Printing Local 72 Industry Pension Plan

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DRAFT

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
PRINTING LOCAL 72 INDUSTRY PENSION FUND
OCTOBER 16, 2020
VIA VIDEO CONFERENCE**

The following Trustees were present:

UNION TRUSTEES
Paul Atwill, Co-Chairman
Dennis Larkin

EMPLOYER TRUSTEE
Jay Goldscher, Chairman

Also present were:

Barry Bryant - Dahab Associates
Rich Cartier - Manning & Napier Advisors, Inc.
Deborah Clutts - Associated Administrators, LLC
Brian Goddu - The McKeogh Company
Brian Hartsell - The McKeogh Company
Mary Jones – PNC Bank
Greg Moore Esq. - O'Donoghue & O'Donoghue, LLP
Kathy Phillips - Associated Administrators, LLC
Jacob Szewczyk Esq. - O'Donoghue & O'Donoghue, LLP
Dawn Welch - Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, Chairperson Goldscher called the meeting to order at 10:01AM.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held July 10, 2020, which were pre-circulated.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the regular meeting held on July 10, 2020 are approved as presented.**

III. INVESTMENT REVIEW

A. Investment Consultant Report

The Trustees welcomed Mr. Barry Bryant of Dahab Associates to the meeting. Mr. Bryant reviewed the "Printing Local 72 Pension Performance Review June 2020" report and a "Preliminary Performance Summary as of September 2020" report with the Trustees, copies of which are filed with these minutes. As of September 30, 2020, the Fund's market value of assets was $11,049,701. The Fund had a net withdrawal of $725,000 and net investment gains of $1,299,555, resulting in an increase of $623,881 in market value during the second quarter 2020.

During the second quarter 2020, the Fund had a return of 12.6% gross of fees, as compared to the Aggregate Index benchmark return of 12.4%, ranking in the 17th percentile of the Taft-Hartley universe. During the one-year period, the Fund had a return of 12.9% compared to the Aggregate Index benchmark return of 8.7%. The Fund's large cap equities returned 20% for the quarter, as compared to the Russell 3000 return of 22%.

Mr. Bryant noted that although the economy is lagging due to the Coronavirus, the stock market had a strong rebound during the second quarter 2020. Mr. Bryant said there is concern that the Federal Reserve may engineer negative interest rates in an attempt to stimulate the economy, which could negatively affect the market. He will continue to monitor Federal Reserve actions and keep the Trustees informed.

Investment Manager Report

The Trustees welcomed Mr. Rich Cartier of Manning & Napier to the meeting. Mr. Cartier shared a performance update via WebEx for the Fund as of September 30, 2020 titled "Investment Performance Review for Printing Local 72 Industry Pension Fund as of September 30, 2020." He reported that equities rallied sharply throughout the second quarter. Domestic equities outperformed international equities over the quarter and year-to-date. Despite the encouraging rebound, there are many market risks that are looming or worsening in the later part of 2020. Mr. Cartier said that growth is likely to settle in at a slower rate than before the pandemic.

The Fund's return, year to date, is 9.8% net of fees, outperforming the Aggregate Index benchmark of 5%.

The Trustees thanked Mr. Cartier for his report and he was excused from the meeting.

PNC Bank

The Trustees welcomed Ms. Mary Jones of PNC Bank to the meeting. Ms. Jones reviewed a "Summary of Activity – January 1, 2020 to September 30, 2020" for the Fund's institutional investments with Manning & Napier. The Fund's market value as of January 1, 2020 was $11,271,278. The Fund had earnings of $1,229,729 and disbursements of $1,451,306, for an ending market value of $11,049,701 as of September 30, 2020.

Ms. Jones provided an update on GlobeTax Services, a program the Fund recently enrolled in that is intended to recover withholding tax payments from foreign taxing authorities. She reported that all documents provided by the Fund Administrative Manager have been submitted to GlobeTax. However, the IRS has not yet processed the Fund's application. The IRS is experiencing a significant backlog in processing certifications due to the Coronavirus. Ms. Jones indicated that the Fund has holdings in investments originating from Belgium, Germany, and Switzerland for which GlobeTax will be able to make claims.

The Trustees thanked Ms. Jones for her report and she was excused from the meeting.

IV. ADMINISTRATIVE MANAGER'S REPORT

A. Financial Statement

Ms. Clutts reviewed the Administrative Managers Report for August 2020. The period ending August 31, 2020 indicated total income of $463,936 and total expenses of $269,807, producing a net gain of $194,129. The Fund's net assets as of August 2020 were $12,608,868.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the August 31, 2020 Financial Report as presented.

B. Delinquency Report

There were no delinquent employers to report.

C. Withdrawal Liability

The Trustees reviewed the Withdrawal Liability reports included in the meeting booklet.

D. Invoices

Ms. Clutts presented a list of invoices paid from June 1, 2020 to August 31, 2020. She noted that there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the invoices paid from June 1, 2020 to August 31, 2020, as presented.

E. Payroll Audit Status Report

The Trustees reviewed the payroll audit status report as provided by Calibre CPA Group, PLLC ("Calibre"). The report noted a compliance audit of H&W Printing had been placed on hold. The employer reports that it can only provide paper records, which require Calibre to examine the records on-site. Due to Covid-19, Calibre will work with the employer to complete the audit when Calibre is able to do on-site visits again.

V. FUND ACTUARY REPORT

The Trustees welcomed Mr. Brian Hartsell and Mr. Brian Goddu from The McKeogh Company to the meeting. Mr. Goddu reported that they are working on the Plan's March 1, 2020 Actuarial Valuation. Mr. Hartsell and Mr. Goddu consulted with Fund Counsel on the Fund's Rehabilitation Plan ("RP"). In addition, final calculations for the mass withdrawal of employers have been completed. Mr. Goddu asked the Trustees if all reasonable measures have been taken to forestall the Fund's insolvency. The Trustees confirmed that all reasonable measures have been taken. Ms. Clutts reported that Calibre indicated it needs the Fund's Actuarial Valuation to complete the annual audit. Mr. Hartsell and Mr. Goddu said they will work closely with Calibre to provide the necessary information and anticipate completing the Actuarial Valuation before the end of 2020.

The Trustees thanked Mr. Hartsell and Mr. Goddu for their report and they were excused from the meeting.

VI. FUND COUNSEL REPORT

Mr. Greg Moore and Mr. Jacob Szewczyk reported the following:

A. Mass Withdrawal Liability

Mr. Szewczyk advised the Trustees that as part of the mass withdrawal of employers, the Fund is required by law to reallocate liability among the employers as of a certain date called the reallocation record date. Mr. Hartsell proposed the Trustees establish the reallocation record date as of February 28, 2020. Mr. Szewczyk informed the Trustees that the proposed date was consistent with the requirements of law. The Trustees agreed with the proposed reallocation record date and, therefore, established the reallocation record date as February 28, 2020.

B. Required Beginning Date ("RBD")

Mr. Szewczyk presented an Amendment to the Plan Document reflecting an increase in a Participant's RBD from April 1 of the calendar year following the year in which a Participant turns age 70.5 to April 1 of the calendar year following the year in which the Participant turns age 72 for purposes of determining when a Participant must commence benefits under the Plan, in compliance with the SECURE Act.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve amending the Plan to change the RBD from April 1 of the calendar year following the year in which a Participant turns age 70.5 to April 1 of the calendar year following the year in which a Participant turns age 72 for purposes of determining when a Participant must commence benefits under the Plan.**

Mr. Szewczyk will distribute the Plan amendment to the Trustees for e-signature.

C. Early Retirement Pension Calculations

As discussed at the March 6, 2020 Board meeting, during the Plan implementation from the prior administrative manager, Associated Administrators ("Associated") found that early retirement pensions were being calculated by the prior administrative manager using a participant's age rounded up or down to the next nearest age. However, the practice is not reflected in the Plan Document. Mr. Moore explained that due to the Plan's funding status and the terms of the Rehabilitation Plan, the Trustees cannot amend the Plan to reflect the age rounding practice. Mr. Moore recommended that the Trustees have Associated conduct a study to determine the population of early retirement pensioners who had their pensions calculated with a rounded age to determine the scope of the rounding practice, initially limited to a period of the past five Plan years. After further discussion, the Trustees agreed with Mr. Moore's recommendation. Ms. Clutts advised that she will need to review this study to determine the amount of research involved, as well as an estimated timeframe to complete the work, and will coordinate the project with Mr. Moore and Mr. Szewczyk.

D. Qualified Domestic Relations Orders ("QDROs")

Mr. Szewczyk informed the Trustees that per the discussion at the March 6, 2020 meeting a letter was sent to Ms. Janet Pruitt on August 17, 2020, informing her that she received an overpayment under the terms of her QDRO in the amount of $58,600, and that payments would cease immediately. Ms. Clutts confirmed that to date the Fund office has not received an appeal from Ms. Pruitt. A claim against the prior administrative manager for this loss to the Fund will be pursued by Fund Counsel.

Mr. Szewczyk explained that after Associated became administrative manager of the Fund, the Pension Department found four additional QDRO pensions that were miscalculated. He advised that Mr. Moore and Mr. Szewczyk are working with the Fund office to confirm the over/underpayments. The Trustees instructed Fund Counsel to pursue any losses discovered during review of the four identified QDROs with the prior administrative manager.

E. Withdrawal Liability

Mr. Szewczyk advised the Trustees that pursuant to the direction of the Board, Fund

Counsel prepared a lawsuit against David L. Andrukitis, Inc. ("Andrukitis") for its withdrawal liability delinquency. Mr. Szewczyk reported that before the lawsuit was filed, Andrukitis ceased operations. Given this additional information, Mr. Szewczyk opined that it is unlikely the Fund will recover the delinquent withdrawal liability payments from Andrukitis. Mr. Szewczyk recommended the Fund not pursue a lawsuit, given the expenses involved and the assessment of no recovery.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to not pursue a lawsuit against David L. Andrukitis, Inc. for delinquent withdrawal liability payments.

VII. PENSION AWARDS

The following pensions were awarded by the Pension Committee from July 2, 2020 to October 8, 2020:

RATIFICATIONS

Robert Bernhard
Deferred Vested/Actuarially Adjusted– Life Annuity Option (Spousal Waiver)
Age: 65
D.O.B.: 05/12/1955
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 10.44
Benefit Amount: $344.00
Effective Date: 06/01/2020

Mary Byrd
John Byrd - Deceased
Surviving Spouse Benefit – 100% Joint and Survivor Option
Spouse Age: 92
Spouse D.O.B.: 05/09/1928
Participant D.O.D.: 05/13/2020
Past Service: -0-
Future Service: -37.52-
Benefit Amount: $189.00
Effective Date: 06/01/2020

Francis Crain
Deferred Vested/Actuarially Adjusted/QDRO Reduction – 100% Joint & Survivor Option per QDRO
Age: 69
D.O.B.: 01/14/1951
Alt Payee/Surviving Spouse D.O.B.: 6/14/1952
Past Service: -0-
Future Service: 15.330
Benefit Amount: $304.00
Effective Date: 08/01/2020

Michael Glorioso
Deferred Vested Unreduced – 50% Joint & Survivor Option
Age: 65
D.O.B.: 08/18/1955
Spouse D.O.B.: 12/19/1956
Past Service: -0-
Future Service: 21.24
Benefit Amount: $769.00
Effective Date: 09/01/2020

Jacqueline Johnson
Kenneth Johnson - Deceased
Surviving Spouse Benefit– 50% Joint and Survivor Option
Participant D.O.D.: 06/08/2020
Spouse Age: 68
Spouse D.O.B.: 07/2/1952
Past Service: -0-
Future Service: -18.55-
Benefit Amount: $418.00
Effective Date: 07/01/2020

Michael McDonald
Early Reduced – Life Annuity Option (Spousal Waiver)
Age: 58
D.O.B.: 01/12/1962
Spouse D.O.B.: 10/03/1956
Past Service: -0-
Future Service: 17.91
Benefit Amount: $448.00
Effective Date: 09/01/2020

Ernest Needs
Deferred Vested/Actuarially Adjusted– Life Annuity Option
Age: 65
D.O.B.: 12/26/1954
Spouse D.O.B.: N/A
Past Service: -0-

Future Service: 6.73
Benefit Amount: $257.00
Effective Date: 05/01/2020

Douglas Poss
Deferred Vested – 50% Joint & Survivor Option
Age: 65
D.O.B.: 09/02/1955
Spouse D.O.B.: 05/01/1958
Past Service: -0-
Future Service: 26.76
Benefit Amount: $1,050.00
Effective Date: 09/01/2020

Pamela Rich – Alternate Payee
Scott Rich - Retiree
Alternate Payee Benefit – Early Reduced, Converted to Life Annuity
Alt Payee Age: 62
Alt Payee D.O.B.: 04/04/1958
Participant D.O.B.: 11/11/1958
Past Service: -0-
Future Service: -23.28-
Benefit Amount: $362.29
Effective Date: 07/01/2019

Grover Vermillion
Deferred Vested/Actuarially Adjusted– Life Annuity Option
Age: 66
D.O.B.: 07/25/1954
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 9.00
Benefit Amount: $225.00
Effective Date: 08/01/2020

Mac Via
Deferred Vested/Actuarially Adjusted– Life Annuity Option
Age: 71
D.O.B.: 03/20/1949
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 8.00
Benefit Amount: $650.00
Effective Date: 04/01/2020

Barbara Wells
Charles Wells - Deceased
Surviving Spouse Benefit– 50% Joint and Survivor Option

Participant D.O.D.: 05/30/2020
Spouse Age: 75
Spouse D.O.B.: 06/24/1945
Past Service: -0-
Future Service: -28.05-
Benefit Amount: $632.00
Effective Date: 06/01/2020

David Wolfe
Deferred Vested Early Reduced – 100% Joint & Survivor Option with Pop-up
Age: 62
D.O.B.: 11/15/1957
Spouse D.O.B.: 04/29/1964
Past Service: -0-
Future Service: 13.35
Benefit Amount: $382.00
Effective Date: 05/01/2020

After review and discussion of the above pensions, and upon Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify the pensions approved by the Pension Committee, as detailed above.**

VIII. OTHER FUND BUSINESS

Ms. Clutts presented the following:

A. Annual Audit for Fiscal Year End February 29, 2020 and Form 5500

Calibre completed its initial field audit review at Associated Administrators the week of September 7, 2020. Calibre is working with the Fund office's Accounting Department to address open audit questions. The IRS Form 5500 filing deadline was extended to December 15, 2020.

B. Trustee Web Portal

Ms. Welch provided the Trustees with instructions for accessing the Trustee Web Portal on Associated Administrator's website: www.associated-admin.com.

The Trustee Web Portal provides Trustees access to meeting materials in advance of scheduled meetings. The Printing Local 72 Industry Pension Plan has been added to the Trustee Web Portal for the convenience of the Trustees. Ms. Welch reviewed a document with the Trustees titled, "Trustee Web Portal Overview," detailing the written instructions for Trustees to follow to access Fund meeting materials. Trustees and Fund Counsel were each provided a confidential and unique log-in identity and password.

C. Zurich American Insurance Company ("Zurich") Refund

The Fund received a refund in the amount of $238.00 from Zurich. This was due to a recalculation of risk factors for clients outside of the State of California.

D. Retiree Information Forms

The second mailing of Retiree Information Forms to Plan participants in pay status was completed on October 14, 2020.

E. International Foundation of Employee Benefit Plans ("IFEBP") Membership

The Fund's IFEBP membership renewal notice for the Local 72 Funds was received at a cost of $1,265. The Pension Fund's share of the renewal cost is $632.50.

After discussion on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to renew the IFEBP membership for 2021 at a cost of $632.50.**

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected the following date and location for the next Board meeting:

February 19, 2021 – 10 a.m. – Location to be determined.

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Jay Goldscher, Chairman

Paul Atwill, Co-Chairman