# Wisconsin Laborers' Pension Fund

**Withdrawal Liability Valuation as of August 31, 2023**

This report has been prepared at the request of the Board of Trustees for the purposes of establishing the basis for withdrawal liability assessments during the September 1, 2023 through August 31, 2024 period. This report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety. The measurements shown in this report may not be applicable for other purposes.



Segal

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May 9, 2024

Board of Trustees
Wisconsin Laborers' Pension Fund
DeForest, Wisconsin

Dear Trustees:

This report summarizes and reviews the Plan's status and experience with respect to employer withdrawal liability. It outlines the withdrawal liability method adopted and explains the calculation of the amount of liability allocable to a withdrawn employer. It also establishes the basis for assessments of withdrawal liability for a withdrawal during the period September 1, 2023 through August 31, 2024.

The actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, Enrolled Actuary. The basic participant and financial data used in this report are the same as those used in the actuarial valuation as of September 1, 2023. The benefit provisions included in the calculations are those that were in effect on August 31, 2023.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal

By: ______________________________
John M. Redmond, ASA, MAAA, EA
Vice President and Consulting Actuary

______________________________
Jody Ohm
Associate Benefits Consultant

cc: Tracy Suber
James J. Hoppe
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Frank G. Locante, Esq.
Corey Bilkey, CPA
Brett Christenson
Megan Kelly

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# Section 1: Actuarial Valuation Summary

## Important information about withdrawal liability valuations

A withdrawal liability valuation is prepared to assist in the determination and assessment of withdrawal liability. It is a forecast of future uncertain obligations of a pension plan. As such, the forecast will never precisely match the actual stream of benefits and expenses to be paid.

In order to prepare withdrawal liability valuations, Segal relies on a number of input items. These include:

| | |
|---|---|
| **Plan Provisions** | Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits. For an employer withdrawing in a particular plan year, the relevant plan provisions are those in effect at the end of the prior plan year. |
| **Participant Information** | The present value of vested benefits, upon which withdrawal liability for an employer is determined, is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for a valuation: the valuation is an estimated forecast, not a prediction. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data. |
| **Financial Information** | The withdrawal liability valuation is based on the asset values as of the valuation date, typically reported by the auditor. The allocation of the unfunded present value of vested benefits to an employer is based on its detailed obligated contribution information as well as that for other participating employers, as provided by the plan. |
| **Actuarial Assumptions** | In measuring the present value of vested benefits for withdrawal liability purposes, Segal starts by developing a forecast of the vested benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death and retirement. The forecasted benefits are then discounted to a present value. The actuarial model used to develop the present value of vested benefits for withdrawal liability purposes may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong. |

# Section 1: Actuarial Valuation Summary

Given the above, the user of Segal's withdrawal liability valuation report (or other actuarial calculations) needs to keep the following in mind:

| |
|---|
| The withdrawal liability valuation report is prepared for use by the Trustees in administering the Plan. It includes information relative to the provisions of ERISA pertaining to withdrawal liability. Segal is not responsible for the use or misuse of its report, particularly by any other party. |
| A withdrawal liability valuation is a measurement as of a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of other potential financial measurements. |
| The measurements in this report are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. |
| Segal does not provide investment, legal, accounting, or tax advice. This withdrawal liability valuation report is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas. |
| While Segal maintains extensive quality assurance procedures, a withdrawal liability valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's results, Segal may revise that valuation report or make an appropriate adjustment in the next valuation. |
| Segal's withdrawal liability report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content. |

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

## A. Actuarial valuation results

1. The unfunded vested liability as of August 31, 2023 is $236.2 million, compared to $451.4 million as of August 31, 2022. A negative basic pool of $171.0 million was established.
2. The decrease in the unfunded vested liability since last year was primarily caused by the increase in the PBGC interest rates.

## B. Developments since last valuation

The following are developments since the last valuation, from August 31, 2022 to August 31, 2023:

1. *Plan assets.* The net investment return on the market value of assets was 5.37%.
2. *Assumption changes.* Since the last valuation, the PBGC interest rates used to determine the funded portion of the present value of vested benefits changed, from 2.81% for 20 years and 2.94% thereafter, to 5.24% for 20 years and 4.58% thereafter.
3. *Plan provisions***.** There were no changes in plan provisions reflected in this actuarial valuation.

   A summary of key plan provisions can be found in Section 3.
4. *Employer withdrawals***.** We have not been notified of any employers withdrawing from the fund during the last plan year, nor of any outstanding withdrawal liability payments.

   For the last plan year, the Fund received $0 from withdrawal liability assessments. These serve to fund the Plan in the same manner as employer contributions. Currently, there are no withdrawn employers making withdrawal liability payments.

## Summary of key valuation results

| | | 2022 | 2023 |
|---|---|---|---|
| **Demographic Data:** | • Number of active vested participants | 2,125 | 2,126 |
| | • Number of inactive vested participants | 3,304 | 3,407 |
| | • Number of retired participants and beneficiaries | 3,598 | 3,676 |
| **Interest Assumptions:** | • Valuation (funding) interest rate | 7.00% | 7.00% |
| | • PBGC interest rates | 2.81% for 20 years, 2.94% thereafter | 5.24% for 20 years, 4.58% thereafter |
| **Present Value of Vested Benefits:** | • Present value of vested benefits at funding interest rate | $966,783,940 | $987,869,733 |
| | • Present value of vested benefits on PBGC basis, including allowance for expenses | 1,701,580,200 | 1,247,240,368 |
| | • Present value of vested benefits measured for withdrawal liability purposes | 1,358,475,649 | 1,185,212,233 |
| **Unfunded Vested Liability: Established:** | • Market value of assets | $907,047,154 | $948,964,530 |
| | • Unfunded vested liability for withdrawal liability purposes | 451,428,495 | 236,247,703 |
| | • Withdrawal Liability Pool established | $25,327,180 | ($170,966,950) |

# Section 2: Determination of Withdrawal Liability

## Summary of MPPAA Rules

The Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) requires assessment of withdrawal liability to an employer that withdraws from the Plan. In general, "withdrawal" means the employer has permanently ceased operations under the Plan or has permanently ceased to have an obligation to contribute to the Plan. An employer is entitled to be advised, upon its request, of the amount of its potential withdrawal liability.

### Determination of unfunded vested liability

The amount of withdrawal liability is based on the Plan's unfunded vested liability at the time of withdrawal. The "unfunded vested liability" refers to the value of vested benefits not covered by assets.

For withdrawal liability purposes, "vested benefits" are the benefits that are considered non-forfeitable if the participant incurs a permanent break in service. The value of these benefits is based on the Plan provisions as of the withdrawal liability valuation date.

Determinations of the value of the liability for vested benefits are based on a set of actuarial assumptions. The law prescribes that the assumptions and methods used must be reasonable in the aggregate and "offer the actuary's best estimate of anticipated experience under the plan." It also authorizes the PBGC to promulgate assumptions and methods for use by the Plan's actuary. However, the PBGC has not promulgated any assumptions or methods.

The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.

## Method for allocating withdrawal liability

The Plan determines the liability of an employer that has completely withdrawn on the basis of the statutory presumptive method defined in Section 4211(b) of ERISA.

The liability of an employer for complete withdrawal from the Plan is determined as the sum of the unamortized balances, as of the end of the plan year preceding withdrawal, of the employer’s prorated shares of each of the following:

- The Plan’s unfunded vested liability as of August 31, 1980
- The change in the Plan’s unfunded vested liability as of the end of each subsequent plan year (to the end of the plan year preceding withdrawal)
- Reallocated amounts that would have been payable to the Plan as withdrawal liability payments for withdrawals in preceding years, except that they were non-assessable under certain statutory provisions or not collectible

The PBGC has affirmed that a multiemployer plan may assess withdrawal liability to employers that withdraw even if the plan currently has no unfunded vested liability.

## Initial amount

The Plan’s unfunded vested liability as of August 31, 1980 was determined by subtracting the value of Plan assets from the value of vested benefits under the Plan.

## Annual changes

The change in the Plan’s unfunded vested liability as of the end of any plan year is generally determined as follows:

- By establishing the Plan’s unfunded vested liability as of the end of that plan year
- By subtracting the total, not less than zero, of (a) the unamortized balance of the unfunded vested liability as of August 31, 1980 and (b) the unamortized balances of each previous annual change after August 31, 1980

A “positive” change represents an unfunded vested liability greater than the total of the unamortized balances and is an addition to potential liability assessments for future withdrawals. A “negative” change represents an unfunded vested liability lower than the total of unamortized balances and is a credit against amounts that would otherwise determine potential liability assessments for future withdrawals.

# Section 2: Determination of Withdrawal Liability

## Reallocated amounts

The total amount, if any, of unfunded vested liability determined in any plan year after August 31, 1980 to be non-assessable or uncollectible with respect to employers that withdrew is established as an amount to be prorated among each of the participating employers as an additional withdrawal liability amount. Non-assessable amounts consist of amounts deducted under the *de minimis* rule (ERISA Section 4209), amounts not payable because of the 20-year limit (ERISA Section 4219(c)(1)), and amounts not payable because of the limitations in the event of sale of all of the employer's assets (ERISA Section 4225). Uncollectible amounts consist of amounts that the Trustees have determined are uncollectible for reasons arising out of cases under federal bankruptcy law or similar proceedings. They also include any other amount of assessed liability determined by the Plan's Trustees to be uncollectible.

Each annual reallocable amount is written down by 5% of the original amount for each full year from the date as of which it was originally determined to the end of the plan year preceding withdrawal.

## Unamortized balances

The "unamortized balance" of each of these sources of liability assessment is determined by reducing each figure by 5% of its original amount for each full year from the end of the plan year as of which the charge was originally determined to the end of the plan year immediately preceding withdrawal.

## Proration to the employer

For determining the amount of its liability in the event of its complete withdrawal, the initial amount of unfunded vested liability, each annual change in the unfunded vested liability and each annual reallocable amount is prorated to an employer on the basis of a ratio of contributions. The ratio is the employer's obligated contributions to the Plan to total employer contributions made to the Plan during an "apportionment base period," consisting of the 5 years ending with the end of the plan year as of which each of the amounts was determined.

The total of employer contributions with respect to an apportionment base period is reduced by contributions otherwise included in the total that were made by [an/a significant] employer that withdrew from the Plan in or before the plan year in which the change or reallocation arose. The total is also reduced by any employer surcharges paid to a plan that resulted from the plan being in critical status under PPA '06. MPRA provides that contribution increases that go into effect during plan years beginning after December 31, 2014 (August 31, 2015) that are deemed to be required to be made to enable the plan to meet Funding Improvement or Rehabilitation Plan requirements are also disregarded while a plan is in endangered or critical status, unless the additional contributions are used to provide an increase in benefits, including an increase in future benefit accruals. This Plan had been in endangered status but ceased to be in endangered status as of September 1, 2018.

## De minimis

Each withdrawal liability assessment is the total of the unamortized balances of the allocation amounts, as defined above, less a *de minimis* deductible. The deductible is $50,000 but not more than ¾% of the Plan's unfunded vested liability. This deductible amount is reduced, dollar for dollar, by the amount by which the total of charges prorated to the employer exceeds $100,000.

## Payment of withdrawal liability

A withdrawn employer's withdrawal liability assessment is payable in quarterly installments. The quarterly installment is calculated as one-fourth of the product of:

- The average base units in the three consecutive years that produce the highest average within the 10-year period ending before the plan year of withdrawal
- The highest contribution rate in the 10-year period ending with the plan year of withdrawal

Per MPRA, any contribution surcharges for which the obligation accrues on or after December 31, 2014 or any increases in the contribution rate required under a Funding Improvement or a Rehabilitation Plan that go into effect after August 31, 2015 are excluded from the determination of the highest rate in the 10-year period described above, unless the additional contributions are used to provide an increase in benefits, including an increase in future benefit accruals.

The number of quarterly installments is calculated on the basis of the amount of withdrawal liability and interest at the actuarial valuation rate used for funding purposes. Payments are limited to a maximum of 20 years.

Under certain circumstances, as allowed by ERISA, the Trustees may require immediate payment of withdrawal liability assessments.

## Maintenance of allocations

Even if no employer withdrawal had occurred in a given year, an annual determination of the Plan's unfunded vested liability, and of any reallocable uncollectible withdrawal liability amounts, is required. The Plan must be in a position to allocate liability to any particular employer based on its contribution history. These procedures and records are necessary in order to be able to determine an assessment should withdrawal occur and also to respond to an inquiry from a participating employer as to the amount of its potential liability.

## Partial withdrawal

The withdrawal may also be partial. A “partial withdrawal” occurs if there is a 70% decline in the number of contribution base units or there is a partial cessation of the employer’s obligation to contribute. A 70% decline occurs if the contribution base units in the plan year and the preceding two plan years (the testing period) are less than 30% of contribution base units for the high base year. The “high base year” is the average of the base units in the two plan years in which the base units were the highest within the five plan years preceding the testing period. A partial withdrawal may also occur if an employer ceases to have an obligation to contribute under one or more, but not all of its collective bargaining agreements, and continues work in the jurisdiction, or if the employer permanently ceases to be obligated to contribute for work performed at one or more, but not all, of the facilities covered but continues the work at that facility.

For a construction-industry plan, a partial withdrawal occurs only if the employer is obligated to contribute to the plan for only an insubstantial portion of its continuing work of the type covered by the plan within the jurisdiction of the labor agreement.

Under a partial withdrawal, the amount of liability is equal to the amount of withdrawal liability for a complete withdrawal (net of any deductible), multiplied by a fraction, which is one minus a ratio. The ratio is that of the employer’s contribution base units in the plan year following the year of the partial withdrawal to the employer's average contribution base units in the five plan years preceding the year of the partial withdrawal.

## Plan reentry

PBGC has issued regulations describing the procedure to be followed in the event an employer reenters the Plan after incurring withdrawal liability. Withdrawal liability will be abated if the post-re-entry level of contribution base units exceeds 30% of the average of the contribution base units in the two plan years in which the base units were the highest, within the five plan years preceding the plan year of withdrawal, provided the employer posts a bond or escrow account equal to 70% of the withdrawal liability payments otherwise due. In the event of a withdrawal following reentry, the withdrawal liability is adjusted to reflect prior withdrawal liability payments.

# Section 3: Actuarial Certificate

May 9, 2024

## Certificate of Withdrawal Liability Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the Wisconsin Laborers' Pension Fund as of August 31, 2023 to calculate the pools used to assess withdrawal liability to employers who withdraw during the plan year beginning September 1, 2023. The calculations were performed in accordance with generally accepted actuarial principles and practices. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The valuation was based on information supplied by the auditor with respect to contributions and assets and by the Plan Administrator with respect to the data required on participants. We have not verified and customarily would not verify such information, but we have no reason to doubt its substantial accuracy.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this Actuarial Valuation is complete and accurate, and in my opinion the assumptions used, in the aggregate, (a) are reasonable (taking into account the experience of the Plan and reasonable expectations) and (b) represent my best estimate of anticipated experience under the Plan.

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 23-05773

# Exhibit A: Calculation of Unfunded Vested Liability

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

| | |
|---|---|
| Participants active with vested rights | 2,126 |
| Participants inactive with vested rights (including 1 beneficiary with rights to deferred payments) | 3,407 |
| Pensioners as of the valuation date (including 525 beneficiaries in pay status and 9 pensioners in suspended status and excluding 137 former spouses in pay status) | 3,676 |
| **Total participants** | **9,209** |

The actuarial factors as of the valuation date are as follows:

| | |
|---|---|
| Present value of vested benefits at funding interest rate | $987,869,733 |
| Present value of vested benefits at PBGC interest rates, including allowance for expenses | 1,247,240,368 |
| Market value of assets | 948,964,530 |
| Funded ratio at PBGC interest rates | 0.760851 |
| Present value of vested benefits for withdrawal liability purposes | $1,185,212,233 |
| Unfunded vested liability, not less than zero | 236,247,703 |

# Exhibit B: Withdrawal Liability Pools

| | | Original Pool Amount | | Pool Balance on August 31, 2023[1] | |
|---|---|---|---|---|---|
| Plan Year Ended August 31 | Unfunded Vested Liability | Basic Pool | Reallocated Pool | Basic Pool | Reallocated Pool |
| 2004 | $130,811,990 | $27,785,840 | $0 | $1,389,292 | $0 |
| 2005 | 175,791,330 | 51,949,504 | 0 | 5,194,950 | 0 |
| 2006 | 138,345,285 | (27,878,405) | 0 | (4,181,761) | 0 |
| 2007 | 162,733,674 | 32,562,107 | 0 | 6,512,421 | 0 |
| 2008 | 183,324,556 | 30,392,708 | 0 | 7,598,177 | 0 |
| 2009 | 284,005,204 | 112,002,107 | 0 | 33,600,632 | 0 |
| 2010 | 316,904,248 | 49,820,609 | 0 | 17,437,213 | 0 |
| 2011 | 370,795,669 | 73,304,016 | 0 | 29,321,606 | 0 |
| 2012 | 441,010,610 | 93,292,739 | 0 | 41,981,733 | 0 |
| 2013 | 456,423,630 | 43,155,452 | 0 | 21,577,726 | 0 |
| 2014 | 447,132,002 | 20,608,579 | 0 | 11,334,718 | 0 |
| 2015 | 532,054,508 | 115,853,141 | 0 | 69,511,885 | 0 |
| 2016 | 513,870,828 | 18,539,612 | 0 | 12,050,748 | 0 |
| 2017 | 511,671,923 | 35,451,368 | 0 | 24,815,958 | 0 |
| 2018 | 504,231,456 | 31,982,374 | 0 | 23,986,781 | 0 |
| 2019 | 485,984,598 | 22,775,102 | 0 | 18,220,082 | 0 |
| 2020 | 554,778,319 | 110,954,435 | 0 | 94,311,270 | 0 |
| 2021 | 472,059,217 | (35,010,665) | 0 | (31,509,599) | 0 |
| 2022 | 451,428,495 | 25,327,180 | 0 | 24,060,821 | 0 |
| 2023 | 236,247,703 | (170,966,950) | 0 | (170,966,950) | 0 |

[1] Basic and reallocated pools are written down annually at the rate of 5% of the original amount.

# Exhibit C: Statement of Actuarial Assumptions, Methods and Models

## Investment return

To the extent the vested benefits are matched by the market value of plan assets on hand: interest assumptions prescribed by the Pension Benefit Guaranty Corporation under 29 C.F.R. Ch. XL, Part 4044, which are in effect for the applicable withdrawal liability valuation date, are used.

PBGC Interest Rates as of August 31, 2023:

| | |
|---|---|
| First 20 years | 5.24% |
| After 20 years | 4.58% |

To the extent the vested benefits are not matched by plan assets (at market), the interest assumption is the same as used for plan funding: 7.00%

The portion of the vested benefits that is matched by readily available assets is determined by comparing the total present value of vested benefits plus expenses – at PBGC rates – with the total market value of assets; each vested benefit is treated as covered by assets to the same extent as all other vested benefits.

The present value of vested benefits is based on a blend of two liability calculations:

> The first calculation applies to benefits that could be settled immediately because assets on hand are sufficient to cover their market value. Since withdrawal liability is a final settlement of an employer's obligation to the Plan, the discount rates used are based on estimated annuity purchase rates. ERISA Sec. 4044 interest rates promulgated by the PBGC for multiemployer plans terminating by mass withdrawal on the measurement date are used as a proxy for annuity purchase rates.
>
> The second calculation applies to benefits that cannot be settled immediately because they are not currently funded. This calculation uses the interest rate determined by the plan actuary for minimum funding, based on the expected return on current and future assets.

## Mortality rates

**Healthy Post-Retirement Participants:** 105% of Pri-2012 Blue Collar amount-weighted Healthy Retiree Tables (sex distinct), with generational projection using Scale MP-2020

**Pre-Retirement Participants:** 105% of Pri-2012 Blue Collar amount-weighted Employee Tables (sex distinct), with generational projection using Scale MP-2020

**Disabled:** 105% of Pri-2012 amount-weighted Disabled Retiree Table (sex distinct), with generational projection using Scale MP-2020

The above tables with the generational projection using Scale MP-2020 reasonably reflect the mortality experience of the Plan as of the measurement date.

These mortality tables were then adjusted to future years using the generational projection under Scale MP-2020 to reflect future mortality improvement between the measurement date and those years.

The mortality rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment.  As part of the analysis, a comparison was made between the actual number of deaths and expected liability change due to deaths to the projected number of deaths and expected change in liability based on the prior years' assumption over the most recent five years, taking into consideration the results of Segal's industry mortality study.

## Retirement rates for active participants

| Age | Annual Retirement Rates |
|---|---|
| 55 | 35% |
| 56 – 57 | 15% |
| 58 – 59 | 20% |
| 60 – 61 | 30% |
| 62 | 50% |
| 63 | 40% |
| 64 | 30% |
| 65 | 100% |

The retirement rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and expected change in liability and the projected number of retirements and expected change in liability based on the prior year's assumption over the most recent five years.

## Retirement rates for inactive vested participants

| Age | Annual Retirement Rates |
|---|---|
| 55 | 35% |
| 56 | 15% |
| 57 | 10% |
| 58-61 | 15% |
| 62 | 35% |
| 63 | 20% |
| 64 | 25% |
| 65 | 100% |

The retirement rates for inactive vested participants were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number by age based on the prior year's assumption over the most recent five years.

## Unknown data for participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

## Percent married

70%

The percent married demographic assumption was based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment.

## Age and sex of spouse

Females are assumed to be 2 years younger than males. Spouses are assumed to be the opposite sex of participants.

The spouse demographic assumption was based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment.

## Benefit election

50% of participants are assumed to elect the 50% joint and survivor annuity with a “pop-up” feature and 50% of participants are assumed to elect the single life annuity.

The spouse demographic and benefit election assumptions were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment.

## Annual administrative expenses

$10,000, plus $200 per vested participant, plus a percentage (defined by statute) of the excess of the value of plan benefits over $200,000, and is applicable to the portion of benefits that is matched by assets.

## Actuarial value of assets

At market value

## Allocation method

Presumptive

## Contribution period for prorating liabilities

5 years

## De minimis deductible

$50,000, or 3/4 of 1% of the unfunded vested liability, if smaller. The deductible is reduced, dollar for dollar, if the gross assessment is in excess of $100,000.

## Actuarial models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are prepared to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible Enrolled Actuary.

# Exhibit D: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

## Plan year

September 1 through August 31

## Pension credit year

August 1 through July 31

## Plan status

Ongoing plan

## Regular pension

- **Age Requirement:** 62
- **Service Requirement:** 10 pension credits, including one earned during the contribution period, or 10 years of vesting service (5 years of vesting service for non-bargained employees hired before August 1, 1997)
- **Amount:** $16.00 for each pension credit earned prior to the contribution period to a maximum of 20 pension credits, plus 5.00% of the total contributions made on behalf of the employee through July 31, 1997, plus 4.00% of the total contributions made on behalf of the employee from August 1, 1997 through August 31, 2004, 2.75% of the contributions (excluding supplemental contributions that are not subject to benefit accruals) made on behalf of the employee from September 1, 2004 through July 31, 2009, 1.25% of the contributions (excluding supplemental contributions that are not subject to benefit accruals) made on behalf of the employee from August 1, 2009 through July 31, 2022, and 1.75% of the contributions (excluding supplemental contributions that are not subject to benefit accruals) made on behalf of the employee on and after August 1, 2022.

## Early retirement

- **Age Requirement:** 55
- **Service Requirement:** 10 pension credits, including one earned during the contribution period, or 10 years of vesting service (5 years of vesting service for non-bargained employees hired before August 1, 1997)
- **Amount:** Regular pension accrued reduced by 1.5% for each year of age less than 62; 6% for each year of age less than 62 for benefits accrued on or after October 1, 2012 for participants with at least three consecutive breaks in service prior to retirement

## Vesting

- **Age Requirement:** None
- **Service Requirement:** 10 pension credits including five earned during the contribution period or 5 years of vesting service
- **Amount:** Regular or early pension accrued based on plan in effect when last active
- **Normal Retirement Age:** 65

## Spouse's pre-retirement death benefit

- **Age Requirement:** None
- **Service Requirement:** 10 pension credits including one earned during the contribution period, or 5 years of vesting service.
- **Amount:** 50% of the benefit employee would have received had he or she retired the day before he or she died and elected the joint and survivor option, paid immediately. If at least 10 years of vesting service, benefit is reduced as for early retirement but not below earliest retirement age. If less than 10 years of vesting service, benefit is reduced actuarially for commencement prior to age 65.
- **Charge for Coverage:** None

## Pension credit

For employment before the contribution period, one pension credit for each 1,440 hours of covered employment. For employment during the contribution period, one-tenth of a pension credit for each 100 hours in covered employment in credit years before September 1, 1976 and for each 87 hours in credit years after August 31, 1976. A maximum of one pension credit per year is credited.

## Vesting credit

One year of vesting service for each credit year during the contribution period in which the employee works 870 hours

## Contribution rate

The average hourly contribution rate as of September 1, 2023 for participants included in this valuation increased from $8.4336 ($5.1588 subject to benefit accruals) to $8.7091 ($5.4352 subject to benefit accruals).

## Changes in plan provisions

There were no changes in plan provisions reflected in this actuarial valuation.

# Exhibit E: Employer withdrawal liability worksheet for withdrawals from September 1, 2023 through August 31, 2024

| | Unamortized Balance of Withdrawal Liability Pools | | Contributions During 5-Year Period Ending With Date Pool Established | | |
|---|---|---|---|---|---|
| Year Ended August 31[1] | Basic Pools[2] | Reallocated Pools[3] | Total Plan Contributions[4] | Obligated Employer Contributions[5] | Liability Allocated: [(6) ÷ (5)] x [(2) + (3)] |
| (1) | (2) | (3) | (5) | (6) | (7) |
| 2004 | $1,389,292 | $0 | $101,195,838 | | |
| 2005 | 5,194,950 | 0 | 101,887,176 | | |
| 2006 | (4,181,761) | 0 | 102,925,571 | | |
| 2007 | 6,512,421 | 0 | 105,044,524 | | |
| 2008 | 7,598,177 | 0 | 110,470,458 | | |
| 2009 | 33,600,632 | 0 | 112,212,324 | | |
| 2010 | 17,437,213 | 0 | 113,850,382 | | |
| 2011 | 29,321,606 | 0 | 116,020,469 | | |
| 2012 | 41,981,733 | 0 | 119,224,723 | | |
| 2013 | 21,577,726 | 0 | 123,583,041 | | |
| 2014 | 11,334,718 | 0 | 136,711,765 | | |
| 2015 | 69,511,885 | 0 | 154,374,321 | | |
| 2016 | 12,050,748 | 0 | 175,812,390 | | |
| 2017 | 24,815,958 | 0 | 197,138,902 | | |
| 2018 | 23,986,781 | 0 | 218,787,147 | | |
| 2019 | 18,220,082 | 0 | 236,529,839 | | |
| 2020 | 94,311,270 | 0 | 249,971,572 | | |
| 2021 | (31,509,599) | 0 | 256,113,003 | | |
| 2022 | 24,060,821 | 0 | 263,338,143 | | |
| 2023 | (170,966,950) | 0 | 268,965,321 | | |
| **A.** Gross Liability: (Sum of Column 6) | | | | | |
| **B.** *De minimis* | | | | | $50,000 |
| **C.** Deductible: $100,000 + (B) – (A), but not greater than (B) nor less than zero | | | | | |
| **D.** Net Allocable Share of Unfunded Vested Liability: (A) – (C), not less than zero and without regard to annual payment limitations | | | | | |

1 Years not shown have no withdrawal liability component.
2 Original value of changes in unfunded vested liability, written down 5% per year.
3 Original value of nonassessable and uncollectible withdrawal liability, written down 5% per year.
4 Total Fund contributions for the plan year listed and the four preceding years, excluding contributions from withdrawn employers who withdrew on or before the date the pool was established.
5 Obligated employer contributions for the plan year listed and the four preceding years, including contributions owed but not yet paid.

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