

SFA AMOUNT CERTIFICATION

The Trustees of the Hollow Metal Pension Fund are applying to the Pension Benefit Guaranty Corporation (PBGC) for Special Financial Assistance (SFA) under section 4262 of ERISA. This is to certify that the requested SFA amount of **\$63,188,316**, calculated as of the **SFA measurement date December 31, 2022**, is the amount to which the plan is entitled under section 4262(j)(1) of ERISA and § 4262.4 of PBGC's SFA regulation, and to document the assumptions and methods used in the calculation of the SFA amount and the source of the data.

The census data used in determining the SFA amount is as of January 1, 2022, and was provided by the Fund Office for the purpose of the actuarial valuation as of that date. The SFA amount noted above reflects the results of PBGC's Independent Death Audit ("IDA"). The summary of the participant data reflecting the IDA is attached to this Certification.

The assumptions used in determining the SFA amount are attached to this Certification.

The undersigned actuaries of First Actuarial Consulting, Inc. meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this certification. All the calculations were performed in accordance with our understanding of generally accepted actuarial principles and practices and this report, to our knowledge, is complete and accurate and complies with the reasonable actuarial-assumption rules.

The undersigned actuaries certify that the requested SFA amount of \$63,188,316, calculated as of the SFA measurement date December 31, 2022, as indicated on Template 4A attached to this application is the amount to which the plan is entitled under section 4262(j)(1) of ERISA and § 4262.4 of PBGC's SFA regulation.



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Enrolled Actuary No. 23-05712



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Enrolled Actuary No. 23-07546

SUMMARY OF PARTICIPANT DATA

- SFA Measurement Date (“MD”): December 31, 2022
- Census Date (“CD”): January 1, 2022
- Independent Death Audit (“IDA”) concluded: March 2025

	Actives	With Deferred Benefits	In-Pay-Status	Total ¹
Valuation Data	423	1,649	2,503	4,575
Post-valuation adjustments	none	(1) ²	none	(1)
Deceased before CD per IDA	(1) ³	(130)	(97)	(228)
“Missing TVs” deceased between CD and MD	N/A	(8)	N/A	(8)
Deferred Beneficiaries of “missing TVs”	N/A	(45)	N/A	(45)
Known Beneficiaries	N/A	21 ⁴	13	34
Beneficiaries per marriage assumption	N/A	None	none	None
“Missing TVs” Over-85 on MD	N/A	(23)	N/A	(23)
Data for SFA amount determination	422	1,463	2,419	4,304

¹ There are 3 Alternate Payees not included in these counts but are included in the database. They are not deceased per IDA.

² A deferred beneficiary was found ineligible for a benefit from the Fund.

³ Has known beneficiary with deferred benefit amount.

⁴ 21 known beneficiaries of deceased terminated vesteds and one known beneficiary of an active.

ASSUMPTIONS TO DETERMINE SFA AMOUNT

The following assumptions were used to determine the SFA amount:

Interest Rates 5.85% per annum for non-SFA assets; 3.77% per annum for SFA assets.

Mortality Healthy: Pri-2012 amount-weighted Blue Collar (Pri-2012(BC)) table projected on a fully generational basis with scale MP-2021.

Disabled: Pri-2012 amount-weighted Disabled Mortality (Pri-2012(Dis)) table projected on a fully generational basis with scale MP-2021.

Retirement Active members:

<i>Age</i>	<u>Retirement Rate</u>
55-59	10%
60-61	15%
62	40%
63-64	25%
65	50%
66-67	30%
68-69	40%
70 and over	100%

Inactive members: Normal Retirement Age.

Termination Rates Sarason T11. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>
25	24.92%
35	20.77
45	13.96
55	4.96

Disability Rates Railroad Retirement Board (RRB) disability rates.
Sample Rates are as follows:

<u>Age</u>	<u>Disability Rates</u>
20	0.05%
25	0.05
30	0.05
35	0.06
40	0.09
45	0.18
50	0.40
55	0.85
60	1.74

ASSUMPTIONS TO DETERMINE SFA AMOUNT (cont'd)

Salary Increase 2% per year.

Administrative Expenses For 2023 plan year, the total administrative expenses are \$1,035,603. Administrative expenses, excluding PBGC premiums, are assumed to be \$827,000 for the 2024 plan year, increasing at 2.25% per annum thereafter. PBGC premiums are calculated as the expected number of plan participants at the beginning of the plan year times the premium rate for the year. The premium rate is \$37 for the 2024 plan year and \$39 for the 2025 plan year. For the plan years 2026 through 2030, the premium rate will increase by 2.25% per annum. The rate will be \$52 per participant for the 2031 plan year, and will increase 2.25% per annum thereafter. Total annual administrative expenses are limited to 12% of expected benefit payments for each projection year. Administrative expenses are paid in equal monthly installments throughout the plan year and are paid at the end of the month.

Marriage 80% of participants are assumed to be married. Husbands are assumed to be three years older than wives.

Form of Payment Participants are assumed to elect the normal form.

Terminated Vested Over Normal Retirement Age Terminated vested members past normal retirement age are assumed to collect their benefit with an actuarial increase for each month their age on the valuation date, January 1, 2022, is over normal retirement age. Terminated members who have passed their required beginning date for a minimum required distribution on January 1, 2022, are assumed to collect their benefit with a delayed retirement increase to their required beginning date and are assumed to collect a lump sum on the SFA measurement date equal to the missed payments through December 31, 2021, with interest of 4% per annum. The lump sum for missed payments is not included if a participant retired prior to the measurement date, December 31, 2022. The benefits for those age 85 and older on the SFA measurement date, December 31, 2022, are not included in the cashflow projection.

New Entrants Profile New entrants are assumed to be male with the following age distribution:

<u>Age</u>	<u>Weighting</u>
25	25%
35	25
45	25
55	25

New entrants in the hours-based CBUs group, are assumed to work 2,080 hours each year. New entrants in the group where contributions are determined as a percent of pay, are assumed to receive \$35,700 per year in the year ending December 31, 2023.

ASSUMPTIONS TO DETERMINE SFA AMOUNT (cont'd)

The starting pay for new entrants after 2023 is expected to increase with the salary scale.

Contribution Base Units (CBUs)

All employees are assumed to work 2,080 hours each year. For the Local 2682 group where the contributions are determined as a percent of pay, salaries are assumed to be at their current rate increasing with salary scale.

CBUs are assumed to decline 3% per year from the base plan year, 2019, through 2029, and 1% per year thereafter.

Contribution Rates

Contribution rates vary by employer. The rates are at the levels negotiated by July 9, 2021.

Contribution rates for participants in the hours-based CBUs group are as follows:

- For benefit accrual purposes: \$1.2820 per hour
- For contributions in 2023: \$1.4311 per hour
- For contributions in 2024 and later: \$1.4574 per hour

Contribution rates for participants in the pay-based CBUs group are as follows:

- For benefit accrual purposes: 7.07% of pay
- For contributions in 2023: 7.07% of pay
- For contributions in 2024 and later: 7.07% of pay

Contributions are deposited in equal monthly installments throughout the plan year and are assumed to be paid at the end of the month.

Withdrawal Liability Payments

Hollywood Banner was making quarterly payments of \$5,078. In 2023, three quarterly payments were made. On November 2, 2023, Hollywood Banner made a final payment of \$189,747 as a full settlement for withdrawal liability owed.

General Bearing was making quarterly payments of \$46,313. In 2023, one quarterly payment was made. On July 19, 2023, General Bearing made a final payment of \$1,650,000 as a full settlement for withdrawal liability owed.

FHA Steel Door is making quarterly payments of \$12,873 and Interior Carpet is making quarterly payments of \$27,744. The payments are scheduled for each January, April, July and October. The payments are assumed to be made in the beginning of the month they are due.

FHA Steel Door's last payment is due April 2036. Interior Carpet's last full quarterly payment is due October 2025 and its final payment of \$24,594 is due January 2026.

All withdrawal liability payments made prior to the application date are reflected in the cashflow. The current payers, FHA Steel Door and Interior Carpet, are assumed to make all scheduled payments when due.

Decline in CBUs is assumed to be attributable only to employer withdrawals. All future withdrawn employers are assumed to be 20-year payers. It was assumed that 40% of payments due from future withdrawn employers will be collected when due.

ASSUMPTIONS TO DETERMINE SFA AMOUNT (cont'd)

Benefit Payments

Benefit payments are paid in equal monthly installments throughout the plan year and are paid at the beginning of the month.

PENALTIES OF PERJURY STATEMENT

Under penalty of perjury under the laws of the United States of America, I declare that I am an authorized trustee who is a current member of the board of trustees of the Hollow Metal Pension Fund and that I have examined this application, including accompanying documents, and, to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, all statements of fact contained in the application are true, correct, and not misleading because of omission of any material fact; and all accompanying documents are what they purport to be.

A handwritten signature in black ink, appearing to read 'Paul Capurso', written over a horizontal line.

Paul Capurso
Authorized Trustee