following table shows each plan's unfunded vested benefits as of their latest valuation date.

Present Value of Vested Benefits (PVVB)	June 30, 2024 491 Plan	December 31, 2024 EAS Plan
Participants Currently Receiving Payments	24,609,180	2,557,646,000
Deferred Vested Participants	9,715,180	364,400,635
Active Participants	14,639,353	1,562,007,723
Total Vested Benefits	**48,963,713**	**4,484,054,358**
Market Value of Assets	64,790,425	4,294,823,096
Unfunded Vested Benefits	**(15,826,712)**	**189,231,262**

If a contributing employer withdrawals from the merged plan prior to the end of the first plan year after the merger (the initial plan year of the merged plan), then that employer's withdrawal liability is calculated as if the merger never occurred.

If a contributing employer withdraws after the end of the initial plan year of the merged plan, the calculation is more complicated. There are two main options:

- **Restart Initial Plan Liabilities** by amendment (modification described in ERISA Regulation 4211.36)
- **No modifications** to the presumptive method (follow ERISA Regulation 4211.32)

If the Merged Plan is amended to restart the initial plan liabilities, then only the unfunded vested benefits of the Merged Plan are considered and allocated to all employers that are still contributing members of the Merged Plan.

Conversely, if the Merged Plan adopts the presumptive method with no modifications, then withdrawing employers will be allocated their share of historical unfunded vested benefits under their original plan, as well as unfunded vested benefits under the Merged Plan.

Given that the 491 Plan has never had unfunded vested benefits, restarting initial plan liabilities is not recommended.

Section VI: ASOP 51 – Risk Assessment

This report by its nature is a risk assessment and thus covered by ASOP 51 which requires of the actuary to consider certain types of risk and make disclosures. While both plans are well funded and have risks as standalone plans, the Merged Plan will also have most of the same risks. The largest of these is investment risk but other risks include contribution risks (e.g. the possibility that contributory hours might drop) and mortality risk that retirees might live longer than expected.

The Actuarial Standard of Practice No. 51 *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions* requires actuaries to provide information so that users of the report can better understand the potential for future results to vary from the results presented in this report and identify risks on 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. The Trustees are well aware of this risk.

- **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.

- **Longevity risk:** The potential that the life expectancy of participants will be different than projected based on the assumptions used in the valuation.

- **Demographic risk:** The potential that assumptions like termination of employment, retirement, and disability will differ from what is assumed in the valuation.

- **Cash flow risks:** The potential that contributions coming into the plan will not cover benefit payments and expenses. 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.

There are plan maturity measures that are significant to understanding the risks associated with the plan. The following table shows some of these measures for the two plan years immediately prior to each plan's latest actuarial valuation.

	491 Plan		EAS Plan	
	Plan Years Beginning in			
Risk Measures	**2022**	**2023**	**2022**	**2023**
Cash Flow as a % of MVA	0.71%	0.47%	-1.73%	-3.26%
Normal Cost as a % of Contributions	36.36%	45.77%	46.54%	51.68%
Vested Inactive Liability as a % of Total Liability	72.97%	64.71%	52.96%	60.52%

Section VI: ASOP 51 – Risk Assessment

Cash Flow as a % of MVA - Assessing net cash flow as a percentage of market value illustrates the annual return that is required to cover the net outflow of cash when cash flows are negative. When cash flows are positive, they help to reduce any unfunded actuarial accrued liability (UAAL) or build future surplus. When cash flows are negative, they reduce the positive effect of investment returns.

The 491 Plan has had positive cash flows in the two plan years prior to its latest actuarial valuation, but the EAS Plan has had negative cash flows in the two plan years prior to its latest actuarial valuation. As noted above, positive cash flows help reduce any UAAL or build future surplus, so this is a favorable result for the 491 Plan.

Normal Cost as a % of Contributions - Comparing normal cost to contributions assesses the portion of the annual contribution that is necessary to fund current benefit accruals and administrative expenses. The smaller the ratio, the more money that is available to apply toward reducing any UAAL or building the plan's credit balance.

For both of the two plan years immediately preceding each plan's latest actuarial valuation the 491 Plan's Normal Cost was lower as a percentage of contributions than was the EAS Plan's. This indicates that the 491 Plan has more contribution money available to apply toward reducing any UAAL or building the plan's credit balance.

Vested Inactive Liability as a % of Total Liability - The greater the ratio of inactive vested liability to total liability, the more the plan is reliant upon contributions on behalf of current active participants to fund benefits for those no longer earning pensionable service. Thus, it can also be considered to be a measure of intergenerational equity.

The 491 Plan's vested inactive liability is higher as a percentage of total liability than the EAS Plan's. This means that a greater portion of the 491 Plan's total liability is due to inactive participants who are no longer earning pensionable service and for whom contributions are no longer being made.

If the Trustees or any Participating Employers were interested in doing more quantitative assessments of risks, the following are examples of tests that could be performed:

- **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.

Conclusion

Based on our analysis, which was performed as if the plans will merge December 31, 2025, we believe that a merger of the 491 Plan into the EAS Plan **is feasible**. In addition to the issue of feasibility, we believe it is equally prudent to consider the issue of sustainability.

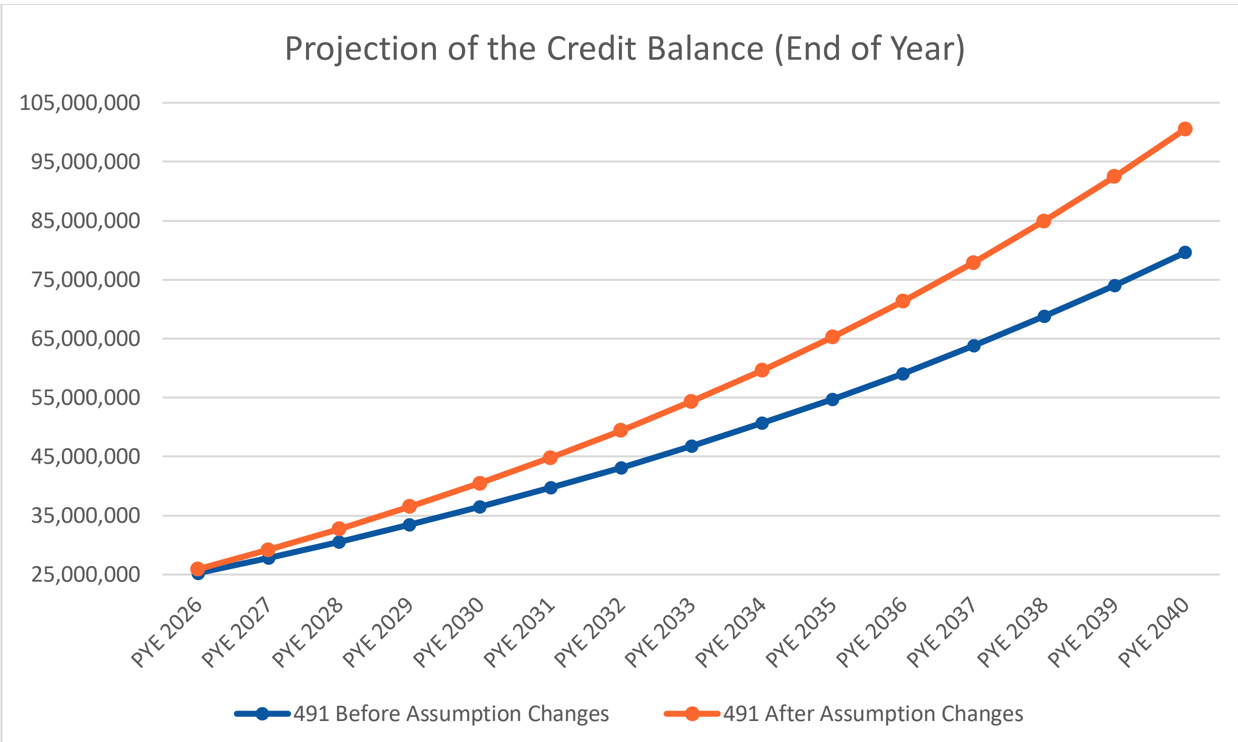
The appendices that follow show projections of the funded percentage and credit balance for the 491 Plan prior to any assumption changes, after the assumptions changes discussed previously, and for the merged plan assuming the 491 Plan merges into the EAS Plan, effective December 31, 2025.

Appendix A

1024 Plan – Before and After Assumption Changes

491 Plan Based on the July 1, 2025 PPA Zone Certification

15-Year Credit Balance Projection

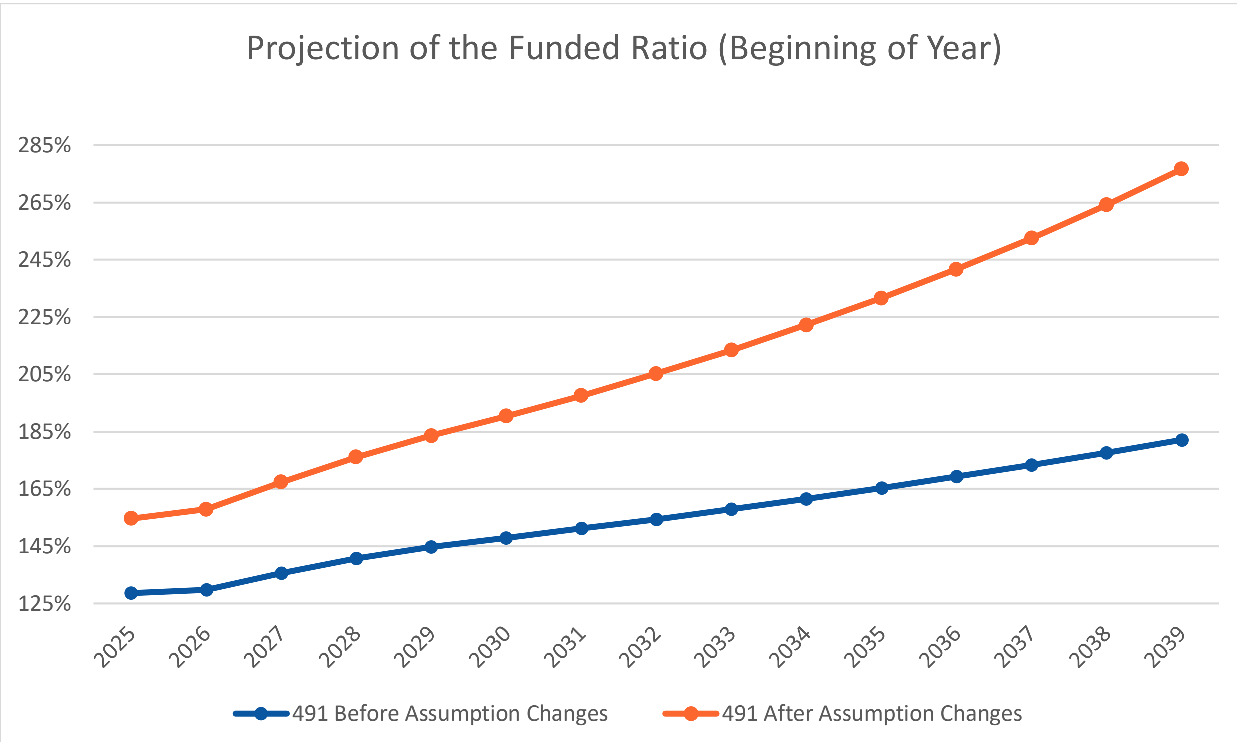


Appendix A

491 Plan – Before and After Assumption Changes

491 Plan Based on the May 1, 2025 PPA Zone Certification

15-Year Funded Ratio Projection

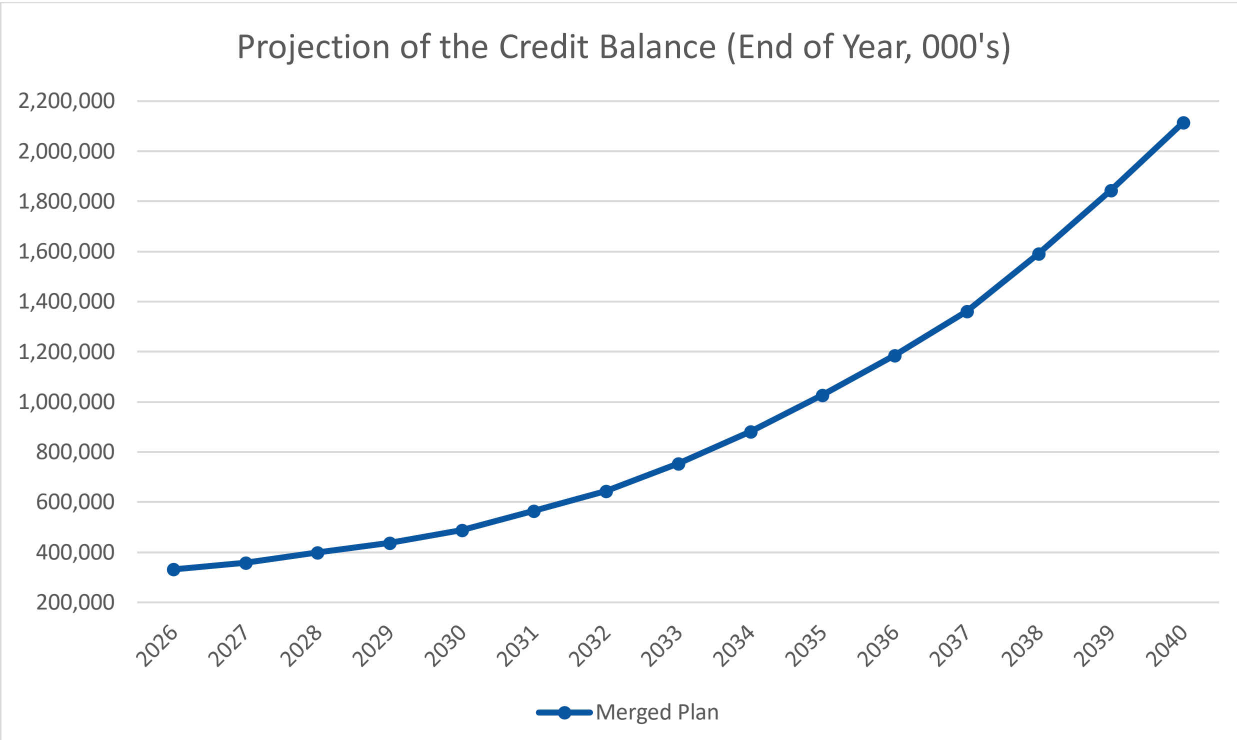


Appendix B

Merged Plan

Merged Plan Assuming Merger Effective Date of December 31, 2025

15-Year Credit Balance Projection



Appendix B

Merged Plan

Merged Plan Assuming Merger Effective Date of December 31, 2025

15-Year Funded Ratio Projection