The McKeogh Company

VIA ELECTRONIC DELIVERY

May 29, 2020

Board of Trustees,
Printing Local 72 Industry Pension Fund
c/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152

The Secretary of the Treasury
c/o Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
Room 1700 – 17th Floor
230 S. Dearborn Street
Chicago, IL 60604
c/o EPCU@irs.gov

Dear Trustees and the Secretary of the Treasury:

ACTUARIAL CERTIFICATION FOR THE 2020 PLAN YEAR

Attached is the actuarial certification of the status of the Printing Local 72 Industry Pension Fund under IRC Section 432 for the March 1, 2020 through February 28, 2021 Plan Year. This certification is intended to comply with the requirements of IRC Section 432(b)(3) and proposed regulation §1.432(b)-1(d).

Plan Status

The Plan is in critical & declining status (i.e., it is in the Red & Declining Zone) for the March 1, 2020 through February 28, 2021 Plan Year for purposes of Section 305 of ERISA and Section 432 of the Internal Revenue Code. The Plan is projected to be in critical status for at least one of the succeeding 5 Plan Years. Details of the certification tests are attached in a separate exhibit. The Plan is currently projected to become insolvent during the Plan Year beginning March 1, 2024.

The rehabilitation period began March 1, 2010. As of the date of this certification the Trustees have taken all reasonable steps to forestall insolvency including the adoption and implementation of a Rehabilitation Plan which eliminated adjustable benefits and increased contributions.

Because the Plan is in critical & declining status, notification to the participants, beneficiaries, bargaining parties, PBGC and Secretary of Labor is required within 30 days of the date of this certification.

Funded Percentage

The funded percentage is measured by the actuarial value of assets divided by the present value of accrued benefits (determined using funding assumptions). The funded percentage as of March 1, 2020 for certification purposes is 25.4% (= $11,244,000 ÷ $44,268,000).

Projection of Credit Balance

The Funding Standard Account Credit Balance is a measure of compliance with ERISA's minimum funding standards. If contributions exceed the minimum required, the credit balance will tend to grow. The credit balance will be reduced when contributions are less than the minimum required (before taking into account the credit balance offset). However, short-term fluctuations are not indicative of long-term trends. Consequently, a projection of 15-20 years is more informative as to the long-term health of the plan.

The projection of the credit balance as shown on the attached exhibit shows a funding deficiency (negative credit balance) for the current (March 1, 2020 – February 28, 2021) Plan Year.

Assumptions

Estimates and projections of the Plan's assets, liabilities and funding standard account credit balance were based on the following for the purposes of this certification:

- The Plan's liabilities were projected forward from the March 1, 2019 actuarial valuation.

- The March 1, 2020 market value of assets was estimated to be $12,337,000 based on unaudited financial information provided by the Plan's administrative agent.

- The Plan Year March 1, 2019 – February 29, 2020 contributions were estimated to be $902,200 from unaudited information obtained from the Plan's administrative agent. This amount includes $771,000 of monthly withdrawal liability payments.

- The administrative expenses for the Plan Year beginning March 1, 2019 were assumed to be $317,100 (net of investment fees) based on unaudited information obtained from the plan administrative agent.

- The projections assume that all valuation assumptions are met during the projection period including specifically that the Plan's investment return assumption of 7.00% per year is attained on the market value of assets from March 1, 2020 forward.

- The current differences between the market value of assets and the actuarial value of assets are phased in during the projection period in accordance with the regular operation of the asset valuation method.

- The contribution rate is assumed to remain at the March 1, 2020 rate of $111.50 per week for the duration of the projection. This represents reasonably anticipated employer rates for the current and succeeding Plan

The McKeogh Company

Years, assuming that the terms of the collective bargaining agreements pursuant to which this Plan is maintained for the current Plan Year continue in effect for succeeding Plan Years. Future contribution increases called for in the Rehabilitation Plan have not been reflected in the projections.

- The March 1, 2020 active plan participant count is assumed to be 24 based on information received from the Board of Trustees. This count is assumed to remain level in the following Plan Year and for all Plan Years thereafter.

- The contributions and participant counts reflect the withdrawal of 2 employers during the Plan Year Ending February 28, 2018 as well as 4 employers during the Plan Year Ending February 28, 2019.

- The determination of whether the plan is in critical and declining status and the determination of whether the plan is projected to be in critical status within the succeeding 5 years were both based on the above assumptions with the following exception: an annual $5.00 increase in the weekly contribution rate has been assumed until the last increase effective March 1, 2023 at which point the contribution rate will remain level.

Activity in the industry (including future covered employment and contribution levels) is based upon information provided by the plan sponsor.

This certification is for the March 1, 2020 – February 28, 2021 Plan Year only. Actual future valuation results will differ from those projected to the extent that future experience deviates from that anticipated.

In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that, except for the projected industry activity supplied by the plan sponsor, offer my best estimate of anticipated experience under the Plan.

Sincerely,

Brian W. Hartsell

Brian W. Hartsell, ASA

BWH:brg
Enclosures
cc (w/enclosures): Debbie Clutts, Fund Administrator
Greg Moore, Esquire, Fund Counsel
Joseph Herishen, CPA, Fund Auditor

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ACTUARIAL CERTIFICATION OF PLAN STATUS UNDER IRC SECTION 432

To:	**The Secretary of the Treasury**	**The Plan Sponsor**
	Internal Revenue Service Employee Plans Compliance Unit Group 7602 (TEGE:EP:EPCU) Room 1700 – 17th Floor 230 S. Dearborn Street Chicago, IL 60604	Board of Trustees, Printing Local 72 Industry Pension Fund c/o Associated Administrators, LLC 911 Ridgebrook Road Sparks, MD 21152 410-683-7778
Plan Identification:	Plan Name:	Printing Local 72 Industry Pension Plan
	EIN/PN:	52-6033899/001
	Plan Sponsor:	See Above
	Plan Year:	March 1, 2020 - February 28, 2021

Information on Plan Status:

The Plan is in critical & declining status for the Plan Year referenced above. The Plan is projected to be in critical status for at least one of the succeeding five Plan Years.

Enrolled Actuary Identification:	Name:	Brian W. Hartsell, ASA
	Address:	The McKeogh Company Four Tower Bridge, Suite 225 200 Barr Harbor Drive West Conshohocken, PA 19428
	Telephone Number:	484-530-0692
	Enrollment Identification Number:	20-08563

I hereby certify that, to the best of my knowledge, the information provided in this certification is complete and accurate.

Brian W. Hartsell
Signature

5/29/2020
Date

This certification is intended to comply with the requirements of IRC Section 432(b)(3) and proposed regulation §1.432(b)-1(d).

Printing Local 72 Industry
Pension Plan

Certification Tests for the Plan Year Beginning in 2020

A. Critical Status (Red Zone) Tests

TRUE 1. 6-Year Projection of Benefit Payments

- TRUE a. Funded percentage < 65%, ***and***
- TRUE b. Present value of 7 years of projected benefit payments and expenses greater than sum of market value of assets plus present value of 7 years of projected contributions

TRUE 2. Short Term Funding Deficiency (not taking automatic extensions into account)

- TRUE a. Funding deficiency for current year, ***or***
- FALSE b. FALSE (i) Funded percentage is > 65%, ***and***
  - FALSE (ii) Projected funding deficiency in any of 3 succeeding plan years, ***or***
- FALSE c. TRUE (i) Funded percentage is <= 65%, ***and***
  - FALSE (ii) Projected funding deficiency in any of 4 succeeding plan years

TRUE 3. Contributions less than Normal Cost Plus Interest

- TRUE a. Present value of current year expected contributions less than sum of unit credit normal cost plus interest on excess if any of unit credit accrued liability less actuarial value of assets, ***and***
- TRUE b. Present value of nonforfeitable benefits for inactive participants is greater than the present value of nonforfeitable benefits for active participants, ***and***
- TRUE c. Funding deficiency projected for current or any of 4 succeeding plan years (no extensions)

TRUE 4. 4-Year Projection of Benefit Payments

- TRUE a. Present value of 5 years of projected benefit payments and expenses greater than sum of market value of assets plus present value of 5 years of expected contributions

TRUE 5. Failure to Meet (Regular) Emergence Criteria

- TRUE a. In Critical Status for immediately preceding year, ***and either (b) or (c)***
- TRUE b. Projected funding deficiency for current or any of 9 succeeding plan years (***with*** any extensions)
- TRUE c. Projected insolvency within 30 succeeding plan years

FALSE 6. Election to be in Critical Status

- TRUE a. Projected to be In Critical Status in any of 5 succeeding years, ***and***
- FALSE b. Plan sponsor elected Critical Status for current year?

FALSE **Plan in Critical Status (Red Zone - meets either (b) or (c) but not (a))?**

- FALSE a. Pass Special Emergence Rule for a plan with an automatic extension of amortization periods?
  - FALSE (i) Plan has an automatic extension of amortization periods, ***and***
  - TRUE (ii) Plan in Critical Status for immediately preceding plan year, ***and***
  - FALSE (iii) No projected funding deficiency for current or any of 9 succeeding plan years (***with*** any extensions), ***and***
  - FALSE (iv) No projected insolvency within 30 succeeding plan years
- FALSE b. Pass reentry criteria for a plan that emerged from Critical Status using Special Emergence Rule (see (a) above)?
  - FALSE (i) Plan NOT in Critical Status for immedately preceding plan year, ***and***
  - FALSE (ii) Used special emergence rule for plans w/ automatic extensions of amort periods, ***and either (iii) or (iv)***
  - TRUE (iii) Projected funding deficiency for current or any of 9 succeeding plan years (***with*** any extensions)
  - TRUE (iv) Projected insolvency within 30 succeeding plan years
- FALSE c. Pass regular Critical Status Tests?
  - TRUE (i) Fail special emergence rule for a plan with an automatic extension of amortization periods, ***and***
  - TRUE (ii) Did not use special emergence rule for plans w/ automatic extensions of amort periods, ***and***
  - TRUE (iii) Meets at least one of Tests #1 through #6, ***and***
  - FALSE (iv) Not in Critical and Declining Status

TRUE **Plan in Critical and Declining Status (Red Zone - meets (a) and either (b) or (c) but not (d))?**

- TRUE a. Meets at least one of Tests #1 through #4
- FALSE b. TRUE (i) Projected insolvency within current or any of 14 succeeding plan years, ***and***
  - FALSE (ii) Ratio of inactive to active participants does not exceed 2 to 1 (<= 200%)
- TRUE c. TRUE (i) Projected insolvency within current or any of 19 succeeding plan years, ***and either (ii) or (iii)***
  - TRUE (ii) Ratio of inactive to active participants exceeds 2 to 1 (> 200%)
  - TRUE (iii) Funded percentage < 80%
- FALSE d. Pass emergence test for a plan that suspended benefits while in Critical and Declining Status?
  - TRUE (i) Plan in Critical and Declining Status for immediately preceding plan year, ***and***
  - FALSE (ii) Benefits suspended while in critical and Declining Status, ***and***
  - FALSE (iii) Does not meet any of Tests #1 through #4, ***and***
  - FALSE (iv) Funded percentage >= 80%, ***and***
  - FALSE (v) No funding deficiency for current or any of the 6 succeeding plan years (***with*** any extensions), ***and***
  - FALSE (vi) No projected insolvency

Printing Local 72 Industry
Pension Plan

Certification Tests for the Plan Year Beginning in 2020
(Continued)

B. Endangered Status (Yellow and Orange Zones) Tests

FALSE 1. Funded Percentage
- TRUE a. Funded percentage < 80%, ***and***
- FALSE b. Not in Critical Status

FALSE 2. Projection of Funding Deficiency
- TRUE a. Funding deficiency for current or any of the 6 succeeding plan years (***with*** any extensions), ***and***
- FALSE b. Not in Critical Status

FALSE 3. Special Rule - Exemption from Endangered Status
- FALSE a. Not in Critical or Endangered (or Seriously Endangered) Status in preceding year, ***and***
- FALSE b. As of the end of the plan year beginning in 2030:
  - FALSE (i) Funded percentage >= 80%, ***and***
  - FALSE (ii) No Funding deficiency for current or any of the 6 succeeding plan years (***with*** any extensions)

FALSE **Plan in Endangered Status (Yellow Zone - meets *only* Test #1 or Test #2 but not Test #3)?**
- FALSE a. Meets only Test #1 or Test #2, but not both
- FALSE b. Meets Special Rule exemption from Endangered Status

FALSE **Plan in Seriously Endangered Status (Orange Zone - meets *both* Tests #1 and #2 but not Test #3)?**
- FALSE a. Meets both Tests #1 and #2
- FALSE b. Meets Special Rule exemption from Endangered Status

C. Neither Critical Status Nor Endangered Status (Green Zone) Tests

FALSE 1. Not in Critical Status

TRUE 2. Not in Seriously Endangered Status

TRUE 3. Not in Endangered Status

FALSE **Plan in neither Critical Status Nor Endangered Status (Green Zone - meets *all* tests 1-3)?**

n/a **Plan did NOT need Special Rule Exemption to meet Green Zone criteria**

FALSE **Plan would have been in Endangered Status without Special Rule Exemption**
Green (Yellow) Zone - Green Zone with additional notice requirements

FALSE **Plan would have been in Seriously Endangered Status without Special Rule Exemption**
Green (Orange) Zone - Green Zone with additional notice requirements

D. Projected Critical Status in any of 5 Succeeding Plan Years?

TRUE **Plan projected to be in Critical Status in any of 5 succeeding plan years**

Printing Local 72 Industry
Pension Plan

Information Needed for the Certification Tests for the Plan Year Beginning in 2020

A. Projected Asset Information	
1. Market Value of Assets	12,337,226
2. Actuarial Value of Assets	11,243,819
3. Present Value of Contributions for Current Plan Year	
a. During the Current Plan Year	1,027,159
b. During the Current Plan Year and each of the 4 Succeeding Plan Years	4,553,824
c. During the Current Plan Year and each of the 6 Succeeding Plan Years	6,002,617
B. Projected Liability Information	
1. Unit Credit Accrued Liability	44,268,406
2. Unit Credit Normal Cost	42,124
3. Present Value of Vested Benefits	
a. Actives	1,061,447
b. Non-Actives	42,780,950
4. Present Value of All Non-Forfeitable Benefits Projected to be Paid	
a. During the Current Plan Year and each of the 4 Succeeding Plan Years	15,582,688
b. During the Current Plan Year and each of the 6 Succeeding Plan Years	20,596,666
5. Present Value of All Administrative Expenses Projected to be Paid	
a. During the Current Plan Year and each of the 4 Succeeding Plan Years	1,347,085
b. During the Current Plan Year and each of the 6 Succeeding Plan Years	1,801,909
6. Interest on excess if any of unit credit accrued liability less actuarial value of assets	2,311,721
C. Historical and Projected Status Information	
1. In Critical and Declining Status for Immediately Preceding Year?	TRUE
2. In Critical Status for Immediately Preceding Year?	TRUE
3. In Endangered (or Seriously Endangered) Status for Immediately Preceding Year?	FALSE
4. In Critical Status in any of 5 Succeeding Years?	TRUE
5. Plan Sponsor Elected Critical Status for Current Year?	FALSE
6. Special Emergence Rule for Plans with Automatic Extension of Amortization Periods Used in Past?	FALSE
7. Benefits Suspended while in Critical and Declining Status?	FALSE
8. Plan has an Automatic Extension of Amortization Periods?	FALSE
D. Valuation Projections	
1. Valuation Rate	7.00%
2. Funded Percentage	25.40%
3. Funded Percentage as of the end of the plan year beginning in 2030	-66.36%
4. Ratio of inactive to active participants	3445.83%
5. Years to Projected Funding Deficiency (0 means FD for current year)	
a. Including automatic extensions	0
b. Ignoring automatic extensions	0
c. As of the end of the plan year beginning in 2030 including extensions	0
6. Years to Plan Insolvency (0 means insolvent in current year)	4
7. Projection of Credit Balance Graph: