

**Via Electronic Filing Submission**  
Pension Benefit Guaranty Corporation  
Multiemployer Program Division

525 Vine Street, Ste 2325  
Cincinnati OH 45202  
Tel. (304) 399-9000

Re: The Application for Special Financial Assistance of the Composition Roofers  
Local 42 Pension Plan

Dear Sir or Madam:

On behalf of the Board of Trustees of the Composition Roofers Local 42 Pension Plan, we respectfully submit this application for Special Financial Assistance, determined pursuant to the "increasing asset method" specified in 29 C.F.R. § 4262.4(a)(2)(i), as it provides the greatest amount of special financial assistance.

Thank you for your consideration.

Respectfully Submitted,



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**Mr. Thomas Dalton**  
Authorized Management Trustee, on behalf  
of the Board of Trustees for the  
Composition Roofers Local 42 Pension Plan



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**Mr. Rodney Toole**  
Authorized Union Trustee, on behalf of the  
Board of Trustees for the Composition  
Roofers Local 42 Pension Plan

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #21 — Signed Application

Pursuant to Pension Benefit Guaranty Corporation's ("PBGC") Final Rule, issued under 29 CFR Part 4262 of the Employee Retirement Income Security Act, as amended 1974 ("ERISA") and published in the Federal Register on July 8, 2022 (the "Regulations"), the Board of Trustees of the Composition Roofers Local 42 Pension Plan (the "Plan") submits this application, along with the accompanying Exhibits, to the PBGC for approval of Special Financial Assistance.

Respectfully Submitted,



**Mr. Thomas Dalton**  
Authorized Management Trustee, on behalf  
of the Board of Trustees for the  
Composition Roofers Local 42 Pension Plan



**Mr. Rodney Toole**  
Authorized Union Trustee, on behalf of the  
Board of Trustees for the Composition  
Roofers Local 42 Pension Plan

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item # 23 – Contact Information for Authorized Representatives

*Does the application identify the name, address email and telephone number of the plan sponsor, plan sponsor's authorized representative and any other authorized representatives?*

Document 23.1 provides a description of the name, address email and telephone number of the plan sponsor, plan sponsor's authorized representative and any other authorized representatives.

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item # 23 – Contact Information for Authorized Representatives

## Document 23.1

Plan Sponsor Name:

The Board of Trustees of the Composition Roofers Local 42 Pension Plan

Plan Sponsor Mailing Address:

Composition Roofers Local 42 Pension Plan  
c/o American Benefit Corporation  
525 Vine Street, Ste 2325  
Cincinnati OH 45202

Plan Sponsor Physical Address:

Composition Roofers Local 42 Pension Plan  
c/o American Benefit Corporation  
525 Vine Street, Ste 2325  
Cincinnati OH 45202

Plan Sponsor Phone Number: (304) 399-9000

Authorized Representatives:

Mike Rust, EA, MAAA, ASA  
Allen Pauly, EA, CERA, ASA, MAAA  
Cuni, Rust & Strenk  
4555 Lake Forest Drive, Ste. 620,  
Cincinnati, OH 45242  
Ph: (513) 891-0270  
[mrust@crsact.com](mailto:mrust@crsact.com)  
[apauly@crsact.com](mailto:apauly@crsact.com)

Stephen Nevius,  
Fund Counsel  
Ledbetter Parisi LLC  
5078 Wooster Rd., Ste. 400,  
Cincinnati, OH 45226  
Ph: (937) 619-0900  
[snevius@fringebenefitlaw.com](mailto:snevius@fringebenefitlaw.com)

Thomas Dalton,  
Chairman, Board of Trustees,  
Authorized Management Trustee, on behalf  
of the Board of Trustees for the  
Composition Roofers Local 42 Pension Plan  
(Can be contacted through Fund Counsel)

Rodney Toole,  
Secretary/Co-Chair, Board of Trustees  
Authorized Union Trustee, on behalf  
of the Board of Trustees for the  
Composition Roofers Local 42 Pension Plan  
(Can be contacted through Fund Counsel)

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item # 24 – Eligibility Criteria

*Does the application identify the eligibility criteria in § 4262.3 that qualifies the plan as eligible to receive SFA, and include the requested information for each item that is applicable, as described in Section D, Item (3) of the SFA Filing Instructions?*

Document 24.1 provides a description of the eligibility criteria in § 4262.3 that qualifies the plan as eligible to receive SFA, and includes the requested information for each item that is applicable, as described in Section D, Item (3) of the SFA Filing Instructions.

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item # 24 – Eligibility Criteria

## **Document 24.1**

*Identify which of the following eligibility criteria qualify the plan to be eligible for SFA. Provide additional information as required below for each item that is applicable. If the plan is eligible for SFA under multiple criteria, the filer may (but is not required to) identify and provide the required additional information for more than one.*

4262.3(a)(2): The plan has been approved for a suspension of benefits under section 305(e)(9) of ERISA as of March 11, 2021.

The Composition Roofers Local 42 Pension Plan is eligible for Special Financial Assistance as a Plan that was approved for a suspension of benefits under section 305(e)(9) of ERISA as of March 11, 2021. The Plan's suspension of benefits under section 305(e)(9) of ERISA was effective as of April 1, 2020.

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #25.a. – Priority Group

*Checklist Item #25a If the plan's application is submitted on or before March 11, 2023, does the application identify the plan's priority group (see § 4262.10(d)(2) of PBGC's SFA regulation)?*

The Plan meets the criteria for Priority Group 2 under 4262.10(d)(2)(ii) as a plan that has implemented a suspension of benefits under section 305(e)(9) of ERISA before March 11, 2021.

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item #26 – Narrative Description of Future Contributions, EWL Payments

*Does the application include a detailed narrative description of the development of the assumed future contributions and assumed future withdrawal liability payments used in the basic method (and in the increasing assets method for a MPRA plan)?*

Document 26.1 provides a description of the development of the future assumed contributions and assumed future withdrawal liability payments for both employers already withdrawn and future employers anticipated to withdraw.

Composition Roofers Local 42 Pension Plan  
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SFA Checklist Item #26 – Narrative Description of Future Contributions, EWL Payments

## **Document 26.1**

Employers contribute 100% of eligible contributions to the Plan under the Preferred Schedule of the Rehabilitation Plan.

The assumed average contribution rate (per hour worked) for each year during the projection period is \$5.38 per hour, reflecting the most recent contribution rate increase agreed to by the bargaining parties before July 9, 2021. This is the actual average contribution rate for the most recently audited Plan Year (\$5.28), adjusted for the most recent contribution rate increase on August 1, 2021 to \$5.80 per hour. The negotiated Journeyman rate for the projection period is \$5.80 per hour. The difference in the Journeyman rate and the average rate is due to apprentices contributing at lower rates.

The assumption for future contributions is that this rate will remain constant, and that future aggregate hours will be 200,000 per year, in that each active participant (a total of 175 actives) will work 1,145 hours per year.

There are no assumed future withdrawals. All future withdrawal liability payments are for withdrawals which have already occurred. Since the Plan is a construction industry plan, we have assumed that any future withdrawing employers could not be assessed withdrawal liability due to the construction industry exemption.

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item #27 – Description of Assumption Changes and Supporting Rationale

*Does the application identify which assumptions (if any) used to determine the requested SFA amount differ from those used in the most recent certification of plan status completed before 1/1/2021 (excluding the plan’s non-SFA and SFA interest rates, which must be the same as the interest rates required by § 4262.4(e)(1) and (2))? If there are any assumption/method changes, does the application include detailed explanations and supporting rationale and information as to why using the identified original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable? Does the application state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s SFA Assumptions?*

Document 27.1 identifies and provides supporting rationale for the assumption changes from the most recent certification of plan status completed before January 1, 2021 (“2020 PPA certification”).

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item #27 – Description of Assumption Changes and Supporting Rationale

## Document 27.1

### **Mortality**

*Prior Assumption:* RP-2014 tables projected generationally using Mortality Projection Scale MP-2018.

*Baseline Assumption:* Pri-2012 Blue Collar tables projected generationally using Mortality Projection Scale MP-2021.

*Rationale:* The prior assumption is no longer reasonable because it is based on older tables constructed without material multiemployer plan experience. The updated assumption is based on the most recently published tables and improvement scales, and was implemented according to Paragraph B “Proposed change to mortality assumption” of Section III, Acceptable Assumption Changes of PBGC’s SFA Assumptions under the Final Rule.

### **New Entrant Profile**

*Prior Assumption:* A simplified assumption of a single new entrant profile based on the average of the prior year’s new entrants. It is assumed that each participant exiting the Plan is replaced by a new entrant.

*Baseline Assumption:* Based on characteristics of the new entrants over the last five years of Plan experience with age bands of 10 years. It is assumed that each participant exiting the Plan is replaced by a new entrant.

*Rationale:* The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience and follows the "Acceptable" change in PBGC's SFA assumption guidance under the Final Rule.

### **Contribution Rate Increases**

*Original Assumption:* Increasing \$0.20 annually on August 1<sup>st</sup> to an ultimate rate of \$6.20 per hour on August 1, 2023.

*Baseline Assumption:* No increases after the one that occurred on August 1, 2021, to \$5.80 per hour.

*Rationale:* The prior assumption is no longer reasonable because it reflected anticipated contribution rate increases that had not yet been bargained. The updated assumption includes the current rates in effect and future contribution rate increases that have been bargained prior to July 9, 2021, consistent with 4262.4(c)(3) of the PBGC’s Final Rule.

**Retirement Rates**

| <i>Prior Assumption:</i> | <u>Age</u> | <u>Actives</u> | Terminated     |
|--------------------------|------------|----------------|----------------|
|                          |            |                | <u>Vesteds</u> |
|                          | 55-56      | 0.10           | 0.10           |
|                          | 57         | 0.20           | 0.20           |
|                          | 58         | 0.30           | 0.50           |
|                          | 59-60      | 0.20           | 0.10           |
|                          | 61         | 0.40           | 0.10           |
|                          | 62         | 1.00           | 0.10           |
|                          | 63-65      | 1.00           | 0.50           |
|                          | 66-69      | 1.00           | 0.20           |
|                          | 70         | 1.00           | 1.00           |

| <i>Revised Assumption:</i> | <u>Age</u> | <u>Actives</u> | Terminated     |
|----------------------------|------------|----------------|----------------|
|                            |            |                | <u>Vesteds</u> |
|                            | 55-56      | 0.05           | 0.00           |
|                            | 57         | 0.25           | 0.25           |
|                            | 58         | 0.20           | 0.50           |
|                            | 59         | 0.10           | 0.25           |
|                            | 60         | 0.05           | 0.25           |
|                            | 61-64      | 0.05           | 0.05           |
|                            | 65         | 1.00           | 1.00           |

*Rationale:* The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience. The assumption is further documented in Document 27.2.

**Termination Rates**

| <i>Prior Assumption:</i> | Less than 3 Years of Service – 0.20; more than 3 Years of Service: |             |
|--------------------------|--|-------------|
|                          | <u>Age</u>   | <u>Rate</u> |
|                          | 25   | 0.0967      |
|                          | 35   | 0.0871      |
|                          | 45   | 0.0635      |
|                          | 55   | 0.0155      |
|                          | 65   | 0.0000      |

| <i>Revised Assumption:</i> | Less than 2 Years of Service – 0.25; 2 to 3 Years of Service – 0.20; more than 3 Years of Service: |             |
|----------------------------|--|-------------|
|                            | <u>Age</u>   | <u>Rate</u> |
|                            | 25   | 0.1722      |
|                            | 35   | 0.1486      |
|                            | 45   | 0.1084      |
|                            | 55   | 0.0440      |
|                            | 65   | 0.0000      |

*Rationale:* The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience. The assumption is further documented in Document 27.2.

**Disability Rates**

| <i>Prior Assumption:</i> | <u>Age</u> | <u>Rate</u> |
|--------------------------|------------|-------------|
|                          | 18         | 0.00060     |
|                          | 19-22      | 0.00075     |
|                          | 23-26      | 0.00090     |
|                          | 27-30      | 0.00105     |
|                          | 31-32      | 0.00120     |
|                          | 33-34      | 0.00135     |
|                          | 35         | 0.00150     |
|                          | 36         | 0.00165     |
|                          | 37-38      | 0.00180     |
|                          | 39         | 0.00195     |
|                          | 40         | 0.00210     |
|                          | 41         | 0.00240     |
|                          | 42         | 0.00255     |
|                          | 43         | 0.00270     |
|                          | 44         | 0.00285     |
|                          | 45         | 0.00315     |
|                          | 46         | 0.00345     |
|                          | 47         | 0.00375     |
|                          | 48         | 0.00405     |
|                          | 49         | 0.00450     |
|                          | 50         | 0.00495     |
|                          | 51         | 0.00540     |
|                          | 52         | 0.00600     |
|                          | 53         | 0.00660     |
|                          | 54         | 0.00750     |
|                          | 55         | 0.00825     |
|                          | 56         | 0.00915     |
|                          | 57         | 0.01050     |
|                          | 58         | 0.01185     |
|                          | 59         | 0.01305     |
|                          | 60         | 0.00000     |

75% of 1980 City of Cincinnati Disability Rates

| <i>Revised Assumption:</i> | <u>Age</u> | <u>Rate</u> |
|----------------------------|------------|-------------|
|                            | 18         | 0.00040     |
|                            | 19-22      | 0.00050     |
|                            | 23-26      | 0.00060     |
|                            | 27-30      | 0.00070     |
|                            | 31-32      | 0.00080     |
|                            | 33-34      | 0.00090     |
|                            | 35         | 0.00100     |
|                            | 36         | 0.00110     |
|                            | 37-38      | 0.00120     |
|                            | 39         | 0.00130     |
|                            | 40         | 0.00140     |
|                            | 41         | 0.00160     |
|                            | 42         | 0.00170     |
|                            | 43         | 0.00180     |
|                            | 44         | 0.00190     |
|                            | 45         | 0.00210     |
|                            | 46         | 0.00230     |
|                            | 47         | 0.00250     |
|                            | 48         | 0.00270     |
|                            | 49         | 0.00300     |
|                            | 50         | 0.00330     |
|                            | 51         | 0.00360     |
|                            | 52         | 0.00400     |
|                            | 53         | 0.00440     |
|                            | 54         | 0.00500     |
|                            | 55         | 0.00550     |
|                            | 56         | 0.00610     |
|                            | 57         | 0.00700     |
|                            | 58         | 0.00790     |
|                            | 59         | 0.00870     |
|                            | 60         | 0.00000     |

50% of 1980 City of Cincinnati Disability Rates

*Rationale:* The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience. The assumption is further documented in Document 27.2.

## **Payment Form Election**

|                          |                         |                   |
|--------------------------|-------------------------|-------------------|
| <i>Prior Assumption:</i> | <u>Payment Form</u>     | <u>Election %</u> |
|                          | Single Life Annuity     | 47%               |
|                          | 50% Joint and Survivor  | 14%               |
|                          | 66% Joint and Survivor  | 8%                |
|                          | 75% Joint and Survivor  | 2%                |
|                          | 100% Joint and Survivor | 29%               |

|                            |                         |                   |
|----------------------------|-------------------------|-------------------|
| <i>Revised Assumption:</i> | <u>Payment Form</u>     | <u>Election %</u> |
|                            | Single Life Annuity     | 56%               |
|                            | 50% Joint and Survivor  | 5%                |
|                            | 75% Joint and Survivor  | 11%               |
|                            | 100% Joint and Survivor | 28%               |

*Rationale:* The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience, and available optional forms were changed pursuant to an amendment executed with the filing of the Plan’s MPRA application. The updated assumption is consistent with the available forms of payment and the past five years of Plan experience. This assumption is further documented in Document 27.2.

## **Administrative Expenses**

*Prior Assumption:* Based on most recently audited amount with 1.0% annual increases to 2032.

*Baseline Assumption:* Based on most recently audited amount with 1.0% annual increases to 2051, with a flat increase for the scheduled PBGC premium increase in 2031.

*Rationale:* The prior assumption did not address years after the original projected insolvency in 2032. The baseline assumption uses acceptable extension methodology as described in Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s guidance on Special Financial Assistance Assumptions.

*Revised Assumption:* Based on most recently audited amount with 3.0% annual increases to 2051, with a flat increase for both the scheduled PBGC premium increase in 2031, as well as the expected additional cost (\$50,000) for the preparation and filing of the SFA application.

*Rationale:* The baseline assumption is no longer reasonable because it does not address the cost of the preparation and filing of this SFA application, and uses an outdated inflation assumption. The revised assumption is based on recently available financial statements, and accounts for expenses incurred past the original date of insolvency, the scheduled PBGC premium increase in 2031, the cost of the preparation & filing of the SFA application, and reasonable expectations of current and expected inflationary trends. Additionally, the bulk of administrative expenses are professional fees, which it is sensible to assume are highly correlated with wage increases. The 2022 Trustees Report from the Social Security Administration projects that the long-term annual increase rate of the Average Wage Index could be between 2.4% and 4.9%, thus the baseline increase assumption of 1.0% is clearly unreasonable, while the revised increase assumption of 3.0% is reasonable.

### **Contribution Base Units (CBUs)**

*Prior Assumption:* 250,000 CBUs per year to 2032.

*Baseline Assumption:* 250,000 CBUs per year to 2051.

*Rationale:* The prior assumption did not address years after the original projected insolvency. Baseline assumption uses acceptable extension methodology as described in Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s guidance on Special Financial Assistance Assumptions.

*Revised Assumption:* 200,000 CBUs per year to 2051.

*Rationale:* The baseline assumption is no longer reasonable because it does not address the long-term – and likely permanent – impact of recent economic downturns and inflationary pressure on available workers and extant companies contributing to the Plan. Revised assumption is based on information provided by the Plan Sponsor, including the ongoing and worsening lack of available workers, and reduction in contributing employers. Notably, CBUs have declined from a high of 250,000 to less than 200,000 in recent years, concurrently with a reduction from 10 contributing employers to 7 remaining. Exiting employers are unlikely to return, as most exits are due to retirement of owners or bankruptcy, and new employers are unlikely to join the Plan while it remains critical, especially with the Plan’s withdrawal liability unlikely to decrease in the near future. Thus, the Baseline assumption is clearly unreasonable, while the revised assumption is reasonable. The assumption is further documented in Document 27.2.

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item #27 – Description of Assumption Changes and Supporting Rationale

## **Document 27.2**

**New Entrant Profile**  
**Composition Roofers Local 42 Pension Plan**

|              |        | <u>Age</u>  |             |             |             |             |              |
|--------------|--------|-------------|-------------|-------------|-------------|-------------|--------------|
| <u>Age</u>   |        | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>Total</u> |
| x < 25       | Count: | 3           | 5           |             | 3           | 7           | 18           |
|              | Mean:  | 22.414      | 22.465      |             | 21.255      | 22.288      | 22.19        |
| 25 <= x < 35 | Count: | 9           | 7           | 7           | 13          | 8           | 44           |
|              | Mean:  | 30.171      | 29.864      | 29.786      | 29.466      | 30.750      | 29.96        |
| 35 <= x < 45 | Count: | 7           | 5           | 3           | 8           | 4           | 27           |
|              | Mean:  | 39.240      | 41.744      | 39.265      | 40.319      | 38.439      | 39.91        |
| 45 <= x < 55 | Count: | 2           | 1           | 2           | 5           | 1           | 11           |
|              | Mean:  | 48.721      | 47.634      | 48.862      | 48.952      | 48.847      | 48.76        |
| 55 <= x < 65 | Count: |             |             |             | 1           |             | 1            |
|              | Mean:  |             |             |             | 55.284      |             | 55.28        |
| 65 <= x      | Count: |             |             |             |             | 1           | 1            |
|              | Mean:  |             |             |             |             | 76.160      | 76.16        |
| <Total>      | Count: | 21          | 18          | 12          | 30          | 21          | 102          |
|              | Mean:  | 33.853      | 32.096      | 35.335      | 35.647      | 32.418      | 33.95        |

|              |        | <u>Annual Accrued Benefit</u> |             |             |             |             |              |
|--------------|--------|-------------------------------|-------------|-------------|-------------|-------------|--------------|
| <u>Age</u>   |        | <u>2017</u>                   | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>Total</u> |
| x < 25       | Count: | 3                             | 5           |             | 3           | 7           | 18           |
|              | Mean:  | 177.280                       | 266.448     |             | 277.560     | 374.777     | 295.57       |
| 25 <= x < 35 | Count: | 9                             | 7           | 7           | 13          | 8           | 44           |
|              | Mean:  | 205.387                       | 231.223     | 624.669     | 273.111     | 468.735     | 344.09       |
| 35 <= x < 45 | Count: | 7                             | 5           | 3           | 8           | 4           | 27           |
|              | Mean:  | 280.389                       | 260.856     | 246.920     | 395.850     | 418.440     | 327.72       |
| 45 <= x < 55 | Count: | 2                             | 1           | 2           | 5           | 1           | 11           |
|              | Mean:  | 404.040                       | 4,062.120   | 1,293.300   | 365.088     | 333.000     | 874.11       |
| 55 <= x < 65 | Count: |                               |             |             | 1           |             | 1            |
|              | Mean:  |                               |             |             | 316.920     |             | 316.92       |
| 65 <= x      | Count: |                               |             |             |             | 1           | 1            |
|              | Mean:  |                               |             |             |             | 374.160     | 374.16       |
| <Total>      | Count: | 21                            | 18          | 12          | 30          | 21          | 102          |
|              | Mean:  | 245.292                       | 462.067     | 641.670     | 323.076     | 416.869     | 388.38       |

**New Entrant Profile**  
**Composition Roofers Local 42 Pension Plan**

| <u>Age</u>   |        | <u>Vested Service</u> |             |             |             |             | <u>Total</u> |
|--------------|--------|-----------------------|-------------|-------------|-------------|-------------|--------------|
|              |        | <u>2017</u>           | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |              |
| x < 25       | Count: | 3                     | 5           |             | 3           | 7           | 18           |
|              | Mean:  | 1.267                 | 1.540       |             | 1.300       | 1.500       | 1.44         |
| 25 <= x < 35 | Count: | 9                     | 7           | 7           | 13          | 8           | 44           |
|              | Mean:  | 1.233                 | 1.414       | 2.129       | 1.292       | 1.838       | 1.53         |
| 35 <= x < 45 | Count: | 7                     | 5           | 3           | 8           | 4           | 27           |
|              | Mean:  | 1.286                 | 1.160       | 1.433       | 1.763       | 1.625       | 1.47         |
| 45 <= x < 55 | Count: | 2                     | 1           | 2           | 5           | 1           | 11           |
|              | Mean:  | 1.400                 | 5.200       | 2.950       | 1.640       | 1.400       | 2.14         |
| 55 <= x < 65 | Count: |                       |             |             | 1           |             | 1            |
|              | Mean:  |                       |             |             | 1.000       |             | 1.00         |
| 65 <= x      | Count: |                       |             |             |             | 1           | 1            |
|              | Mean:  |                       |             |             |             | 1.500       | 1.50         |
| <Total>      | Count: | 21                    | 18          | 12          | 30          | 21          | 102          |
|              | Mean:  | 1.271                 | 1.589       | 2.092       | 1.467       | 1.648       | 1.56         |

**New Entrant Profile**

| <u>Age Range</u> | <u>Age</u> | <u>Count</u> | <u>Weight</u> | <u>Annual<br/>Accrued<br/>Benefit</u> | <u>Vested<br/>Service</u> |
|------------------|------------|--------------|---------------|---------------------------------------|---------------------------|
| Below 25         | 22.2       | 18           | 18.0%         | 295.57                                | 1.44                      |
| 25-34            | 30.0       | 44           | 43.0%         | 344.09                                | 1.53                      |
| 35-44            | 39.9       | 27           | 26.0%         | 327.72                                | 1.47                      |
| 45-54            | 48.8       | 11           | 11.0%         | 874.11                                | 2.14                      |
| 55-64            | 55.3       | 1            | 1.0%          | 316.92                                | 1.00                      |
| 65 and over      | 76.2       | 1            | 1.0%          | 374.16                                | 1.50                      |

**Retirement Rates  
Composition Roofers Local 42 Pension Plan**

**Actives  
Based on retirements from 2017-2021**

**Prior Assumption**

| Near age             | Exposed       | Actual Retirements | Expected Retirements | Actual q's  | Expected q's | Ratio: Actual over Expected |          | New q's |
|----------------------|---------------|--------------------|----------------------|-------------|--------------|-----------------------------|----------|---------|
|                      |               |                    |                      |             |              | Expected                    | Expected |         |
| <55                  | 15.00         | 3.00               | 0.00                 | 0.20        | 0.00         | 0.00                        | 0.00     |         |
| 55                   | 21.00         | 0.00               | 2.07                 | 0.00        | 0.10         | 0.00                        | 0.00     | 0.05    |
| 56                   | 21.00         | 0.00               | 2.08                 | 0.00        | 0.10         | 0.00                        | 0.00     | 0.05    |
| 57                   | 22.00         | 5.00               | 4.35                 | 0.23        | 0.20         | 1.15                        | 0.00     | 0.25    |
| 58                   | 15.00         | 3.00               | 4.45                 | 0.20        | 0.30         | 0.67                        | 0.00     | 0.20    |
| 59                   | 12.00         | 1.00               | 2.38                 | 0.08        | 0.20         | 0.42                        | 0.00     | 0.10    |
| 60                   | 8.00          | 0.00               | 1.60                 | 0.00        | 0.20         | 0.00                        | 0.00     | 0.05    |
| 61                   | 9.00          | 0.00               | 3.59                 | 0.00        | 0.40         | 0.00                        | 0.00     | 0.05    |
| 62                   | 7.00          | 0.00               | 7.00                 | 0.00        | 1.00         | 0.00                        | 0.00     | 0.05    |
| 63                   | 3.00          | 0.00               | 3.00                 | 0.00        | 1.00         | 0.00                        | 0.00     | 0.05    |
| 64                   | 3.00          | 2.00               | 3.00                 | 0.67        | 1.00         | 0.67                        | 0.00     | 0.05    |
| 65                   | 1.00          | 0.00               | 1.00                 | 0.00        | 1.00         | 0.00                        | 0.00     | 1.00    |
| 66                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     | 1.00    |
| 67                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     | 1.00    |
| 68                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     | 1.00    |
| 69                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     | 1.00    |
| 70+                  | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     | 1.00    |
| <b>&lt;Total&gt;</b> | <b>137.00</b> | <b>14.00</b>       | <b>34.52</b>         | <b>0.10</b> | <b>0.25</b>  | <b>0.41</b>                 |          |         |

**Revised Assumption**

| Near age             | Exposed       | Actual Retirements | Expected Retirements | Actual q's  | Expected q's | Ratio: Actual over Expected |          | New q's |
|----------------------|---------------|--------------------|----------------------|-------------|--------------|-----------------------------|----------|---------|
|                      |               |                    |                      |             |              | Expected                    | Expected |         |
| <55                  | 15.00         | 3.00               | 0.00                 | 0.20        | 0.00         | 0.00                        | 0.00     |         |
| 55                   | 21.00         | 0.00               | 1.02                 | 0.00        | 0.05         | 0.00                        | 0.00     |         |
| 56                   | 21.00         | 0.00               | 1.03                 | 0.00        | 0.05         | 0.00                        | 0.00     |         |
| 57                   | 22.00         | 5.00               | 5.39                 | 0.23        | 0.25         | 0.93                        | 0.00     |         |
| 58                   | 15.00         | 3.00               | 2.95                 | 0.20        | 0.20         | 1.02                        | 0.00     |         |
| 59                   | 12.00         | 1.00               | 1.18                 | 0.08        | 0.10         | 0.85                        | 0.00     |         |
| 60                   | 8.00          | 0.00               | 0.40                 | 0.00        | 0.05         | 0.00                        | 0.00     |         |
| 61                   | 9.00          | 0.00               | 0.45                 | 0.00        | 0.05         | 0.00                        | 0.00     |         |
| 62                   | 7.00          | 0.00               | 0.35                 | 0.00        | 0.05         | 0.00                        | 0.00     |         |
| 63                   | 3.00          | 0.00               | 0.15                 | 0.00        | 0.05         | 0.00                        | 0.00     |         |
| 64                   | 3.00          | 2.00               | 0.15                 | 0.67        | 0.05         | 13.38                       | 0.00     |         |
| 65                   | 1.00          | 0.00               | 1.00                 | 0.00        | 1.00         | 0.00                        | 0.00     |         |
| 66                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     |         |
| 67                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     |         |
| 68                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     |         |
| 69                   | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     |         |
| 70+                  | 0.00          | 0.00               | 0.00                 | 0.00        | 0.00         | 0.00                        | 0.00     |         |
| <b>&lt;Total&gt;</b> | <b>137.00</b> | <b>14.00</b>       | <b>14.06</b>         | <b>0.10</b> | <b>0.10</b>  | <b>1.00</b>                 |          |         |

**Retirement Rates  
Composition Roofers Local 42 Pension Plan**

**Terminated Vesteds  
Based on retirements from 2017-2021**

**Prior Assumption**

| Near age             | Exposed       | Actual       |              | Expected    |              | Ratio: Actual over Expected |          | New q's     |
|----------------------|---------------|--------------|--------------|-------------|--------------|-----------------------------|----------|-------------|
|                      |               | Retirements  | Retirements  | Actual q's  | Expected q's | Expected                    | Expected |             |
| <55                  | 9.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        | 0.00     |             |
| 55                   | 22.00         | 0.00         | 2.20         | 0.00        | 0.10         | 0.00                        | 0.00     | <b>0.00</b> |
| 56                   | 20.00         | 0.00         | 2.00         | 0.00        | 0.10         | 0.00                        | 0.00     | <b>0.00</b> |
| 57                   | 22.00         | 6.00         | 4.39         | 0.27        | 0.20         | 1.37                        |          | <b>0.25</b> |
| 58                   | 15.00         | 7.00         | 7.49         | 0.47        | 0.50         | 0.94                        |          | <b>0.50</b> |
| 59                   | 7.00          | 2.00         | 0.70         | 0.29        | 0.10         | 2.86                        |          | <b>0.25</b> |
| 60                   | 9.00          | 2.00         | 0.90         | 0.22        | 0.10         | 2.23                        |          | <b>0.25</b> |
| 61                   | 7.00          | 0.00         | 0.70         | 0.00        | 0.10         | 0.00                        |          | <b>0.05</b> |
| 62                   | 8.00          | 0.00         | 0.80         | 0.00        | 0.10         | 0.00                        |          | <b>0.05</b> |
| 63                   | 8.00          | 0.00         | 3.99         | 0.00        | 0.50         | 0.00                        |          | <b>0.05</b> |
| 64                   | 5.00          | 1.00         | 2.49         | 0.20        | 0.50         | 0.40                        |          | <b>0.05</b> |
| 65                   | 1.00          | 0.00         | 0.50         | 0.00        | 0.50         | 0.00                        |          | <b>1.00</b> |
| 66                   | 0.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        |          | <b>1.00</b> |
| 67                   | 0.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        |          | <b>1.00</b> |
| 68                   | 0.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        |          | <b>1.00</b> |
| 69                   | 1.00          | 0.00         | 0.20         | 0.00        | 0.20         | 0.00                        |          | <b>1.00</b> |
| 70+                  | 4.00          | 1.00         | 4.00         | 0.25        | 1.00         | 0.25                        |          | <b>1.00</b> |
| <b>&lt;Total&gt;</b> | <b>138.00</b> | <b>19.00</b> | <b>30.34</b> | <b>0.14</b> | <b>0.22</b>  | <b>0.63</b>                 |          |             |

**Revised Assumption**

| Near age             | Exposed       | Actual       |              | Expected    |              | Ratio: Actual over Expected |          |
|----------------------|---------------|--------------|--------------|-------------|--------------|-----------------------------|----------|
|                      |               | Retirements  | Retirements  | Actual q's  | Expected q's | Expected                    | Expected |
| <55                  | 9.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        | 0.00     |
| 55                   | 22.00         | 0.00         | 1.10         | 0.00        | 0.00         | 0.00                        | 0.00     |
| 56                   | 20.00         | 0.00         | 1.00         | 0.00        | 0.00         | 0.00                        | 0.00     |
| 57                   | 22.00         | 6.00         | 5.49         | 0.27        | 0.25         | 1.09                        |          |
| 58                   | 15.00         | 7.00         | 2.99         | 0.47        | 0.50         | 0.93                        |          |
| 59                   | 7.00          | 2.00         | 0.70         | 0.29        | 0.25         | 1.14                        |          |
| 60                   | 9.00          | 2.00         | 0.45         | 0.22        | 0.25         | 0.89                        |          |
| 61                   | 7.00          | 0.00         | 0.35         | 0.00        | 0.05         | 0.00                        |          |
| 62                   | 8.00          | 0.00         | 0.40         | 0.00        | 0.05         | 0.00                        |          |
| 63                   | 8.00          | 0.00         | 0.40         | 0.00        | 0.05         | 0.00                        |          |
| 64                   | 5.00          | 1.00         | 0.25         | 0.20        | 0.05         | 4.01                        |          |
| 65                   | 1.00          | 0.00         | 1.00         | 0.00        | 1.00         | 0.00                        |          |
| 66                   | 0.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        |          |
| 67                   | 0.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        |          |
| 68                   | 0.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                        |          |
| 69                   | 1.00          | 0.00         | 1.00         | 0.00        | 1.00         | 0.00                        |          |
| 70+                  | 4.00          | 1.00         | 4.00         | 0.25        | 1.00         | 0.25                        |          |
| <b>&lt;Total&gt;</b> | <b>138.00</b> | <b>19.00</b> | <b>19.13</b> | <b>0.14</b> | <b>0.18</b>  | <b>0.78</b>                 |          |

**Termination Rates**  
**Composition Roofers Local 42 Pension Plan**

**Prior Assumption**  
**Based on terminations from 2012-2017**

| Service | Near age | Exposed       | Actual<br>Terms | Expected<br>Terms | Actual<br>q's | Expected<br>q's | Ratio:                  |             |
|---------|----------|---------------|-----------------|-------------------|---------------|-----------------|-------------------------|-------------|
|         |          |               |                 |                   |               |                 | Actual over<br>Expected | New q's     |
| <1      | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 15-24    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 25-34    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 35-44    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 45-54    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 55-64    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 65+      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | <Total>  | <b>0.00</b>   | <b>0.00</b>     | <b>0.00</b>       | <b>0.00</b>   | <b>0.00</b>     | <b>0.00</b>             | <b>0.00</b> |
| 1       | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 15-24    | 9.00          | 2.00            | 1.80              | 0.22          | 0.20            | 1.11                    |             |
|         | 25-34    | 40.00         | 10.00           | 7.99              | 0.25          | 0.20            | 1.25                    |             |
|         | 35-44    | 17.00         | 4.00            | 3.39              | 0.24          | 0.20            | 1.18                    |             |
|         | 45-54    | 9.00          | 4.00            | 1.79              | 0.44          | 0.20            | 2.23                    |             |
|         | 55-64    | 3.00          | 0.00            | 0.60              | 0.00          | 0.20            | 0.00                    |             |
|         | 65+      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |             |
|         | <Total>  | <b>78.00</b>  | <b>20.00</b>    | <b>15.58</b>      | <b>0.26</b>   | <b>0.20</b>     | <b>1.28</b>             | <b>0.25</b> |
| 2       | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 15-24    | 9.00          | 1.00            | 1.80              | 0.11          | 0.20            | 0.56                    |             |
|         | 25-34    | 46.00         | 8.00            | 9.19              | 0.17          | 0.20            | 0.87                    |             |
|         | 35-44    | 33.00         | 9.00            | 6.59              | 0.27          | 0.20            | 1.37                    |             |
|         | 45-54    | 16.00         | 3.00            | 3.19              | 0.19          | 0.20            | 0.94                    |             |
|         | 55-64    | 1.00          | 0.00            | 0.20              | 0.00          | 0.20            | 0.00                    |             |
|         | 65+      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |             |
|         | <Total>  | <b>105.00</b> | <b>21.00</b>    | <b>20.97</b>      | <b>0.20</b>   | <b>0.20</b>     | <b>1.00</b>             | <b>0.2</b>  |
| 3+      | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 15-24    | 10.00         | 1.00            | 0.98              | 0.10          | 0.10            | 1.02                    |             |
|         | 25-34    | 153.00        | 17.00           | 14.10             | 0.11          | 0.09            | 1.21                    |             |
|         | 35-44    | 180.00        | 23.00           | 13.83             | 0.13          | 0.08            | 1.66                    |             |
|         | 45-54    | 224.00        | 24.00           | 9.28              | 0.11          | 0.04            | 2.59                    |             |
|         | 55-64    | 125.00        | 5.00            | 0.79              | 0.04          | 0.01            | 6.30                    |             |
|         | 65+      | 1.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |             |
|         | <Total>  | <b>693.00</b> | <b>70.00</b>    | <b>38.98</b>      | <b>0.10</b>   | <b>0.06</b>     | <b>1.80</b>             | <b>T-10</b> |
| <Total> | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    | 0.00        |
|         | 15-24    | 28.00         | 4.00            | 4.58              | 0.14          | 0.16            | 0.87                    |             |
|         | 25-34    | 239.00        | 35.00           | 31.28             | 0.15          | 0.13            | 1.12                    |             |
|         | 35-44    | 230.00        | 36.00           | 23.81             | 0.16          | 0.10            | 1.51                    |             |
|         | 45-54    | 249.00        | 31.00           | 14.27             | 0.12          | 0.06            | 2.17                    |             |
|         | 55-64    | 129.00        | 5.00            | 1.59              | 0.04          | 0.01            | 3.15                    |             |
|         | 65+      | 1.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |             |
|         | <Total>  | <b>876.00</b> | <b>111.00</b>   | <b>75.53</b>      | <b>0.13</b>   | <b>0.09</b>     | <b>1.47</b>             |             |

**Termination Rates  
Composition Roofers Local 42 Pension Plan**

**Revised Assumption  
Based on terminations from 2017-2021**

| Service | Near age | Exposed       | Actual<br>Terms | Expected<br>Terms | Actual<br>q's | Expected<br>q's | Ratio:                  |
|---------|----------|---------------|-----------------|-------------------|---------------|-----------------|-------------------------|
|         |          |               |                 |                   |               |                 | Actual over<br>Expected |
| <1      | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 15-24    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 25-34    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 35-44    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 45-54    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 55-64    | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 65+      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | <Total>  | <b>0.00</b>   | <b>0.00</b>     | <b>0.00</b>       | <b>0.00</b>   | <b>0.00</b>     | <b>0.00</b>             |
| 1       | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 15-24    | 9.00          | 2.00            | 2.25              | 0.22          | 0.25            | 0.89                    |
|         | 25-34    | 40.00         | 10.00           | 9.99              | 0.25          | 0.25            | 1.00                    |
|         | 35-44    | 17.00         | 4.00            | 4.24              | 0.24          | 0.25            | 0.94                    |
|         | 45-54    | 9.00          | 4.00            | 2.25              | 0.44          | 0.25            | 1.78                    |
|         | 55-64    | 3.00          | 0.00            | 0.75              | 0.00          | 0.25            | 0.00                    |
|         | 65+      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | <Total>  | <b>78.00</b>  | <b>20.00</b>    | <b>19.48</b>      | <b>0.26</b>   | <b>0.25</b>     | <b>1.03</b>             |
| 2       | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 15-24    | 9.00          | 1.00            | 1.80              | 0.11          | 0.20            | 0.56                    |
|         | 25-34    | 46.00         | 8.00            | 9.19              | 0.17          | 0.20            | 0.87                    |
|         | 35-44    | 33.00         | 9.00            | 6.59              | 0.27          | 0.20            | 1.37                    |
|         | 45-54    | 16.00         | 3.00            | 3.19              | 0.19          | 0.20            | 0.94                    |
|         | 55-64    | 1.00          | 0.00            | 0.20              | 0.00          | 0.20            | 0.00                    |
|         | 65+      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | <Total>  | <b>105.00</b> | <b>21.00</b>    | <b>20.98</b>      | <b>0.20</b>   | <b>0.20</b>     | <b>1.00</b>             |
| 3+      | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 15-24    | 10.00         | 1.00            | 1.76              | 0.10          | 0.18            | 0.57                    |
|         | 25-34    | 153.00        | 17.00           | 24.52             | 0.11          | 0.16            | 0.69                    |
|         | 35-44    | 180.00        | 23.00           | 23.45             | 0.13          | 0.13            | 0.98                    |
|         | 45-54    | 224.00        | 24.00           | 17.60             | 0.11          | 0.08            | 1.36                    |
|         | 55-64    | 125.00        | 5.00            | 2.95              | 0.04          | 0.02            | 1.70                    |
|         | 65+      | 1.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | <Total>  | <b>693.00</b> | <b>70.00</b>    | <b>70.28</b>      | <b>0.10</b>   | <b>0.10</b>     | <b>1.00</b>             |
| <Total> | <15      | 0.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | 15-24    | 28.00         | 4.00            | 5.81              | 0.14          | 0.21            | 0.69                    |
|         | 25-34    | 239.00        | 35.00           | 43.71             | 0.15          | 0.18            | 0.80                    |
|         | 35-44    | 230.00        | 36.00           | 34.29             | 0.16          | 0.15            | 1.05                    |
|         | 45-54    | 249.00        | 31.00           | 23.04             | 0.12          | 0.09            | 1.35                    |
|         | 55-64    | 129.00        | 5.00            | 3.89              | 0.04          | 0.03            | 1.28                    |
|         | 65+      | 1.00          | 0.00            | 0.00              | 0.00          | 0.00            | 0.00                    |
|         | <Total>  | <b>876.00</b> | <b>111.00</b>   | <b>110.74</b>     | <b>0.13</b>   | <b>0.13</b>     | <b>1.00</b>             |

**Disability Rates**  
**Composition Roofers Local 42 Pension Plan**

**Prior Assumption**  
**Based on disabilities from 2012-2017**

| Near Age             | Exposed       | Actual       |              | Expected    |              | Ratio:               |             | New q's                 |
|----------------------|---------------|--------------|--------------|-------------|--------------|----------------------|-------------|-------------------------|
|                      |               | Disabilities | Disabilities | Actual q's  | Expected q's | Actual over Expected |             |                         |
| <20                  | 2.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 20-24                | 26.00         | 0.00         | 0.02         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 25-29                | 99.00         | 0.00         | 0.09         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 30-34                | 140.00        | 0.00         | 0.16         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 35-39                | 101.00        | 0.00         | 0.17         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 40-44                | 129.00        | 0.00         | 0.31         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 45-49                | 113.00        | 1.00         | 0.41         | 0.01        | 0.00         | 0.00                 | 2.45        |                         |
| 50-54                | 136.00        | 0.00         | 0.82         | 0.00        | 0.01         | 0.00                 | 0.00        |                         |
| 55-59                | 94.00         | 1.00         | 0.87         | 0.01        | 0.01         | 0.01                 | 1.14        |                         |
| 60-64                | 35.00         | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| 65+                  | 1.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                 | 0.00        |                         |
| <b>&lt;Total&gt;</b> | <b>876.00</b> | <b>2.00</b>  | <b>2.85</b>  | <b>0.00</b> | <b>0.00</b>  | <b>0.00</b>          | <b>0.70</b> | <b>Base Table * 0.5</b> |

**Revised Assumption**  
**Based on disabilities from 2017-2021**

| Near Age             | Exposed       | Actual       |              | Expected    |              | Ratio:               |             |
|----------------------|---------------|--------------|--------------|-------------|--------------|----------------------|-------------|
|                      |               | Disabilities | Disabilities | Actual q's  | Expected q's | Actual over Expected |             |
| <20                  | 2.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 20-24                | 26.00         | 0.00         | 0.01         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 25-29                | 99.00         | 0.00         | 0.06         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 30-34                | 140.00        | 0.00         | 0.11         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 35-39                | 101.00        | 0.00         | 0.11         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 40-44                | 129.00        | 0.00         | 0.20         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 45-49                | 113.00        | 1.00         | 0.27         | 0.01        | 0.00         | 0.00                 | 3.74        |
| 50-54                | 136.00        | 0.00         | 0.54         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 55-59                | 94.00         | 1.00         | 0.59         | 0.01        | 0.01         | 0.01                 | 1.70        |
| 60-64                | 35.00         | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                 | 0.00        |
| 65+                  | 1.00          | 0.00         | 0.00         | 0.00        | 0.00         | 0.00                 | 0.00        |
| <b>&lt;Total&gt;</b> | <b>876.00</b> | <b>2.00</b>  | <b>1.88</b>  | <b>0.00</b> | <b>0.00</b>  | <b>0.00</b>          | <b>1.06</b> |

**Payment Form Election  
Composition Roofers Local 42 Pension Plan**

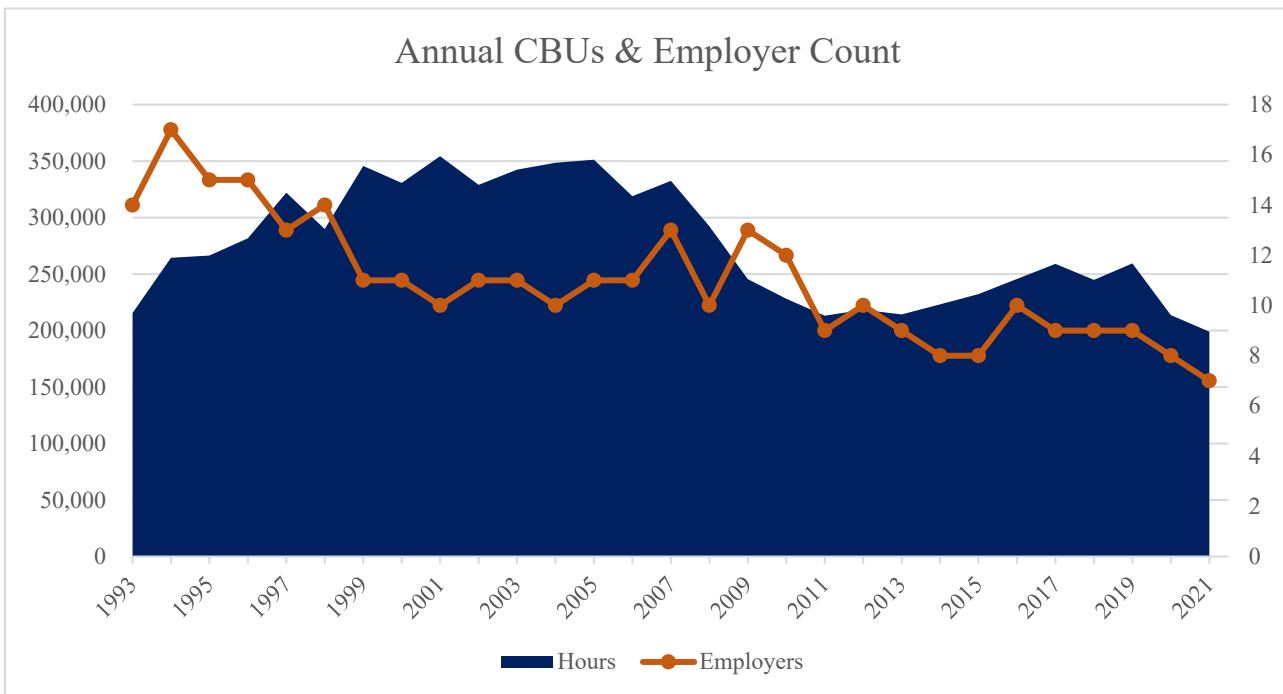
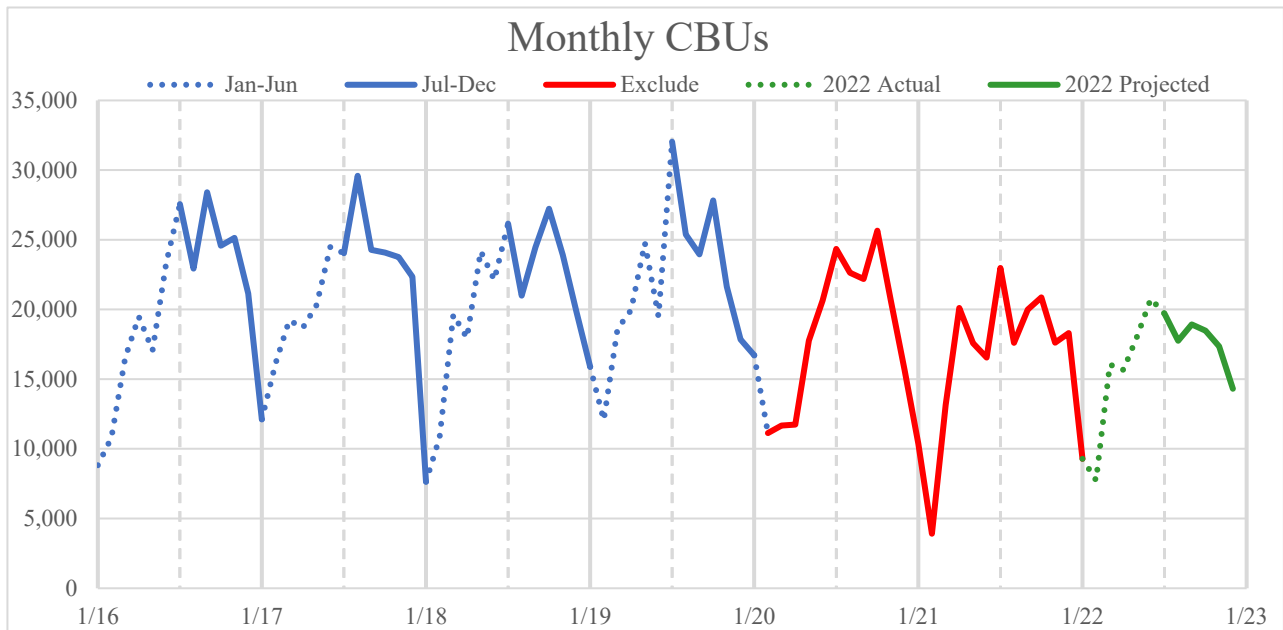
**Prior Assumption  
Based on commencements from 2012-2017**

| <b>Payment Form</b>                  | <b>Actives</b> | <b>Terminated<br/>Vested</b> | <b>Total</b> | <b>% of Total</b> | <b>Assumption</b> |
|--------------------------------------|----------------|------------------------------|--------------|-------------------|-------------------|
| Life Annuity                         | 14             | 15                           | 29           | 46.8%             | 47%               |
| Joint & 50% Survivor                 | 4              | 0                            | 4            | 6.5%              | 14%               |
| Joint & 50% Survivor with Pop-Up     | 3              | 2                            | 5            | 8.1%              |                   |
| Joint & 66 2/3% Survivor             | 3              | 0                            | 3            | 4.8%              | 8%                |
| Joint & 66 2/3% Survivor with Pop-Up | 1              | 1                            | 2            | 3.2%              |                   |
| Joint & 75% Survivor                 | 1              | 0                            | 1            | 1.6%              | 2%                |
| Joint & 75% Survivor with Pop-Up     | 0              | 0                            | 0            | 0.0%              |                   |
| Joint & 100% Survivor                | 6              | 5                            | 11           | 17.7%             | 29%               |
| Joint & 100% Survivor with Pop-Up    | 3              | 4                            | 7            | 11.3%             |                   |
| <b>Total</b>                         | <b>35</b>      | <b>27</b>                    | <b>62</b>    | <b>100%</b>       | <b>100%</b>       |

**Revised Assumption  
Based on commencements from 2017-2021**

| <b>Payment Form</b>                  | <b>Actives</b> | <b>Terminated<br/>Vested</b> | <b>Total</b> | <b>% of Total</b> | <b>Assumption</b> |
|--------------------------------------|----------------|------------------------------|--------------|-------------------|-------------------|
| Life Annuity                         | 9              | 13                           | 22           | 56.3%             | 56%               |
| Joint & 50% Survivor                 | 0              | 1                            | 1            | 2.6%              | 5%                |
| Joint & 50% Survivor with Pop-Up     | 1              | 0                            | 1            | 2.6%              |                   |
| Joint & 66 2/3% Survivor             | 0              | 1                            | 1            | 2.6%              |                   |
| Joint & 66 2/3% Survivor with Pop-Up | 0              | 1                            | 1            | 2.6%              |                   |
| Joint & 75% Survivor                 | 1              | 0                            | 1            | 2.6%              | 11%               |
| Joint & 75% Survivor with Pop-Up     | 0              | 1                            | 1            | 2.6%              |                   |
| Joint & 100% Survivor                | 3              | 1                            | 4            | 10.3%             | 28%               |
| Joint & 100% Survivor with Pop-Up    | 2              | 5                            | 7            | 17.8%             |                   |
| <b>Total</b>                         | <b>16</b>      | <b>23</b>                    | <b>39</b>    | <b>100%</b>       | <b>100%</b>       |

**Contribution Base Units  
Composition Roofers Local 42 Pension Plan**



Historical data clearly exhibits a downward trend, both in total hours and contributing employers, even discounting the impact of COVID-19. It is unlikely that former employers would return to the Plan after they have left, since most employer exits are due to bankruptcy. This downturn is also exclusive of industry trends, as other nearby unions in the same industry have not seen the same decline. Furthermore, the monthly CBU data clearly shows that the monthly CBU amounts spike mid-year. Given this observation, it is reasonable to assume that the monthly CBUs in 2022 have reached their peak, and that monthly amounts for the remainder of the year will shift downward as they have in past years. Additionally, given this "high point" in 2022 was considerably lower than in past years - likely driven by the exit of previously active employers - it is reasonable to assume that the Plan's future CBUs will not increase to past highs, but will instead remain at the current level.

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item #28 – Description and Timing of Benefit Suspension Restoration

Checklist Item #28a

*Does the application include, for an eligible plan that implemented a suspension of benefits under section 305(e)(9) or section 4245(a) of ERISA, a narrative description of how the plan will reinstate the benefits that were previously suspended and a proposed schedule of payments (equal to the amount of benefits previously suspended) to participants and beneficiaries?*

Checklist Item #28b

*If Yes was entered for Checklist Item #28a, does the proposed schedule show the yearly aggregate amount and timing of such payments, and is it prepared assuming the effective date for reinstatement is the day after the SFA measurement date?*

Document 28.1 provides the description of how the Plan will reinstate previously suspended benefits, a proposed schedule of payments and the timing of such payments.

## **Document 28.1**

### Benefit Suspension Restoration

The Plan has suspended benefits under Section 305(e)(9). Once it receives approval of this application and the SFA assets, the Plan will reinstate benefits previously suspended as soon as administratively possible in 60 monthly payments to eligible participants. The total amount to be repaid is \$2,192,409. The monthly payments are assumed to begin on the day after the SFA measurement date (July 1, 2022). The yearly aggregate amounts, assuming payments begin on the day after the SFA measurement date are:

- 2022: \$219,241, which represents 6 monthly payments from July 1, 2022 to December 31, 2022.
- 2023: \$438,482, which represents 12 monthly payments from January 1, 2023 to December 31, 2023.
- 2024: \$438,482, which represents 12 monthly payments from January 1, 2024 to December 31, 2024.
- 2025: \$438,482, which represents 12 monthly payments from January 1, 2025 to December 31, 2025.
- 2026: \$438,482, which represents 12 monthly payments from January 1, 2026 to December 31, 2026.
- 2027: \$219,241, which represents 6 monthly payments from January 1, 2027 to June 30, 2027.

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #33 – Enrolled Actuary Certification

Checklist Item #33a

*Does the application include the certification by the plan's enrolled actuary that the requested amount of SFA is the amount to which the plan is entitled under section 4262(j)(1) of ERISA and § 4262.4 of PBGC's SFA regulation? Does this certification include:*

- (i) plan actuary's certification that identifies the requested amount of SFA and certifies that this is the amount to which the plan is entitled?*
- (ii) (ii) Clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion?*

Checklist Item #33b

*If the plan is a MPRA plan, does the certification by the plan's enrolled actuary identify the amount of SFA determined under the basic method described in § 4262.4(a)(1) and the amount determined under the increasing assets method in § 4262.4(a)(2)(i)? If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is not the greatest amount of SFA under § 4262.4(a)(2), does the certification state as such? If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is the greatest amount of SFA under § 4262.4(a)(2), does the certification identify that amount?*

Document 33.1 provides the Enrolled Actuary's certification.

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #33 – Enrolled Actuary Certification

## Document 33.1

All calculations in this application were prepared on behalf of the Composition Roofers Local 42 Pension Plan based on employee data as of January 1, 2021, and asset statements and Plan Documents provided by the Plan Sponsor or its representatives. We relied upon the data as submitted, without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information which would have had a material effect on the results of this valuation was overlooked.

Therefore, we certify that to the best of our knowledge and belief, the requested amount of Special Financial Assistance (SFA) to which the Plan is entitled under section 4262(j)(1) of ERISA and section 4262.4 of PBGC's SFA regulation is **\$33,737,543**, measured as of June 30, 2022. This is the amount determined under the increasing assets method described in section 4262.4(a)(2)(i) of the PBGC's SFA regulation, which is greater than \$25,464,724, determined according to the basic method under 4262.4(a)(1), as well as the amount determined according to the present value method under 4262.4(a)(2)(ii).

Unless noted below, the actuarial assumptions and methods used in the determination of the amount of SFA are the same as those used in the certification of the Plan's status for the Plan Year beginning January 1, 2020, dated March 30, 2020. The changes or modifications to these assumptions that are reflected in the determination of the amount of SFA, as well as justification for the changes, are described elsewhere in this application. We certify that the information presented in this application is complete and accurate, and each assumption used represents a reasonable estimate of anticipated experience under the Plan.

We hereby certify that this calculation of the SFA amount has been performed in accordance with the PBGC's SFA regulation and published guidance, as well as generally accepted actuarial principles and practices, and the undersigned meet the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,

CUNI, RUST & STRENK



Allen L. Pauly, EA, CERA, ASA, MAAA  
Senior Actuary  
Enrolled Actuary No. 20-08895



M. R. Rust, EA, MAAA, ASA  
President, Lead Actuarial Consultant  
Enrolled Actuary No. 20-06146

Composition Roofers Local 42 Pension Plan

EIN/Plan #: 31-6127285/001

SFA Checklist Item #34 – Certification of Plan Sponsor to the Accuracy of the Fair Market Value of Assets

*Does the application include the plan sponsor's identification of the amount of fair market value of assets at the SFA measurement date and certification that this amount is accurate? Does the application also include:*

- (i) Information that substantiates the asset value and how it was developed (e.g., trust or account statements, specific details of any adjustments)?*
  
- (ii) A reconciliation of the fair market value of assets from the date of the most recent audited plan financial statements to the SFA measurement date (showing beginning and ending fair market value of assets for this period as well as the following items for the period: contributions, withdrawal liability payments, benefits paid, administrative expenses, and investment income)?*

Document 34.1 provides the plan sponsor's certification.

Document 34.2 provides the Reconciliation of Fair Market Value of Assets

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #34 – Certification of Plan Sponsor to the Accuracy of the Fair Market Value of Assets

### Document 34.1

This is a certification by the Board of Trustees of the Composition Roofers Local 42 Pension Plan (“Plan”) as to the accuracy of the amount of the fair market value of assets as of the special financial assistance (“SFA”) measurement date specified in the Plan’s application for SFA.

The fair market value of assets is supported by the financial and account statements included in this SFA application. This SFA application also includes a reconciliation of the fair market value of assets from the end of the most recent Plan Year to the SFA measurement date.

Based on the above, I hereby certify the accuracy of the amount of the fair market value of assets as of the SFA measurement date, as specified in this application for SFA.

Respectfully Submitted,



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**Mr. Thomas Dalton**

Authorized Management Trustee, on behalf of the Board of Trustees for the Composition Roofers Local 42 Pension Plan



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**Mr. Rodney Toole**

Authorized Union Trustee, on behalf of the Board of Trustees for the Composition Roofers Local 42 Pension Plan

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #34 – Certification of Plan Sponsor to the Accuracy of the Fair Market Value of Assets

## Document 34.2

### Item #34: Development of 6/30/2022 Fair Market Value of Assets

#### 12/31/21 Fair Market Value (Audited)

|                                 |                |              |
|---------------------------------|----------------|--------------|
| Total Investments at Fair Value | \$26,585,362   |              |
| Cash                            | <u>320,203</u> |              |
| Total                           |                | \$26,905,565 |

#### Unaudited 1/1/2022 - 6/30/2022 Additions Attributable to:

|                               |              |               |
|-------------------------------|--------------|---------------|
| Investment Income             | (4,486,752)  |               |
| Contributions                 | 460,435      |               |
| Withdrawal Liability Payments | <u>9,858</u> |               |
| Total Additions               |              | (\$4,016,459) |

#### Unaudited 1/1/2022 - 6/30/2022 Deductions Attributable to:

|                         |                |           |
|-------------------------|----------------|-----------|
| Benefit Payments        | 1,276,264      |           |
| Administrative Expenses | <u>127,044</u> |           |
| Total Deductions        |                | 1,403,308 |

|  |  |                     |
|--|--|---------------------|
| <b>6/30/22 Fair Market Value (Unaudited)</b> |  | <b>\$21,485,798</b> |
|--|--|---------------------|

**AMENDMENT TO THE  
COMPOSITION ROOFERS 42 PENSION PLAN**

**Background**


1. The Board of Trustees of the Composition Roofers 42 Pension Plan (the “Board”) has applied to the Pension Benefit Guaranty Corporation (“PBGC”) under section 4262 of the Employment Retirement Income Security Act of 1974, as amended (“ERISA”), and 29 C.F.R. § 4262 for special financial assistance for the Composition Roofers 42 Pension Plan (the “Plan”).
2. 29 C.F.R. § 4262.6(e)(1) requires that the plan sponsor of a plan applying for special financial assistance amend the written instrument governing the plan to require that the plan be administered in accordance with the restrictions and conditions specified in section 4262 of ERISA and 29 C.F.R. part 4262 and that the amendment be contingent upon approval by PBGC of the plan’s application for special financial assistance.
3. Under Section 10.1 of the Restated Plan Document with an effective date of January 1, 2015 (the “Plan Document”), the Board has the power to amend the Plan Document.
4. Article IV, Section 1(e) of the Plan’s Trust Document, as amended and restated January 1, 2018, authorizes the Trustees “To enter into and to cause to be entered into, any and all contracts and agreements for carrying out the terms of this Trust Agreement and for the administration of the Trust Fund and to do all acts as they in their discretion may deem necessary or advisable.” Pursuant to a Motion approved at their Special Meeting held on September 14<sup>th</sup>, the Board appointed Management Trustee Tom Dalton, and Union Trustee Rodney Toole as authorized signers for document related to the Special Financial Assistance Application.


## Amendment

The Plan Document is amended by adding a new Article 4, Section 4.14 to read as follows:

“Beginning with the SFA measurement date selected by the Plan in the Plan’s application for special financial assistance, notwithstanding anything to the contrary in this or any other document governing the Plan, the plan shall be administered in accordance with the restrictions and conditions specified in section 4262 of ERISA and 29 CFR part 4262. This amendment is contingent upon approval by PBGC of the Plan’s application for special financial assistance.”

As approved by the Board of Trustees on the 14<sup>th</sup> day of September 2022, and signed by their designated representatives:

  
Rodney Toole,  
Union Trustee  
Business Manager  
Roofers Local 42

  
Thomas Dalton,  
Management Trustee  
President, CEO  
Dalton Roofing Co.

Date: September 28, 2022

**AMENDMENT TO THE  
COMPOSITION ROOFERS 42 PENSION PLAN  
TO REINSTATE SUSPENDED BENEFITS**

**Background**

1. The Board of Trustees of the Composition Roofers 42 Pension Plan (the “Board”) has applied to the Pension Benefit Guaranty Corporation (“PBGC”) under section 4262 of the Employment Retirement Income Security Act of 1974, as amended (“ERISA”), and 29 C.F.R. § 4262 for special financial assistance for the Composition Roofers 42 Pension Plan (the “Plan”).
2. 29 C.F.R. §§ 4262.6(e)(2) and 4262.15(a) require that the plan sponsor of a plan that is applying for special financial assistance and that suspended benefits under section 305(e)(9) or 4245(a) of ERISA amend the written instrument governing the plan to reinstate such suspended benefits and provide make-up payments in accordance with guidance issued by the Secretary of the Treasury under section 432(k) of the Internal Revenue Code (which was issued in IRS Notice No. 2021-38).
3. 29 C.F.R. § 4262.7(e)(2) requires that an application for special financial assistance for a plan that suspended benefits under section 305(e)(9) or 4245(a) of ERISA include a copy of the proposed plan amendment required under section 4262.6(e)(2) of ERISA and certification by the plan sponsor that the plan amendment will be timely adopted. Section 4262.7(e)(2) further requires (1) that such certification be signed either by all members of the plan’s board of trustees or by one or more trustees duly authorized both to sign the certification on behalf of the entire board and to commit the board to timely adopting the amendment after the plan’s application for special financial assistance is approved, and (2) that each signature be accompanied by the printed name and title of the signer.
4. Benefits under the Plan have been suspended under Section 305(e)(9) of ERISA.
5. Under Section 10.1 of the Restated Plan Document with an effective date of January 1, 2015 (the “Plan Document”), the Board has the power to amend the Plan Document.
6. Article IV, Section 1(e) of the Plan’s Trust Document, as amended and restated January 1, 2018, authorizes the Trustees “To enter into and to cause to be entered into, any and all contracts and agreements for carrying out the terms of this Trust Agreement and for the administration of the Trust Fund and to do all acts as they in their discretion may deem necessary or advisable.” Pursuant to a Motion approved at their Special Meeting held on September 14th, the Board appointed Management Trustee Tom Dalton, and Union Trustee Rodney Toole as authorized signers for document related to the Special Financial Assistance Application.

### Amendment

The Plan Document is amended by adding a new Article 4, Section 4.15 will be added to the Plan Document, to read as follows:

- “i. Effective as of the first month in which special financial assistance is paid to the Plan, the Plan shall reinstate all benefits that were suspended under section 305(e)(9).
  
- ii. The Plan shall pay each participant and beneficiary that is in pay status as of the date special financial assistance is paid to the Plan the aggregate amount of their benefits that were not paid because of the suspension, with no actuarial adjustment or interest. Such payment shall be made in equal monthly installments over a period of 5 years, commencing no later than 3 months after the date the special financial assistance is paid to the Plan, with all installments to be paid irrespective of whether the participant or beneficiary survives to the end of the 5-year period.

\_\_\_\_\_  
Rodney Toole,  
Union Trustee  
Business Manager  
Roofers Local 42

\_\_\_\_\_  
Thomas Dalton,  
Management Trustee  
President, CEO  
Dalton Roofing Co.

Date: \_\_\_\_\_

**CERTIFICATION THAT THE PLAN AMENDMENT  
TO REINSTATE SUSPENDED BENEFITS WILL BE TIMELY ADOPTED**

As required by 29 C.F.R. § 4262.7(e)(2) for the application for special financial assistance for the Composition Roofers 42 Pension Plan (the "Application" for the "Plan"), we, the members of the Board of Trustees of the Plan hereby certify that the proposed amendment to the Restated Plan Document with an effective date of January 1, 2015 to reinstate benefits under the Plan that have been suspended under section 305(e)(9) of ERISA which proposed amendment is submitted herewith as part of the Application, will be timely adopted upon approval by the Pension Benefit Guaranty Corporation of the Application.

Article IV, Section 1(e) of the Plan's Trust Document, as amended and restated January 1, 2018, authorizes the Trustees "To enter into and to cause to be entered into, any and all contracts and agreements for carrying out the terms of this Trust Agreement and for the administration of the Trust Fund and to do all acts as they in their discretion may deem necessary or advisable." Pursuant to a Motion approved at their Special Meeting held on September 14th, the Board appointed Management Trustee Tom Dalton, and Union Trustee Rodney Toole as authorized signers for document related to the Special Financial Assistance Application.



Rodney Toole,  
Union Trustee  
Business Manager  
Roofers Local 42



Thomas Dalton,  
Management Trustee  
President, CEO  
Dalton Roofing Co.

Date: September 28, 2022

Composition Roofers Local 42 Pension Plan  
EIN/Plan #: 31-6127285/001  
SFA Checklist Item #38 - Penalty of Perjury Statement

## Penalty of Perjury Statement

Under penalty of perjury under the laws of the United States of America, I declare 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.

Respectfully Submitted,



**Mr. Thomas Dalton**  
Authorized Management Trustee, on behalf  
of the Board of Trustees for the  
Composition Roofers Local 42 Pension Plan



**Mr. Rodney Toole**  
Authorized Union Trustee, on behalf of the  
Board of Trustees for the Composition  
Roofers Local 42 Pension Plan

## Application Checklist

v20220802p

### Instructions for Section E, Item 1 of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance (SFA):


The Application to PBGC for Approval of Special Financial Assistance Checklist ("Application Checklist" or "Checklist") identifies all information required to be filed with an initial or revised application. For a supplemented application, instead use "Application Checklist - Supplemented." The Application Checklist is not required for a lock-in application.

For a plan required to submit additional information described in Addendum A of the SFA Filing Instructions, also complete Checklist Items #39.a. to #48.b., and if there is a merger as described in Addendum A, also complete Checklist Items #49 through #62.

Applications (including this Application Checklist), with the exception of lock-in applications, must be submitted to PBGC electronically through PBGC's e-Filing Portal, (<https://efilingportal.pbgc.gov/site/>). After logging into the e-Filing Portal, go to the Multiemployer Events section and click "Create New ME Filing." Under "Select a filing type," select "Application for Financial Assistance – Special." Note: revised and supplemented applications must be submitted by selecting "Create New ME Filing."

Note: If you go to the e-Filing Portal and do not see "Application for Financial Assistance – Special" under the "Select a Filing Type," then the e-Filing Portal is temporarily closed and PBGC is not accepting applications (other than lock-in applications) at the time, unless the plan is eligible to make an emergency filing under § 4262.10(f). PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), will be updated when the e-Filing Portal reopens for applications. PBGC maintains information on its website at [www.pbgc.gov](http://www.pbgc.gov) to inform prospective applicants about the current status of the e-Filing portal, as well as to provide advance notice of when PBGC expects to open or temporarily close the e-Filing Portal.

General instructions for completing the Application Checklist:

Complete all items that are shaded: 

If required information was already filed: (1) through PBGC's e-Filing Portal; or (2) through any means for an insolvent plan, a plan that has received a partition, or a plan that submitted an emergency filing, the filer may either upload the information with the application or include a statement in the Plan Comments section of the Application Checklist indicating the date on which and the submission with which the information was previously filed. For any such items previously provided, enter N/A as the **Plan Response**.

For a revised application, the filer may, but is not required to, submit an entire application. For all Application Checklist Items that were previously filed that are not being changed, the filer may include a statement in the Plan Comments section of the Application Checklist to indicate that the other information was previously provided as part of the initial application. For each, enter N/A as the **Plan Response**.

Instructions for specific columns:

**Plan Response:** Provide a response to each item on the Application Checklist, using only the **Response Options** shown for each Checklist Item.

**Name(s) of Files Uploaded:** Identify the full name of the file or files uploaded that are responsive to the Checklist Item. The column **Upload as Document Type** provides guidance on the "document type" to select when submitting documents on PBGC's e-Filing Portal.

**Page Number Reference(s):** For Checklist Items #21 to #28c, submit all information in a single document and identify here the relevant page numbers for each such Checklist Item.

**Plan Comments:** Use this column to provide explanations for any **Plan Response** that is N/A, to respond as may be specifically identified for Checklist Items, and to provide any optional explanatory comments.

Additional guidance is provided in the following columns:

**Upload as Document Type:** When uploading documents in PBGC's e-Filing Portal, select the appropriate Document Type for each document that is uploaded. This column provides guidance on the Document Type to select for each Checklist Item. You may upload more than one document using the same Document Type, and there may be Document Types on the e-Filing Portal for which you have no documents to upload.

**Required Filenaming (if applicable):** For certain Checklist Items, a specified format for naming the file is required.

**SFA Instructions Reference:** Identifies the applicable section and item number in PBGC's Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance.

You must select N/A if a Checklist Item # is not applicable to your application. **Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #38 on the Application Checklist. If there has been an event as described in § 4262.4(f), complete Checklist Items #39.a. through #48.b., and if there has been a merger described in Addendum A, also complete Checklist Items #49 through #62. Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #39.a. through #48.b. if you are required to complete Checklist Items # 39a through #48b. Your application will also be considered incomplete if No is entered as a Plan Response for any of Checklist Items #49 through #62 if you are required to complete Checklist Items #49 through #62.**

If a Checklist Item # asks multiple questions or requests multiple items, the Plan Response should only be Yes if the plan is providing all information requested for that Checklist Item.

Note, a Yes or No response is also required for Checklist Items #a through #f.

Note, in the case of a plan applying for priority consideration, the plan's application must also be submitted to the Treasury Department. If that requirement applies to an application, PBGC will transmit the application to the Treasury Department on behalf of the plan. See IRS Notice [NOTICE] for further information.

**All information and documentation, unless covered by the Privacy Act, that is included in an SFA application may be posted on PBGC's website at [www.pbgc.gov](http://www.pbgc.gov) or otherwise publicly disclosed, without additional notification. Except to the extent required by the Privacy Act, PBGC provides no assurance of confidentiality in any information included in an SFA application.**

**Version Updates (newest version at top)**

| Version | Date updated |
|---------|--------------|
|---------|--------------|

v20220802p 08/02/2022 Fixed some of the shading in the checklist

v20220706p 07/06/2022

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

-----Filers provide responses here for each Checklist Item:-----

Unless otherwise specified:  
 YYYY = plan year  
 Plan Name = abbreviated plan name

**Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #38. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #39.a. through #48.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #49 through #62.**

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item #                                       | SFA Filing Instructions Reference |   | Response Options | Plan Response | Name of File(s) Uploaded   | Page Number Reference(s) | Plan Comments  | In the e-Filing Portal, upload as Document Type                                     | Use this Filenaming Convention |
|--|-----------------------------------|---|------------------|---------------|--|--------------------------|--|---|--------------------------------|
| <b>Plan Information, Checklist, and Certifications</b> |                                   |   |                  |               |  |                          |  |   |                                |
| a.   |                                   | Is this application a revised application submitted after the denial of a previously filed application for SFA?   | Yes<br>No        | No            | N/A  | N/A                      |  | N/A   | N/A                            |
| b.   |                                   | Is this application a revised application submitted after a plan has withdrawn its application for SFA that was initially submitted under the interim final rule?   | Yes<br>No        | No            | N/A  | N/A                      |  | N/A   | N/A                            |
| c.   |                                   | Is this application a revised application submitted after a plan has withdrawn its application for SFA that was submitted under the final rule?   | Yes<br>No        | No            | N/A  | N/A                      |  | N/A   | N/A                            |
| d.   |                                   | Did the plan previously file a lock-in application?   | Yes<br>No        | No            | N/A  | N/A                      | If a "lock-in" application was filed, provide the filing date. | N/A   | N/A                            |
| e.   |                                   | Has this plan been terminated?  | Yes<br>No        | No            | N/A  | N/A                      | If terminated, provide date of plan termination.               | N/A   | N/A                            |
| f.   |                                   | Is this plan a MPRA plan as defined under § 4262.4(a)(3) of PBGC's SFA regulation?  | Yes<br>No        | Yes           | N/A  | N/A                      |  | N/A   | N/A                            |
| 1.   | Section B, Item (1)a.             | Does the application include the most recent plan document or restatement of the plan document and all amendments adopted since the last restatement (if any)?  | Yes<br>No        | Yes           | Plan Document and Amendments Roofers 42  | N/A                      |  | Pension plan documents, all versions available, and all amendments signed and dated | N/A                            |
| 2.   | Section B, Item (1)b.             | Does the application include the most recent trust agreement or restatement of the trust agreement, and all amendments adopted since the last restatement (if any)?   | Yes<br>No        | Yes           | TrustDoc.Roofers42;<br>TrustAmend.1Roofers42;<br>TrustAmend.2Roofers42               | N/A                      |  | Pension plan documents, all versions available, and all amendments signed and dated | N/A                            |
| 3.   | Section B, Item (1)c.             | Does the application include the most recent IRS determination letter?<br><br>Enter N/A if the plan does not have a determination letter.   | Yes<br>No<br>N/A | Yes           | 2015IRSLetterRoofers42   | N/A                      |  | Pension plan documents, all versions available, and all amendments signed and dated | N/A                            |
| 4.   | Section B, Item (2)               | Does the application include the actuarial valuation report for the 2018 plan year and each subsequent actuarial valuation report completed before the filing date of the initial application?<br><br>Enter N/A if no actuarial valuation report was prepared because it was not required for any requested year.<br><br>Is each report provided as a separate document using the required filename convention? | Yes<br>No<br>N/A | Yes           | 2018AVR Roofers42;<br>2019AVR Roofers42;<br>2020AVR Roofers42;<br>2021AVR Roofers42; | N/A                      | 4 reports are provided.  | Most recent actuarial valuation for the plan  | YYYYAVR Plan Name              |
| 5.a.   |                                   | Does the application include the most recent rehabilitation plan (or funding improvement plan, if applicable), including all subsequent amendments and updates, and the percentage of total contributions received under each schedule of the rehabilitation plan or funding improvement plan for the most recent plan year available?  | Yes<br>No        | Yes           | Rehabilitation Plan Roofers 42   | N/A                      |  | Rehabilitation plan (or funding improvement plan, if applicable)                    | N/A                            |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Unless otherwise specified:  
 YYYY = plan year  
 Plan Name = abbreviated plan name

**Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #38. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #39.a. through #48.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #49 through #62.**

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded   | Page Number Reference(s) | Plan Comments   | In the e-Filing Portal, upload as Document Type                  | Use this Filenaming Convention   |
|------------------|-----------------------------------|--|------------------|---------------|--|--------------------------|---|--|--|
| 5.b.             | Section B, Item (3)               | If the most recent rehabilitation plan does not include historical documentation of rehabilitation plan changes (if any) that occurred in calendar year 2020 and later, does the application include an additional document with these details?<br><br>Enter N/A if the historical document is contained in the rehabilitation plans.  | Yes<br>No<br>N/A | N/A           |  | N/A                      | Most recent rehabilitation plan includes historical documentation of rehabilitation plan changes. | Rehabilitation plan (or funding improvement plan, if applicable) | N/A  |
| 6.               | Section B, Item (4)               | Does the application include the plan's most recently filed (as of the filing date of the initial application) Form 5500 (Annual Return/Report of Employee Benefit Plan) and all schedules and attachments (including the audited financial statement)?<br><br>Is the 5500 filing provided as a single document using the required filename convention?  | Yes<br>No        | Yes           | 2020Form5500 Roofers 42  | N/A                      |   | Latest annual return/report of employee benefit plan (Form 5500) | YYYYForm5500 Plan Name   |
| 7.a.             |                                   | Does the application include the plan actuary's certification of plan status ("zone certification") for the 2018 plan year and each subsequent annual certification completed before the filing date of the initial application?<br><br>Enter N/A if the plan does not have to provide certifications for any requested plan year.<br><br>Is each zone certification (including the additional information identified in Checklist Items #7.b. and #7.c. below, if applicable) provided as a single document, separately for each plan year, using the required filename convention?   | Yes<br>No<br>N/A | Yes           | 2018Zone20180329 Roofers 42;<br>2019Zone20190329 Roofers 42;<br>2020Zone20200330 Roofers 42;<br>2021Zone20210329 Roofers 42;<br>2022Zone20220329 Roofers 42; | N/A                      | 5 zone certifications are provided.   | Zone certification   | YYYYZoneYYYYMMDD Plan Name, where the first "YYYY" is the applicable plan year, and "YYYYMMDD" is the date the certification was prepared. |
| 7.b.             | Section B, Item (5)               | Does the application include documentation for all zone certifications that clearly identifies all assumptions used including the interest rate used for funding standard account purposes?<br><br>If such information is provided in an addendum, addendums are only required for the most recent actuarial certification of plan status completed before January 1, 2021 and each subsequent annual certification.<br><br>Is this information included in the single document in Checklist Item #7.a. for the applicable plan year?  | Yes<br>No<br>N/A | Yes           | N/A - include as part of documents in Checklist Item #7.a.   | N/A                      |   | N/A - include as part of documents in Checklist Item #7.a.       | N/A - included in a single document for each plan year - See Checklist Item #7.a.  |
| 7.c.             |                                   | For a certification of critical and declining status, does the application include the required plan-year-by-plan-year projection (showing the items identified in Section B, Item (5)a. through (5)f. of the SFA Instructions) demonstrating the plan year that the plan is projected to become insolvent? If required, is this information included in the single document in Checklist Item #7.a. for the applicable plan year? Enter N/A if the plan entered N/A for Checklist Item #7.a. or if the application does not include a certification of critical and declining status. | Yes<br>No<br>N/A | Yes           | N/A - include as part of documents in Checklist Item #7.a.   | N/A                      |   | N/A - include as part of documents in Checklist Item #7.a.       | N/A - included in a single document for each plan year - See Checklist Item #7.a.  |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded       | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type   | Use this Filenaming Convention |
|------------------|-----------------------------------|--|------------------|---------------|--------------------------------|--------------------------|---------------|---|--------------------------------|
| 8.               | Section B, Item (6)               | Does the application include the most recent account statements for each of the plan's cash and investment accounts?<br><br>Insolvent plans may enter N/A, and identify in the Plan Comments that this information was previously submitted to PBGC and the date submitted.  | Yes<br>No<br>N/A | Yes           | Account Statements Roofers 42  | N/A                      |               | Bank/Asset statements for all cash and investment accounts                              | N/A                            |
| 9.               | Section B, Item (7)               | Does the application include the most recent plan financial statement (audited, or unaudited if audited is not available)?<br><br>Insolvent plans may enter N/A, and identify in the Plan Comments that this information was previously submitted to PBGC and the date submitted.  | Yes<br>No<br>N/A | Yes           | Financial Statement Roofers 42 | N/A                      |               | Plan's most recent financial statement (audited, or unaudited if audited not available) | N/A                            |
| 10.              | Section B, Item (8)               | Does the application include all of the plan's written policies and procedures governing the plan's determination, assessment, collection, settlement, and payment of withdrawal liability?<br><br>Are all such items included as a single document using the required filenaming convention?  | Yes<br>No<br>N/A | Yes           | WDL Roofers 42                 | N/A                      |               | Pension plan documents, all versions available, and all amendments signed and dated     | WDL Plan Name                  |
| 11.              | Section B, Item (9)               | Does the application include documentation of a death audit to identify deceased participants that was completed no earlier than one year before the plan's SFA measurement date, including identification of the service provider conducting the audit and a copy of the results of the audit provided to the plan administrator by the service provider? If applicable, has personally identifiable information in this report been redacted prior to submission to PBGC?<br><br>Is this information included as a single document using the required filenaming convention? | Yes<br>No        | Yes           | Death Audit Roofers 42         | N/A                      |               | Pension plan documents, all versions available, and all amendments signed and dated     | Death Audit Plan Name          |
| 12.              | Section B, Item (10)              | Does the application include information required to enable the plan to receive electronic transfer of funds if the SFA application is approved, including (if applicable) a notarized payment form? See SFA Instructions, Section B, Item (10).   | Yes<br>No        | Yes           | ACHFormWesBancoRoofers42       | N/A                      |               | Other   | N/A                            |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

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|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments   | In the e-Filing Portal, upload as Document Type   | Use this Filenaming Convention |
|------------------|-----------------------------------|--|------------------|---------------|--------------------------|--------------------------|---|---|--------------------------------|
| 13.              | Section C, Item (1)               | Does the application include the plan's projection of expected benefit payments that should have been attached to the Form 5500 Schedule MB in response to line 8b(1) on the Form 5500 Schedule MB for plan years 2018 through the last year the Form 5500 was filed by the filing date of the initial application?<br><br>Enter N/A if the plan is not required to respond Yes to line 8b(1) on the Form 5500 Schedule MB. See Template 1.<br><br>Does the uploaded file use the required filenaming convention?  | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is not required to respond Yes to line 8b(1) on the Form 5500 Schedule MB. | Financial assistance spreadsheet (template)   | Template 1 Plan Name           |
| 14.              | Section C, Item (2)               | If the plan was required to enter 10,000 or more participants on line 6f of the most recently filed Form 5500 (by the filing date of the initial application), does the application include a current listing of the 15 largest contributing employers (the employers with the largest contribution amounts) and the amount of contributions paid by each employer during the most recently completed plan year before the filing date of the initial application (without regard to whether a contribution was made on account of a year other than the most recently completed plan year)? If this information is required, it is required for the 15 largest contributing employers even if the employer's contribution is less than 5% of total contributions.<br><br>Enter N/A if the plan is not required to provide this information. See Template 2.<br><br>Does the uploaded file use the required filenaming convention? | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is not required to provide this information.                               | Contributing employers  | Template 2 Plan Name           |
| 15.              | Section C, Item (3)               | Does the application include historical plan information for the 2010 plan year through the plan year immediately preceding the date the plan's initial application was filed that separately identifies: total contributions, total contribution base units (including identification of the unit used), average contribution rates, and number of active participants at the beginning of each plan year? For the same period, does the application show all other sources of non-investment income such as withdrawal liability payments collected, reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and other identifiable sources of contributions? See Template 3.<br><br>Does the uploaded file use the required filenaming convention?  | Yes<br>No        | Yes           | Template 3 Roofers 42    | N/A                      |   | Historical Plan Financial Information (CBUs, contribution rates, contribution amounts, withdrawal liability payments) | Template 3 Plan Name           |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference   |   | Response Options | Plan Response | Name of File(s) Uploaded                        | Page Number Reference(s) | Plan Comments   | In the e-Filing Portal, upload as Document Type  | Use this Filenaming Convention          |
|------------------|---|---|------------------|---------------|---|--------------------------|---|--|---|
| 16.a.            | Section C, Items (4)a., (4)e., and (4)f.  | Does the application include the information used to determine the amount of SFA for the plan using the <u>basic method</u> described in § 4262.4(a)(1) based on a deterministic projection and using the actuarial assumptions as described in § 4262.4(e)? See Template 4A, <i>4A-4 SFA Details .4(a)(1)</i> sheet and Section C, Item (4) of the SFA Filing Instructions for more details on these requirements.<br><br>Does the uploaded file use the required filenaming convention?   | Yes<br>No        | Yes           | Template 4A Roofers 42                          | N/A                      |   | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 4A Plan Name                   |
| 16.b.i.          | Addendum D<br>Section C, Item (4)a. - MPRA plan information A.<br><br>Addendum D<br>Section C, Item (4)e. - MPRA plan information A.                  | If the plan is a MPRA plan, does the application also include the information used to determine the amount of SFA for the plan using the <u>increasing assets method</u> described in § 4262.4(a)(2)(i) based on a deterministic projection and using the actuarial assumptions as described in § 4262.4(e)? See Template 4A, <i>4A-5 SFA Details .4(a)(2)(i)</i> sheet and Addendum D for more details on these requirements.<br><br>Enter N/A if the plan is not a MPRA Plan.   | Yes<br>No<br>N/A | Yes           | N/A - included as part of Template 4A Plan Name | N/A                      |   | N/A  | N/A - included in Template 4A Plan Name |
| 16.b.ii.         | Addendum D<br>Section C, Item (4)f. - MPRA plan information A.  | If the plan is a MPRA plan for which the requested amount of SFA is determined using the <u>increasing assets method</u> described in § 4262.4(a)(2)(i), does the application also explicitly identify the projected SFA exhaustion year based on the <u>increasing assets method</u> ? See Template 4A, <i>4A-5 SFA Details .4(a)(2)(i)</i> sheet and Addendum D.<br><br>Enter N/A if the plan is not a MPRA Plan or if the requested amount of SFA is determined based on the present value method.   | Yes<br>No<br>N/A | Yes           | N/A - included as part of Template 4A Plan Name | N/A                      |   | N/A  | N/A - included in Template 4A Plan Name |
| 16.b.iii.        | Addendum D<br>Section C, Item (4)a. - MPRA plan information B<br><br>Addendum D<br>Section C, Item (4)e., (4)f., and (4)g. - MPRA plan information B. | If the plan is a MPRA plan for which the requested amount of SFA is determined using the <u>present value method</u> described in § 4262.4(a)(2)(ii), does the application also include the information for such plans as shown in Template 4B, including <i>4B-1 SFA Ben Pmts</i> sheet, <i>4B-2 SFA Details 4(a)(2)(ii)</i> sheet, and <i>4B-3 SFA Exhaustion</i> sheet? See Addendum D and Template 4B.<br><br>Enter N/A if the plan is not a MPRA Plan or if the requested amount of SFA is determined based on the increasing assets method. | Yes<br>No<br>N/A | N/A           |   | N/A                      | The requested amount of SFA is determined using the increasing assets method. | N/A  | Template 4B Plan Name                   |
| 16.c.            | Section C, Items (4)b. and (4)c.  | Does the application include identification of the non-SFA interest rate and the SFA interest rate, including details on how each was determined? See Template 4A, <i>4A-1 Interest Rates</i> sheet.  | Yes<br>No        | Yes           | N/A - included as part of Template 4A Plan Name | N/A                      |   | N/A  | N/A - included in Template 4A Plan Name |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference      |  | Response Options | Plan Response | Name of File(s) Uploaded                        | Page Number Reference(s) | Plan Comments            | In the e-Filing Portal, upload as Document Type  | Use this Filenaming Convention          |
|------------------|--|--|------------------|---------------|---|--------------------------|--------------------------|--|---|
| 16.d.            | Section C, Item (4).e.ii.              | For each year in the SFA coverage period, does the application include the projected benefit payments (excluding make-up payments, if applicable), separately for current retirees and beneficiaries, current terminated vested participants not yet in pay status, current active participants, and new entrants? See Template 4A, 4A-2 SFA Ben Pmts sheet.   | Yes<br>No        | Yes           | N/A - included as part of Template 4A Plan Name | N/A                      |                          | N/A  | N/A - included in Template 4A Plan Name |
| 16.e.            | Section C, Item (4).e.iv. and (4).e.v. | For each year in the SFA coverage period, does the application include a breakdown of the administrative expenses between PBGC premiums and all other administrative expenses? Does the application include the projected total number of participants at the beginning of each plan year in the SFA coverage period? See Template 4A, 4A-3 SFA Pcount and Admin Exp sheet.  | Yes<br>No        | Yes           | N/A - included as part of Template 4A Plan Name | N/A                      |                          | N/A  | N/A - included in Template 4A Plan Name |
| 17.a.            | Section C, Item (5)                    | For a plan that is not a MPRA plan, does the application include a separate deterministic projection ("Baseline") in the same format as Checklist Items #16.a., #16.d., and #16.e. that shows the amount of SFA that would be determined using the basic method if the assumptions/methods used are the same as those used in the most recent actuarial certification of plan status completed before January 1, 2021 ("pre-2021 certification of plan status") excluding the plan's non-SFA interest rate and SFA interest rate, which should be the same as in Checklist Item #16.a.? See Section C, Item (5) of the SFA Filing Instructions for other potential exclusions from this requirement.<br><br>If (a) the plan is a MPRA plan, or if (b) this item is not required for a plan that is not a MPRA plan, enter N/A. If entering N/A due to (b), add information in the Plan Comments to explain why this item is not required.<br><br>Does the uploaded file use the required filenaming convention?  | Yes<br>No<br>N/A | N/A           |   | N/A                      | The Plan is a MPRA plan. | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 5A Plan Name                   |
| 17.b.            | Addendum D Section C, Item (5)         | For a MPRA plan for which the requested amount of SFA is determined using the increasing assets method, does the application include a separate deterministic projection ("Baseline") in the same format as Checklist Items #16.b.i., #16.d., and #16.e. that shows the amount of SFA that would be determined using the increasing assets method if the assumptions/methods used are the same as those used in the most recent actuarial certification of plan status completed before January 1, 2021 ("pre-2021 certification of plan status") excluding the plan's non-SFA interest rate and SFA interest rate, which should be the same as used in Checklist Item #16.b.i.? See Section C, Item (5) of the SFA Filing Instructions for other potential exclusions from this requirement. Also see Addendum D.<br><br>If the plan is (a) not a MPRA plan, (b) a MPRA plan using the present value method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required.<br><br>Does the uploaded file use the required filenaming convention? | Yes<br>No<br>N/A | Yes           | Template 5A Roofers 42                          | N/A                      |                          | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 5A Plan Name                   |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

-----Filers provide responses here for each Checklist Item:-----

Unless otherwise specified:  
 YYYY = plan year  
 Plan Name = abbreviated plan name

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |   | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments   | In the e-Filing Portal, upload as Document Type  | Use this Filenaming Convention |
|------------------|-----------------------------------|---|------------------|---------------|--------------------------|--------------------------|---|--|--------------------------------|
| 17.c.            | Addendum D<br>Section C, Item (5) | For a MPRA plan for which the requested amount of SFA is determined using the <u>present value method</u> , does the application include a separate deterministic projection ("Baseline") in the same format as Checklist Item #16.b.iii. that shows the amount of SFA that would be determined using the <u>present value method</u> if the assumptions used/methods are the same as those used in the most recent actuarial certification of plan status completed before January 1, 2021 ("pre-2021 certification of plan status") excluding the plan's SFA interest rate which should be the same as used in Checklist Item #16.b.iii. See Section C, Item (5) of the SFA Filing Instructions for other potential exclusions from this requirement. Also see Addendum D.<br><br>If the plan is (a) not a MPRA plan, (b) a MPRA plan using the increasing assets method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required.<br><br>Has this document been uploaded using the required filenaming convention? | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is a MPRA plan using the increasing assets method. | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 5B Plan Name          |
| 18.a.            | Section C, Item (6)               | For a plan that is not a MPRA plan, does the application include a reconciliation of the change in the total amount of requested SFA due to each change in assumption/method from the Baseline to the requested SFA amount? Does the application include a deterministic projection and other information for each assumption/method change, in the same format as Checklist Item #16.a? Enter N/A if the plan is not required to provide Baseline information in Checklist Item #17.a. Enter N/A if the requested SFA amount in Checklist Item #16.a. is the same as the amount shown in the Baseline details of Checklist Item #17.a. See Section C, Item (6) of the SFA Filing Instructions for other potential exclusions from this requirement.<br><br>If the plan is a MPRA plan, enter N/A. If the plan is otherwise not required to provide this item, enter N/A and provide an explanation in the Plan Comments.<br><br>Does the uploaded file use the required filenaming convention?   | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is a MPRA plan.                                    | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 6A Plan Name          |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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 YYYY = plan year  
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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments   | In the e-Filing Portal, upload as Document Type  | Use this Filenaming Convention |
|------------------|-----------------------------------|--|------------------|---------------|--------------------------|--------------------------|---|--|--------------------------------|
| 18.b.            | Addendum D Section C, Item (6)    | For a MPRA plan for which the requested amount of SFA is based on the <u>increasing assets method</u> , does the application include a reconciliation of the change in the total amount of requested SFA using the <u>increasing assets method</u> due to each change in assumption/method from the Baseline to the requested SFA amount? Does the application include a deterministic projection and other information for each assumption/method change, in the same format as Checklist Item #16.b.i.?<br><br>Enter N/A if the plan is not required to provide Baseline information in Checklist Item #17.b. Enter N/A if the requested SFA amount in Checklist Item #16.b.i. is the same as the amount shown in the Baseline details of Checklist Item #17.b. See Addendum D. See Section C, Item (6) of the SFA Filing Instructions for other potential exclusions from this requirement, and enter N/A if this item is not otherwise required.<br><br>If the plan is (a) not a MPRA plan, (b) a MPRA plan using the present value method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required.<br><br>Does the uploaded file use the required filenaming convention? | Yes<br>No<br>N/A | Yes           | Template 6A Roofers 42   | N/A                      |   | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 6A Plan Name          |
| 18.c.            | Addendum D Section C, Item (6)    | For a MPRA plan for which the requested amount of SFA is based on the <u>present value method</u> , does the application include a reconciliation of the change in the total amount of requested SFA using the <u>present value method</u> due to each change in assumption/method from Baseline to the requested SFA amount? Does the application include a deterministic projection and other information for each assumption/method change, in the same format as Checklist Item #16.b.iii.?<br><br>See Section C, Item (6) of the SFA Filing Instructions for other potential exclusions from this requirement. Also see Addendum D.<br><br>If the plan is (a) not a MPRA plan, (b) a MPRA plan using the increasing assets method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required.<br><br>Has this document been uploaded using the required filenaming convention?  | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is a MPRA plan using the increasing assets method. | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 6B Plan Name          |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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 YYYY = plan year  
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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments                                    | In the e-Filing Portal, upload as Document Type  | Use this Filenaming Convention |
|------------------|-----------------------------------|--|------------------|---------------|--------------------------|--------------------------|--|--|--------------------------------|
| 19.a.            | Section C, Item (7)a.             | For plans eligible for SFA under § 4262.3(a)(1) or § 4262.3(a)(3), does the application include a table identifying which assumptions/methods used in determining the plan's eligibility for SFA differ from those used in the pre-2021 certification of plan status, and does that table include brief explanations as to why using those assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable (an abbreviated version of information provided in Checklist Item #27.a.)?<br><br>Enter N/A if the plan is eligible for SFA under § 4262.3(a)(2) or § 4262.3(a)(4) or if the plan is eligible based on a certification of plan status completed before 1/1/2021. Also enter N/A if the plan is eligible based on a certification of plan status completed after 12/31/2020 but that reflects the same assumptions as those in the pre-2021 certification of plan status. See Template 7, 7a Assump Changes for Elig sheet.<br><br>Does the uploaded file include both Checklist Items #19.a. and #19.b., and does it use the required filenaming convention? | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is eligible for SFA under 4262.3(a)(2). | Financial assistance spreadsheet (template)  | Template 7 Plan Name.          |
| 19.b.            | Section C, Item (7)b.             | Does the application include a table identifying which assumptions/methods used to determine the requested SFA differ from those used in the pre-2021 certification of plan status (except the interest rates used to determine SFA)? Does this item include brief explanations as to why using those original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable? If a changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's SFA assumptions guidance, does the application state so? This should be an abbreviated version of information provided in Checklist Item #27.b. See Template 7, 7b Assump Changes for Amount sheet.<br><br>Does the uploaded file include both Checklist Items #19.a. and #19.b., and does it use the required filenaming convention?  | Yes<br>No        | Yes           | Template 7 Roofers 42    | N/A                      |  | Financial assistance spreadsheet (template)  | Template 7 Plan Name           |
| 20.a.            | Section C, Item (8)               | Does the application include details of the projected contributions and withdrawal liability payments used to calculate the requested SFA amount, including total contributions, contribution base units (including identification of base unit used), average contribution rate(s), reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and any other identifiable contribution streams? See Template 8.  | Yes<br>No        | Yes           | Template 8 Roofers 42    | N/A                      |  | Projections for special financial assistance (estimated income, benefit payments and expenses) | Template 8 Plan Name           |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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 YYYY = plan year  
 Plan Name = abbreviated plan name

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |   | Response Options | Plan Response | Name of File(s) Uploaded                       | Page Number Reference(s) | Plan Comments  | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention                |
|------------------|-----------------------------------|---|------------------|---------------|--|--------------------------|--|---|---|
| 20.b.            | Section C, Item (c)               | Does the application separately show the amounts of projected withdrawal liability payments for employers that are currently withdrawn as of the date the initial application is filed, and assumed future withdrawals? Does the application also provide the projected number of active participants at the beginning of each plan year? See Template 8.   | Yes<br>No        | Yes           | N/A - include as part of Checklist Item #20.a. | N/A                      |  | N/A   | N/A - included in <i>Template 8 Plan Name</i> |
| 21.              | Section D                         | Was the application signed and dated by an authorized trustee who is a current member of the board of trustees or another authorized representative of the plan sponsor and include the printed name and title of the signer?   | Yes<br>No        | Yes           | SFA App Roofers 42                             | Page 1                   |  | Financial Assistance Application                | SFA App Plan Name                             |
| 22.a.            | Section D, Item (1)               | For a plan that is not a MPRA plan, does the application include an optional cover letter?<br><br>Enter N/A if the plan is a MPRA plan, or if the plan is not a MPRA plan and did not include an optional cover letter.   | Yes<br>N/A       | N/A           | N/A - included as part of SFA App Plan Name    |                          | The Plan is a MPRA plan.   | N/A   | N/A - included as part of SFA App Plan Name   |
| 22.b.            |                                   | For a plan that is a MPRA plan, does the application include a cover letter? Does the cover letter identify the calculation method (basic method, increasing assets method, or present value method) that provides the greatest amount of SFA? For a MPRA plan with a partition, does the cover letter include a statement that the plan has been partitioned under section 4233 of ERISA?<br><br>Enter N/A if the plan is not a MPRA plan. | Yes<br>No<br>N/A | Yes           | N/A - included as part of SFA App Plan Name    | Page 2                   |  | N/A   | N/A - included as part of SFA App Plan Name   |
| 23.              | Section D, Item (2)               | Does the application include the name, address, email, and telephone number of the plan sponsor, plan sponsor's authorized representative, and any other authorized representatives?  | Yes<br>No        | Yes           | N/A - included as part of SFA App Plan Name    | Pages 3-4                |  | N/A   | N/A - included as part of SFA App Plan Name   |
| 24.              | Section D, Item (3)               | Does the application identify the eligibility criteria in § 4262.3 that qualifies the plan as eligible to receive SFA, and include the requested information for each item that is applicable, as described in Section D, Item (3) of the SFA Filing Instructions?  | Yes<br>No        | Yes           | N/A - included as part of SFA App Plan Name    | Pages 5-6                | The Plan is a MPRA plan and thus is eligible for SFA under 4262.3(a)(2).                   | N/A   | N/A - included as part of SFA App Plan Name   |
| 25.a.            | Section D, Item (4)               | If the plan's application is submitted on or before March 11, 2023, does the application identify the plan's priority group (see § 4262.10(d)(2))?<br><br>Enter N/A if the plan's application is submitted after March 11, 2023.  | Yes<br>No<br>N/A | Yes           | N/A - included as part of SFA App Plan Name    | Page 7                   | The Plan is a MPRA plan and thus is eligible for priority group 2 under 4262.10(d)(2)(ii). | N/A   | N/A - included as part of SFA App Plan Name   |

Application to PBGC for Approval of Special Financial Assistance (SFA)

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APPLICATION CHECKLIST

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| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |   | Response Options | Plan Response | Name of File(s) Uploaded                    | Page Number Reference(s) | Plan Comments  | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention              |
|------------------|-----------------------------------|---|------------------|---------------|---|--------------------------|--|---|---|
| 25.b.            | Section D, Item (7)               | If the plan is submitting an emergency application under § 4262.10(f), is the application identified as an emergency application with the applicable emergency criteria identified?<br><br>Enter N/A if the plan is not submitting an emergency application.  | Yes<br>No<br>N/A | N/A           | N/A - included as part of SFA App Plan Name |                          | The Plan is not submitting an emergency application. | N/A   | N/A - included as part of SFA App Plan Name |
| 26.              | Section D, Item (5)               | Does the application include a detailed narrative description of the development of the assumed future contributions and assumed future withdrawal liability payments used in the basic method (and in the increasing assets method for a MPRA plan)?   | Yes<br>No        | Yes           | N/A - included as part of SFA App Plan Name | Pages 8-9                |  | N/A   | N/A - included as part of SFA App Plan Name |
| 27.a.            | Section D, Item (6)a.             | For plans eligible for SFA under § 4262.3(a)(1) or § 4262.3(a)(3), does the application identify which assumptions/methods (if any) used in showing the plan's eligibility for SFA differ from those used in the most recent certification of plan status completed before 1/1/2021? If there are any assumption/method changes, does the application include detailed explanations and supporting rationale and information as to why using the identified assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable?<br><br>Enter N/A if the plan is not eligible under § 4262.3(a)(1) or § 4262.3(a)(3). Enter N/A if there are no such assumption changes.   | Yes<br>No<br>N/A | N/A           | N/A - included as part of SFA App Plan Name |                          | The Plan is eligible for SFA under 4262.3(a)(2).     | N/A   | N/A - included as part of SFA App Plan Name |
| 27.b.            | Section D, Item (6)b.             | Does the application identify which assumptions/methods (if any) used to determine the requested SFA amount differ from those used in the most recent certification of plan status completed before 1/1/2021 (excluding the plan's non-SFA and SFA interest rates, which must be the same as the interest rates required by § 4262.4(e)(1) and (2))? If there are any assumption/method changes, does the application include detailed explanations and supporting rationale and information as to why using the identified original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable? Does the application state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's SFA Assumptions? | Yes<br>No        | Yes           | N/A - included as part of SFA App Plan Name | Pages 10-25              |  | N/A   | N/A - included as part of SFA App Plan Name |

Application to PBGC for Approval of Special Financial Assistance (SFA)

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|------------------|-----------------------------------|---|------------------|---------------|---|--------------------------|---|---|---|
| 27.c.            | Section D, Item (6)               | If the mortality assumption uses a plan-specific mortality table or a plan-specific adjustment to a standard mortality table (regardless of if the mortality assumption is changed or unchanged from that used in the most recent certification of plan status completed before 1/1/2021), is supporting information provided that documents the methodology used and the rationale for selection of the methodology used to develop the plan-specific rates, as well as detailed information showing the determination of plan credibility and plan experience?<br><br>Enter N/A is the mortality assumption does not use a plan-specific mortality table or a plan-specific adjustment to a standard mortality table for eligibility or for determining the SFA amount. | Yes<br>No<br>N/A | N/A           | N/A - included as part of SFA App Plan Name |                          | The mortality assumption does not use a plan-specific mortality table or plan-specific adjustment.  | N/A   | N/A - included as part of SFA App Plan Name |
| 28.a.            | Section D, Item (7)               | Does the application include, for an eligible plan that implemented a suspension of benefits under section 305(e)(9) or section 4245(a) of ERISA, a narrative description of how the plan will reinstate the benefits that were previously suspended and a proposed schedule of payments (equal to the amount of benefits previously suspended) to participants and beneficiaries?<br><br>Enter N/A for a plan that has not implemented a suspension of benefits.   | Yes<br>No<br>N/A | Yes           | N/A - included as part of SFA App Plan Name | Page 26-27               |   | N/A   | N/A - included as part of SFA App Plan Name |
| 28.b.            | Section D, Item (7)               | If Yes was entered for Checklist Item #28.a., does the proposed schedule show the yearly aggregate amount and timing of such payments, and is it prepared assuming the effective date for reinstatement is the day after the SFA measurement date?<br><br>Enter N/A for a plan that entered N/A for Checklist Item #28.a.   | Yes<br>No<br>N/A | Yes           | N/A - included as part of SFA App Plan Name | Page 26-27               |   | N/A   | N/A - included as part of SFA App Plan Name |
| 28.c.            | Section D, Item (7)               | If the plan restored benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date, does the proposed schedule reflect the amount and timing of payments of restored benefits and the effect of the restoration on the benefits remaining to be reinstated?<br><br>Enter N/A for a plan that did not restore benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date. Also enter N/A for a plan that entered N/A for Checklist Items #28.a. and #28.b.  | Yes<br>No<br>N/A | N/A           | N/A - included as part of SFA App Plan Name |                          | The Plan did not restore benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date. | N/A   | N/A - included as part of SFA App Plan Name |
| 29.a.            | Section E, Item (1)               | Does the application include a fully completed Application Checklist, including the required information at the top of the Application Checklist (plan name, employer identification number (EIN), 3-digit plan number (PN), and SFA amount requested)?   | Yes<br>No        | Yes           | App Checklist Roofers 42                    | N/A                      |   | Special Financial Assistance Checklist          | App Checklist Plan Name                     |

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**Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #38. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #39.a. through #48.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #49 through #62.**

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments  | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention |
|------------------|-----------------------------------|--|------------------|---------------|--------------------------|--------------------------|--|---|--------------------------------|
| 29.b.            | Section E, Item (1) - Addendum A  | If the plan is required to provide information required by Addendum A of the SFA Filing Instructions (for "certain events"), are the additional Checklist Items #39.a. through #48.b. completed?<br><br>Enter N/A if the plan is not required to submit the additional information described in Addendum A.  | Yes<br>No<br>N/A | N/A           | N/A                      | N/A                      | The Plan is not required to submit the additional information described in Addendum A. | Special Financial Assistance Checklist          | N/A                            |
| 30.              | Section E, Item (2)               | If the plan claims SFA eligibility under § 4262.3(a)(1) of PBGC's SFA regulation based on a certification by the plan's enrolled actuary of plan status for SFA eligibility purposes completed on or after January 1, 2021, does the application include:<br>(i) plan actuary's certification of plan status for SFA eligibility purposes for the specified year (and, if applicable, for each plan year after the plan year for which the pre-2021 zone certification was prepared and for the plan year immediately prior to the specified year)?<br>(ii) for each certification in (i) above, does the application include all details and additional information described in Section B, Item (5) of the SFA Filing Instructions, including clear documentation of all assumptions, methods and census data used?<br>(iii) for each certification in (i) above, does the application identify all assumptions and methods that are different from those used in the pre-2021 zone certification?<br><br>Does the certification by the plan's enrolled actuary include clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion?<br><br>If the plan does not claim SFA eligibility under § 4262.3(a)(1) or claims SFA eligibility under § 4262.3(a)(1) using a zone certification completed before January 1, 2021, enter N/A.<br><br>Is the information for this Checklist Item #30.a. contained in a single document and uploaded using the required filenaming convention? | Yes<br>No<br>N/A | N/A           |                          | N/A                      | The Plan is eligible for SFA under 4262.3(a)(2).                                       | Financial Assistance Application                | SFA Elig Cert CD Plan Name     |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

-----Filers provide responses here for each Checklist Item:-----

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 YYYY = plan year  
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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |  | Response Options | Plan Response | Name of File(s) Uploaded                      | Page Number Reference(s) | Plan Comments                                    | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention              |
|------------------|-----------------------------------|--|------------------|---------------|---|--------------------------|--|---|---|
| 31.a.            | Section E, Item (3)               | <p>If the plan claims SFA eligibility under § 4262.3(a)(3) of PBGC's SFA regulation based on a certification by the plan's enrolled actuary of plan status for SFA eligibility purposes completed on or after January 1, 2021, does the application include:</p> <p>(i) plan actuary's certification of plan status for SFA eligibility purposes for the specified year (and, if applicable, for each plan year after the plan year for which the pre-2021 zone certification was prepared and for the plan year immediately prior to the specified year)?</p> <p>(ii) for each certification in (i) above, does the application include all details and additional information described in Section B, Item (5) of the SFA Filing Instructions, including clear documentation of all assumptions, methods and census data used?</p> <p>(iii) for each certification in (i) above, does the application identify all assumptions and methods that are different from those used in the pre-2021 zone certification?</p> <p>Does the certification by the plan's enrolled actuary include clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion?</p> <p>If the plan does not claim SFA eligibility under § 4262.3(a)(3) or claims SFA eligibility under § 4262.3(a)(3) using a zone certification completed before January 1, 2021, enter N/A.</p> <p>Is the information for Checklist Items #31.a. and #31.b. contained in a single document and uploaded using the required filenaming convention?</p> |                  | N/A           |   | N/A                      | The Plan is eligible for SFA under 4262.3(a)(2). | Financial Assistance Application                | SFA Elig Cert C Plan Name                   |
| 31.b.            | Section E, Item (3)               | <p>If the plan claims SFA eligibility under § 4262.3(a)(3) of PBGC's SFA regulation, does the application include a certification from the plan's enrolled actuary that the plan qualifies for SFA based on the applicable certification of plan status for SFA eligibility purposes for the specified year, and by meeting the other requirements of § 4262.3(c) of PBGC's SFA regulation. Does the provided certification include:</p> <p>(i) identification of the specified year for each component of eligibility (certification of plan status for SFA eligibility purposes, modified funding percentage, and participant ratio)</p> <p>(ii) derivation of the modified funded percentage</p> <p>(iii) derivation of the participant ratio</p> <p>Does the certification identify all assumptions and methods (including supporting rationale, and where applicable, reliance on the plan sponsor) used to develop the withdrawal liability that is utilized in the calculation of the modified funded percentage?</p> <p>Enter N/A if response to Checklist Item #31.a. is N/A.</p> <p>Is the information for Checklist Items #31.a. and #31.b. contained in a single document and uploaded using the required filenaming convention?</p>   | Yes<br>No<br>N/A | N/A           | N/A - included with SFA Elig Cert C Plan Name | N/A                      | The Plan is eligible for SFA under 4262.3(a)(2). | Financial Assistance Application                | N/A - included in SFA Elig Cert C Plan Name |

Application to PBGC for Approval of Special Financial Assistance (SFA)

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|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |   | Response Options | Plan Response | Name of File(s) Uploaded   | Page Number Reference(s) | Plan Comments   | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention |
|------------------|-----------------------------------|---|------------------|---------------|----------------------------|--------------------------|---|---|--------------------------------|
| 32.              | Section E, Item (4)               | <p>If the plan's application is submitted on or prior to March 11, 2023, does the application include a certification from the plan's enrolled actuary that the plan is eligible for priority status, with specific identification of the applicable priority group?</p> <p>This item is not required (enter N/A) if the plan is insolvent, has implemented a MPRA suspension as of 3/11/2021, is in critical and declining status and had 350,000+ participants, or is listed on PBGC's website at <a href="http://www.pbgc.gov">www.pbgc.gov</a> as being in priority group 6. See § 4262.10(d).</p> <p>Does the certification by the plan's enrolled actuary include clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion?</p> <p>Is the filename uploaded using the required filenaming convention?</p> | Yes<br>No<br>N/A | N/A           |                            | N/A                      | The Plan has implemented a MPRA suspension as of 3/11/2021. | Financial Assistance Application                | PG Cert Plan Name              |
| 33.a.            |                                   | <p>Does the application include the certification by the plan's enrolled actuary that the requested amount of SFA is the amount to which the plan is entitled under section 4262(j)(1) of ERISA and § 4262.4 of PBGC's SFA regulation? Does this certification include:</p> <p>(i) plan actuary's certification that identifies the requested amount of SFA and certifies that this is the amount to which the plan is entitled?</p> <p>(ii) clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion?</p> <p>Is the information in Checklist #33a combined with #33b (if applicable) as a single document, and uploaded using the required filenaming convention?</p>  | Yes<br>No        | Yes           | SFA Amount Cert Roofers 42 | N/A                      |   | Financial Assistance Application                | SFA Amount Cert Plan Name      |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference |   | Response Options | Plan Response | Name of File(s) Uploaded                      | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type                                     | Use this Filenaming Convention              |
|------------------|-----------------------------------|---|------------------|---------------|---|--------------------------|---------------|---|---|
| 33.b.            | Section E, Item (5)               | <p>If the plan is a MPRA plan, does the certification by the plan's enrolled actuary identify the amount of SFA determined under the basic method described in § 4262.4(a)(1) and the amount determined under the increasing assets method in § 4262.4(a)(2)(i)?</p> <p>If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is not the greatest amount of SFA under § 4262.4(a)(2), does the certification state as such?</p> <p>If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is the greatest amount of SFA under § 4262.4(a)(2), does the certification identify that amount?</p> <p>Enter N/A if the plan is not a MPRA plan.</p>  | Yes<br>No<br>N/A | Yes           | N/A - included with SFA Amount Cert Plan Name | N/A                      |               | N/A - included in SFA Amount Cert Plan Name   | N/A - included in SFA Amount Cert Plan Name |
| 34.              | Section E, Item (6)               | <p>Does the application include the plan sponsor's identification of the amount of fair market value of assets at the SFA measurement date and certification that this amount is accurate? Does the application also include:</p> <p>(i) information that substantiates the asset value and how it was developed (e.g., trust or account statements, specific details of any adjustments)?</p> <p>(ii) a reconciliation of the fair market value of assets from the date of the most recent audited plan financial statements to the SFA measurement date (showing beginning and ending fair market value of assets for this period as well as the following items for the period: contributions, withdrawal liability payments, benefits paid, administrative expenses, and investment income)?</p> <p>With the exception of account statements and financial statements already provided as Checklist Items #8 and #9, is all information contained in a single document that is uploaded using the required filenaming convention?</p> | Yes<br>No        | Yes           | FMV Cert Roofers 42                           | N/A                      |               | Financial Assistance Application  | FMV Cert Plan Name                          |
| 35.              | Section E, Item (7)               | <p>Does the application include a copy of the executed plan amendment required by § 4262.6(e)(1) of PBGC's SFA regulation which (i) is signed by authorized trustee(s) of the plan and (ii) includes the plan compliance language in Section E, Item (7) of the SFA Filing Instructions?</p>  | Yes<br>No        | Yes           | Compliance Amend Roofers 42                   | N/A                      |               | Pension plan documents, all versions available, and all amendments signed and dated | Compliance Amend Plan Name                  |

Application to PBGC for Approval of Special Financial Assistance (SFA)

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| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

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|--|--|--|------------------|---------------|--------------------------------|--------------------------|------------------------------|--|---|
| 36.  | Section E, Item (8)                                  | In the case of a plan that suspended benefits under section 305(e)(9) or section 4245 of ERISA, does the application include:<br>(i) a copy of the proposed plan amendment(s) required by § 4262.6(e)(2) to reinstate suspended benefits and pay make-up payments?<br>(ii) a certification by the plan sponsor that the proposed plan amendment(s) will be timely adopted?<br>Is the certification signed by either all members of the plan's board of trustees or by one or more trustees duly authorized to sign the certification on behalf of the entire board (including, if applicable, documentation that substantiates the authorization of the signing trustees)?<br><br>Enter N/A if the plan has not suspended benefits.<br><br>Is all information included in a single document that is uploaded using the required filenaming convention? | Yes<br>No<br>N/A | Yes           | Reinstatement Amend Roofers 42 | N/A                      |                              | Pension plan documents, all versions available, and all amendments signed and dated            | Reinstatement Amend Plan Name   |
| 37.  | Section E, Item (9)                                  | In the case of a plan that was partitioned under section 4233 of ERISA, does the application include a copy of the executed plan amendment required by § 4262.9(c)(2)?<br><br>Enter N/A if the plan was not partitioned.<br><br>Is the document uploaded using the required filenaming convention?   | Yes<br>No<br>N/A | N/A           |                                | N/A                      | The Plan is not partitioned. | Pension plan documents, all versions available, and all amendments signed and dated            | Partition Amend Plan Name   |
| 38.  | Section E, Item (10)                                 | Does the application include one or more copies of the penalties of perjury statement (see Section E, Item (10) of the SFA Filing Instructions) that (a) are signed by an authorized trustee who is a current member of the board of trustees, and (b) includes the trustee's printed name and title.<br><br>Is all such information included in a single document and uploaded using the required filenaming convention?  | Yes<br>No        | Yes           | Penalty Roofers 42             | N/A                      |                              | Financial Assistance Application   | Penalty Plan Name   |
| <b>Additional Information for Certain Events under § 4262.4(f) - Applicable to Any Events in § 4262.4(f)(2) through (f)(4) and Any Mergers in § 4262.4(f)(1)(ii)</b><br><b>NOTE: If the plan is not required to provided information described in Addendum A of the SFA Filing Instructions, the Plan Response should be left blank for the remaining Checklist Items.</b> |  |  |                  |               |                                |                          |                              |  |   |
| 39.a.  | Addendum A for Certain Events<br>Section C, Item (4) | Does the application include an additional version of Checklist Item #16.a. (also including Checklist Items #16.c., #16.d., and #16.e.), that shows the determination of the SFA amount <u>using the basic method</u> described in § 4262.4(a)(1) as if any events had not occurred? See Template 4A.  | Yes<br>No        |               |                                | N/A                      |                              | Projections for special financial assistance (estimated income, benefit payments and expenses) | For additional submission due to any event: <i>Template 4A Plan Name CE</i> . For an additional submission due to a merger, <i>Template 4A Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger. |

Application to PBGC for Approval of Special Financial Assistance (SFA)

APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference                 |  | Response Options | Plan Response | Name of File(s) Uploaded                                | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type  | Use this Filenaming Convention  |
|------------------|---|--|------------------|---------------|---|--------------------------|---------------|--|---|
| 39.b.i.          | Addendum A for Certain Events Section C, Item (4) | If the plan is a MPRA plan for which the requested amount of SFA is based on the <u>increasing assets method</u> described in § 4262.4(a)(2)(i), does the application also include an additional version of Checklist Item #16.b.i. that shows the determination of the SFA amount using the <u>increasing assets method</u> as if any events had not occurred? See Template 4A, sheet <i>4A-5 SFA Details .5(a)(2)(i)</i> .<br><br>Enter N/A if the plan is not a MPRA Plan or if the plan is a MPRA plan for which the requested amount of SFA is based on the present value method.   | Yes<br>No<br>N/A |               | N/A - included as part of file in Checklist Item #39.a. | N/A                      |               | N/A  | N/A - included as part of file in Checklist Item #39.a.   |
| 39.b.ii.         | Addendum A for Certain Events Section C, Item (4) | If the plan is a MPRA plan for which the requested amount of SFA is based on the <u>increasing assets method</u> described in § 4262.4(a)(2)(i), does the application also include an additional version of Checklist Item #16.b.ii. that explicitly identifies the projected SFA exhaustion year based on the <u>increasing assets method</u> ? See Template 4A, <i>4A-5 SFA Details .4(a)(2)(i)</i> sheet and Addendum D.<br><br>Enter N/A if the plan is not a MPRA Plan or if the plan is a MPRA plan for which the requested amount of SFA is based on the present value method.  | Yes<br>No<br>N/A |               |   | N/A                      |               | N/A  | N/A - included as part of file in Checklist Item #39.a.   |
| 39.b.iii.        | Addendum A for Certain Events Section C, Item (4) | If the plan is a MPRA plan for which the requested amount of SFA is based on the <u>present value method</u> described in § 4262.4(a)(2)(ii), does the application also include an additional version of Checklist Item #16.b.iii. that shows the determination of the SFA amount using the <u>present value method</u> as if any events had not occurred? See Template 4B, sheet <i>4B-1 SFA Ben Pmts</i> , sheet <i>4B-2 SFA Details .4(a)(2)(ii)</i> , and sheet <i>4B-3 SFA Exhaustion</i> .<br><br>Enter N/A if the plan is not a MPRA Plan or if the plan is a MPRA plan for which the requested amount of SFA is based on the increasing assets method. | Yes<br>No<br>N/A |               |   | N/A                      |               | Projections for special financial assistance (estimated income, benefit payments and expenses) | For additional submission due to any event: <i>Template 4B Plan Name CE</i> . For an additional submission due to a merger, <i>Template 4B Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger. |
| 40.              | Addendum A for Certain Events Section C, Item (4) | For any merger, does the application show the SFA determination for this plan <u>and for each plan merged into this plan</u> (each of these determined as if they were still separate plans)? See Template 4A for a non-MPRA plan using the basic method, and for a MPRA plan using the increasing assets method. See Template 4B for a MPRA Plan using the present value method.<br><br>Enter N/A if the plan has not experienced a merger.   | Yes<br>No<br>N/A |               |   | N/A                      |               | Projections for special financial assistance (estimated income, benefit payments and expenses) | For an additional submission due to a merger, <i>Template 4A (or Template 4B) Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.  |

Application to PBGC for Approval of Special Financial Assistance (SFA)

APPLICATION CHECKLIST

v20220802p

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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|------------------|---|--|------------------|---------------|---|--------------------------|---|---|---|
| 41.a.            | Addendum A for Certain Events Section D | Does the application include a narrative description of any event and any merger, including relevant supporting documents which may include plan amendments, collective bargaining agreements, actuarial certifications related to a transfer or merger, or other relevant materials?  | Yes<br>No        |               | N/A - included as part of SFA App Plan Name |                          | For each Checklist Item #41.a. through #44.b., identify the relevant page number(s) within the single document. | Financial Assistance Application                | SFA App Plan Name                           |
| 41.b.            | Addendum A for Certain Events Section D | For a transfer or merger event, does the application include identifying information for all plans involved including plan name, EIN and plan number, and the date of the transfer or merger?  | Yes<br>No        |               | N/A - included as part of SFA App Plan Name |                          |   | Financial Assistance Application                | N/A - included as part of SFA App Plan Name |
| 42.a.            | Addendum A for Certain Events Section D | Does the narrative description in the application identify the amount of SFA reflecting any event, the amount of SFA determined as if the event had not occurred, and confirmation that the requested SFA is no greater than the amount that would have been determined if the event had not occurred, unless the event is a contribution rate reduction and such event lessens the risk of loss to plan participants and beneficiaries? | Yes<br>No        |               | N/A - included as part of SFA App Plan Name |                          |   | Financial Assistance Application                | N/A - included as part of SFA App Plan Name |
| 42.b.            | Addendum A for Certain Events Section D | For a merger, is the determination of SFA as if the event had not occurred equal to the sum of the amount that would be determined for this plan and each plan merged into this plan (each as if they were still separate plans)?<br><br>Enter N/A if the event described in Checklist Item #41.a. was not a merger.   | Yes<br>No<br>N/A |               | N/A - included as part of SFA App Plan Name |                          |   | Financial Assistance Application                | N/A - included as part of SFA App Plan Name |
| 43.a.            | Addendum A for Certain Events Section D | Does the application include an additional version of Checklist Item #24 that shows the determination of SFA eligibility as if any events had not occurred?  | Yes<br>No        |               | N/A - included as part of SFA App Plan Name |                          |   | Financial Assistance Application                | N/A - included as part of SFA App Plan Name |
| 43.b.            | Addendum A for Certain Events Section D | For any merger, does this item include demonstrations of SFA eligibility for this plan and for each plan merged into this plan (each of these determined as if they were still separate plans)?<br><br>Enter N/A if the event described in Checklist Item #42.a. was not a merger.   | Yes<br>No<br>N/A |               | N/A - included as part of SFA App Plan Name |                          |   | Financial Assistance Application                | N/A - included as part of SFA App Plan Name |

Application to PBGC for Approval of Special Financial Assistance (SFA)

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APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

-----Filers provide responses here for each Checklist Item:-----

Unless otherwise specified:  
 YYYY = plan year  
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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference                          |   | Response Options | Plan Response | Name of File(s) Uploaded                    | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention   |
|------------------|--|---|------------------|---------------|---|--------------------------|---------------|---|--|
| 44.a.            | Addendum A for Certain Events Section D                    | If the event is a contribution rate reduction and the amount of requested SFA is not limited to the amount of SFA determined as if the event had not occurred, does the application include a detailed demonstration that shows that the event lessens the risk of loss to plan participants and beneficiaries?<br><br>Enter N/A if the event is not a contribution rate reduction, or if the event is a contribution rate reduction but the requested SFA is limited to the amount of SFA determined as if the event had not occurred.   | Yes<br>No<br>N/A |               | N/A - included as part of SFA App Plan Name |                          |               | Financial Assistance Application                | N/A - included as part of SFA App Plan Name  |
| 44.b.            | Addendum A for Certain Events Section D                    | Does the demonstration in Checklist Item #44.a. also identify all assumptions used, supporting rationale for the assumptions and other relevant information?<br><br>Enter N/A if the plan entered N/A for Checklist Item #44.a.   | Yes<br>No<br>N/A |               | N/A - included as part of SFA App Plan Name |                          |               | Financial Assistance Application                | N/A - included as part of SFA App Plan Name  |
| 45.a.            | Addendum A for Certain Events Section E, Items (2) and (3) | Does the application include an additional certification from the plan's enrolled actuary with respect to the plan's SFA eligibility but with eligibility determined as if any events had not occurred? This should be in the format of Checklist Item #30 if the SFA eligibility is based on the plan status of critical and declining using a zone certification completed on or after January 1, 2021. This should be in the format of Checklist Items #31.a. and #31.b. if the SFA eligibility is based on the plan status of critical using a zone certification completed on or after January 1, 2021.<br><br>If the above SFA eligibility is not based on § 4262.3(a)(1) or § 4262.3(a)(3) or is based on a zone certification completed prior to January 1, 2021, enter N/A.<br><br>Is all relevant information contained in a single document and uploaded using the required filenaming convention? | Yes<br>No<br>N/A |               |   | N/A                      |               | Financial Assistance Application                | SFA Elig Cert Plan Name CE   |
| 45.b.            | Addendum A for Certain Events Section E, Items (2) and (3) | For any merger, does the application include additional certifications of the SFA eligibility for this plan and for each plan merged into this plan (each of these determined as if they were still separate plans)?<br><br>If the above SFA eligibility is not based on § 4262.3(a)(1) or § 4262.3(a)(3) or is based on a zone certification completed prior to January 1, 2021, enter N/A.<br><br>Enter N/A if the event described in Checklist Item #41.a. was not a merger.   | Yes<br>No<br>N/A |               |   | N/A                      |               | Financial Assistance Application                | SFA Elig Cert Plan Name Merged CE<br><br>"Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger. |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|                       |   |
|-----------------------|---|
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| PN:                   | 001                                       |
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 YYYY = plan year  
 Plan Name = abbreviated plan name

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference                 |   | Response Options | Plan Response | Name of File(s) Uploaded                       | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention   |
|------------------|---|---|------------------|---------------|--|--------------------------|---------------|---|--|
| 46.a.            | Addendum A for Certain Events Section E, Item (5) | Does the application include an additional certification from the plan's enrolled actuary with respect to the plan's SFA amount (in the format of Checklist Item #33.a.), but with the SFA amount determined as if any events had not occurred?   | Yes<br>No        |               |  | N/A                      |               | Financial Assistance Application                | SFA Amount Cert Plan Name CE   |
| 46.b.            | Addendum A for Certain Events Section E, Item (5) | If the plan is a MPRA plan, does the certification in Checklist Item #46.a. identify the amount of SFA determined under the basic method described in § 4262.4(a)(1) and the amount determined under the increasing assets method in § 4262.4(a)(2)(i)?<br><br>If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is not the greatest amount of SFA under § 4262.4(a)(2), does the certification state as such?<br><br>If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is the greatest amount of SFA under § 4262.4(a)(2), does the certification identify that amount?<br><br>Enter N/A if the plan is not a MPRA plan. | Yes<br>No<br>N/A |               | N/A - included in SFA Amount Cert Plan Name CE | N/A                      |               | N/A - included in SFA Amount Cert Plan Name     | N/A - included in SFA Amount Cert Plan Name CE   |
| 46.c.            | Addendum A for Certain Events Section E, Item (5) | Does the certification in Checklist Items #46.a. and #46.b. (if applicable) clearly identify all assumptions and methods used, sources of participant data and census data, and other relevant information?   | Yes<br>No        |               | N/A - included in SFA Amount Cert Plan Name CE | N/A                      |               | N/A - included in SFA Amount Cert Plan Name     | N/A - included in SFA Amount Cert Plan Name CE   |
| 47.a.            | Addendum A for Certain Events Section E, Item (5) | For any merger, does the application include additional certifications of the SFA amount determined for this plan and for each plan merged into this plan (each of these determined as if they were still separate plans)?<br><br>Enter N/A if the event described in Checklist Item #42.a. was not a merger.   | Yes<br>No<br>N/A |               |  | N/A                      |               | Financial Assistance Application                | SFA Amount Cert Plan Name Merged CE<br><br>"Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger. |
| 47.b.            | Addendum A for Certain Events Section E, Item (5) | For any merger, do the certifications clearly identify all assumptions and methods used, sources of participant data and census data, and other relevant information?<br><br>Enter N/A if the event described in Checklist Item #42.a. was not a merger.  | Yes<br>No<br>N/A |               | N/A - included in SFA Amount Cert Plan Name CE | N/A                      |               | N/A - included in SFA Amount Cert Plan Name CE  | N/A - included in SFA Amount Cert Plan Name CE   |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

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|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
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| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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 YYYY = plan year  
 Plan Name = abbreviated plan name

**Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #38. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #39.a. through #48.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #49 through #62.**

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference       |   | Response Options | Plan Response | Name of File(s) Uploaded                      | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type | Use this Filenaming Convention                |
|------------------|---|---|------------------|---------------|---|--------------------------|---------------|---|---|
| 48.a.            | Addendum A for Certain Events Section E | If the event is a contribution rate reduction and the amount of requested SFA is not limited to the amount of SFA determined as if the event had not occurred, does the application include a certification from the plan's enrolled actuary (or, if appropriate, from the plan sponsor) with respect to the demonstration to support a finding that the event lessens the risk of loss to plan participants and beneficiaries?<br><br>Enter N/A if the event is not a contribution rate reduction, or if the event is a contribution rate reduction but the requested SFA is limited to the amount of SFA determined as if the event had not occurred. | Yes<br>No<br>N/A |               |   | N/A                      |               | Financial Assistance Application                | Cont Rate Cert Plan Name CE                   |
| 48.b.            | Addendum A for Certain Events Section E | Does the demonstration in Checklist Item #48.a. also identify all assumptions used, supporting rationale for the assumptions and other relevant information?<br><br>Enter N/A if the event is not a contribution rate reduction, or if the event is a contribution rate reduction but the requested SFA is limited to the amount of SFA determined as if the event had not occurred.  | Yes<br>No<br>N/A |               | N/A - included in Cont Rate Cert Plan Name CE | N/A                      |               | N/A - included in Cont Rate Cert Plan Name CE   | N/A - included in Cont Rate Cert Plan Name CE |

**Additional Information for Certain Events under § 4262.4(f) - Applicable Only to Any Mergers in § 4262.4(f)(1)(ii)**

**Plans that have experienced mergers identified in § 4262.4(f)(1)(ii) must complete Checklist Items #49 through #62. If you are required to complete Checklist Items #49 through #62, your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #49 through #62. All other plans should not provide any responses for Checklist Items #49 through #62.**

|     |   |  |                  |  |  |     |  |   |     |
|-----|---|--|------------------|--|--|-----|--|---|-----|
| 49. | Addendum A for Certain Events Section B, Item (1)a. | In addition to the information provided with Checklist Item #1, does the application also include similar plan documents and amendments for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?  | Yes<br>No        |  |  | N/A |  | Pension plan documents, all versions available, and all amendments signed and dated | N/A |
| 50. | Addendum A for Certain Events Section B, Item (1)b. | In addition to the information provided with Checklist Item #2, does the application also include similar trust agreements and amendments for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?  | Yes<br>No        |  |  | N/A |  | Pension plan documents, all versions available, and all amendments signed and dated | N/A |
| 51. | Addendum A for Certain Events Section B, Item (1)c. | In addition to the information provided with Checklist Item #3, does the application also include the most recent IRS determination for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?<br><br>Enter N/A if the plan does not have a determination letter. | Yes<br>No<br>N/A |  |  | N/A |  | Pension plan documents, all versions available, and all amendments signed and dated | N/A |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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**Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #38. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #39.a. through #48.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #49 through #62.**

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference                 |   | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments                                       | In the e-Filing Portal, upload as Document Type   | Use this Filenaming Convention  |
|------------------|---|---|------------------|---------------|--------------------------|--------------------------|---|---|---|
| 52.              | Addendum A for Certain Events Section B, Item (2) | In addition to the information provided with Checklist Item #4, for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii), does the application include the actuarial valuation report for the 2018 plan year and each subsequent actuarial valuation report completed before the application filing date? | Yes<br>No        |               |                          | N/A                      | Identify here how many reports are provided.        | Most recent actuarial valuation for the plan  | YYYYAVR Plan Name Merged, where "Plan Name Merged" is abbreviated version of the plan name for the plan merged into this plan.  |
| 53.              | Addendum A for Certain Events Section B, Item (3) | In addition to the information provided with Checklist Items #5.a. and #5.b., does the application include similar rehabilitation plan information for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?  | Yes<br>No        |               |                          | N/A                      |   | Rehabilitation plan (or funding improvement plan, if applicable)                        | N/A   |
| 54.              | Addendum A for Certain Events Section B, Item (4) | In addition to the information provided with Checklist Item #6, does the application include similar Form 5500 information for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?  | Yes<br>No        |               |                          | N/A                      |   | Latest annual return/report of employee benefit plan (Form 5500)                        | YYYYForm5500 Plan Name Merged, "Plan Name Merged" is abbreviated version of the plan name for the plan merged into this plan.   |
| 55.              | Addendum A for Certain Events Section B, Item (5) | In addition to the information provided with Checklist Items #7.a., #7.b., and #7.c., does the application include similar certifications of plan status for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?  | Yes<br>No        |               |                          | N/A                      | Identify how many zone certifications are provided. | Zone certification  | YYYYZoneYYYYMMDD Plan Name Merged, where the first "YYYY" is the applicable plan year, and "YYYYMMDD" is the date the certification was prepared. "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan. |
| 56.              | Addendum A for Certain Events Section B, Item (6) | In addition to the information provided with Checklist Item #8, does the application include the most recent cash and investment account statements for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?   | Yes<br>No        |               |                          | N/A                      |   | Bank/Asset statements for all cash and investment accounts                              | N/A   |
| 57.              | Addendum A for Certain Events Section B, Item (7) | In addition to the information provided with Checklist Item #9, does the application include the most recent plan financial statement (audited, or unaudited if audited is not available) for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?   | Yes<br>No        |               |                          | N/A                      |   | Plan's most recent financial statement (audited, or unaudited if audited not available) | N/A   |

Application to PBGC for Approval of Special Financial Assistance (SFA)

v20220802p

APPLICATION CHECKLIST

|                       |   |
|-----------------------|---|
| Plan name:            | Composition Roofers Local 42 Pension Plan |
| EIN:                  | 31-6127285                                |
| PN:                   | 001                                       |
| SFA Amount Requested: | \$33,737,543.00                           |

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

| Checklist Item # | SFA Filing Instructions Reference                    |  | Response Options | Plan Response | Name of File(s) Uploaded | Page Number Reference(s) | Plan Comments | In the e-Filing Portal, upload as Document Type   | Use this Filenaming Convention  |
|------------------|--|--|------------------|---------------|--------------------------|--------------------------|---------------|---|---|
| 58.              | Addendum A for Certain Events<br>Section B, Item (8) | In addition to the information provided with Checklist Item #10, does the application include all of the written policies and procedures governing the plan's determination, assessment, collection, settlement, and payment of withdrawal liability for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?<br><br>Are all such items included in a single document using the required filenaming convention? | Yes<br>No        |               |                          | N/A                      |               | Pension plan documents, all versions available, and all amendments signed and dated                                   | <i>WDL Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.         |
| 59.              | Addendum A for Certain Events<br>Section B, Item (9) | In addition to the information provided with Checklist Item #11, does the application include documentation of a death audit (with the information described in Checklist Item #11) for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?  | Yes<br>No        |               |                          |                          |               | Pension plan documents, all versions available, and all amendments signed and dated                                   | <i>Death Audit Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan. |
| 60.              | Addendum A for Certain Events<br>Section C, Item (1) | In addition to the information provided with Checklist Item #13, does the application include the same information in the format of Template 1 for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?<br><br>Enter N/A if each plan that fully merged into this plan is not required to respond Yes to line 8b(1) on the most recently filed Form 5500 Schedule MB.   | Yes<br>No<br>N/A |               |                          |                          |               | Financial assistance spreadsheet (template)   | <i>Template 1 Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.  |
| 61.              | Addendum A for Certain Events<br>Section C, Item (2) | In addition to the information provided with Checklist Item #14, does the application include the same information in the format of Template 2 (if required based on the participant threshold) for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?<br><br>Enter N/A if each plan that merged into this plan has less than 10,000 participants on line 6f of the most recently filed Form 5500.            | Yes<br>No<br>N/A |               |                          |                          |               | Contributing employers  | <i>Template 2 Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name fore the plan merged into this plan. |
| 62.              | Addendum A for Certain Events<br>Section C, Item (3) | In addition to the information provided with Checklist Item #15, does the application include similar information in the format of Template 3 for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)?  | Yes<br>No        |               |                          |                          |               | Historical Plan Financial Information (CBUs, contribution rates, contribution amounts, withdrawal liability payments) | <i>Template 3 Plan Name Merged</i> , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.  |

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**Composition Roofers No. 42  
Pension Plan**

*Actuarial Valuation Report  
as of January 1, 2018*

**CUNI, RUST & STRENK**  
**ACTUARIAL CONSULTING**

September 18, 2018

Board of Trustees  
Composition Roofers No. 42 Pension Plan

Dear Trustees:

We are pleased to present this Actuarial Valuation Report as of January 1, 2018 on the status of the Composition Roofers No. 42 Pension Plan ("Plan"). Cuni, Rust & Strenk is an independent actuarial consulting firm engaged the Board of Trustees to prepare this Report.

**Reliance on Plan Administrator and Plan Auditor**

In performing this Actuarial Valuation, we have relied on the Plan Administrator's and Plan Auditor's representations that the information that they have supplied, namely the participant data and annual Plan audit, is both accurate and complete. If this information is either inaccurate or incomplete, the results of this Actuarial Valuation could materially change.

**Experience**

Page 1 of the Report summarizes the results of this year's Actuarial Valuation and compares them to last year's results. During 2017 the Plan experienced an actuarial loss of \$1,393,170, which is the net result of a liability gain of \$426,073 and a \$1,819,243 loss on the Plan's Actuarial Value of Assets. The development of the actuarial loss can be found on pages 4 and 5.

**Asset Returns**

Page 2 summarizes the financial position of the Plan's assets as of December 31, 2017, while page 3 shows the development of the Actuarial Value of Assets used to determine the minimum funding requirements, the Pension Protection Act of 2006 (PPA) funded percentage, and the maximum tax-deductible limit for the year. As of the valuation date the Actuarial Value of Assets was \$26,405,030 while the Market Value of Assets was \$26,053,645.

Relative to last year, the Actuarial Value decreased by \$2,412,010, while the Market Value increased by \$899,528. The difference between the changes in Market and Actuarial Value is attributable to the smoothing method used to calculate the Actuarial Value of Assets. The approximate 2017 annual return on the Market Value of Assets was 13.7%, which is well above the assumed rate of return of 6.5%.

**Amortization Base Extension**

The Plan has received an automatic 5-year amortization extension of its eligible minimum required contribution charge bases under IRC § 431(d)(1). This Report reflects the 5-year amortization extension on charge bases established before January 1, 2015.

### **Minimum and Maximum Contributions**

Pages 6 through 12 develop the maximum tax deductible and minimum required contributions for the Plan Year ending December 31, 2018. The maximum contribution that can be made for the year and claimed as a deduction by contributing employers is \$85,727,100, while the minimum required contribution is \$2,431,667 after reflecting the Plan's Funding Standard Account Credit Balance of \$134,091 which is developed on page 9.

Based on the current benefit formula and the Rehabilitation Plan's contribution rate schedule, in 2018 the Plan's projected minimum required contribution would exceed that year's anticipated employer contributions. This would result in the Plan having a funding deficiency in 2018.

### **Pension Relief Act of 2010 (PRA 2010)**

The Board of Trustees elected to extend the amortization of the Plan's 2008 asset loss from 15 to 29 years as allowed under PRA 2010.

### **Withdrawal Liability**

Page 13 develops the Present Value of Vested Accrued Benefits at the Current Liability interest rate used to calculate the Plan's Employer Withdrawal Liability. Because the Plan's Vested Accrued Benefit Liability exceeds the Plan's Market Value of Assets, any employer withdrawing from the Plan should be assessed Withdrawal Liability.

### **ASC 960 Audit Values**

Page 14 shows the present value of accumulated Plan benefits as of December 31, 2017, along with the changes in these liabilities when compared with last year. This information is disclosed each year in the Plan's ASC 960 audit.

As of December 31, 2017, the present value of accumulated Plan benefits amount to \$50,475,736, while assets available to pay these benefits equal \$26,053,645. The percentage of assets over liabilities, or the Plan's Funded Ratio, increased from 50% last year to 52% this year due primarily to the favorable asset return in 2017.

### **PPA Funding Status**

The Plan has been certified as being Critical and Declining for the 2018 Plan Year and is operating under a forestall insolvency Rehabilitation Plan. As of January 1, 2018, the Plan was certified to be meeting the annual standards required under its Rehabilitation Plan. This Report confirms the Plan's 2018 PPA certification.

### **Participant Information**

Page 15 shows the changes in the number of participants included in this year's valuation when compared to last year. During 2017 the total number of active participants decreased by 2 participants, or 1.1%. Page 16 shows the age and service distribution for active participants, while pages 17 through 20 show the age and benefit distributions of the various classes of inactive participants. Page 21 shows the age and benefit distribution of participants who retired last year and page 22 shows age and benefit distributions of approaching retirements.

### **Market Value Asset History**

Page 23 contains a summary of the Plan's asset history. Included are the contributions, benefit payments, administrative expenses, investment returns, and asset return and cash flow percentages on the Plan's Market Value of Assets since 1992.

### **Plan Provisions and Actuarial Assumptions**

Pages 24 through 26 outline the current Plan Provisions while pages 27 through 30 summarize the Actuarial Assumptions and Methods used for this year's valuation. There were no changes to the Plan Provisions this year.

For the Actuarial Assumptions, the mortality, disability and retirement rates for both active and terminated vested participants were changed, and the hours worked assumption and expense load were increased. These changes were made to better reflect anticipated future Plan experience. Lastly, the Current Liability interest and mortality rates were also updated as mandated by the IRS.

### **Auditor Information**

The purpose of this Report is to determine the minimum and maximum deductible employer contribution requirements for the plan year, provide information to be used in the preparation of governmental filings, actuarial certifications, and provide information for the Plan auditor. This Report is prepared for the sole use of the Board of Trustees. Reliance on this Report for other than the above stated purposes may put the relying Entity at risk of being misled because of confusion or failure to properly interpret the results contained herein.

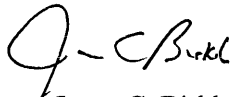
Board of Trustees  
Composition Roofers Local No. 42 Pension Plan  
September 18, 2018  
Page 4

**Actuarial Certification**

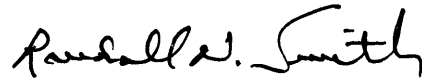
We hereby certify that this Report presents fairly the actuarial position of the Composition Roofers No. 42 Pension Plan as of January 1, 2018. The mortality rates used to calculate Current Liability are mandated by the IRS. In our opinion, all other assumptions used to determine the Plan's liabilities and costs are individually reasonable based on Plan experience and represent our best estimate of anticipated future experience under the Plan. This valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meet the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,

CUNI, RUST & STRENK



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## Summary of Valuation Results

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|   | <u>January 1, 2017</u> | <u>January 1, 2018</u> |
|---|------------------------|------------------------|
| 1. Number of Participants                               |                        |                        |
| a. Active Participants                                  | 175                    | 173                    |
| b. Vested Terminated Participants                       | 83                     | 77                     |
| c. Retirees and Beneficiaries                           | <u>227</u>             | <u>235</u>             |
| d. Total: [(a) + (b) + (c)]                             | 485                    | 485                    |
| 2. Normal Cost  |                        |                        |
| a. For Benefits   | \$ 216,566             | \$ 366,499             |
| b. For Expenses   | <u>125,000</u>         | <u>150,000</u>         |
| c. Total: [(a) + (b)]                                   | \$ 341,566             | \$ 516,499             |
| 3. Accrued Liability                                    |                        |                        |
| a. Active Participants                                  | \$ 9,916,840           | \$ 9,247,989           |
| b. Vested Terminated Participants                       | 5,456,811              | 5,222,449              |
| c. Retirees and Beneficiaries                           | <u>35,195,648</u>      | <u>36,005,298</u>      |
| d. Total: [(a) + (b) + (c)]                             | \$ 50,569,299          | \$ 50,475,736          |
| 4. Normal Cost / Accrued Liability Interest Rate        | 6.5%                   | 6.5%                   |
| 5. Asset Values   |                        |                        |
| a. Market Value   | \$ 25,154,117          | \$ 26,053,645          |
| b. Actuarial Value                                      | \$ 28,817,040          | \$ 26,405,030          |
| c. Market Value Asset Return                            | 6.0%                   | 13.7%                  |
| d. Cash Flow Percentage                                 | (9.1%)                 | (9.2%)                 |
| e. Prior Year Contributions                             | \$ 1,060,950           | \$ 1,132,719           |
| 6. Real Amounts   |                        |                        |
| a. Unfunded Liability: [(3)(d) - (5)(a)]                | \$ 25,415,182          | \$ 24,422,091          |
| b. Funded Ratio: [(5)(a) ÷ (3)(d)]                      | 50%                    | 52%                    |
| 7. Hourly Amounts                                       |                        |                        |
| a. Approximate Hours Worked                             | 245,741                | 259,028                |
| b. Average Contribution Rate: [(5)(e) ÷ (a)]            | \$4.32                 | \$4.37                 |
| c. Normal Cost: [(2)(c) ÷ (a)]                          | <u>1.39</u>            | <u>1.99</u>            |
| d. Unfunded Liability Payment: [(b) - (c)]              | \$2.93                 | \$2.38                 |
| e. Interest on Unfunded Liability: [(4) × (6)(a) ÷ (a)] | <u>6.72</u>            | <u>6.13</u>            |
| f. Reduction in Unfunded Liability: [(d) - (e)]         | (\$3.79)               | (\$3.75)               |
| 8. PPA Information                                      | Critical &             | Critical &             |
| a. Status   | Declining              | Declining              |
| b. Funded Percentage: [(5)(b) ÷ (3)(d)]                 | 57%                    | 52%                    |
| c. Projected Funding Deficiency                         | 2018                   | 2018                   |
| d. Projected Year of Insolvency                         | 2032                   | 2032                   |

## **Plan Assets: Receipts and Disbursements**

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Market Value of Assets as of January 1, 2017 \$ 25,154,117

### Receipts:

|                                 |                 |              |
|---------------------------------|-----------------|--------------|
| Employer Contributions          | \$ 1,132,719    |              |
| Interest and Dividends          | 629,709         |              |
| Net Appreciation/(Depreciation) | 2,678,826       |              |
| Other Income                    | 10,121          |              |
| Investment Fees                 | <u>(29,688)</u> |              |
| TOTAL RECEIPTS                  |                 | \$ 4,421,687 |

### Disbursements:

|                         |                |  |
|-------------------------|----------------|--|
| Benefits Paid           | \$ 3,372,256   |  |
| Administrative Expenses | <u>149,903</u> |  |

TOTAL DISBURSEMENTS \$ 3,522,159

Excess of Receipts over Disbursements \$ 899,528

Market Value of Assets as of December 31, 2017 \$ 26,053,645

### **NOTES:**

The approximate return for the Plan Year ending December 31, 2017 was 13.7%.

The Plan's negative cashflow was 9.2% of the Plan's Market Value of Assets as of December 31, 2017.

## Plan Assets: Development of Actuarial Value of Assets

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|   |                |            |                |
|---|----------------|------------|----------------|
| 1. Market Value as of January 1, 2017                             |                |            | \$ 25,154,117  |
| 2. Net Additions  |                |            |                |
| a. Employer Contributions   | \$ 1,132,719   |            |                |
| b. Benefit Payments   | (3,372,256)    |            |                |
| c. Administrative Expenses  | (149,903)      |            |                |
| d. Total: [(a) + (b) + (c)]                                       |                |            | \$ (2,389,440) |
| 3. Expected Investment Income                                     |                |            |                |
| a. On Market Value  | \$ 1,635,018   |            |                |
| b. On Employer Contributions                                      | 36,234         |            |                |
| c. On Benefit Payments  | (107,873)      |            |                |
| d. On Expenses  | (4,795)        |            |                |
| e. Total: [(a) + (b) + (c) + (d)]                                 |                |            | \$ 1,558,584   |
| 4. Expected Market Value as of December 31, 2017                  |                |            | \$ 24,323,261  |
| 5. Actual Market Value as of January 1, 2018                      |                |            | \$ 26,053,645  |
| 6. Net Gain/(Loss) for the 2017 Plan Year: [(5) - (4)]            |                |            | \$ 1,730,384   |
| 7. Determination of Unrecognized Gain/(Loss):                     |                |            |                |
|   | Net            | Adjustment | Unrecognized   |
| Plan Year   | Gain/(Loss)    | Factors    | Gain/(Loss)    |
| 2017  | \$ 1,730,384   | 0.80       | \$ 1,384,307   |
| 2016  | (121,871)      | 0.60       | (73,123)       |
| 2015  | (3,323,908)    | 0.40       | (1,329,563)    |
| 2014  | (1,665,029)    | 0.20       | (333,006)      |
| 2013  | 1,534,611      | 0.00       | 0              |
|   | \$ (1,845,813) |            | \$ (351,385)   |
| 8. Preliminary Actuarial Value of Assets:                         |                |            |                |
| [Actual Market Value as of December 31, 2017                      |                |            |                |
| less Unrecognized Gain/(Loss)]                                    |                |            | \$ 26,405,030  |
| 9. Actuarial Value of Assets:                                     |                |            |                |
| [(8), but not less than 80% or greater than 120% of Market Value] |                |            | \$ 26,405,030  |
| 10. Recognized Gain/(Loss)  |                |            | \$ (1,494,428) |

**NOTE:** The approximate return on Actuarial Value of Assets is (0.1%).

## Actuarial Experience: Actuarial (Gain)/Loss

|   |                   |
|---|-------------------|
| 1. Unfunded Accrued Liability as of January 1, 2017   |                   |
| a. Accrued Liability  | \$ 50,569,299     |
| b. Actuarial Value of Assets  | <u>28,817,040</u> |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | \$ 21,752,259     |
| <br>  |                   |
| 2. 2017 Normal Cost   | \$ 341,566        |
| <br>  |                   |
| 3. 2017 Contributions   | \$ 1,132,719      |
| <br>  |                   |
| 4. Interest at 6.50% to December 31, 2017   | \$ 1,399,865      |
| <br>  |                   |
| 5. Expected Unfunded Accrued Liability Prior to Plan, Method and/or Assumption Change: [(1)(c) + (2) - (3) + (4)] | \$ 22,360,971     |
| <br>  |                   |
| 6. Increase/(Decrease) in Unfunded Accrued Liability due to Plan, Method and/or Assumption Change                 | \$ 316,565        |
| <br>  |                   |
| 7. Expected Unfunded Accrued Liability as of December 31, 2017: [(5) + (6)]                                       | \$ 22,677,536     |
| <br>  |                   |
| 8. Actual Unfunded Accrued Liability as of December 31, 2017  |                   |
| a. Accrued Liability  | \$ 50,475,736     |
| b. Actuarial Value of Assets  | <u>26,405,030</u> |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | \$ 24,070,706     |
| <br>  |                   |
| 9. Actuarial (Gain)/Loss: [(8)(c) - (7)]  | \$ 1,393,170      |

## Actuarial Experience: Accrued Liability and Assets

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|  |                   |
|--|-------------------|
| 1. Accrued Liability Experience  |                   |
| a. Accrued Liability as of January 1, 2017   | \$ 50,569,299     |
| b. 2017 Normal Cost  | 341,566           |
| c. 2017 Benefit Payments and Expenses  | (3,522,159)       |
| d. Interest at 6.50% to December 31, 2017  | <u>3,196,538</u>  |
| e. Expected Accrued Liability as of January 1, 2018: [(a) + (b) + (c) + (d)]                 | \$ 50,585,244     |
| f. Actual Accrued Liability as of January 1, 2018 Prior to Changes                           | <u>50,159,171</u> |
| g. Accrued Liability (Gain)/Loss: [(f) - (e)]  | \$ (426,073)      |
| h. (Decrease)/Increase in Accrued Liability due to Plan, Method<br>and/or Assumption Changes | <u>316,565</u>    |
| i. Accrued Liability as of January 1, 2018: [(f) + (h)]                                      | \$ 50,475,736     |
| 2. Actuarial Value of Assets (AVA) Experience  |                   |
| a. Actuarial Value of Assets as of January 1, 2017   | \$ 28,817,040     |
| b. 2017 Benefit Payments and Expenses  | (3,522,159)       |
| c. 2017 Contributions  | 1,132,719         |
| d. Expected Earnings at 6.50% to December 31, 2017   | <u>1,796,673</u>  |
| e. Expected AVA as of January 1, 2018: [(a) + (b) + (c) + (d)]                               | \$ 28,224,273     |
| f. Actual AVA as of January 1, 2018 Prior to Method Change                                   | <u>26,405,030</u> |
| g. Actuarial Value of Assets (Gain)/Loss: [(e) - (f)]  | \$ 1,819,243      |
| h. (Decrease)/Increase in AVA due to Method Change   | <u>0</u>          |
| i. Actuarial Value of Assets after Method Change: [(f) + (h)]                                | \$ 26,405,030     |
| 3. Total Actuarial (Gain)/Loss: [(1)(g) + (2)(g)]  | \$ 1,393,170      |

## Determination of the Full Funding Limitations

|   | <u>IRC §404<br/>Maximum</u> | <u>IRC §412<br/>Minimum</u> |
|---|-----------------------------|-----------------------------|
| 1. Accrued Liability Basis  |                             |                             |
| a. Estimated End of Year Accrued Liability  | \$ 50,614,363               | \$ 50,614,363               |
| b. Estimated End of Year Assets   | <u>24,054,764</u>           | <u>23,911,957</u>           |
| c. Accrued Liability Basis Full Funding Limit:<br>[(a) - (b), but not less than \$0]        | \$ 26,559,599               | \$ 26,702,406               |
| <br>  |                             |                             |
| 2. Current Liability Basis  |                             |                             |
| a. Estimated End of Year Current Liability  | \$ 78,676,966               | \$ 78,676,966               |
| b. Estimated End of Year Assets   | <u>24,420,652</u>           | <u>24,420,652</u>           |
| c. Current Liability Full Funding Limit:<br>[90% of (2)(a) - (2)(b), but not less than \$0] | \$ 46,388,617               | \$ 46,388,617               |
| <br>  |                             |                             |
| 3. Full Funding Limitation: [Greater of (1) and (2)]  | \$ 46,388,617               | \$ 46,388,617               |

## Maximum Deductible Contribution: Net Limit Adjustment

| <u>Date</u><br><u>Established</u> | <u>Type</u> | <u>Initial</u><br><u>Balance</u> | <u>1/1/2018</u><br><u>Balance</u> | <u>1/1/2018</u><br><u>Net Limit</u><br><u>Adjustment</u> |
|-----------------------------------|-------------|----------------------------------|-----------------------------------|--|
| 01/01/2018                        | Fresh Start | \$ 24,070,706                    | \$ 24,070,706                     | \$ 3,143,989   |

## **Development of Maximum Deductible Contribution**

---

|   |                   |
|---|-------------------|
| 1. Normal Cost plus 10-Year Amortization  |                   |
| a. 2018 Normal Cost   | \$ 516,499        |
| b. Net Limit Adjustment   | 3,143,989         |
| c. Interest on (a) and (b) to December 31, 2018   | <u>237,932</u>    |
| d. Total as of December 31, 2018: [(a) + (b) + (c)]   | \$ 3,898,420      |
| <br>  |                   |
| 2. Minimum Required Contribution  | \$ 2,431,667      |
| <br>  |                   |
| 3. Full Funding Limitation at December 31, 2018   | \$ 46,388,617     |
| <br>  |                   |
| 4. Contribution Necessary to Fund 140% of Current Liability   |                   |
| a. Estimated End of Year Current Liability  | \$ 78,676,966     |
| b. Estimated End of Year Assets   | <u>24,420,652</u> |
| c. Contribution to Fund 140% of Current Liability: [{140% of (a)} - (b)]  | \$ 85,727,100     |
| <br>  |                   |
| 5. Maximum Deductible Contribution for Fiscal Year 2018:<br>[Greater of {the lesser of (1)(d) and (3)}, (2) and (4)(c)] | \$ 85,727,100     |

## Minimum Required Contribution: Funding Standard Account Balance

### 1. Charges

|   |    |                |
|---|----|----------------|
| a. Funding Deficiency as of December 31, 2016 | \$ | 0              |
| b. Normal Cost as of January 1, 2017          |    | 341,566        |
| c. Amortization Charges                       |    | 3,107,213      |
| d. Interest to December 31, 2017              |    | <u>224,171</u> |
| e. Total Charges                              | \$ | 3,672,950      |

### 2. Credits

|  |    |           |
|--|----|-----------|
| a. Credit Balance as of December 31, 2016        | \$ | 1,088,638 |
| b. Employer Contributions for the 2017 Plan Year |    | 1,132,719 |
| c. Amortization Credits                          |    | 1,388,440 |
| d. Interest to December 31, 2017                 |    | 197,244   |
| e. Full Funding Credit                           |    | <u>0</u>  |
| f. Total Credits                                 | \$ | 3,807,041 |

|   |    |         |
|---|----|---------|
| 3. Funding Standard Account Balance as of December 31, 2017 | \$ | 134,091 |
|---|----|---------|

## Minimum Required Contribution: Amortization Schedule

### Charge Bases:

| <u>Date</u>        |             | <u>Initial</u> | <u>Rem.</u>  |                | <u>1/1/2018</u> |
|--------------------|-------------|----------------|--------------|----------------|-----------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u>  |
| 01/01/1991         | Amendment   | \$ 406,126     | 8            | \$ 20,957      | \$ 135,897      |
| 01/01/1992         | Amendment   | 166,751        | 9            | 9,036          | 64,054          |
| 01/01/1996         | Amendment   | 127,067        | 13           | 7,762          | 71,087          |
| 01/01/1998         | Amendment   | 1,484,015      | 15           | 93,840         | 939,693         |
| 01/01/1999         | Assumption  | 331,735        | 16           | 21,246         | 221,016         |
| 01/01/2000         | Amendment   | 995,239        | 17           | 64,441         | 693,888         |
| 01/01/2001         | Assumption  | 939,678        | 18           | 61,417         | 682,383         |
| 01/01/2003         | Shortfall   | 200,394        | 5            | 17,825         | 78,890          |
| 01/01/2003         | Amendment   | 273,661        | 20           | 18,159         | 213,085         |
| 01/01/2003         | Experience  | 1,090,068      | 5            | 58,797         | 260,224         |
| 01/01/2004         | Shortfall   | 39,055         | 6            | 3,460          | 17,840          |
| 01/01/2004         | Assumption  | 851,659        | 21           | 56,856         | 683,318         |
| 01/01/2004         | Experience  | 1,090,599      | 6            | 65,781         | 339,143         |
| 01/01/2005         | Shortfall   | 140,722        | 7            | 12,421         | 72,554          |
| 01/01/2005         | Experience  | 1,386,896      | 7            | 90,717         | 529,878         |
| 01/01/2006         | Shortfall   | 97,857         | 8            | 8,606          | 55,805          |
| 01/01/2006         | Amendment   | 658,035        | 23           | 44,365         | 556,121         |
| 01/01/2006         | Assumption  | 689,381        | 23           | 46,478         | 582,615         |
| 01/01/2006         | Experience  | 1,775,273      | 8            | 123,464        | 800,609         |
| 01/01/2007         | Shortfall   | 41,838         | 4            | 4,315          | 15,744          |
| 01/01/2008         | Assumption  | 51,604         | 10           | 3,911          | 29,939          |
| 01/01/2009         | Assumption  | 54,311         | 11           | 4,245          | 34,761          |
| 01/01/2009         | Experience  | 163,628        | 11           | 12,789         | 104,725         |
| 01/01/2009         | Asset Loss  | 7,112,667      | 20           | 525,562        | 6,167,316       |
| 01/01/2010         | Assumption  | 205,476        | 12           | 16,473         | 143,133         |
| 01/01/2010         | Asset Loss  | 941,899        | 20           | 70,336         | 825,377         |
| 01/01/2011         | Assumption  | 287,173        | 13           | 23,514         | 215,359         |
| 01/01/2011         | Asset Loss  | 1,249,922      | 20           | 94,415         | 1,107,927       |
| 01/01/2012         | Assumption  | 541,098        | 14           | 45,098         | 432,931         |
| 01/01/2012         | Asset Loss  | 2,815,418      | 20           | 215,337        | 2,526,921       |
| 01/01/2013         | Assumption  | 413,990        | 15           | 35,026         | 350,740         |
| 01/01/2014         | Assumption  | 197,063        | 16           | 16,887         | 175,665         |
| 01/01/2014         | Experience  | 598,913        | 16           | 51,322         | 533,883         |
| 01/01/2015         | Assumption  | 81,628         | 12           | 8,178          | 71,055          |
| 01/01/2015         | Experience  | 1,809,190      | 12           | 181,247        | 1,574,859       |
| 01/01/2016         | Experience  | 2,319,857      | 13           | 231,665        | 2,121,756       |
| 01/01/2016         | Assumption  | 4,737,827      | 13           | 473,128        | 4,333,246       |

## Minimum Required Contribution: Amortization Schedule

### Charge Bases (continued):

|            |                      |           |    |                     |                      |
|------------|----------------------|-----------|----|---------------------|----------------------|
| 01/01/2017 | Assumption           | 857,392   | 14 | 85,621              | 821,936              |
| 01/01/2017 | Experience           | 1,827,683 | 14 | 182,516             | 1,752,103            |
| 01/01/2018 | Experience           | 1,393,170 | 15 | 139,124             | 1,393,170            |
| 01/01/2018 | Assumption           | 316,565   | 15 | 31,613              | 316,565              |
|            | <b>Total Charges</b> |           |    | <b>\$ 3,277,950</b> | <b>\$ 32,047,211</b> |

### Credit Bases:

| <u>Date</u>        | <u>Initial</u>                             | <u>Rem.</u>  | <u>1/1/2018</u>      |
|--------------------|--|--------------|----------------------|
| <u>Established</u> | <u>Balance</u>                             | <u>Years</u> | <u>Balance</u>       |
| <u>Type</u>        | <u>Payment</u>                             |              |                      |
| 01/01/1994         | \$ 333,531                                 | 6            | \$ 131,002           |
| 01/01/1998         | 1,588,460                                  | 10           | 916,696              |
| 01/01/1999         | 10,974                                     | 1            | 993                  |
| 01/01/2000         | 33,435                                     | 2            | 5,837                |
| 01/01/2001         | 7,520                                      | 3            | 1,903                |
| 01/01/2002         | 31,498                                     | 4            | 10,264               |
| 01/01/2007         | 152,840                                    | 19           | 128,193              |
| 01/01/2007         | 115,622                                    | 4            | 43,506               |
| 01/01/2008         | 378,821                                    | 5            | 172,233              |
| 01/01/2009         | 2,897,061                                  | 6            | 1,528,428            |
| 01/01/2009         | 705,199                                    | 1            | 94,721               |
| 01/01/2010         | 4,934,797                                  | 7            | 2,938,419            |
| 01/01/2010         | 147,383                                    | 7            | 87,758               |
| 01/01/2011         | 1,067,809                                  | 8            | 703,278              |
| 01/01/2011         | 172,544                                    | 8            | 113,643              |
| 01/01/2012         | 140,157                                    | 9            | 100,551              |
| 01/01/2013         | 1,120,256                                  | 10           | 864,989              |
|                    |  |              | <b>\$ 7,842,414</b>  |
|                    | <b>Total Credits</b>                       |              | <b>\$ 1,377,102</b>  |
| 1.                 | Net Amortization                           |              | \$ 24,204,797        |
| 2.                 | Credit Balance                             |              | \$ 134,091           |
| 3.                 | Balance Test: [(1) - (2)]                  |              | \$ 24,070,706        |
| 4.                 | Unfunded Accrued Liability:                |              |                      |
|                    | a. Accrued Liability                       |              | \$ 50,475,736        |
|                    | b. Actuarial Value of Assets               |              | 26,405,030           |
|                    | c. Unfunded Accrued Liability: [(a) - (b)] |              | <b>\$ 24,070,706</b> |

## Development of Minimum Required Contribution

---

### 1. Charges

|   |    |                |           |
|---|----|----------------|-----------|
| a. Funding Deficiency as of December 31, 2017 | \$ | 0              |           |
| b. Normal Cost for the 2018 Plan Year         |    | 516,499        |           |
| c. Amortization Charges                       |    | 3,277,950      |           |
| d. Interest to December 31, 2018              |    | <u>246,639</u> |           |
| e. Total Charges as of December 31, 2018:     |    |                |           |
| [(a) + (b) + (c) + (d)]                       | \$ |                | 4,041,088 |

### 2. Credits

|   |    |           |           |
|---|----|-----------|-----------|
| a. Credit Balance as of December 31, 2017 | \$ | 134,091   |           |
| b. Amortization Credits                   |    | 1,377,102 |           |
| c. Interest to December 31, 2018          |    | 98,228    |           |
| d. Full Funding Credit                    |    | <u>0</u>  |           |
| e. Total Credits as of December 31, 2018: |    |           |           |
| [(a) + (b) + (c) + (d)]                   | \$ |           | 1,609,421 |

### 3. Preliminary Minimum Required Contribution:

|  |    |  |           |
|--|----|--|-----------|
| [(1)(e) - (2)(e), but not less than \$0] | \$ |  | 2,431,667 |
|--|----|--|-----------|

### 4. Full Funding Limitation

|   |    |  |            |
|---|----|--|------------|
| a. Based on 100% of Accrued Liability               | \$ |  | 26,702,406 |
| b. Based on 90% of RPA '94 Current Liability        | \$ |  | 46,388,617 |
| c. Full Funding Limitation: [Larger of (a) and (b)] | \$ |  | 46,388,617 |

### 5. Minimum Required Contribution payable December 31, 2018:

|                             |    |  |           |
|-----------------------------|----|--|-----------|
| [Minimum of (3) and (4)(c)] | \$ |  | 2,431,667 |
|-----------------------------|----|--|-----------|

## Unfunded Vested Accrued Benefits at the Current Liability Interest Rate

|   |                   |               |
|---|-------------------|---------------|
| 1. Value of Vested Accrued Benefits                                       |                   |               |
| a. For Active Participants  | \$ 15,315,856     |               |
| b. For Vested Terminated Participants                                     | 9,821,740         |               |
| c. For Retirees and Beneficiaries   | <u>50,034,213</u> |               |
| d. Total: [(a) + (b) + (c)]   |                   | \$ 75,171,809 |
| 2. Market Value of Assets   |                   | \$ 26,053,645 |
| 3. Value of Unfunded/(Overfunded) Vested Accrued Benefits: [(1)(d) - (2)] |                   | \$ 49,118,164 |

## **Present Value of Accumulated Plan Benefits (ASC 960)**

|   | <u>December 31, 2016</u> | <u>December 31, 2017</u> |
|---|--------------------------|--------------------------|
| 1. Present Value of Accumulated Vested Benefits |                          |                          |
| a. Active Participants                          | \$ 9,783,743             | \$ 8,374,823             |
| b. Vested Terminated Participants               | 5,456,811                | 5,222,449                |
| c. Retirees and Beneficiaries                   | <u>35,195,648</u>        | <u>36,005,298</u>        |
| d. Total: [(a) + (b) + (c)]                     | \$ 50,436,202            | \$ 49,602,570            |
| 2. Accumulated Non-Vested Benefits              | \$ 133,097               | \$ 873,166               |
| 3. Total Accumulated Benefits: [(1)(d) + (2)]   | \$ 50,569,299            | \$ 50,475,736            |
| 4. Net Assets Available for Benefits            | \$ 25,154,117            | \$ 26,053,645            |
| 5. Funded Ratio: [(4) ÷ (3)]                    | 50%                      | 52%                      |

### **Changes in the Value of Accumulated Plan Benefits for the Plan Year Ending December 31, 2017**

|   |                  |               |
|---|------------------|---------------|
| 1. Value of Accumulated Plan Benefits as of December 31, 2016:                |                  | \$ 50,569,299 |
| 2. Increase/(Decrease) in Value due to:                                       |                  |               |
| a. Decrease in Discount Period  | \$ 3,179,131     |               |
| b. Plan Amendment   | 0                |               |
| c. Assumption Change  | 316,565          |               |
| d. Benefits Paid  | (3,372,256)      |               |
| e. Plan Experience and Benefit Accrual  | <u>(217,003)</u> |               |
| f. Total Net Increase/(Decrease):<br>[(a) + (b) + (c) + (d) + (e)]            |                  | \$ (93,563)   |
| 3. Value of Accumulated Plan Benefits as of December 31, 2017: [(1) + (2)(f)] |                  | \$ 50,475,736 |

## Plan Participant Summary

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|                                    | <u>Actives</u> | <u>Vested<br/>Terms</u> | <u>Service<br/>Retirees</u> | <u>Disability<br/>Retirees</u> | <u>Beneficiaries</u> | <u>Total</u> |
|------------------------------------|----------------|-------------------------|-----------------------------|--------------------------------|----------------------|--------------|
| As of January 1, 2017              | 175            | 83                      | 132                         | 38                             | 57                   | 485          |
| Deaths during the Year             |                |                         |                             |                                |                      |              |
| a. with Beneficiary                | 0              | 0                       | (3)                         | 0                              | 3                    | 0            |
| b. without Beneficiary             | 0              | (1)                     | (1)                         | (1)                            | (1)                  | (4)          |
| Retired during the Year            | (4)            | (7)                     | 9                           | 2                              | 0                    | 0            |
| Term Certain Expired               | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| QDRO Filed during the Year         | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| Became Inactive                    |                |                         |                             |                                |                      |              |
| a. with Vesting                    | (3)            | 3                       | 0                           | 0                              | 0                    | 0            |
| b. without Vesting                 | (14)           | 0                       | 0                           | 0                              | 0                    | (14)         |
| Returned to Work                   | 2              | (1)                     | 0                           | 0                              | 0                    | 1            |
| New Entrants                       | 17             | 0                       | 0                           | 0                              | 0                    | 17           |
| Lump Sum Distributions             | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| Data Corrections                   | <u>0</u>       | <u>0</u>                | <u>0</u>                    | <u>0</u>                       | <u>0</u>             | <u>0</u>     |
| As of January 1, 2018              | 173            | 77                      | 137                         | 39                             | 59                   | 485          |
| <b>Fully Vested Participants</b>   |                |                         |                             |                                |                      |              |
|                                    | 111            | 77                      | 137                         | 39                             | 59                   | 423          |
| <b>Not Vested Participants</b>     |                |                         |                             |                                |                      |              |
|                                    | <u>62</u>      | <u>0</u>                | <u>0</u>                    | <u>0</u>                       | <u>0</u>             | <u>62</u>    |
| <b>Total as of January 1, 2018</b> | <u>173</u>     | <u>77</u>               | <u>137</u>                  | <u>39</u>                      | <u>59</u>            | <u>485</u>   |

## Active Participants as of January 1, 2018

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### Total Years of Service

| Age Group | < 1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35+ | Total |
|-----------|-----|-----|-----|-------|-------|-------|-------|-------|-----|-------|
| < 19      | 0   | 1   | 0   | 0     | 0     | 0     | 0     | 0     | 0   | 1     |
| 20-24     | 0   | 6   | 1   | 0     | 0     | 0     | 0     | 0     | 0   | 7     |
| 25-29     | 0   | 13  | 4   | 0     | 0     | 0     | 0     | 0     | 0   | 17    |
| 30-34     | 0   | 15  | 4   | 9     | 1     | 0     | 0     | 0     | 0   | 29    |
| 35-39     | 0   | 8   | 5   | 6     | 0     | 1     | 0     | 0     | 0   | 20    |
| 40-44     | 0   | 13  | 7   | 5     | 3     | 1     | 0     | 0     | 0   | 29    |
| 45-49     | 0   | 2   | 5   | 4     | 7     | 2     | 0     | 0     | 0   | 20    |
| 50-54     | 0   | 3   | 4   | 4     | 7     | 7     | 2     | 0     | 0   | 27    |
| 55-59     | 0   | 0   | 0   | 2     | 4     | 5     | 0     | 3     | 3   | 17    |
| 60-64     | 0   | 1   | 1   | 0     | 0     | 2     | 1     | 0     | 1   | 6     |
| 65-69     | 0   | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| 70+       | 0   | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| Total     | 0   | 62  | 31  | 30    | 22    | 18    | 3     | 3     | 4   | 173   |

|                            |                              |
|----------------------------|------------------------------|
| Average Age:               | 42.2 Years (Last Year: 42.1) |
| Average Expected Lifetime: | 83.6 Years (Last Year: 83.8) |
| Average Service:           | 10.9 Years (Last Year: 10.8) |

## Terminated Vested Participants as of January 1, 2018

| Age Group | Number of Lives | Monthly Benefit |            |
|-----------|-----------------|-----------------|------------|
|           |                 | Total           | Average    |
| < 20      | 0               | \$ 0            | \$ 0       |
| 20-24     | 0               | 0               | 0          |
| 25-29     | 0               | 0               | 0          |
| 30-34     | 0               | 0               | 0          |
| 35-39     | 10              | 5,252           | 525        |
| 40-44     | 9               | 4,493           | 499        |
| 45-49     | 17              | 11,467          | 675        |
| 50-54     | 16              | 9,384           | 587        |
| 55-59     | 16              | 13,727          | 858        |
| 60-64     | 8               | 4,000           | 500        |
| 65-69     | 0               | 0               | 0          |
| 70 +      | <u>1</u>        | <u>392</u>      | <u>392</u> |
| Total     | 77              | \$ 48,715       | \$ 633     |

|                            |      |
|----------------------------|------|
| Average Age:               | 50.3 |
| Average Expected Lifetime: | 83.2 |

## Retired Participants as of January 1, 2018

| Age Group    | Life Annuities  |                  |                 | Joint & Survivor Annuities |                   |                 |
|--------------|-----------------|------------------|-----------------|----------------------------|-------------------|-----------------|
|              | Number of Lives | Monthly Benefit  |                 | Number of Lives            | Monthly Benefit   |                 |
|              |                 | Total            | Average         |                            | Total             | Average         |
| < 50         | 0               | \$ 0             | \$ 0            | 0                          | \$ 0              | \$ 0            |
| 50-54        | 0               | 0                | 0               | 0                          | 0                 | 0               |
| 55-59        | 11              | 15,385           | 1,399           | 7                          | 13,220            | 1,889           |
| 60-64        | 14              | 18,567           | 1,326           | 29                         | 35,646            | 1,229           |
| 65-69        | 20              | 32,533           | 1,627           | 18                         | 30,654            | 1,703           |
| 70-74        | 5               | 7,667            | 1,533           | 11                         | 24,336            | 2,212           |
| 75-79        | 6               | 3,291            | 549             | 6                          | 8,664             | 1,444           |
| 80-84        | 2               | 874              | 437             | 6                          | 8,578             | 1,430           |
| 85-89        | 0               | 0                | 0               | 0                          | 0                 | 0               |
| 90 +         | 2               | 901              | 451             | 0                          | 0                 | 0               |
| <b>Total</b> | <b>60</b>       | <b>\$ 79,218</b> | <b>\$ 1,320</b> | <b>77</b>                  | <b>\$ 121,098</b> | <b>\$ 1,573</b> |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 67.3 | Average Age:                     | 67.4 |
| Average Expected Lifetime: | 85.1 | Average Expected Joint Lifetime: | 93.3 |

## Disabled Participants as of January 1, 2018

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| Age Group    | Life Annuities  |                  |               | Joint & Survivor Annuities |                  |                 |
|--------------|-----------------|------------------|---------------|----------------------------|------------------|-----------------|
|              | Number of Lives | Monthly Benefit  |               | Number of Lives            | Monthly Benefit  |                 |
|              |                 | Total            | Average       |                            | Total            | Average         |
| < 50         | 0               | \$ 0             | \$ 0          | 0                          | \$ 0             | \$ 0            |
| 50-54        | 1               | 846              | 846           | 2                          | 1,497            | 749             |
| 55-59        | 1               | 1,003            | 1,003         | 3                          | 3,805            | 1,268           |
| 60-64        | 4               | 5,528            | 1,382         | 8                          | 9,614            | 1,202           |
| 65-69        | 1               | 751              | 751           | 5                          | 6,922            | 1,384           |
| 70-74        | 3               | 1,647            | 549           | 5                          | 3,552            | 710             |
| 75-79        | 3               | 1,499            | 500           | 1                          | 703              | 703             |
| 80-84        | 2               | 846              | 423           | 0                          | 0                | 0               |
| 85-89        | 0               | 0                | 0             | 0                          | 0                | 0               |
| 90 +         | 0               | 0                | 0             | 0                          | 0                | 0               |
| <b>Total</b> | <b>15</b>       | <b>\$ 12,120</b> | <b>\$ 808</b> | <b>24</b>                  | <b>\$ 26,093</b> | <b>\$ 1,087</b> |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 69.3 | Average Age:                     | 65.1 |
| Average Expected Lifetime: | 82.3 | Average Expected Joint Lifetime: | 92.0 |

**Beneficiary and Alternate Payee Participants as of January 1, 2018**

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| <u>Age Group</u> | <u>Number of Lives</u> | <u>Monthly Benefit</u> |                |
|------------------|------------------------|------------------------|----------------|
|                  |                        | <u>Total</u>           | <u>Average</u> |
| < 50             | 1                      | \$ 200                 | \$ 200         |
| 50-54            | 2                      | 1,244                  | 622            |
| 55-59            | 4                      | 3,333                  | 833            |
| 60-64            | 12                     | 7,349                  | 612            |
| 65-69            | 9                      | 7,618                  | 846            |
| 70-74            | 8                      | 9,799                  | 1,225          |
| 75-79            | 17                     | 13,291                 | 782            |
| 80-84            | 5                      | 3,889                  | 778            |
| 85-89            | 0                      | 0                      | 0              |
| 90 +             | <u>1</u>               | <u>124</u>             | <u>124</u>     |
| Total            | 59                     | \$ 46,847              | \$ 794         |

|                            |      |
|----------------------------|------|
| Average Age:               | 70.4 |
| Average Expected Lifetime: | 87.9 |

## Age Distribution of 2017 Plan Year Benefit Commencements

| Retirement<br>Age | Number<br>of Lives | Monthly Benefit |          |
|-------------------|--------------------|-----------------|----------|
|                   |                    | Total           | Average  |
| < 50              | 0                  | \$ 0            | \$ 0     |
| 50                | 1                  | 846             | 846      |
| 51                | 0                  | 0               | 0        |
| 52                | 1                  | 648             | 648      |
| 53                | 0                  | 0               | 0        |
| 54                | 0                  | 0               | 0        |
| 55                | 1                  | 505             | 505      |
| 56                | 0                  | 0               | 0        |
| 57                | 1                  | 2,755           | 2,755    |
| 58                | 4                  | 7,539           | 1,885    |
| 59                | 3                  | 2,897           | 966      |
| 60                | 0                  | 0               | 0        |
| 61                | 0                  | 0               | 0        |
| 62                | 0                  | 0               | 0        |
| 63                | 0                  | 0               | 0        |
| 64                | 0                  | 0               | 0        |
| 65                | 0                  | 0               | 0        |
| 66                | 0                  | 0               | 0        |
| 67                | 0                  | 0               | 0        |
| 68                | 0                  | 0               | 0        |
| 69                | 0                  | 0               | 0        |
| 70 +              | 0                  | 0               | 0        |
| Total             | 11                 | \$ 15,190       | \$ 1,381 |

|                            |      |
|----------------------------|------|
| Average Age:               | 57.1 |
| Average Expected Lifetime: | 83.6 |

## Age Distribution of Approaching Retirements as of January 1, 2018

| Age   | Active Participants |                 |          | Vested Terms |                 |         | Total Participants |                 |          |
|-------|---------------------|-----------------|----------|--------------|-----------------|---------|--------------------|-----------------|----------|
|       | No.                 | Monthly Benefit |          | No.          | Monthly Benefit |         | No.                | Monthly Benefit |          |
|       |                     | Total           | Average  |              | Total           | Average |                    | Total           | Average  |
| 50    | 3                   | \$ 1,606        | \$ 535   | 5            | \$ 2,467        | \$ 493  | 8                  | \$ 4,073        | \$ 509   |
| 51    | 5                   | 4,640           | 928      | 2            | 1,361           | 681     | 7                  | 6,001           | 857      |
| 52    | 6                   | 5,421           | 904      | 5            | 3,626           | 725     | 11                 | 9,047           | 822      |
| 53    | 9                   | 12,034          | 1,337    | 1            | 165             | 165     | 10                 | 12,199          | 1,220    |
| 54    | 4                   | 3,828           | 957      | 3            | 1,765           | 588     | 7                  | 5,593           | 799      |
| 55    | 4                   | 8,295           | 2,074    | 5            | 3,596           | 719     | 9                  | 11,891          | 1,321    |
| 56    | 0                   | 0               | 0        | 5            | 3,942           | 788     | 5                  | 3,942           | 788      |
| 57    | 8                   | 14,016          | 1,752    | 3            | 2,239           | 746     | 11                 | 16,255          | 1,478    |
| 58    | 2                   | 3,648           | 1,824    | 2            | 3,492           | 1,746   | 4                  | 7,140           | 1,785    |
| 59    | 3                   | 2,868           | 956      | 1            | 459             | 459     | 4                  | 3,327           | 832      |
| 60    | 2                   | 1,988           | 994      | 2            | 1,002           | 501     | 4                  | 2,990           | 748      |
| 61    | 2                   | 1,888           | 944      | 4            | 2,223           | 556     | 6                  | 4,111           | 685      |
| 62    | 0                   | 0               | 0        | 1            | 398             | 398     | 1                  | 398             | 398      |
| 63    | 2                   | 4,411           | 2,206    | 1            | 378             | 378     | 3                  | 4,789           | 1,596    |
| 64    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0        |
| 65    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0        |
| 66    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0        |
| 67    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0        |
| 68    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0        |
| 69    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0        |
| 70 +  | 0                   | 0               | 0        | 1            | 392             | 392     | 1                  | 392             | 392      |
| Total | 50                  | \$ 64,643       | \$ 1,293 | 41           | \$ 27,505       | \$ 671  | 91                 | \$ 92,148       | \$ 1,013 |

## Market Value Asset History (1992-2017)

| Plan<br>Year<br>Ending<br>12/31 | Plan Year<br>Contribution | Plan Year<br>Benefits Paid | Plan Year<br>Admin.<br>Expenses | Plan Year<br>Investment<br>Return | Market Value<br>of Assets<br>at Year End | Asset<br>Return<br>% | Cash<br>Flow<br>% |
|---------------------------------|---------------------------|----------------------------|---------------------------------|-----------------------------------|--|----------------------|-------------------|
| 1992                            | \$ 582,066                | \$ 507,003                 | \$ 31,300                       | \$ 754,504                        | \$ 13,395,027                            | 6.0%                 | 0.3%              |
| 1993                            | 527,500                   | 473,888                    | 27,678                          | 793,615                           | 14,214,576                               | 5.9%                 | 0.2%              |
| 1994                            | 659,661                   | 537,830                    | 32,976                          | (74,013)                          | 14,229,418                               | (0.5%)               | 0.6%              |
| 1995                            | 684,256                   | 600,008                    | 37,725                          | 1,758,170                         | 16,034,111                               | 12.3%                | 0.3%              |
| 1996                            | 728,349                   | 720,912                    | 38,364                          | 1,434,500                         | 17,437,684                               | 9.0%                 | (0.2%)            |
| 1997                            | 860,023                   | 696,861                    | 36,096                          | 3,943,669                         | 21,508,419                               | 22.5%                | 0.6%              |
| 1998                            | 782,298                   | 972,966                    | 38,410                          | 2,957,278                         | 24,236,619                               | 13.8%                | (0.9%)            |
| 1999                            | 923,898                   | 931,531                    | 40,175                          | 2,033,981                         | 26,222,792                               | 8.4%                 | (0.2%)            |
| 2000                            | 882,106                   | 1,095,407                  | 41,554                          | 891,510                           | 26,859,447                               | 3.4%                 | (0.9%)            |
| 2001                            | 926,509                   | 1,192,493                  | 45,280                          | (1,066,205)                       | 25,481,978                               | (4.0%)               | (1.2%)            |
| 2002                            | 892,092                   | 1,117,709                  | 64,047                          | (2,502,113)                       | 22,690,201                               | (9.9%)               | (1.3%)            |
| 2003                            | 949,127                   | 1,198,778                  | 55,772                          | 4,057,413                         | 26,442,191                               | 18.0%                | (1.2%)            |
| 2004                            | 975,058                   | 1,253,452                  | 57,271                          | 2,204,195                         | 28,310,721                               | 8.4%                 | (1.2%)            |
| 2005                            | 1,030,937                 | 1,493,946                  | 58,275                          | 1,342,239                         | 29,131,676                               | 4.8%                 | (1.8%)            |
| 2006                            | 997,910                   | 1,505,304                  | 63,530                          | 3,889,863                         | 32,450,615                               | 13.5%                | (1.8%)            |
| 2007                            | 1,053,854                 | 1,577,892                  | 73,015                          | 2,064,277                         | 33,917,839                               | 6.4%                 | (1.8%)            |
| 2008                            | 957,021                   | 1,782,018                  | 94,267                          | (9,609,919)                       | 23,388,656                               | (28.7%)              | (3.9%)            |
| 2009                            | 796,509                   | 1,969,252                  | 83,088                          | 6,120,957                         | 28,253,782                               | 26.9%                | (4.4%)            |
| 2010                            | 779,323                   | 2,373,921                  | 115,776                         | 3,298,416                         | 29,841,824                               | 12.0%                | (5.7%)            |
| 2011                            | 739,693                   | 2,579,282                  | 79,892                          | (726,699)                         | 27,195,644                               | (2.5%)               | (7.1%)            |
| 2012                            | 1,027,673                 | 2,692,857                  | 99,399                          | 4,062,411                         | 29,493,472                               | 15.4%                | (6.0%)            |
| 2013                            | 858,064                   | 2,838,970                  | 98,171                          | 3,670,065                         | 31,084,460                               | 12.9%                | (6.7%)            |
| 2014                            | 895,300                   | 2,993,731                  | 107,430                         | 585,082                           | 29,463,681                               | 2.0%                 | (7.5%)            |
| 2015                            | 965,222                   | 3,177,270                  | 94,679                          | (1,199,071)                       | 25,957,883                               | (4.2%)               | (8.9%)            |
| 2016                            | 1,060,950                 | 3,231,106                  | 125,564                         | 1,491,954                         | 25,154,117                               | 6.0%                 | (9.1%)            |
| 2017                            | 1,132,719                 | 3,372,256                  | 149,903                         | 3,288,968                         | 26,053,645                               | 13.7%                | (9.2%)            |
| <b>Totals</b>                   | <b>\$ 22,668,118</b>      | <b>\$ 42,886,643</b>       | <b>\$1,789,637</b>              | <b>\$35,465,047</b>               |  | <b>6.0%</b>          |                   |

## Summary of Plan Provisions

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1. Effective Date: June 1, 1964.
  
2. Plan Year: January 1<sup>st</sup> through December 31<sup>st</sup>.
  
3. Covered Employees: All employees covered by the Local 42 Collective Bargaining Agreement.
  
4. Eligibility: 1<sup>st</sup> of the month coincident with or following the completion of 1,000 Hours of Service.
  
5. Year of Service: 1 Year of Service for each Plan Year during which at least 1,000 Hours of Service are worked. If the participant works less than 1,000 hours,  $\frac{1}{10}$  of a Year of Service is earned for each 100 Hours of Service worked.
  
6. Actuarial Equivalency: UP 1984 Mortality Table at 7.00%.
  
7. Payment Forms:
  - a. Normal Single Life Annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor Annuity (QJSA) for married participants.
  
  - b. Optional Actuarially Equivalent  $66\frac{2}{3}\%$ , 75% or 100% Joint & Survivor (with or without Pop-Up) Annuity (QOSA).

## Summary of Plan Provisions

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### 8. Normal Retirement:

- a. Eligibility Age 58 or the 5<sup>th</sup> anniversary of Plan participation.
- b. Monthly Benefit Based on a percentage of Employer contributions made on behalf of the participant in accordance with the following table:

| <u>Effective Date</u> | <u>Percentage</u>   |
|-----------------------|---------------------|
| 6/1/1964              | 5.220%              |
| 6/1/1965              | 2.616%              |
| 6/1/1966              | 1.740%              |
| 6/1/1972              | 2.040%              |
| 6/1/1974              | 2.040% <sup>1</sup> |
| 1/1/1980              | 2.880% <sup>1</sup> |
| 1/1/1984              | 2.450%              |
| 1/1/1994              | 2.100%              |
| 1/1/2009              | 1.000% <sup>2</sup> |

<sup>1</sup> Accrual is based on the specified percentage of contribution in excess of \$0.15 per hour.

<sup>2</sup> Accrual is based on contributions up to \$3.00 per hour effective 1/1/2009 and \$2.10 per hour effective 1/1/2010.

### 9. Early Retirement:

- a. Eligibility Age 55 and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement with monthly benefit reduced  $\frac{5}{9}$  of 1% for each month that Early Retirement precedes age 58.

**Summary of Plan Provisions**

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10. Vested Retirement:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement reduced actuarially for early commencement.

11. Disability Benefit:

- a. Eligibility Total and Permanent Disability and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement with monthly benefit reduced  $\frac{5}{9}$  of 1% for each month that Disability Retirement precedes age 58, with a maximum reduction of 20%.

12. Pre-Retirement Death:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Surviving Spouses receive the survivor’s annuity calculated as for an age 55 Early Retirement reflecting a 50% Joint & Survivor Annuity payment form with death immediately after Early Retirement.

13. Employer Contributions:

| <u>Effective Date</u> | <u>Hourly Rate</u> |
|-----------------------|--------------------|
| 8/1/2014              | \$4.40             |
| 8/1/2015              | \$4.60             |
| 8/1/2016              | \$4.80             |
| 8/1/2017              | \$5.00             |
| 8/1/2018              | \$5.20             |
| 8/1/2019              | \$5.40             |

14. Changes Since Last Year: None.

## Actuarial Assumptions and Methods

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1. Interest Rates: 6.50%/2.98% (Funding/Current Liability).
  
2. Mortality Rates:
  - a. Funding
    - i. Non-Disabled RP-2014 with Blue Collar adjustment.
    - ii. Disabled RP-2014 Disabled Retiree.
    - iii. Base Year Adjustment 2006 using Scale MP-2014.
    - iv. Future Projections Projected generationally using Scale MP-2017.
  - b. Current Liability 2018 Combined Static Mortality Table under IRS Notice 2017-60.
  
3. Actuarial Cost Method: Unit Credit.
  
4. Retirement Rates:

| <u>Age</u> | <u>Actives</u> | <u>Terminated<br/>Vesteds</u> |
|------------|----------------|-------------------------------|
| 55-56      | 0.10           | 0.10                          |
| 57         | 0.20           | 0.20                          |
| 58         | 0.30           | 0.50                          |
| 59-60      | 0.20           | 0.10                          |
| 61         | 0.40           | 0.10                          |
| 62         | 1.00           | 0.10                          |
| 63-65      | 1.00           | 0.50                          |
| 66-69      | 1.00           | 0.20                          |
| 70         | 1.00           | 1.00                          |
  
5. Expense Load: \$150,000 per year.

## Actuarial Assumptions and Methods

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6. Hours Worked: 1,325 per year.

7. Termination Rates: For years 1 and 2 – 0.20; for years 3 and later:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0967      |
| 35         | 0.0871      |
| 45         | 0.0635      |
| 55         | 0.0155      |
| 65         | 0.0000      |

8. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0009      |
| 35         | 0.0015      |
| 45         | 0.0032      |
| 55         | 0.0083      |
| 65         | 0.0000      |

9. Assumed Form of Payment:

| <u>Payment Form</u>     | <u>Election %</u> |
|-------------------------|-------------------|
| Single Life Annuity     | 47%               |
| 50% Joint and Survivor  | 14%               |
| 66% Joint and Survivor  | 8%                |
| 75% Joint and Survivor  | 2%                |
| 100% Joint and Survivor | 29%               |

10. Actuarial Value of Assets:

Market Value of Assets minus a decreasing fraction ( $\frac{4}{5}$ ,  $\frac{3}{5}$ ,  $\frac{2}{5}$  and  $\frac{1}{5}$ ) of each of the preceding 4 years' gains and (losses). A gain/(loss) for a year is equal to the actual return minus the expected return using the funding interest rate. The Actuarial Value of Assets is adjusted to be within 80% and 120% of the Market Value of Assets.

## **Actuarial Assumptions and Methods**

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11. Changes Since Last Year:

The mortality projection scale, retirement rates for active and terminated vested participants, form of payment assumption, and disability rates were changed. The hours worked assumption and expense load were increased. The Current Liability mortality and interest rates were changed as mandated by the IRS.

## **Rationale for Selection of Significant Actuarial Assumptions**

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1. Interest Rate: Based on the Plan's target asset allocation, reflecting asset class future return expectations as determined by the Plan's investment consultant and publically available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions.
  
2. Mortality Rates: RP-2014 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. RP-2014 Disabled Retiree table used to reflect expected disabled mortality experience. Both RP-2014 tables are adjusted to base year 2006 to reflect the mortality experience used to develop the RP-2014 table and for expected generational mortality improvement. Other adjustments are based on the Plan's most recent experience study, Society of Actuaries mortality studies, and expected generational mortality improvement from 2006 base year using Scale MP-2017.
  
3. Retirement Rates: Based on the Plan's most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan's most recent experience study.

## 2018 ACTUARIAL CERTIFICATION OF FUNDED STATUS

*As Required under IRC § 432(b)(3) as Added by the Pension Protection Act of 2006*

### **Plan Identification**

Composition Roofers Local No. 42 Pension Plan ("Plan")  
205 West Fourth Street, Suite 225  
Cincinnati, OH 45202  
(513) 381-6886  
EIN/PN: 31-6127285/001  
Plan Year: January 1, 2018 – December 31, 2018

### **Information on Plan Status**

As of January 1, 2018, I hereby certify that the Plan is Critical and Declining as defined by the Pension Protection Act of 2006 (PPA) as amended by the Multiemployer Pension Reform Act of 2014 (MPRA) and is meeting the annual standards required under its updated Rehabilitation Plan which was designed to forestall the Plan's insolvency.

This certification has been prepared based on the Plan's January 1, 2017 Actuarial Valuation and December 31, 2017 unaudited financial statements. The January 1, 2017 Actuarial Valuation was projected to January 1, 2018 for determination of the Plan's funded percentage and additional projections of later years were used to determine the Plan's year of insolvency.

Anticipated future Plan contributions and liabilities assume 237,929 hours worked per year and participants exiting the Plan are assumed to be replaced by new entrants. Future scheduled withdrawal liability payments are also reflected. All other assumptions used, along with the Plan Provisions reflected in this determination, are summarized in the Plan's January 1, 2017 Actuarial Valuation Report.

### **Actuarial Certification**

I hereby certify that our projection of the Plan's most recent Actuarial Valuation presents fairly the actuarial position of the Plan as of January 1, 2018. In my opinion, the assumptions used to determine the Plan's 2018 PPA funding status are individually reasonable based on Plan experience and represent my best estimate of anticipated future experience under the Plan. The projection of the January 1, 2017 Actuarial Valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meets the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,



Jason C. Birkle, EA, MAAA, ASA  
Enrollment Number: 17-07856

Cuni, Rust & Strenk  
4555 Lake Forest Drive, Suite 620  
Cincinnati, OH 45242  
(513) 891-0270

March 29, 2018

**Illustration Supporting 2018 Pension Protection Act of 2006 (PPA) Actuarial Certification of Status**

Plan Name: Composition Roofers Local No. 42 Pension Plan

EIN: 31-6127285

PN: 001

2018 PPA Funding Status = Critical and Declining.

2018 PPA Funded Percentage < 80%, Projected Funding Deficiency in 2018, and Projected Insolvency in 2033.

| 1/1<br>Plan<br>Year | Actuarial<br>Value of<br>Assets<br>(1) | PPA<br>Accrued<br>Liability<br>(2) | PPA<br>Funded<br>%<br>(1) / (2) | Prior<br>12/31<br>Credit<br>Balance | Hourly<br>Contribution<br>Rate | Minimum<br>Required<br>Contribution | Expected<br>Hours<br>Worked | Expected<br>Contributions | Asset<br>Return<br>% |                                 |
|---------------------|--|------------------------------------|---------------------------------|-------------------------------------|--------------------------------|-------------------------------------|-----------------------------|---------------------------|----------------------|---------------------------------|
| <b>2017</b>         | <b>\$28,817,040</b>                    | <b>\$50,569,299</b>                | <b>57.0%</b>                    | <b>\$1,088,638</b>                  | <b>\$5.00</b>                  | <b>\$1,034,862</b> <sup>(1)</sup>   | <b>275,441</b>              | <b>\$1,241,879</b>        | <b>13.7%</b>         | <b>Unaudited</b> <sup>(2)</sup> |
| 2018                | \$26,384,476                           | \$50,505,835                       | 52.2%                           | \$177,879                           | \$5.20                         | \$2,217,680                         | 237,929                     | \$1,116,834               | 6.5%                 | Projected                       |
| 2019                | \$24,718,793                           | \$50,381,590                       | 49.1%                           | (\$1,136,060)                       | \$5.40                         | \$3,746,901                         | 237,929                     | \$1,160,920               | 6.5%                 | Projected                       |
| 2020                | \$23,314,279                           | \$50,200,667                       | 46.4%                           | (\$2,668,702)                       | \$5.60                         | \$5,365,757                         | 237,929                     | \$1,205,006               | 6.5%                 | Projected                       |
| 2021                | \$22,464,211                           | \$49,923,947                       | 45.0%                           | (\$4,293,847)                       | \$5.80                         | \$7,008,733                         | 237,929                     | \$1,249,091               | 6.5%                 | Projected                       |
| 2022                | \$21,545,136                           | \$49,571,224                       | 43.5%                           | (\$5,943,884)                       | \$6.00                         | \$8,678,108                         | 237,929                     | \$1,293,177               | 6.5%                 | Projected                       |
| 2023                | \$20,185,527                           | \$49,136,981                       | 41.1%                           | (\$7,621,163)                       | \$6.20                         | \$10,365,316                        | 237,929                     | \$1,337,262               | 6.5%                 | Projected                       |
| 2024                | \$18,737,923                           | \$48,625,592                       | 38.5%                           | (\$9,316,847)                       | \$6.20                         | \$12,374,030                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2025                | \$17,191,197                           | \$48,044,610                       | 35.8%                           | (\$11,359,485)                      | \$6.20                         | \$14,904,966                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2026                | \$15,517,630                           | \$47,395,282                       | 32.7%                           | (\$13,971,382)                      | \$6.20                         | \$17,569,277                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2027                | \$13,677,423                           | \$46,643,664                       | 29.3%                           | (\$16,720,920)                      | \$6.20                         | \$20,408,175                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2028                | \$11,709,706                           | \$45,832,453                       | 25.5%                           | (\$19,650,629)                      | \$6.20                         | \$23,668,735                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2029                | \$9,606,250                            | \$44,962,641                       | 21.4%                           | (\$23,015,489)                      | \$6.20                         | \$27,126,955                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2030                | \$7,418,370                            | \$44,093,492                       | 16.8%                           | (\$26,584,332)                      | \$6.20                         | \$30,597,459                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2031                | \$5,102,031                            | \$43,183,156                       | 11.8%                           | (\$30,165,852)                      | \$6.20                         | \$33,535,228                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2032                | \$2,681,785                            | \$42,262,903                       | 6.3%                            | (\$33,197,595)                      | \$6.20                         | \$36,344,348                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |
| 2033                | \$166,755                              | \$41,350,555                       | 0.4%                            | (\$36,096,575)                      | \$6.20                         | \$39,017,348                        | 237,929                     | \$1,366,653               | 6.5%                 | Projected                       |

<sup>(1)</sup> January 1, 2017 Actuarial Valuation results.

<sup>(2)</sup> Estimated based on the Plan's December 31, 2017 financial statements.

**Additional Information for 2018 Zone Certification**

| 1/1<br>Plan<br>Year | Fair Market<br>Value of Assets<br>at Beginning of<br>Plan Year | Expected<br>Contributions | Expected<br>Withdrawal<br>Liability<br>Payments | Expected<br>Benefit<br>Payments | Expected<br>Expenses | Asset<br>Return | Asset<br>Return<br>% | Fair Market<br>Value of Assets<br>at End of<br>Plan Year |
|---------------------|--|---------------------------|---|---------------------------------|----------------------|-----------------|----------------------|--|
| 2017                | \$25,154,117   | \$1,241,879               | \$0   | \$3,477,326                     | \$151,724            | \$3,280,362     | 13.7%                | \$26,047,308   |
| 2018                | \$26,047,308   | \$1,116,834               | \$0   | \$3,566,555                     | \$153,241            | \$1,609,811     | 6.5%                 | \$25,054,157   |
| 2019                | \$25,054,157   | \$1,160,920               | \$0   | \$3,616,165                     | \$154,774            | \$1,545,030     | 6.5%                 | \$23,989,168   |
| 2020                | \$23,989,168   | \$1,205,006               | \$0   | \$3,698,541                     | \$156,321            | \$1,474,531     | 6.5%                 | \$22,813,843   |
| 2021                | \$22,813,843   | \$1,249,091               | \$0   | \$3,757,521                     | \$157,885            | \$1,397,608     | 6.5%                 | \$21,545,136   |
| 2022                | \$21,545,136   | \$1,293,177               | \$0   | \$3,808,204                     | \$159,463            | \$1,314,881     | 6.5%                 | \$20,185,527   |
| 2023                | \$20,185,527   | \$1,337,262               | \$0   | \$3,850,326                     | \$161,058            | \$1,226,518     | 6.5%                 | \$18,737,923   |
| 2024                | \$18,737,923   | \$1,366,653               | \$0   | \$3,882,979                     | \$162,669            | \$1,132,269     | 6.5%                 | \$17,191,197   |
| 2025                | \$17,191,197   | \$1,366,653               | \$0   | \$3,906,840                     | \$164,295            | \$1,030,915     | 6.5%                 | \$15,517,630   |
| 2026                | \$15,517,630   | \$1,366,653               | \$0   | \$3,961,262                     | \$165,938            | \$920,340       | 6.5%                 | \$13,677,423   |
| 2027                | \$13,677,423   | \$1,366,653               | \$0   | \$3,967,255                     | \$167,598            | \$800,483       | 6.5%                 | \$11,709,706   |
| 2028                | \$11,709,706   | \$1,366,653               | \$0   | \$3,973,173                     | \$169,274            | \$672,338       | 6.5%                 | \$9,606,250  |
| 2029                | \$9,606,250  | \$1,366,653               | \$0   | \$3,920,801                     | \$170,966            | \$537,234       | 6.5%                 | \$7,418,370  |
| 2030                | \$7,418,370  | \$1,366,653               | \$0   | \$3,905,764                     | \$172,676            | \$395,448       | 6.5%                 | \$5,102,031  |
| 2031                | \$5,102,031  | \$1,366,653               | \$0   | \$3,858,829                     | \$174,403            | \$246,333       | 6.5%                 | \$2,681,785  |
| 2032                | \$2,681,785  | \$1,366,653               | \$0   | \$3,796,491                     | \$176,147            | \$90,955        | 6.5%                 | \$166,755  |
| 2033                | \$166,755  | \$1,366,653               | \$0   | \$3,747,112                     | \$177,908            | \$0             | 6.5%                 | Insolvent  |

Administrative expenses are assumed to increase at a rate of 1.00% per year, and contribution base units are assumed to be 237,929 in all future years. All other provisions and assumptions are summarized in the 2017 Actuarial Valuation Report.

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**Composition Roofers Local 42  
Pension Plan**

*Actuarial Valuation Report  
as of January 1, 2019*

**CUNI, RUST & STRENK**  
**ACTUARIAL CONSULTING**

October 2, 2019

Board of Trustees  
Composition Roofers Local 42 Pension Plan

Dear Trustees:

We are pleased to present this Actuarial Valuation Report as of January 1, 2019 on the status of the Composition Roofers Local 42 Pension Plan (“Plan”). Cuni, Rust & Strenk is an independent actuarial consulting firm engaged the Board of Trustees to prepare this Report.

**Reliance on Plan Administrator and Plan Auditor**

In performing this Actuarial Valuation, we have relied on the Plan Administrator’s and Plan Auditor’s representations that the information that they have supplied, namely the participant data and annual Plan audit, is both accurate and complete. If this information is either inaccurate or incomplete, the results of this Actuarial Valuation could materially change.

**Experience**

Page 1 of the Report summarizes the results of this year’s Actuarial Valuation and compares them to last year’s results. During 2018 the Plan experienced an actuarial loss of \$2,038,718, which is the combined result of a liability loss of \$785,179 and a \$1,253,539 loss on the Plan’s Actuarial Value of Assets. The development of the actuarial loss can be found on pages 4 and 5.

**Asset Returns**

Page 2 summarizes the financial position of the Plan’s assets as of December 31, 2018, while page 3 shows the development of the Actuarial Value of Assets used to determine the minimum funding requirements, the Pension Protection Act of 2006 (PPA) funded percentage, and the maximum tax-deductible limit for the year. As of the valuation date the Actuarial Value of Assets was \$24,255,813 while the Market Value of Assets was \$22,362,057.

Relative to last year, the Actuarial Value decreased by \$2,149,217, while the Market Value decreased by \$3,691,588. The difference between the changes in Market and Actuarial Value is attributable to the smoothing method used to calculate the Actuarial Value of Assets. The approximate 2018 annual loss on the Market Value of Assets was 4.7%, which is well below the assumed rate of return of 6.5%.

**Amortization Base Extension**

The Plan has received an automatic 5-year amortization extension of its eligible minimum required contribution charge bases under IRC § 431(d)(1). This Report reflects the 5-year amortization extension on charge bases established before January 1, 2015.

### **Minimum and Maximum Contributions**

Pages 6 through 12 develop the maximum tax deductible and minimum required contributions for the Plan Year ending December 31, 2019. The maximum contribution that can be made for the year and claimed as a deduction by contributing employers is \$87,284,228, while the minimum required contribution is \$4,495,843 after reflecting the Plan's funding deficiency of \$1,261,993 which is developed on page 9.

Based on the current benefit formula and the Rehabilitation Plan's contribution rate schedule, in 2019 the Plan's projected minimum required contribution would exceed that year's anticipated employer contributions. This would result in the Plan continuing to have a funding deficiency in 2019.

### **Suspension of Benefits Under the Multiemployer Pension Reform Act of 2014**

The Board of Trustees has submitted an application to suspend benefits under the Multiemployer Pension Reform Act of 2014 (MPRA). The changes presented in the Trustees' Pension Recovery Program have not been included in the results presented in this Report as the status of the application is still pending.

### **Pension Relief Act of 2010 (PRA 2010)**

The Board of Trustees elected to extend the amortization of the Plan's 2008 asset loss from 15 to 29 years as allowed under PRA 2010.

### **Withdrawal Liability**

Page 13 develops the Present Value of Vested Accrued Benefits at the Current Liability interest rate used to calculate the Plan's Employer Withdrawal Liability. Because the Plan's Vested Accrued Benefit Liability exceeds the Plan's Market Value of Assets, any employer withdrawing from the Plan should be assessed Withdrawal Liability.

### **ASC 960 Audit Values**

Page 14 shows the present value of accumulated Plan benefits as of December 31, 2018, along with the changes in these liabilities when compared with last year. This information is disclosed each year in the Plan's ASC 960 audit. As of December 31, 2018, the present value of accumulated Plan benefits amount to \$55,291,618, while assets available to pay these benefits equal \$22,362,057.

### **Assessment and Disclosure of Risk (ASOP 51)**

The valuation results developed in this Report are dependent on the specific assumptions disclosed herein which are either selected by the actuary or prescribed by the IRS. We make every effort to predict future Plan experience based on our professional judgement, past experience, and insight about future Plan or economic conditions. Deviations in the Report results should be expected and the Plan can face significant risks associated with these deviations. Those risks might include (but not be limited to) asset return, longevity, regulatory, and demographic risk. When we believe additional calculations of the risk impact on the financial condition of the Plan are warranted, we will consult with the Plan Sponsor and recommend additional studies as needed. Page 15 summarizes and measures some of these risks.

### **PPA Funded Status**

The Plan has been certified as being Critical and Declining for the 2019 Plan Year and is operating under a forestall insolvency Rehabilitation Plan. As of January 1, 2019, the Plan was certified to be meeting the annual standards required under its Rehabilitation Plan. This Report confirms the Plan's 2019 PPA certification.

### **Participant Information**

Page 16 shows the changes in the number of participants included in this year's valuation when compared to last year. During 2018 the total number of active participants increased by 2 participants, or 1.1%. Page 17 shows the age and service distribution for active participants, while pages 18 through 21 show the age and benefit distributions of the various classes of inactive participants. Page 22 shows the age and benefit distribution of participants who retired last year and page 23 shows age and benefit distributions of approaching retirements.

### **Market Value Asset History**

Page 24 contains a summary of the Plan's asset history. Included are the contributions, benefit payments, administrative expenses, investment returns, and asset return and cash flow percentages on the Plan's Market Value of Assets since 1992.

### **Plan Provisions and Actuarial Assumptions**

Pages 25 through 27 outline the current Plan Provisions while pages 28 through 31 summarize the Actuarial Assumptions and Methods used for this year's valuation. There were no changes to the Plan Provisions this year.

For the Actuarial Assumptions, the mortality projection scale and ASC 960 discount rate were updated, the hours worked assumption was decreased, and the expense load was increased. These changes were made to better reflect anticipated future Plan experience. Lastly, the Current Liability interest and mortality rates were also updated as mandated by the IRS.

**Auditor Information**

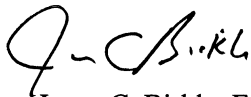
The purpose of this Report is to determine the minimum and maximum deductible employer contribution requirements for the plan year, provide information to be used in the preparation of governmental filings, actuarial certifications, and provide information for the Plan auditor. This Report is prepared for the sole use of the Board of Trustees. Reliance on this Report for other than the above stated purposes may put the relying Entity at risk of being misled because of confusion or failure to properly interpret the results contained herein.

**Actuarial Certification**

We hereby certify that this Report presents fairly the actuarial position of the Composition Roofers Local 42 Pension Plan as of January 1, 2019. The mortality rates used to calculate Current Liability are mandated by the IRS. In our opinion, all other assumptions used to determine the Plan's liabilities and costs are individually reasonable based on Plan experience and represent our best estimate of anticipated future experience under the Plan. This valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meet the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,

CUNI, RUST & STRENK



Jason C. Birkle, EA, MAAA, ASA  
Lead Actuary



M. R. Rust, EA, MAAA, ASA  
President

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## Summary of Valuation Results

---

|   | <u>January 1, 2018</u>  | <u>January 1, 2019</u>  |
|---|-------------------------|-------------------------|
| 1. Number of Participants                               |                         |                         |
| a. Active Participants                                  | 173                     | 175                     |
| b. Vested Terminated Participants                       | 77                      | 74                      |
| c. Retirees and Beneficiaries                           | 235                     | 239                     |
| d. Total: [(a) + (b) + (c)]                             | <u>485</u>              | <u>488</u>              |
| 2. Normal Cost  |                         |                         |
| a. For Benefits   | \$ 366,499              | \$ 373,090              |
| b. For Expenses   | 150,000                 | 400,000                 |
| c. Total: [(a) + (b)]                                   | <u>\$ 516,499</u>       | <u>\$ 773,090</u>       |
| 3. Accrued Liability                                    |                         |                         |
| a. Active Participants                                  | \$ 9,247,989            | \$ 9,142,833            |
| b. Vested Terminated Participants                       | 5,222,449               | 4,727,404               |
| c. Retirees and Beneficiaries                           | 36,005,298              | 37,301,925              |
| d. Total: [(a) + (b) + (c)]                             | <u>\$ 50,475,736</u>    | <u>\$ 51,172,162</u>    |
| 4. Normal Cost / Accrued Liability Interest Rate        | 6.5%                    | 6.5%                    |
| 5. Asset Values   |                         |                         |
| a. Market Value   | \$ 26,053,645           | \$ 22,362,057           |
| b. Actuarial Value                                      | \$ 26,405,030           | \$ 24,255,813           |
| c. Market Value Asset Return                            | 13.7%                   | (4.7%)                  |
| d. Cash Flow Percentage                                 | (9.2%)                  | (11.3%)                 |
| e. Prior Year Contributions                             | \$ 1,132,719            | \$ 1,133,418            |
| 6. Real Amounts   |                         |                         |
| a. Unfunded Liability: [(3)(d) - (5)(a)]                | \$ 24,422,091           | \$ 28,810,105           |
| b. Funded Ratio: [(5)(a) ÷ (3)(d)]                      | 52%                     | 44%                     |
| 7. Hourly Amounts                                       |                         |                         |
| a. Approximate Hours Worked                             | 259,028                 | 244,909                 |
| b. Average Contribution Rate: [(5)(e) ÷ (a)]            | \$4.37                  | \$4.63                  |
| c. Normal Cost: [(2)(c) ÷ (a)]                          | <u>1.99</u>             | <u>3.16</u>             |
| d. Unfunded Liability Payment: [(b) - (c)]              | \$2.38                  | \$1.47                  |
| e. Interest on Unfunded Liability: [(4) × (6)(a) ÷ (a)] | <u>6.13</u>             | <u>7.65</u>             |
| f. Reduction in Unfunded Liability: [(d) - (e)]         | (\$3.75)                | (\$6.18)                |
| 8. PPA Information                                      |                         |                         |
| a. Status   | Critical &<br>Declining | Critical &<br>Declining |
| b. Funded Percentage: [(5)(b) ÷ (3)(d)]                 | 52%                     | 47%                     |
| c. Projected Year of Insolvency                         | 2032                    | 2030                    |

## **Plan Assets: Receipts and Disbursements**

---

Market Value of Assets as of January 1, 2018 \$ 26,053,645

**Receipts:**

|                                 |                 |             |
|---------------------------------|-----------------|-------------|
| Employer Contributions          | \$ 1,133,418    |             |
| Interest and Dividends          | 623,223         |             |
| Net Appreciation/(Depreciation) | (1,767,410)     |             |
| Other Income                    | 12,979          |             |
| Investment Fees                 | <u>(29,339)</u> |             |
| TOTAL RECEIPTS                  |                 | \$ (27,129) |

**Disbursements:**

|                          |              |  |
|--------------------------|--------------|--|
| Benefits Paid            | \$ 3,449,227 |  |
| Administrative Expenses  | 209,508      |  |
| Tax Levies and Penalties | <u>5,724</u> |  |

TOTAL DISBURSEMENTS \$ 3,664,459

Excess of Receipts over Disbursements \$ (3,691,588)

Market Value of Assets as of December 31, 2018 \$ 22,362,057

**NOTES:**

The approximate return for the Plan Year ending December 31, 2018 was (4.7%).

The Plan's negative cashflow was 11.3% of the Plan's Market Value of Assets as of December 31, 2018.

## Plan Assets: Development of Actuarial Value of Assets

---

|   |                |            |                |
|---|----------------|------------|----------------|
| 1. Market Value as of January 1, 2018   |                |            | \$ 26,053,645  |
| 2. Net Additions  |                |            |                |
| a. Employer Contributions   | \$ 1,133,418   |            |                |
| b. Benefit Payments   | (3,449,227)    |            |                |
| c. Administrative Expenses  | (215,232)      |            |                |
| d. Total: [(a) + (b) + (c)]   |                |            | \$ (2,531,041) |
| 3. Expected Investment Income   |                |            |                |
| a. On Market Value  | \$ 1,693,487   |            |                |
| b. On Employer Contributions  | 36,256         |            |                |
| c. On Benefit Payments  | (110,335)      |            |                |
| d. On Expenses  | (6,885)        |            |                |
| e. Total: [(a) + (b) + (c) + (d)]   |                |            | \$ 1,612,523   |
| 4. Expected Market Value as of December 31, 2018  |                |            | \$ 25,135,127  |
| 5. Actual Market Value as of January 1, 2019  |                |            | \$ 22,362,057  |
| 6. Net Gain/(Loss) for the 2018 Plan Year: [(5) - (4)]  |                |            | \$ (2,773,070) |
| 7. Determination of Unrecognized Gain/(Loss):   |                |            |                |
|   | Net            | Adjustment | Unrecognized   |
| Plan Year   | Gain/(Loss)    | Factors    | Gain/(Loss)    |
| 2018  | \$ (2,773,070) | 0.80       | \$ (2,218,456) |
| 2017  | 1,730,384      | 0.60       | 1,038,230      |
| 2016  | (121,871)      | 0.40       | (48,748)       |
| 2015  | (3,323,908)    | 0.20       | (664,782)      |
| 2014  | (1,665,029)    | 0.00       | 0              |
|   | \$ (6,153,494) |            | \$ (1,893,756) |
| 8. Preliminary Actuarial Value of Assets:<br>[Actual Market Value as of December 31, 2018<br>less Unrecognized Gain/(Loss)] |                |            | \$ 24,255,813  |
| 9. Actuarial Value of Assets:<br>[(8), but not less than 80% or greater than 120% of Market Value]                          |                |            | \$ 24,255,813  |
| 10. Recognized Gain/(Loss)  |                |            | \$ (4,259,738) |

**NOTE:** The approximate return on Actuarial Value of Assets is 1.5%.

## **Actuarial Experience: Actuarial (Gain)/Loss**

---

|   |                      |
|---|----------------------|
| 1. Unfunded Accrued Liability as of January 1, 2018   |                      |
| a. Accrued Liability  | \$ 50,475,736        |
| b. Actuarial Value of Assets  | 26,405,030           |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | <u>\$ 24,070,706</u> |
| 2. 2018 Normal Cost   | \$ 516,499           |
| 3. 2018 Contributions   | \$ 1,133,418         |
| 4. Interest at 6.50% to December 31, 2018   | \$ 1,561,912         |
| 5. Expected Unfunded Accrued Liability Prior to Plan, Method and/or Assumption Change: [(1)(c) + (2) - (3) + (4)] | \$ 25,015,699        |
| 6. Increase/(Decrease) in Unfunded Accrued Liability due to Plan, Method and/or Assumption Change                 | \$ (138,068)         |
| 7. Expected Unfunded Accrued Liability as of December 31, 2018: [(5) + (6)]                                       | \$ 24,877,631        |
| 8. Actual Unfunded Accrued Liability as of December 31, 2018  |                      |
| a. Accrued Liability  | \$ 51,172,162        |
| b. Actuarial Value of Assets  | 24,255,813           |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | <u>\$ 26,916,349</u> |
| 9. Actuarial (Gain)/Loss: [(8)(c) - (7)]  | \$ 2,038,718         |

## **Actuarial Experience: Accrued Liability and Assets**

---

|  |                   |
|--|-------------------|
| 1. Accrued Liability Experience  |                   |
| a. Accrued Liability as of January 1, 2018   | \$ 50,475,736     |
| b. 2018 Normal Cost  | 516,499           |
| c. 2018 Benefit Payments and Expenses  | (3,664,459)       |
| d. Interest at 6.50% to December 31, 2018  | <u>3,197,275</u>  |
| e. Expected Accrued Liability as of January 1, 2019: [(a) + (b) + (c) + (d)]                 | \$ 50,525,051     |
| f. Actual Accrued Liability as of January 1, 2019 Prior to Changes                           | <u>51,310,230</u> |
| g. Accrued Liability (Gain)/Loss: [(f) - (e)]  | \$ 785,179        |
| h. (Decrease)/Increase in Accrued Liability due to Plan, Method<br>and/or Assumption Changes | <u>(138,068)</u>  |
| i. Accrued Liability as of January 1, 2019: [(f) + (h)]                                      | \$ 51,172,162     |
| <br>   |                   |
| 2. Actuarial Value of Assets (AVA) Experience  |                   |
| a. Actuarial Value of Assets as of January 1, 2018   | \$ 26,405,030     |
| b. 2018 Benefit Payments and Expenses  | (3,664,459)       |
| c. 2018 Contributions  | 1,133,418         |
| d. Expected Earnings at 6.50% to December 31, 2018   | <u>1,635,363</u>  |
| e. Expected AVA as of January 1, 2019: [(a) + (b) + (c) + (d)]                               | \$ 25,509,352     |
| f. Actual AVA as of January 1, 2019 Prior to Method Change                                   | <u>24,255,813</u> |
| g. Actuarial Value of Assets (Gain)/Loss: [(e) - (f)]  | \$ 1,253,539      |
| h. (Decrease)/Increase in AVA due to Method Change   | <u>0</u>          |
| i. Actuarial Value of Assets after Method Change: [(f) + (h)]                                | \$ 24,255,813     |
| <br>   |                   |
| 3. Total Actuarial (Gain)/Loss: [(1)(g) + (2)(g)]  | \$ 2,038,718      |

## Determination of the Full Funding Limitations

|   | <u>IRC §404<br/>Maximum</u> | <u>IRC §412<br/>Minimum</u> |
|---|-----------------------------|-----------------------------|
| 1. Accrued Liability Basis  |                             |                             |
| a. Estimated End of Year Accrued Liability  | \$ 51,545,512               | \$ 51,545,512               |
| b. Estimated End of Year Assets   | <u>20,039,409</u>           | <u>20,039,409</u>           |
| c. Accrued Liability Basis Full Funding Limit:<br>[(a) - (b), but not less than \$0]        | \$ 31,506,103               | \$ 31,506,103               |
| <br>  |                             |                             |
| 2. Current Liability Basis  |                             |                             |
| a. Estimated End of Year Current Liability  | \$ 78,095,707               | \$ 78,095,707               |
| b. Estimated End of Year Assets   | <u>22,049,762</u>           | <u>22,049,762</u>           |
| c. Current Liability Full Funding Limit:<br>[90% of (2)(a) - (2)(b), but not less than \$0] | \$ 48,236,374               | \$ 48,236,374               |
| <br>  |                             |                             |
| 3. Full Funding Limitation: [Greater of (1) and (2)]  | \$ 48,236,374               | \$ 48,236,374               |

## **Maximum Deductible Contribution: Net Limit Adjustment**

---

| <u>Date</u><br><u>Established</u> | <u>Type</u> | <u>Initial</u><br><u>Balance</u> | <u>1/1/2019</u><br><u>Balance</u> | <u>1/1/2019</u><br><u>Net Limit</u><br><u>Adjustment</u> |
|-----------------------------------|-------------|----------------------------------|-----------------------------------|--|
| 01/01/2019                        | Fresh Start | \$ 26,916,349                    | \$ 26,916,349                     | \$ 3,515,672   |

## **Development of Maximum Deductible Contribution**

---

|   |                   |
|---|-------------------|
| 1. Normal Cost plus 10-Year Amortization  |                   |
| a. 2019 Normal Cost   | \$ 773,090        |
| b. Net Limit Adjustment   | 3,515,672         |
| c. Interest on (a) and (b) to December 31, 2019   | <u>278,770</u>    |
| d. Total as of December 31, 2019: [(a) + (b) + (c)]   | \$ 4,567,532      |
| <br>  |                   |
| 2. Minimum Required Contribution  | \$ 4,495,843      |
| <br>  |                   |
| 3. Full Funding Limitation at December 31, 2019   | \$ 48,236,374     |
| <br>  |                   |
| 4. Contribution Necessary to Fund 140% of Current Liability   |                   |
| a. Estimated End of Year Current Liability  | \$ 78,095,707     |
| b. Estimated End of Year Assets   | <u>22,049,762</u> |
| c. Contribution to Fund 140% of Current Liability: [{140% of (a)} - (b)]  | \$ 87,284,228     |
| <br>  |                   |
| 5. Maximum Deductible Contribution for Fiscal Year 2019:<br>[Greater of {the lesser of (1)(d) and (3)}, (2) and (4)(c)] | \$ 87,284,228     |

## Minimum Required Contribution: Funding Standard Account Balance

### 1. Charges

|   |    |                |
|---|----|----------------|
| a. Funding Deficiency as of December 31, 2017 | \$ | 0              |
| b. Normal Cost as of January 1, 2018          |    | 516,499        |
| c. Amortization Charges                       |    | 3,277,950      |
| d. Interest to December 31, 2018              |    | <u>246,639</u> |
| e. Total Charges                              | \$ | 4,041,088      |

### 2. Credits

|  |    |           |
|--|----|-----------|
| a. Credit Balance as of December 31, 2017        | \$ | 134,091   |
| b. Employer Contributions for the 2018 Plan Year |    | 1,133,418 |
| c. Amortization Credits                          |    | 1,377,102 |
| d. Interest to December 31, 2018                 |    | 134,484   |
| e. Full Funding Credit                           |    | <u>0</u>  |
| f. Total Credits                                 | \$ | 2,779,095 |

|   |    |             |
|---|----|-------------|
| 3. Funding Standard Account Balance as of December 31, 2018 | \$ | (1,261,993) |
|---|----|-------------|

## Minimum Required Contribution: Amortization Schedule

### Charge Bases:

| Date<br>Established | Type       | Initial<br>Balance | Rem.<br>Years | Payment   | 1/1/2019<br>Balance |
|---------------------|------------|--------------------|---------------|-----------|---------------------|
| 01/01/1991          | Amendment  | \$ 406,126         | 7             | \$ 20,957 | \$ 122,411          |
| 01/01/1992          | Amendment  | 166,751            | 8             | 9,036     | 58,594              |
| 01/01/1996          | Amendment  | 127,067            | 12            | 7,762     | 67,441              |
| 01/01/1998          | Amendment  | 1,484,015          | 14            | 93,840    | 900,833             |
| 01/01/1999          | Assumption | 331,735            | 15            | 21,246    | 212,755             |
| 01/01/2000          | Amendment  | 995,239            | 16            | 64,441    | 670,361             |
| 01/01/2001          | Assumption | 939,678            | 17            | 61,417    | 661,329             |
| 01/01/2003          | Amendment  | 273,661            | 19            | 18,159    | 207,596             |
| 01/01/2003          | Experience | 1,090,068          | 4             | 58,797    | 214,520             |
| 01/01/2003          | Shortfall  | 200,394            | 4             | 17,825    | 65,034              |
| 01/01/2004          | Assumption | 851,659            | 20            | 56,856    | 667,182             |
| 01/01/2004          | Experience | 1,090,599          | 5             | 65,781    | 291,131             |
| 01/01/2004          | Shortfall  | 39,055             | 5             | 3,460     | 15,315              |
| 01/01/2005          | Experience | 1,386,896          | 6             | 90,717    | 467,706             |
| 01/01/2005          | Shortfall  | 140,722            | 6             | 12,421    | 64,042              |
| 01/01/2006          | Amendment  | 658,035            | 22            | 44,365    | 545,020             |
| 01/01/2006          | Assumption | 689,381            | 22            | 46,478    | 570,986             |
| 01/01/2006          | Experience | 1,775,273          | 7             | 123,464   | 721,159             |
| 01/01/2006          | Shortfall  | 97,857             | 7             | 8,606     | 50,267              |
| 01/01/2007          | Shortfall  | 41,838             | 3             | 4,315     | 12,172              |
| 01/01/2008          | Assumption | 51,604             | 9             | 3,911     | 27,720              |
| 01/01/2009          | Asset Loss | 7,112,667          | 19            | 525,562   | 6,008,468           |
| 01/01/2009          | Assumption | 54,311             | 10            | 4,245     | 32,500              |
| 01/01/2009          | Experience | 163,628            | 10            | 12,789    | 97,912              |
| 01/01/2010          | Asset Loss | 941,899            | 19            | 70,336    | 804,119             |
| 01/01/2010          | Assumption | 205,476            | 11            | 16,473    | 134,893             |
| 01/01/2011          | Asset Loss | 1,249,922          | 19            | 94,415    | 1,079,390           |
| 01/01/2011          | Assumption | 287,173            | 12            | 23,514    | 204,315             |
| 01/01/2012          | Asset Loss | 2,815,418          | 19            | 215,337   | 2,461,837           |
| 01/01/2012          | Assumption | 541,098            | 13            | 45,098    | 413,042             |
| 01/01/2013          | Assumption | 413,990            | 14            | 35,026    | 336,235             |
| 01/01/2014          | Assumption | 197,063            | 15            | 16,887    | 169,099             |
| 01/01/2014          | Experience | 598,913            | 15            | 51,322    | 513,927             |
| 01/01/2015          | Assumption | 81,628             | 11            | 8,178     | 66,964              |
| 01/01/2015          | Experience | 1,809,190          | 11            | 181,247   | 1,484,197           |
| 01/01/2016          | Assumption | 4,737,827          | 12            | 473,128   | 4,111,026           |
| 01/01/2016          | Experience | 2,319,857          | 12            | 231,665   | 2,012,947           |

## Minimum Required Contribution: Amortization Schedule

### Charge Bases:

| Date               |             | Initial        | Rem.         |                | 1/1/2019       |
|--------------------|-------------|----------------|--------------|----------------|----------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u> |
| 01/01/2017         | Assumption  | 857,392        | 13           | \$ 85,621      | \$ 784,175     |
| 01/01/2017         | Experience  | 1,827,683      | 13           | 182,516        | 1,671,611      |
| 01/01/2018         | Assumption  | 316,565        | 14           | 31,613         | 303,475        |
| 01/01/2018         | Experience  | 1,393,170      | 14           | 139,124        | 1,335,560      |
| 01/01/2019         | Experience  | 2,038,718      | 15           | 203,590        | 2,038,718      |
| Total Charges      |             |                |              | \$ 3,481,540   | \$ 32,677,984  |

### Credit Bases:

| Date                                       |             | Initial        | Rem.         |                | 1/1/2019       |
|--|-------------|----------------|--------------|----------------|----------------|
| <u>Established</u>                         | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u> |
| 01/01/1994                                 | Amendment   | \$ 333,531     | 5            | \$ 25,409      | \$ 112,457     |
| 01/01/1998                                 | Assumption  | 1,588,460      | 9            | 119,734        | 848,765        |
| 01/01/2000                                 | Shortfall   | 33,435         | 1            | 3,010          | 3,010          |
| 01/01/2001                                 | Shortfall   | 7,520          | 2            | 674            | 1,309          |
| 01/01/2002                                 | Shortfall   | 31,498         | 3            | 2,814          | 7,934          |
| 01/01/2007                                 | Assumption  | 152,840        | 18           | 11,213         | 124,584        |
| 01/01/2007                                 | Experience  | 115,622        | 3            | 11,925         | 33,634         |
| 01/01/2008                                 | Experience  | 378,821        | 4            | 38,916         | 141,983        |
| 01/01/2009                                 | Amendment   | 2,897,061      | 5            | 296,455        | 1,312,051      |
| 01/01/2010                                 | Amendment   | 147,383        | 6            | 15,025         | 77,461         |
| 01/01/2010                                 | Experience  | 4,934,797      | 6            | 503,067        | 2,593,650      |
| 01/01/2011                                 | Amendment   | 172,544        | 7            | 17,525         | 102,366        |
| 01/01/2011                                 | Experience  | 1,067,809      | 7            | 108,455        | 633,486        |
| 01/01/2012                                 | Experience  | 140,157        | 8            | 14,185         | 91,980         |
| 01/01/2013                                 | Experience  | 1,120,256      | 9            | 112,980        | 800,890        |
| 01/01/2019                                 | Assumption  | 138,068        | 15           | 13,788         | 138,068        |
| Total Credits                              |             |                |              | \$ 1,295,175   | \$ 7,023,628   |
| 1. Net Amortization                        |             |                |              |                | \$ 25,654,356  |
| 2. Credit Balance                          |             |                |              |                | \$ (1,261,993) |
| 3. Balance Test: [(1) - (2)]               |             |                |              |                | \$ 26,916,349  |
| 4. Unfunded Accrued Liability:             |             |                |              |                |                |
| a. Accrued Liability                       |             |                |              |                | \$ 51,172,162  |
| b. Actuarial Value of Assets               |             |                |              |                | 24,255,813     |
| c. Unfunded Accrued Liability: [(a) - (b)] |             |                |              |                | \$ 26,916,349  |

## Development of Minimum Required Contribution

---

### 1. Charges

|   |    |                |           |
|---|----|----------------|-----------|
| a. Funding Deficiency as of December 31, 2018 | \$ | 1,261,993      |           |
| b. Normal Cost for the 2019 Plan Year         |    | 773,090        |           |
| c. Amortization Charges                       |    | 3,481,540      |           |
| d. Interest to December 31, 2019              |    | <u>358,581</u> |           |
| e. Total Charges as of December 31, 2019:     |    |                |           |
| [(a) + (b) + (c) + (d)]                       | \$ |                | 5,875,204 |

### 2. Credits

|   |    |           |           |
|---|----|-----------|-----------|
| a. Credit Balance as of December 31, 2018 | \$ | 0         |           |
| b. Amortization Credits                   |    | 1,295,175 |           |
| c. Interest to December 31, 2019          |    | 84,186    |           |
| d. Full Funding Credit                    |    | <u>0</u>  |           |
| e. Total Credits as of December 31, 2019: |    |           |           |
| [(a) + (b) + (c) + (d)]                   | \$ |           | 1,379,361 |

### 3. Preliminary Minimum Required Contribution:

|  |    |  |           |
|--|----|--|-----------|
| [(1)(e) - (2)(e), but not less than \$0] | \$ |  | 4,495,843 |
|--|----|--|-----------|

### 4. Full Funding Limitation

|   |    |            |            |
|---|----|------------|------------|
| a. Based on 100% of Accrued Liability               | \$ | 31,506,103 |            |
| b. Based on 90% of RPA '94 Current Liability        | \$ | 48,236,374 |            |
| c. Full Funding Limitation: [Larger of (a) and (b)] | \$ |            | 48,236,374 |

### 5. Minimum Required Contribution payable December 31, 2019:

|                             |    |  |           |
|-----------------------------|----|--|-----------|
| [Minimum of (3) and (4)(c)] | \$ |  | 4,495,843 |
|-----------------------------|----|--|-----------|

## Unfunded Vested Accrued Benefits at the Current Liability Interest Rate

|   |                   |               |
|---|-------------------|---------------|
| 1. Value of Vested Accrued Benefits                                       |                   |               |
| a. For Active Participants  | \$ 14,726,654     |               |
| b. For Vested Terminated Participants                                     | 8,780,144         |               |
| c. For Retirees and Beneficiaries   | <u>51,469,107</u> |               |
| d. Total: [(a) + (b) + (c)]   |                   | \$ 74,975,905 |
| <br>  |                   |               |
| 2. Market Value of Assets   |                   | \$ 22,362,057 |
| <br>  |                   |               |
| 3. Value of Unfunded/(Overfunded) Vested Accrued Benefits: [(1)(d) - (2)] |                   | \$ 52,613,848 |

## **Present Value of Accumulated Plan Benefits (ASC 960)**

|   | <u>December 31, 2017</u> | <u>December 31, 2018</u> |
|---|--------------------------|--------------------------|
| 1. Present Value of Accumulated Vested Benefits |                          |                          |
| a. Active Participants                          | \$ 9,036,983             | \$ 9,336,761             |
| b. Vested Terminated Participants               | 5,660,088                | 5,339,682                |
| c. Retirees and Beneficiaries                   | <u>37,541,689</u>        | <u>39,750,361</u>        |
| d. Total: [(a) + (b) + (c)]                     | \$ 52,238,760            | \$ 54,426,804            |
| 2. Accumulated Non-Vested Benefits              | \$ 926,726               | \$ 864,814               |
| 3. Total Accumulated Benefits: [(1)(d) + (2)]   | \$ 53,165,486            | \$ 55,291,618            |
| 4. Net Assets Available for Benefits            | \$ 26,053,645            | \$ 22,362,057            |
| 5. Discount Rate                                | 6.00%                    | 5.75%                    |

### **Changes in the Value of Accumulated Plan Benefits for the Plan Year Ending December 31, 2018**

|   |                  |               |
|---|------------------|---------------|
| 1. Value of Accumulated Plan Benefits as of December 31, 2017:                |                  | \$ 53,165,486 |
| 2. Increase/(Decrease) in Value due to:                                       |                  |               |
| a. Decrease in Discount Period  | \$ 3,087,960     |               |
| b. Plan Amendment   | 0                |               |
| c. Assumption Change  | 1,285,130        |               |
| d. Benefits Paid  | (3,449,227)      |               |
| e. Plan Experience and Benefit Accrual  | <u>1,202,269</u> |               |
| f. Total Net Increase/(Decrease):<br>[(a) + (b) + (c) + (d) + (e)]            |                  | \$ 2,126,132  |
| 3. Value of Accumulated Plan Benefits as of December 31, 2018: [(1) + (2)(f)] |                  | \$ 55,291,618 |

## Assessment and Disclosure of Risk (ASOP 51)

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Actuarial Standard of Practice No. 51 requires an assessment and disclosure of the risk that the results of future actuarial valuations may differ significantly from the results of the current actuarial valuation. Future differences may be caused by asset returns that are lower than expected (Investment Risk), participants living longer than expected (Longevity Risk), a decline in future hours worked or a concentration of hours with a small number of employers (Contribution Risk), and asset declines that are not matched by declines in liabilities (Asset/Liability Mismatch Risk).

|  | <u>January 1, 2018</u> | <u>January 1, 2019</u> |
|--|------------------------|------------------------|
| 1. Plan Maturity Measures                      |                        |                        |
| a. Duration                                    | 10.3                   | 10.1                   |
| b. Ratio of Retirees to Actives                | 1.4                    | 1.4                    |
| c. Retiree Liability as a % of Total Liability | 71.3%                  | 72.9%                  |
| d. Cash Flow Percentage                        | (9.2%)                 | (11.3%)                |

Duration measures approximately how much liabilities change with a 1.00% change in the interest rate used to calculate those liabilities. Duration can also be used as the number of years to amortize unfunded liabilities.

|   | <u>January 1, 2018</u> | <u>January 1, 2019</u> |
|---|------------------------|------------------------|
| 2. Actuarial Valuation Results                        |                        |                        |
| a. Real Funded Ratio                                  | 52%                    | 44%                    |
| b. Unfunded Liability                                 | \$24,422,091           | \$28,810,105           |
| c. Hours Worked                                       | 259,028                | 244,909                |
| d. Market Value Asset Return                          | 13.7%                  | (4.7%)                 |
| e. Average Hourly Contribution Rate                   | \$4.37                 | \$4.63                 |
| 3. 100% Funded Average Hourly Contribution Rates      |                        |                        |
| a. Valuation Assumptions                              | \$14.09                | \$18.42                |
| b. Interest Rate Reduced to 5.50% (Investment Risk)   | \$16.58                | \$20.99                |
| c. 10% Mortality Improvement (Longevity Risk)         | \$14.65                | \$19.03                |
| d. Decline in Future Hours Worked (Contribution Risk) | \$15.87                | \$19.62                |

The 100% funded average hourly contribution rates are the amounts needed for the Plan to be 100% funded by the end of the Plan's duration period. The hours decline assumes future hours worked of 230,000 per year.

|   | <u>January 1, 2018</u> | <u>January 1, 2019</u> |
|---|------------------------|------------------------|
| 4. Top Employer Concentration (Contribution Risk) |                        |                        |
| a. Top Five                                       | 96.9%                  | 97.4%                  |
| b. Top Ten  | 100.0%                 | 100.0%                 |

Top employer contributions as a percentage of the Plan's total contributions. Contributions are net of reciprocity.

## Plan Participant Summary

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|                            | <u>Actives</u> | <u>Vested<br/>Terms</u> | <u>Service<br/>Retirees</u> | <u>Disability<br/>Retirees</u> | <u>Beneficiaries</u> | <u>Total</u> |
|----------------------------|----------------|-------------------------|-----------------------------|--------------------------------|----------------------|--------------|
| As of January 1, 2018      | 173            | 77                      | 137                         | 39                             | 59                   | 485          |
| Deaths during the Year     |                |                         |                             |                                |                      |              |
| a. with Beneficiary        | 0              | 0                       | (4)                         | (1)                            | 5                    | 0            |
| b. without Beneficiary     | 0              | 0                       | (4)                         | (2)                            | (1)                  | (7)          |
| Retired during the Year    | (4)            | (7)                     | 9                           | 2                              | 0                    | 0            |
| Term Certain Expired       | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| QDRO Filed during the Year | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| Became Inactive            |                |                         |                             |                                |                      |              |
| a. with Vesting            | (7)            | 7                       | 0                           | 0                              | 0                    | 0            |
| b. without Vesting         | (13)           | 0                       | 0                           | 0                              | 0                    | (13)         |
| Returned to Work           | 7              | (3)                     | 0                           | 0                              | 0                    | 4            |
| New Entrants               | 19             | 0                       | 0                           | 0                              | 0                    | 19           |
| Lump Sum Distributions     | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| Data Corrections           | <u>0</u>       | <u>0</u>                | <u>0</u>                    | <u>0</u>                       | <u>0</u>             | <u>0</u>     |
| As of January 1, 2019      | 175            | 74                      | 138                         | 38                             | 63                   | 488          |

|                             |           |          |          |          |          |           |
|-----------------------------|-----------|----------|----------|----------|----------|-----------|
| Fully Vested Participants   | 109       | 74       | 138      | 38       | 63       | 422       |
| Not Vested Participants     | <u>66</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>66</u> |
| Total as of January 1, 2019 | 175       | 74       | 138      | 38       | 63       | 488       |

## Active Participants as of January 1, 2019

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### Total Years of Service

| Age Group    | < 1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35 + | Total |
|--------------|-----|-----|-----|-------|-------|-------|-------|-------|------|-------|
| < 19         | 0   | 1   | 0   | 0     | 0     | 0     | 0     | 0     | 0    | 1     |
| 20-24        | 0   | 4   | 0   | 0     | 0     | 0     | 0     | 0     | 0    | 4     |
| 25-29        | 0   | 16  | 6   | 0     | 0     | 0     | 0     | 0     | 0    | 22    |
| 30-34        | 0   | 18  | 6   | 7     | 0     | 0     | 0     | 0     | 0    | 31    |
| 35-39        | 0   | 8   | 5   | 1     | 3     | 0     | 0     | 0     | 0    | 17    |
| 40-44        | 0   | 10  | 6   | 9     | 1     | 1     | 0     | 0     | 0    | 27    |
| 45-49        | 0   | 6   | 3   | 5     | 7     | 4     | 0     | 0     | 0    | 25    |
| 50-54        | 0   | 2   | 3   | 4     | 7     | 7     | 3     | 0     | 0    | 26    |
| 55-59        | 0   | 0   | 1   | 1     | 2     | 4     | 0     | 1     | 4    | 13    |
| 60-64        | 0   | 1   | 1   | 0     | 2     | 3     | 1     | 0     | 1    | 9     |
| 65-69        | 0   | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0    | 0     |
| 70 +         | 0   | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0    | 0     |
| <b>Total</b> | 0   | 66  | 31  | 27    | 22    | 19    | 4     | 1     | 5    | 175   |

|                            |                              |
|----------------------------|------------------------------|
| Average Age:               | 42.2 Years (Last Year: 42.2) |
| Average Expected Lifetime: | 83.5 Years (Last Year: 83.6) |
| Average Service:           | 10.7 Years (Last Year: 10.9) |

There are 11 participants for whom no dates of birth were provided. We have assumed all to be age 30 upon entrance into the Plan.

## Terminated Vested Participants as of January 1, 2019

---

| Age Group | Number of Lives | Monthly Benefit |            |
|-----------|-----------------|-----------------|------------|
|           |                 | Total           | Average    |
| < 20      | 0               | \$ 0            | \$ 0       |
| 20-24     | 0               | 0               | 0          |
| 25-29     | 0               | 0               | 0          |
| 30-34     | 2               | 1,253           | 627        |
| 35-39     | 9               | 4,615           | 513        |
| 40-44     | 12              | 7,021           | 585        |
| 45-49     | 11              | 7,419           | 674        |
| 50-54     | 16              | 9,118           | 570        |
| 55-59     | 15              | 11,243          | 750        |
| 60-64     | 8               | 4,000           | 500        |
| 65-69     | 0               | 0               | 0          |
| 70 +      | <u>1</u>        | <u>392</u>      | <u>392</u> |
| Total     | 74              | \$ 45,061       | \$ 609     |

|                            |      |
|----------------------------|------|
| Average Age:               | 50.0 |
| Average Expected Lifetime: | 83.1 |

## Retired Participants as of January 1, 2019

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| Age Group | Life Annuities  |                 |          | Joint & Survivor Annuities |                 |          |
|-----------|-----------------|-----------------|----------|----------------------------|-----------------|----------|
|           | Number of Lives | Monthly Benefit |          | Number of Lives            | Monthly Benefit |          |
|           |                 | Total           | Average  |                            | Total           | Average  |
| < 50      | 0               | \$ 0            | \$ 0     | 0                          | \$ 0            | \$ 0     |
| 50-54     | 0               | 0               | 0        | 0                          | 0               | 0        |
| 55-59     | 11              | 18,448          | 1,677    | 9                          | 13,705          | 1,523    |
| 60-64     | 17              | 21,869          | 1,286    | 22                         | 27,315          | 1,242    |
| 65-69     | 15              | 24,944          | 1,663    | 22                         | 31,303          | 1,423    |
| 70-74     | 7               | 10,743          | 1,535    | 13                         | 31,061          | 2,389    |
| 75-79     | 6               | 3,523           | 587      | 6                          | 8,445           | 1,408    |
| 80-84     | 2               | 874             | 437      | 6                          | 10,905          | 1,818    |
| 85-89     | 0               | 0               | 0        | 0                          | 0               | 0        |
| 90 +      | 2               | 901             | 451      | 0                          | 0               | 0        |
| Total     | 60              | \$ 81,302       | \$ 1,355 | 78                         | \$ 122,734      | \$ 1,574 |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 67.4 | Average Age:                     | 67.6 |
| Average Expected Lifetime: | 85.1 | Average Expected Joint Lifetime: | 93.3 |

## Disabled Participants as of January 1, 2019

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| Age Group    | Life Annuities  |                  |               | Joint & Survivor Annuities |                  |                 |
|--------------|-----------------|------------------|---------------|----------------------------|------------------|-----------------|
|              | Number of Lives | Monthly Benefit  |               | Number of Lives            | Monthly Benefit  |                 |
|              |                 | Total            | Average       |                            | Total            | Average         |
| < 50         | 1               | \$ 905           | \$ 905        | 1                          | \$ 211           | \$ 211          |
| 50-54        | 1               | 846              | 846           | 2                          | 1,497            | 749             |
| 55-59        | 1               | 1,003            | 1,003         | 2                          | 3,279            | 1,640           |
| 60-64        | 3               | 4,996            | 1,665         | 7                          | 7,432            | 1,062           |
| 65-69        | 1               | 751              | 751           | 6                          | 8,850            | 1,475           |
| 70-74        | 3               | 1,647            | 549           | 5                          | 3,552            | 710             |
| 75-79        | 0               | 0                | 0             | 2                          | 1,403            | 702             |
| 80-84        | 3               | 1,138            | 379           | 0                          | 0                | 0               |
| 85-89        | 0               | 0                | 0             | 0                          | 0                | 0               |
| 90 +         | 0               | 0                | 0             | 0                          | 0                | 0               |
| <b>Total</b> | <b>13</b>       | <b>\$ 11,286</b> | <b>\$ 868</b> | <b>25</b>                  | <b>\$ 26,224</b> | <b>\$ 1,049</b> |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 67.2 | Average Age:                     | 65.6 |
| Average Expected Lifetime: | 81.3 | Average Expected Joint Lifetime: | 88.9 |

**Beneficiary and Alternate Payee Participants as of January 1, 2019**

| <u>Age Group</u> | <u>Number of Lives</u> | <u>Monthly Benefit</u> |                |
|------------------|------------------------|------------------------|----------------|
|                  |                        | <u>Total</u>           | <u>Average</u> |
| < 50             | 1                      | \$ 200                 | \$ 200         |
| 50-54            | 1                      | 971                    | 971            |
| 55-59            | 5                      | 2,739                  | 548            |
| 60-64            | 10                     | 6,650                  | 665            |
| 65-69            | 9                      | 7,296                  | 811            |
| 70-74            | 11                     | 10,742                 | 977            |
| 75-79            | 18                     | 13,395                 | 744            |
| 80-84            | 7                      | 5,886                  | 841            |
| 85-89            | 0                      | 0                      | 0              |
| 90 +             | <u>1</u>               | <u>124</u>             | <u>124</u>     |
| Total            | 63                     | \$ 48,003              | \$ 762         |

|                            |      |
|----------------------------|------|
| Average Age:               | 71.0 |
| Average Expected Lifetime: | 88.1 |

## Age Distribution of 2018 Plan Year Benefit Commencements

| Retirement<br><u>Age</u> | Number<br><u>of Lives</u> | <u>Monthly Benefit</u> |                 |
|--------------------------|---------------------------|------------------------|-----------------|
|                          |                           | <u>Total</u>           | <u>Average</u>  |
| < 50                     | 2                         | \$ 1,116               | \$ 558          |
| 50                       | 0                         | 0                      | 0               |
| 51                       | 0                         | 0                      | 0               |
| 52                       | 0                         | 0                      | 0               |
| 53                       | 0                         | 0                      | 0               |
| 54                       | 0                         | 0                      | 0               |
| 55                       | 0                         | 0                      | 0               |
| 56                       | 0                         | 0                      | 0               |
| 57                       | 0                         | 0                      | 0               |
| 58                       | 6                         | 7,801                  | 1,300           |
| 59                       | 2                         | 3,539                  | 1,770           |
| 60                       | 1                         | 485                    | 485             |
| 61                       | 0                         | 0                      | 0               |
| 62                       | 0                         | 0                      | 0               |
| 63                       | 0                         | 0                      | 0               |
| 64                       | 0                         | 0                      | 0               |
| 65                       | 0                         | 0                      | 0               |
| 66                       | 0                         | 0                      | 0               |
| 67                       | 0                         | 0                      | 0               |
| 68                       | 0                         | 0                      | 0               |
| 69                       | 0                         | 0                      | 0               |
| 70 +                     | 0                         | 0                      | 0               |
| <b>Total</b>             | <b>11</b>                 | <b>\$ 12,941</b>       | <b>\$ 1,176</b> |

|                            |      |
|----------------------------|------|
| Average Age:               | 56.6 |
| Average Expected Lifetime: | 83.5 |

## Age Distribution of Approaching Retirements as of January 1, 2019

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| Age          | Active Participants |                  |                 | Vested Terms |                  |               | Total Participants |                  |               |
|--------------|---------------------|------------------|-----------------|--------------|------------------|---------------|--------------------|------------------|---------------|
|              | No.                 | Monthly Benefit  |                 | No.          | Monthly Benefit  |               | No.                | Monthly Benefit  |               |
|              |                     | Total            | Average         |              | Total            | Average       |                    | Total            | Average       |
| 50           | 3                   | \$ 2,940         | \$ 980          | 4            | \$ 2,338         | \$ 585        | 7                  | \$ 5,278         | \$ 754        |
| 51           | 3                   | 1,692            | 564             | 5            | 2,467            | 493           | 8                  | 4,159            | 520           |
| 52           | 5                   | 4,752            | 950             | 2            | 1,361            | 681           | 7                  | 6,113            | 873           |
| 53           | 6                   | 6,372            | 1,062           | 4            | 2,787            | 697           | 10                 | 9,159            | 916           |
| 54           | 9                   | 12,284           | 1,365           | 1            | 165              | 165           | 10                 | 12,449           | 1,245         |
| 55           | 3                   | 2,736            | 912             | 4            | 2,927            | 732           | 7                  | 5,663            | 809           |
| 56           | 4                   | 8,414            | 2,104           | 5            | 3,596            | 719           | 9                  | 12,010           | 1,334         |
| 57           | 0                   | 0                | 0               | 5            | 3,942            | 788           | 5                  | 3,942            | 788           |
| 58           | 5                   | 8,430            | 1,686           | 0            | 0                | 0             | 5                  | 8,430            | 1,686         |
| 59           | 1                   | 2,557            | 2,557           | 1            | 779              | 779           | 2                  | 3,336            | 1,668         |
| 60           | 3                   | 2,947            | 982             | 0            | 0                | 0             | 3                  | 2,947            | 982           |
| 61           | 2                   | 2,034            | 1,017           | 2            | 1,002            | 501           | 4                  | 3,036            | 759           |
| 62           | 2                   | 1,940            | 970             | 4            | 2,223            | 556           | 6                  | 4,163            | 694           |
| 63           | 0                   | 0                | 0               | 1            | 398              | 398           | 1                  | 398              | 398           |
| 64           | 2                   | 4,486            | 2,243           | 1            | 378              | 378           | 3                  | 4,864            | 1,621         |
| 65           | 0                   | 0                | 0               | 0            | 0                | 0             | 0                  | 0                | 0             |
| 66           | 0                   | 0                | 0               | 0            | 0                | 0             | 0                  | 0                | 0             |
| 67           | 0                   | 0                | 0               | 0            | 0                | 0             | 0                  | 0                | 0             |
| 68           | 0                   | 0                | 0               | 0            | 0                | 0             | 0                  | 0                | 0             |
| 69           | 0                   | 0                | 0               | 0            | 0                | 0             | 0                  | 0                | 0             |
| 70 +         | 0                   | 0                | 0               | 1            | 392              | 392           | 1                  | 392              | 392           |
| <b>Total</b> | <b>48</b>           | <b>\$ 61,584</b> | <b>\$ 1,283</b> | <b>40</b>    | <b>\$ 24,755</b> | <b>\$ 619</b> | <b>88</b>          | <b>\$ 86,339</b> | <b>\$ 981</b> |

## Market Value Asset History (1992-2018)

| Plan<br>Year<br>Ending<br>12/31 | Plan Year<br>Contribution | Plan Year<br>Benefits Paid | Plan Year<br>Admin.<br>Expenses | Plan Year<br>Investment<br>Return | Market Value<br>of Assets<br>at Year End | Asset<br>Return<br>% | Cash<br>Flow<br>% |
|---------------------------------|---------------------------|----------------------------|---------------------------------|-----------------------------------|--|----------------------|-------------------|
| 1992                            | 582,066                   | 507,003                    | 31,300                          | 754,504                           | 13,395,027                               | 6.0%                 | 0.3%              |
| 1993                            | 527,500                   | 473,888                    | 27,678                          | 793,615                           | 14,214,576                               | 5.9%                 | 0.2%              |
| 1994                            | 659,661                   | 537,830                    | 32,976                          | (74,013)                          | 14,229,418                               | (0.5%)               | 0.6%              |
| 1995                            | 684,256                   | 600,008                    | 37,725                          | 1,758,170                         | 16,034,111                               | 12.3%                | 0.3%              |
| 1996                            | 728,349                   | 720,912                    | 38,364                          | 1,434,500                         | 17,437,684                               | 9.0%                 | (0.2%)            |
| 1997                            | 860,023                   | 696,861                    | 36,096                          | 3,943,669                         | 21,508,419                               | 22.5%                | 0.6%              |
| 1998                            | 782,298                   | 972,966                    | 38,410                          | 2,957,278                         | 24,236,619                               | 13.8%                | (0.9%)            |
| 1999                            | 923,898                   | 931,531                    | 40,175                          | 2,033,981                         | 26,222,792                               | 8.4%                 | (0.2%)            |
| 2000                            | 882,106                   | 1,095,407                  | 41,554                          | 891,510                           | 26,859,447                               | 3.4%                 | (0.9%)            |
| 2001                            | 926,509                   | 1,192,493                  | 45,280                          | (1,066,205)                       | 25,481,978                               | (4.0%)               | (1.2%)            |
| 2002                            | 892,092                   | 1,117,709                  | 64,047                          | (2,502,113)                       | 22,690,201                               | (9.9%)               | (1.3%)            |
| 2003                            | 949,127                   | 1,198,778                  | 55,772                          | 4,057,413                         | 26,442,191                               | 18.0%                | (1.2%)            |
| 2004                            | 975,058                   | 1,253,452                  | 57,271                          | 2,204,195                         | 28,310,721                               | 8.4%                 | (1.2%)            |
| 2005                            | 1,030,937                 | 1,493,946                  | 58,275                          | 1,342,239                         | 29,131,676                               | 4.8%                 | (1.8%)            |
| 2006                            | 997,910                   | 1,505,304                  | 63,530                          | 3,889,863                         | 32,450,615                               | 13.5%                | (1.8%)            |
| 2007                            | 1,053,854                 | 1,577,892                  | 73,015                          | 2,064,277                         | 33,917,839                               | 6.4%                 | (1.8%)            |
| 2008                            | 957,021                   | 1,782,018                  | 94,267                          | (9,609,919)                       | 23,388,656                               | (28.7%)              | (3.9%)            |
| 2009                            | 796,509                   | 1,969,252                  | 83,088                          | 6,120,957                         | 28,253,782                               | 26.9%                | (4.4%)            |
| 2010                            | 779,323                   | 2,373,921                  | 115,776                         | 3,298,416                         | 29,841,824                               | 12.0%                | (5.7%)            |
| 2011                            | 739,693                   | 2,579,282                  | 79,892                          | (726,699)                         | 27,195,644                               | (2.5%)               | (7.1%)            |
| 2012                            | 1,027,673                 | 2,692,857                  | 99,399                          | 4,062,411                         | 29,493,472                               | 15.4%                | (6.0%)            |
| 2013                            | 858,064                   | 2,838,970                  | 98,171                          | 3,670,065                         | 31,084,460                               | 12.9%                | (6.7%)            |
| 2014                            | 895,300                   | 2,993,731                  | 107,430                         | 585,082                           | 29,463,681                               | 2.0%                 | (7.5%)            |
| 2015                            | 965,222                   | 3,177,270                  | 94,679                          | (1,199,071)                       | 25,957,883                               | (4.2%)               | (8.9%)            |
| 2016                            | 1,060,950                 | 3,231,106                  | 125,564                         | 1,491,954                         | 25,154,117                               | 6.0%                 | (9.1%)            |
| 2017                            | 1,132,719                 | 3,372,256                  | 149,903                         | 3,288,968                         | 26,053,645                               | 13.7%                | (9.2%)            |
| 2018                            | 1,133,418                 | 3,449,227                  | 215,232                         | (1,160,547)                       | 22,362,057                               | (4.7%)               | (11.3%)           |
| <b>Totals</b>                   | <b>\$ 23,801,536</b>      | <b>\$ 46,335,870</b>       | <b>\$2,004,869</b>              | <b>\$34,304,500</b>               |  | <b>5.6%</b>          |                   |

## Summary of Plan Provisions

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1. Effective Date: June 1, 1964.
  
2. Plan Year: January 1<sup>st</sup> through December 31<sup>st</sup>.
  
3. Covered Employees: All employees covered by the Local 42 Collective Bargaining Agreement.
  
4. Eligibility: 1<sup>st</sup> of the month coincident with or following the completion of 1,000 Hours of Service.
  
5. Year of Service: 1 Year of Service for each Plan Year during which at least 1,000 Hours of Service are worked. If the participant works less than 1,000 hours,  $\frac{1}{10}$  of a Year of Service is earned for each 100 Hours of Service worked.
  
6. Actuarial Equivalency: UP 1984 Mortality Table at 7.00%.
  
7. Payment Forms:
  - a. Normal Single Life Annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor Annuity (QJSA) for married participants.
  
  - b. Optional Actuarially Equivalent  $66\frac{2}{3}\%$ , 75% or 100% Joint & Survivor (with or without Pop-Up) Annuity (QOSA).

## Summary of Plan Provisions

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### 8. Normal Retirement:

- a. Eligibility Age 58 or the 5<sup>th</sup> anniversary of Plan participation.
- b. Monthly Benefit Based on a percentage of Employer contributions made on behalf of the participant in accordance with the following table:

| <u>Effective Date</u> | <u>Percentage</u>   |
|-----------------------|---------------------|
| 6/1/1964              | 5.220%              |
| 6/1/1965              | 2.616%              |
| 6/1/1966              | 1.740%              |
| 6/1/1972              | 2.040%              |
| 6/1/1974              | 2.040% <sup>1</sup> |
| 1/1/1980              | 2.880% <sup>1</sup> |
| 1/1/1984              | 2.450%              |
| 1/1/1994              | 2.100%              |
| 1/1/2009              | 1.000% <sup>2</sup> |

<sup>1</sup> Accrual is based on the specified percentage of contribution in excess of \$0.15 per hour.

<sup>2</sup> Accrual is based on contributions up to \$3.00 per hour effective 1/1/2009 and \$2.10 per hour effective 1/1/2010.

### 9. Early Retirement:

- a. Eligibility Age 55 and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement with monthly benefit reduced  $\frac{5}{9}$  of 1% for each month that Early Retirement precedes age 58.

## Summary of Plan Provisions

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10. Vested Retirement:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement reduced actuarially for early commencement.

11. Disability Benefit:

- a. Eligibility Total and Permanent Disability and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement with monthly benefit reduced  $\frac{5}{9}$  of 1% for each month that Disability Retirement precedes age 58, with a maximum reduction of 20%.

12. Pre-Retirement Death:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Surviving Spouses receive the survivor's annuity calculated as for an age 55 Early Retirement reflecting a 50% Joint & Survivor Annuity payment form with death immediately after Early Retirement.

13. Employer Contributions:

| <u>Effective Date</u> | <u>Hourly Rate</u> |
|-----------------------|--------------------|
| 8/1/2014              | \$4.40             |
| 8/1/2015              | \$4.60             |
| 8/1/2016              | \$4.80             |
| 8/1/2017              | \$5.00             |
| 8/1/2018              | \$5.20             |
| 8/1/2019              | \$5.40             |

14. Changes Since Last Year: None.

## Actuarial Assumptions and Methods

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1. Interest Rates:

- a. Funding 6.50%.
- b. Current Liability 3.06%.
- c. ASC 960 5.75% (reflects administration expenses).

2. Mortality Rates:

- a. Funding
  - i. Non-Disabled RP-2014 with Blue Collar adjustment.
  - ii. Disabled RP-2014 Disabled Retiree.
  - iii. Base Year Adjustment 2006 using Scale MP-2014.
  - iv. Future Projections Projected generationally using Scale MP-2018.
- b. Current Liability 2019 Static Mortality Table (IRS Notice 2018-02).

3. Actuarial Cost Method: Unit Credit.

4. Retirement Rates:

|            | <u>Actives</u> | <u>Terminated<br/>Vesteds</u> |
|------------|----------------|-------------------------------|
| <u>Age</u> |                |                               |
| 55-56      | 0.10           | 0.10                          |
| 57         | 0.20           | 0.20                          |
| 58         | 0.30           | 0.50                          |
| 59-60      | 0.20           | 0.10                          |
| 61         | 0.40           | 0.10                          |
| 62         | 1.00           | 0.10                          |
| 63-65      | 1.00           | 0.50                          |
| 66-69      | 1.00           | 0.20                          |
| 70         | 1.00           | 1.00                          |

## Actuarial Assumptions and Methods

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5. Expense Load: \$400,000 in the 2019 Plan Year; \$190,668 in the 2020 Plan Year and increased 1% per year thereafter.

6. Hours Worked: 1,250 per year.

7. Termination Rates: For years 1 and 2 – 0.20; for years 3 and later:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0967      |
| 35         | 0.0871      |
| 45         | 0.0635      |
| 55         | 0.0155      |
| 65         | 0.0000      |

8. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0009      |
| 35         | 0.0015      |
| 45         | 0.0032      |
| 55         | 0.0083      |
| 65         | 0.0000      |

9. Payment Form Election:

| <u>Payment Form</u>     | <u>Election %</u> |
|-------------------------|-------------------|
| Single Life Annuity     | 47%               |
| 50% Joint and Survivor  | 14%               |
| 66% Joint and Survivor  | 8%                |
| 75% Joint and Survivor  | 2%                |
| 100% Joint and Survivor | 29%               |

## **Actuarial Assumptions and Methods**

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10. Actuarial Value of Assets:

Market Value of Assets minus a decreasing fraction ( $\frac{4}{5}$ ,  $\frac{3}{5}$ ,  $\frac{2}{5}$  and  $\frac{1}{5}$ ) of each of the preceding 4 years' gains and (losses). A gain/(loss) for a year is equal to the actual return minus the expected return using the funding interest rate. The Actuarial Value of Assets is adjusted to be within 80% and 120% of the Market Value of Assets.

11. Changes Since Last Year:

The mortality projection scale and ASC 960 discount rate were updated, the hours worked assumption was decreased, and the expense load was increased. The Current Liability mortality and interest rates were changed as mandated by the IRS.

## Rationale for Selection of Significant Actuarial Assumptions

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1. Interest Rate: Based on the Plan's target asset allocation, reflecting asset class future return expectations as determined by the Plan's investment consultant and publicly available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions.
  
2. Mortality Rates: RP-2014 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. RP-2014 Disabled Retiree table used to reflect expected disabled mortality experience. Both RP-2014 tables are adjusted to base year 2006 to reflect the mortality experience used to develop the RP-2014 table and for expected generational mortality improvement. Other adjustments are based on the Plan's most recent experience study, Society of Actuaries mortality studies, and expected generational mortality improvement from 2006 base year using Scale MP-2018.
  
3. Retirement Rates: Based on the Plan's most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan's most recent experience study.
  
6. Payment Form Election: Based on the Plan's most recent experience study.

## 2019 ACTUARIAL CERTIFICATION OF FUNDED STATUS

*As Required under IRC § 432(b)(3) as Added by the Pension Protection Act of 2006*

### Plan Identification

Composition Roofers Local No. 42 Pension Plan (“Plan”)  
205 West Fourth Street, Suite 225  
Cincinnati, OH 45202  
(513) 381-6886  
EIN/PN: 31-6127285/001  
Plan Year: January 1, 2019 – December 31, 2019

### Information on Plan Status

As of January 1, 2019, I hereby certify that the Plan is Critical and Declining as defined by the Pension Protection Act of 2006 (PPA) as amended by the Multiemployer Pension Reform Act of 2014 (MPRA) and is meeting the annual standards required under its updated Rehabilitation Plan which was designed to forestall the Plan’s insolvency.

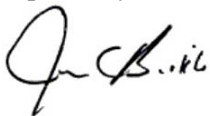
This certification has been prepared based on the Plan’s January 1, 2018 Actuarial Valuation and unaudited December 31, 2018 financial statements that were prepared by the Plan Administrator. The January 1, 2018 Actuarial Valuation was projected to January 1, 2019 for determination of the Plan’s funded percentage and additional projections of later years were used to determine the Plan’s solvency.

Anticipated future Plan contributions are based on 242,000 hours worked per year. It is assumed that participants exiting the Plan are replaced by new entrants. All other assumptions used along with the Plan Provisions reflected in this determination are summarized in the Plan’s January 1, 2018 Actuarial Valuation Report.

### Actuarial Certification

I hereby certify that the projection of the Plan’s most recent Actuarial Valuation presents fairly the actuarial position of the Plan as of January 1, 2019. In my opinion, the assumptions used to determine the Plan’s 2019 PPA funded status are individually reasonable based on Plan experience and represent my best estimate of anticipated future experience under the Plan. The projection of the January 1, 2018 Actuarial Valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meets the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,



Jason C. Birkle, EA, MAAA, ASA  
Enrollment Number: 17-07856

Cuni, Rust & Strenk  
4555 Lake Forest Drive, Suite 620  
Cincinnati, OH 45242  
(513) 891-0270

March 29, 2019

**Illustration Supporting 2018 Pension Protection Act of 2006 (PPA) Actuarial Certification of Funded Status**

Plan Name: Composition Roofers Local No. 42 Pension Plan

EIN: 31-6127285

PN: 001

2019 PPA Funded Status = Critical and Declining.

2019 PPA Funded Percentage < 65%, Funding Deficiency in 2018, and Projected Insolvency in 2030.

| 1/1<br>Plan<br>Year | Actuarial<br>Value of<br>Assets<br>(1) | PPA<br>Accrued<br>Liability<br>(2) | PPA<br>Funded<br>%<br>(1) / (2) | Prior<br>12/31<br>Credit<br>Balance | Hourly<br>Contribution<br>Rate | Minimum<br>Required<br>Contribution | Expected<br>Hours<br>Worked | Expected<br>Contributions | Asset<br>Return<br>% |                                 |
|---------------------|--|------------------------------------|---------------------------------|-------------------------------------|--------------------------------|-------------------------------------|-----------------------------|---------------------------|----------------------|---------------------------------|
| <b>2018</b>         | <b>\$26,405,030</b>                    | <b>\$50,475,736</b>                | <b>52%</b>                      | <b>\$134,091</b>                    | <b>\$5.20</b>                  | <b>\$2,431,667</b> <sup>(1)</sup>   | <b>249,969</b>              | <b>\$1,137,875</b>        | <b>-4.7%</b>         | <b>Unaudited</b> <sup>(2)</sup> |
| 2019                | \$24,320,330                           | \$50,447,340                       | 48%                             | (\$1,254,681)                       | \$5.40                         | \$4,137,491                         | 242,000                     | \$1,144,939               | 6.5%                 | Projected                       |
| 2020                | \$22,155,074                           | \$50,375,170                       | 44%                             | (\$2,955,927)                       | \$5.60                         | \$6,000,582                         | 242,000                     | \$1,188,281               | 6.5%                 | Projected                       |
| 2021                | \$20,515,888                           | \$50,136,064                       | 41%                             | (\$4,774,290)                       | \$5.80                         | \$7,986,582                         | 242,000                     | \$1,231,622               | 6.5%                 | Projected                       |
| 2022                | \$18,774,926                           | \$49,818,297                       | 38%                             | (\$6,715,562)                       | \$6.00                         | \$10,070,713                        | 242,000                     | \$1,274,964               | 6.5%                 | Projected                       |
| 2023                | \$16,538,859                           | \$49,363,051                       | 34%                             | (\$8,754,965)                       | \$6.20                         | \$12,262,180                        | 242,000                     | \$1,318,306               | 6.5%                 | Projected                       |
| 2024                | \$14,739,457                           | \$48,811,653                       | 30%                             | (\$10,901,704)                      | \$6.20                         | \$14,819,495                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |
| 2025                | \$12,824,294                           | \$48,202,600                       | 27%                             | (\$13,432,928)                      | \$6.20                         | \$17,914,202                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |
| 2026                | \$10,743,229                           | \$47,470,794                       | 23%                             | (\$16,527,635)                      | \$6.20                         | \$21,150,819                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |
| 2027                | \$8,490,230                            | \$46,625,551                       | 18%                             | (\$19,764,252)                      | \$6.20                         | \$24,570,095                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |
| 2028                | \$6,072,045                            | \$45,674,661                       | 13%                             | (\$23,183,528)                      | \$6.20                         | \$28,444,638                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |
| 2029                | \$3,510,700                            | \$44,666,726                       | 8%                              | (\$27,058,071)                      | \$6.20                         | \$32,548,939                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |
| 2030                | \$812,732                              | \$43,620,621                       | 2%                              | (\$31,162,372)                      | \$6.20                         | \$36,707,466                        | 242,000                     | \$1,343,588               | 6.5%                 | Projected                       |

<sup>(1)</sup> January 1, 2018 Actuarial Valuation results.

<sup>(2)</sup> Estimated based on the Plan's December 31, 2018 financial statements.

**Additional Information for 2019 Zone Certification**

| 1/1<br>Plan<br>Year | Fair Market<br>Value of Assets<br>at Beginning of<br>Plan Year | Expected<br>Contributions | Expected<br>Withdrawal<br>Liability<br>Payments | Expected<br>Benefit<br>Payments | Expected<br>Expenses | Asset<br>Return | Asset<br>Return<br>% | Fair Market<br>Value of Assets<br>at End of<br>Plan Year |
|---------------------|--|---------------------------|---|---------------------------------|----------------------|-----------------|----------------------|--|
| 2018                | \$26,053,645   | \$1,137,875               | \$0   | \$3,450,029                     | \$186,911            | (\$1,165,163)   | (4.7%)               | \$22,389,417   |
| 2019                | \$22,389,417   | \$1,144,939               | \$0   | \$3,645,043                     | \$129,369            | \$1,371,200     | 6.5%                 | \$21,131,144   |
| 2020                | \$21,131,144   | \$1,188,281               | \$0   | \$3,742,251                     | \$130,662            | \$1,287,647     | 6.5%                 | \$19,734,159   |
| 2021                | \$19,734,159   | \$1,231,622               | \$0   | \$3,818,537                     | \$131,969            | \$1,195,748     | 6.5%                 | \$18,211,023   |
| 2022                | \$18,211,023   | \$1,274,964               | \$0   | \$3,909,033                     | \$133,289            | \$1,095,194     | 6.5%                 | \$16,538,859   |
| 2023                | \$16,538,859   | \$1,318,306               | \$0   | \$3,969,014                     | \$134,622            | \$985,928       | 6.5%                 | \$14,739,457   |
| 2024                | \$14,739,457   | \$1,343,588               | \$0   | \$3,991,787                     | \$135,968            | \$869,004       | 6.5%                 | \$12,824,294   |
| 2025                | \$12,824,294   | \$1,343,588               | \$0   | \$4,030,560                     | \$137,327            | \$743,234       | 6.5%                 | \$10,743,229   |
| 2026                | \$10,743,229   | \$1,343,588               | \$0   | \$4,064,715                     | \$138,701            | \$606,829       | 6.5%                 | \$8,490,230  |
| 2027                | \$8,490,230  | \$1,343,588               | \$0   | \$4,081,488                     | \$140,088            | \$459,803       | 6.5%                 | \$6,072,045  |
| 2028                | \$6,072,045  | \$1,343,588               | \$0   | \$4,066,500                     | \$141,489            | \$303,056       | 6.5%                 | \$3,510,700  |
| 2029                | \$3,510,700  | \$1,343,588               | \$0   | \$4,036,146                     | \$142,904            | \$137,494       | 6.5%                 | \$812,732  |
| 2030                | \$812,732  | \$1,343,588               | \$0   | \$4,005,109                     | \$144,333            | \$0             | 6.5%                 | Insolvent  |

Administrative expenses are assumed to increase at a rate of 1.00% per year, and contribution base units are assumed to be 242,000 in all future years. All other provisions and assumptions are summarized in the 2018 Actuarial Valuation Report.

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**Composition Roofers Local 42  
Pension Plan**

*Actuarial Valuation Report  
as of January 1, 2020*

**CUNI, RUST & STRENK**  
**ACTUARIAL CONSULTING**

September 21, 2020

Board of Trustees  
Composition Roofers Local 42 Pension Plan

Dear Trustees:

We are pleased to present this Actuarial Valuation Report as of January 1, 2020 on the status of the Composition Roofers Local 42 Pension Plan ("Plan"). Cuni, Rust & Strenk is an independent actuarial consulting firm engaged the Board of Trustees to prepare this Report.

**Reliance on Plan Administrator and Plan Auditor**

In performing this Actuarial Valuation, we have relied on the Plan Administrator's and Plan Auditor's representations that the information that they have supplied, namely the participant data and annual Plan audit, is both accurate and complete. If this information is either inaccurate or incomplete, the results of this Actuarial Valuation could materially change.

**Experience**

Page 1 of the Report summarizes the results of this year's Actuarial Valuation and compares them to last year's results. During 2019 the Plan experienced an actuarial loss of \$421,917, which is the result of a \$16,943 loss on the Plan's liabilities and a \$404,974 loss on the Plan's Actuarial Value of Assets. The development of the actuarial loss can be found on pages 4 and 5.

**Asset Returns**

Page 2 summarizes the financial position of the Plan's assets as of December 31, 2019, while page 3 shows the development of the Actuarial Value of Assets used to determine the minimum funding requirements, the Pension Protection Act of 2006 (PPA) funded percentage, and the maximum tax-deductible limit for the year. As of the valuation date the Actuarial Value of Assets was \$22,731,077 while the Market Value of Assets was \$24,198,270.

Relative to last year, the Actuarial Value decreased by \$1,524,736, while the Market Value increased by \$1,836,213. The difference between the changes in Market and Actuarial Value is attributable to the smoothing method used to calculate the Actuarial Value of Assets. The approximate 2019 annual return on the Market Value of Assets was 21.1%, which is well above the assumed rate of return of 6.5%.

**Minimum and Maximum Contributions**

Pages 6 through 11 develop the maximum tax deductible and minimum required contributions for the Plan Year ending December 31, 2020. The maximum contribution that can be made for the year and claimed as a deduction by contributing employers is \$90,011,188, while the minimum required contribution is \$6,302,470 after reflecting the Plan's funding deficiency of \$3,207,940 which is developed on page 8. Due to PPA, the minimum required contribution does not need to be made.

**Pension Relief Act of 2010 (PRA 2010) / Amortization Base Extension**

The Board of Trustees elected to extend the amortization of the Plan's 2008 asset loss from 15 to 29 years as allowed under PRA 2010. The Plan has also received an automatic 5-year amortization extension of its eligible charge bases established before January 1, 2015 under IRC § 431(d)(1).

### **Suspension of Benefits Under the Multiemployer Pension Reform Act of 2014**

The Board of Trustees has submitted an application to suspend benefits under the Multiemployer Pension Reform Act of 2014 (MPRA), which was approved by the Department of the Treasury on March 27, 2020. The changes presented in the Trustees' Pension Recovery Program have not been included in the results presented in this Report as the effective date of the suspension is after the Valuation Date.

### **Withdrawal Liability**

Page 12 develops the Present Value of Vested Accrued Benefits at the Current Liability interest rate used to calculate the Plan's Employer Withdrawal Liability. Because the Plan's Vested Accrued Benefit Liability exceeds the Plan's Market Value of Assets, any employer withdrawing from the Plan should be assessed Withdrawal Liability.

### **ASC 960 Audit Values**

Page 13 shows the present value of accumulated Plan benefits as of December 31, 2019, along with the changes in these liabilities when compared with last year. This information is disclosed each year in the Plan's ASC 960 audit. As of December 31, 2019, the present value of accumulated Plan benefits amounts to \$56,417,807, while assets available to pay these benefits are equal to \$24,198,270.

### **Assessment and Disclosure of Risk (ASOP 51)**

The valuation results developed in this Report are dependent on the specific assumptions disclosed herein which are either selected by the actuary or prescribed by the IRS. We make every effort to predict future Plan experience based on our professional judgement, past experience, and insight about future Plan or economic conditions. Deviations in the Report results should be expected and the Plan can face significant risks associated with these deviations. Those risks might include (but not be limited to) asset return, longevity, regulatory, and demographic risk. When we believe additional calculations of the risk impact on the financial condition of the Plan are warranted, we will consult with the Plan Sponsor and recommend additional studies as needed. Page 14 summarizes and measures some of these risks.

### **PPA Funded Status**

The Plan has been certified as being Critical and Declining for the 2020 Plan Year and is operating under a forestall insolvency Rehabilitation Plan. As of January 1, 2020, the Plan was certified to be meeting the annual standards required under its Rehabilitation Plan. This Report confirms the Plan's 2020 PPA certification.

### **Participant Information**

Page 15 shows the changes in the number of participants included in this year's valuation when compared to last year. During 2019 the total number of active participants did not change. Page 16 shows the age and service distribution for active participants, while pages 17 through 20 show the age and benefit distributions of the various classes of inactive participants. Page 21 shows the age and benefit distribution of benefit commencements last year and page 22 shows age and benefit distributions of approaching retirements.

### **Market Value Asset History**

Page 23 contains a summary of the Plan's asset history. Included are the contributions, benefit payments, administrative expenses, investment returns, and asset return and cash flow percentages on the Plan's Market Value of Assets since 1992.

### **Plan Provisions and Actuarial Assumptions**

Pages 24 through 26 outline the current Plan Provisions, while pages 27 through 30 summarize the Actuarial Assumptions and Methods used for this year's valuation. The changes to the Plan Provisions and Actuarial Assumptions and Methods are shown on pages 26 and 29, respectively. The changes to the Actuarial Assumptions were made to better reflect anticipated future Plan experience.

### **Auditor Information**

The purpose of this Report is to determine the minimum and maximum deductible employer contribution requirements for the plan year, provide information to be used in the preparation of governmental filings, actuarial certifications, and provide information for the Plan auditor. This Report is prepared for the sole use of the Board of Trustees. Reliance on this Report for other than the above stated purposes may put the relying Entity at risk of being misled because of confusion or failure to properly interpret the results contained herein.

### **Actuarial Certification**

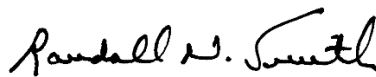
We hereby certify that this Report presents fairly the actuarial position of the Composition Roofers Local 42 Pension Plan as of January 1, 2020. The mortality rates used to calculate Current Liability are mandated by the IRS. In our opinion, all other assumptions used to determine the Plan's liabilities and costs are individually reasonable based on Plan experience and represent our best estimate of anticipated future experience under the Plan. This valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meet the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,

CUNI, RUST & STRENK



M. R. Rust, EA, MAAA, ASA  
President, Lead Actuarial Consultant



Randall N. Smith, EA, MAAA  
Lead Actuary

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## Summary of Valuation Results

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|   | <u>January 1, 2019</u>  | <u>January 1, 2020</u>  |
|---|-------------------------|-------------------------|
| 1. Number of Participants                               |                         |                         |
| a. Active Participants                                  | 175                     | 175                     |
| b. Vested Terminated Participants                       | 74                      | 82                      |
| c. Retirees and Beneficiaries                           | <u>239</u>              | <u>237</u>              |
| d. Total: [(a) + (b) + (c)]                             | 488                     | 494                     |
| 2. Normal Cost  |                         |                         |
| a. For Benefits   | \$373,090               | \$370,968               |
| b. For Expenses   | <u>400,000</u>          | <u>150,000</u>          |
| c. Total: [(a) + (b)]                                   | \$773,090               | \$520,968               |
| 3. Accrued Liability                                    |                         |                         |
| a. Active Participants                                  | \$9,142,833             | \$8,442,521             |
| b. Vested Terminated Participants                       | 4,727,404               | 5,373,242               |
| c. Retirees and Beneficiaries                           | <u>37,301,925</u>       | <u>37,111,942</u>       |
| d. Total: [(a) + (b) + (c)]                             | \$51,172,162            | \$50,927,705            |
| 4. Normal Cost / Accrued Liability Interest Rate        | 6.5%                    | 6.5%                    |
| 5. Asset Values   |                         |                         |
| a. Market Value   | \$22,362,057            | \$24,198,270            |
| b. Actuarial Value                                      | \$24,255,813            | \$22,731,077            |
| c. Market Value Asset Return                            | (4.7%)                  | 21.1%                   |
| d. Cash Flow Percentage                                 | (11.3%)                 | (10.8%)                 |
| e. Prior Year Contributions                             | \$1,133,418             | \$1,247,982             |
| 6. Real Amounts   |                         |                         |
| a. Unfunded Liability: [(3)(d) - (5)(a)]                | \$28,810,105            | \$26,729,435            |
| b. Funded Ratio: [(5)(a) ÷ (3)(d)]                      | 43.7%                   | 47.5%                   |
| 7. Hourly Amounts                                       |                         |                         |
| a. Approximate Hours Worked                             | 244,909                 | 259,420                 |
| b. Average Contribution Rate: [(5)(e) ÷ (a)]            | \$4.63                  | \$4.81                  |
| c. Normal Cost: [(2)(c) ÷ (a)]                          | <u>3.16</u>             | <u>2.01</u>             |
| d. Unfunded Liability Payment: [(b) - (c)]              | \$1.47                  | \$2.80                  |
| e. Interest on Unfunded Liability: [(4) × (6)(a) ÷ (a)] | <u>7.65</u>             | <u>6.70</u>             |
| f. Reduction in Unfunded Liability: [(d) - (e)]         | (\$6.18)                | (\$3.90)                |
| 8. PPA Information                                      |                         |                         |
| a. Status   | Critical &<br>Declining | Critical &<br>Declining |
| b. Funded Percentage: [(5)(b) ÷ (3)(d)]                 | 47.4%                   | 44.6%                   |
| c. Projected Year of Insolvency                         | 2030                    | 2032                    |

## **Plan Assets: Receipts and Disbursements**

---

Market Value of Assets as of January 1, 2019 \$ 22,362,057

### Receipts:

|                                 |                 |              |
|---------------------------------|-----------------|--------------|
| Employer Contributions          | \$ 1,247,982    |              |
| Interest and Dividends          | 595,691         |              |
| Net Appreciation/(Depreciation) | 3,871,791       |              |
| Other Income                    | 9,154           |              |
| Investment Fees                 | <u>(27,612)</u> |              |
| TOTAL RECEIPTS                  |                 | \$ 5,697,006 |

### Disbursements:

|                         |                |  |
|-------------------------|----------------|--|
| Benefits Paid           | \$ 3,543,007   |  |
| Administrative Expenses | <u>317,786</u> |  |

TOTAL DISBURSEMENTS \$ 3,860,793

Excess of Receipts over Disbursements \$ 1,836,213

Market Value of Assets as of December 31, 2019 \$ 24,198,270

### **NOTES:**

The approximate return for the Plan Year ending December 31, 2019 was 21.1%.

The Plan's negative cashflow was 10.8% of the Plan's Market Value of Assets as of December 31, 2019.

## Plan Assets: Development of Actuarial Value of Assets

---

|   |           |                    |                       |                             |
|---|-----------|--------------------|-----------------------|-----------------------------|
| 1. Market Value as of January 1, 2019                             |           |                    | \$                    | 22,362,057                  |
| 2. Net Additions  |           |                    |                       |                             |
| a. Employer Contributions   |           | \$                 | 1,247,982             |                             |
| b. Benefit Payments   |           |                    | (3,543,007)           |                             |
| c. Administrative Expenses  |           |                    | (317,786)             |                             |
| d. Total: [(a) + (b) + (c)]                                       |           |                    |                       | \$ (2,612,811)              |
| 3. Expected Investment Income                                     |           |                    |                       |                             |
| a. On Market Value  |           | \$                 | 1,453,534             |                             |
| b. On Employer Contributions                                      |           |                    | 39,921                |                             |
| c. On Benefit Payments  |           |                    | (113,335)             |                             |
| d. On Expenses  |           |                    | (10,165)              |                             |
| e. Total: [(a) + (b) + (c) + (d)]                                 |           |                    |                       | \$ 1,369,955                |
| 4. Expected Market Value as of December 31, 2019                  |           |                    | \$                    | 21,119,201                  |
| 5. Actual Market Value as of January 1, 2020                      |           |                    | \$                    | 24,198,270                  |
| 6. Net Gain/(Loss) for the 2019 Plan Year: [(5) - (4)]            |           |                    | \$                    | 3,079,069                   |
| 7. Determination of Unrecognized Gain/(Loss):                     |           |                    |                       |                             |
|   | Plan Year | Net<br>Gain/(Loss) | Adjustment<br>Factors | Unrecognized<br>Gain/(Loss) |
|   | 2019      | \$ 3,079,069       | 0.80                  | \$ 2,463,255                |
|   | 2018      | (2,773,070)        | 0.60                  | (1,663,842)                 |
|   | 2017      | 1,730,384          | 0.40                  | 692,154                     |
|   | 2016      | (121,871)          | 0.20                  | (24,374)                    |
|   | 2015      | (3,323,908)        | 0.00                  | 0                           |
|   |           | \$ (1,409,396)     |                       | \$ 1,467,193                |
| 8. Preliminary Actuarial Value of Assets:                         |           |                    |                       |                             |
| [Actual Market Value as of December 31, 2019                      |           |                    |                       |                             |
| less Unrecognized Gain/(Loss)]                                    |           |                    | \$                    | 22,731,077                  |
| 9. Actuarial Value of Assets:                                     |           |                    |                       |                             |
| [(8), but not less than 80% or greater than 120% of Market Value] |           |                    | \$                    | 22,731,077                  |
| 10. Recognized Gain/(Loss)  |           |                    | \$                    | (2,876,589)                 |

**NOTE:** The approximate return on Actuarial Value of Assets is 4.7%.

## **Actuarial Experience: Actuarial (Gain)/Loss**

---

|   |                      |
|---|----------------------|
| 1. Unfunded Accrued Liability as of January 1, 2019   |                      |
| a. Accrued Liability  | \$ 51,172,162        |
| b. Actuarial Value of Assets  | 24,255,813           |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | <u>\$ 26,916,349</u> |
| 2. 2019 Normal Cost   | \$ 773,090           |
| 3. 2019 Contributions   | \$ 1,247,982         |
| 4. Interest at 6.50% to December 31, 2019   | \$ 1,759,893         |
| 5. Expected Unfunded Accrued Liability Prior to Plan, Method and/or Assumption Change: [(1)(c) + (2) - (3) + (4)] | \$ 28,201,350        |
| 6. Increase/(Decrease) in Unfunded Accrued Liability due to Plan, Method and/or Assumption Change                 | \$ (426,639)         |
| 7. Expected Unfunded Accrued Liability as of December 31, 2019: [(5) + (6)]                                       | \$ 27,774,711        |
| 8. Actual Unfunded Accrued Liability as of December 31, 2019  |                      |
| a. Accrued Liability  | \$ 50,927,705        |
| b. Actuarial Value of Assets  | 22,731,077           |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | <u>\$ 28,196,628</u> |
| 9. Actuarial (Gain)/Loss: [(8)(c) - (7)]  | \$ 421,917           |

## Actuarial Experience: Accrued Liability and Assets

|  |                   |
|--|-------------------|
| 1. Accrued Liability Experience  |                   |
| a. Accrued Liability as of January 1, 2019   | \$ 51,172,162     |
| b. 2019 Normal Cost  | 773,090           |
| c. 2019 Benefit Payments and Expenses  | (3,860,793)       |
| d. Interest at 6.50% to December 31, 2019  | <u>3,252,942</u>  |
| e. Expected Accrued Liability as of January 1, 2020: [(a) + (b) + (c) + (d)]                 | \$ 51,337,401     |
| f. Actual Accrued Liability as of January 1, 2020 Prior to Changes                           | <u>51,354,344</u> |
| g. Accrued Liability (Gain)/Loss: [(f) - (e)]  | \$ 16,943         |
| h. (Decrease)/Increase in Accrued Liability due to Plan, Method<br>and/or Assumption Changes | <u>(426,639)</u>  |
| i. Accrued Liability as of January 1, 2020: [(f) + (h)]                                      | \$ 50,927,705     |
| <br>   |                   |
| 2. Actuarial Value of Assets (AVA) Experience  |                   |
| a. Actuarial Value of Assets as of January 1, 2019   | \$ 24,255,813     |
| b. 2019 Benefit Payments and Expenses  | (3,860,793)       |
| c. 2019 Contributions  | 1,247,982         |
| d. Expected Earnings at 6.50% to December 31, 2019   | <u>1,493,049</u>  |
| e. Expected AVA as of January 1, 2020: [(a) + (b) + (c) + (d)]                               | \$ 23,136,051     |
| f. Actual AVA as of January 1, 2020 Prior to Method Change                                   | <u>22,731,077</u> |
| g. Actuarial Value of Assets (Gain)/Loss: [(e) - (f)]  | \$ 404,974        |
| h. (Decrease)/Increase in AVA due to Method Change   | <u>0</u>          |
| i. Actuarial Value of Assets after Method Change: [(f) + (h)]                                | \$ 22,731,077     |
| <br>   |                   |
| 3. Total Actuarial (Gain)/Loss: [(1)(g) + (2)(g)]  | \$ 421,917        |

## Determination of the Full Funding Limitations

---

|   | <u>IRC §404<br/>Maximum</u> | <u>IRC §412<br/>Minimum</u> |
|---|-----------------------------|-----------------------------|
| 1. Accrued Liability Basis  |                             |                             |
| a. Estimated End of Year Accrued Liability  | \$ 50,937,111               | \$ 50,937,111               |
| b. Estimated End of Year Assets   | <u>20,352,872</u>           | <u>20,352,872</u>           |
| c. Accrued Liability Basis Full Funding Limit:<br>[(a) - (b), but not less than \$0]          | \$ 30,584,239               | \$ 30,584,239               |
| <br>  |                             |                             |
| 2. Current Liability Basis  |                             |                             |
| a. Estimated End of Year Current Liability  | \$ 78,818,770               | \$ 78,818,770               |
| b. Estimated End of Year Assets   | <u>20,345,090</u>           | <u>20,345,090</u>           |
| c. Current Liability Full Funding Limit:<br>[{90% of (2)(a)} - (2)(b), but not less than \$0] | \$ 50,591,803               | \$ 50,591,803               |
| <br>  |                             |                             |
| 3. Full Funding Limitation: [Greater of (1) and (2)]  | \$ 50,591,803               | \$ 50,591,803               |

## Development of Maximum Deductible Contribution

|   |                   |
|---|-------------------|
| 1. Normal Cost plus 10-Year Amortization  |                   |
| a. 2020 Normal Cost   | \$ 520,968        |
| b. Net Limit Adjustment (Fresh Start)   | 3,682,895         |
| c. Interest on (a) and (b) to December 31, 2020   | <u>273,251</u>    |
| d. Total as of December 31, 2020: [(a) + (b) + (c)]   | \$ 4,477,114      |
| <br>  |                   |
| 2. Minimum Required Contribution  | \$ 6,302,470      |
| <br>  |                   |
| 3. Full Funding Limitation at December 31, 2020   | \$ 50,591,803     |
| <br>  |                   |
| 4. Contribution Necessary to Fund 140% of Current Liability   |                   |
| a. Estimated End of Year Current Liability  | \$ 78,818,770     |
| b. Estimated End of Year Assets   | <u>20,345,090</u> |
| c. Contribution to Fund 140% of Current Liability: [{140% of (a)} - (b)]  | \$ 90,001,188     |
| <br>  |                   |
| 5. Maximum Deductible Contribution for Fiscal Year 2020:<br>[Greater of {the lesser of (1)(d) and (3)}, (2) and (4)(c)] | \$ 90,001,188     |

## Minimum Required Contribution: Funding Standard Account Balance

### 1. Charges

|   |                |
|---|----------------|
| a. Funding Deficiency as of December 31, 2018 | \$ 1,261,993   |
| b. Normal Cost as of January 1, 2019          | 773,090        |
| c. Amortization Charges                       | 3,481,540      |
| d. Interest to December 31, 2019              | <u>358,581</u> |
| e. Total Charges                              | \$ 5,875,204   |

### 2. Credits

|  |              |
|--|--------------|
| a. Credit Balance as of December 31, 2018        | \$ 0         |
| b. Employer Contributions for the 2019 Plan Year | 1,247,982    |
| c. Amortization Credits                          | 1,295,175    |
| d. Interest to December 31, 2019                 | 124,107      |
| e. Full Funding Credit                           | <u>0</u>     |
| f. Total Credits                                 | \$ 2,667,264 |

|   |                |
|---|----------------|
| 3. Funding Standard Account Balance as of December 31, 2019 | \$ (3,207,940) |
|---|----------------|

## Minimum Required Contribution: Amortization Schedule

### Charge Bases:

| Date<br><u>Established</u> | <u>Type</u> | Initial<br><u>Balance</u> | Rem.<br><u>Years</u> | <u>Payment</u> | 1/1/2020<br><u>Balance</u> |
|----------------------------|-------------|---------------------------|----------------------|----------------|----------------------------|
| 01/01/1991                 | Amendment   | \$ 406,126                | 6                    | \$ 20,957      | \$ 108,049                 |
| 01/01/1992                 | Amendment   | 166,751                   | 7                    | 9,036          | 52,779                     |
| 01/01/1996                 | Amendment   | 127,067                   | 11                   | 7,762          | 63,558                     |
| 01/01/1998                 | Amendment   | 1,484,015                 | 13                   | 93,840         | 859,448                    |
| 01/01/1999                 | Assumption  | 331,735                   | 14                   | 21,246         | 203,957                    |
| 01/01/2000                 | Amendment   | 995,239                   | 15                   | 64,441         | 645,305                    |
| 01/01/2001                 | Assumption  | 939,678                   | 16                   | 61,417         | 638,906                    |
| 01/01/2003                 | Shortfall   | 200,394                   | 3                    | 17,825         | 50,278                     |
| 01/01/2003                 | Amendment   | 273,661                   | 18                   | 18,159         | 201,750                    |
| 01/01/2003                 | Experience  | 1,090,068                 | 3                    | 58,797         | 165,845                    |
| 01/01/2004                 | Shortfall   | 39,055                    | 4                    | 3,460          | 12,626                     |
| 01/01/2004                 | Assumption  | 851,659                   | 19                   | 56,856         | 649,997                    |
| 01/01/2004                 | Experience  | 1,090,599                 | 4                    | 65,781         | 239,998                    |
| 01/01/2005                 | Shortfall   | 140,722                   | 5                    | 12,421         | 54,976                     |
| 01/01/2005                 | Experience  | 1,386,896                 | 5                    | 90,717         | 401,493                    |
| 01/01/2006                 | Shortfall   | 97,857                    | 6                    | 8,606          | 44,369                     |
| 01/01/2006                 | Amendment   | 658,035                   | 21                   | 44,365         | 533,198                    |
| 01/01/2006                 | Assumption  | 689,381                   | 21                   | 46,478         | 558,601                    |
| 01/01/2006                 | Experience  | 1,775,273                 | 6                    | 123,464        | 636,545                    |
| 01/01/2007                 | Shortfall   | 41,838                    | 2                    | 4,315          | 8,368                      |
| 01/01/2008                 | Assumption  | 51,604                    | 8                    | 3,911          | 25,357                     |
| 01/01/2009                 | Assumption  | 54,311                    | 9                    | 4,245          | 30,092                     |
| 01/01/2009                 | Experience  | 163,628                   | 9                    | 12,789         | 90,656                     |
| 01/01/2009                 | Asset Loss  | 7,112,667                 | 18                   | 525,562        | 5,839,295                  |
| 01/01/2010                 | Assumption  | 205,476                   | 10                   | 16,473         | 126,117                    |
| 01/01/2010                 | Asset Loss  | 941,899                   | 18                   | 70,336         | 781,479                    |
| 01/01/2011                 | Assumption  | 287,173                   | 11                   | 23,514         | 192,553                    |
| 01/01/2011                 | Asset Loss  | 1,249,922                 | 18                   | 94,415         | 1,048,998                  |
| 01/01/2012                 | Assumption  | 541,098                   | 12                   | 45,098         | 391,860                    |
| 01/01/2012                 | Asset Loss  | 2,815,418                 | 18                   | 215,337        | 2,392,523                  |
| 01/01/2013                 | Assumption  | 413,990                   | 13                   | 35,026         | 320,788                    |
| 01/01/2014                 | Assumption  | 197,063                   | 14                   | 16,887         | 162,106                    |
| 01/01/2014                 | Experience  | 598,913                   | 14                   | 51,322         | 492,674                    |
| 01/01/2015                 | Assumption  | 81,628                    | 10                   | 8,178          | 62,607                     |
| 01/01/2015                 | Experience  | 1,809,190                 | 10                   | 181,247        | 1,387,642                  |
| 01/01/2016                 | Experience  | 2,319,857                 | 11                   | 231,665        | 1,897,065                  |
| 01/01/2016                 | Assumption  | 4,737,827                 | 11                   | 473,128        | 3,874,361                  |
| 01/01/2017                 | Assumption  | 857,392                   | 12                   | 85,621         | 743,960                    |
| 01/01/2017                 | Experience  | 1,827,683                 | 12                   | 182,516        | 1,585,885                  |
| 01/01/2018                 | Assumption  | 316,565                   | 13                   | 31,613         | 289,532                    |

## Minimum Required Contribution: Amortization Schedule

### Charge Bases (continued):

| Date               |             | Initial        | Rem.         |                | 1/1/2020       |
|--------------------|-------------|----------------|--------------|----------------|----------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u> |
| 01/01/2018         | Experience  | 1,393,170      | 13           | 139,124        | 1,274,204      |
| 01/01/2019         | Experience  | 2,038,718      | 14           | 203,590        | 1,954,412      |
| 01/01/2020         | Experience  | 421,917        | 15           | 42,134         | 421,917        |
| Total Charges      |             |                |              | \$ 3,523,674   | \$ 31,516,129  |

### Credit Bases:

| Date               |             | Initial        | Rem.         |                | 1/1/2020       |
|--------------------|-------------|----------------|--------------|----------------|----------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u> |
| 01/01/1994         | Amendment   | \$ 333,531     | 4            | \$ 25,409      | \$ 92,706      |
| 01/01/1998         | Assumption  | 1,588,460      | 8            | 119,734        | 776,418        |
| 01/01/2001         | Shortfall   | 7,520          | 1            | 676            | 676            |
| 01/01/2002         | Shortfall   | 31,498         | 2            | 2,812          | 5,453          |
| 01/01/2007         | Assumption  | 152,840        | 17           | 11,213         | 120,740        |
| 01/01/2007         | Experience  | 115,622        | 2            | 11,925         | 23,120         |
| 01/01/2008         | Experience  | 378,821        | 3            | 38,916         | 109,766        |
| 01/01/2009         | Amendment   | 2,897,061      | 4            | 296,455        | 1,081,610      |
| 01/01/2010         | Experience  | 4,934,797      | 5            | 503,067        | 2,226,471      |
| 01/01/2010         | Amendment   | 147,383        | 5            | 15,025         | 66,494         |
| 01/01/2011         | Experience  | 1,067,809      | 6            | 108,455        | 559,158        |
| 01/01/2011         | Amendment   | 172,544        | 6            | 17,525         | 90,356         |
| 01/01/2012         | Experience  | 140,157        | 7            | 14,185         | 82,852         |
| 01/01/2013         | Experience  | 1,120,256      | 8            | 112,980        | 732,624        |
| 01/01/2019         | Assumption  | 138,068        | 14           | 13,788         | 132,358        |
| 01/01/2020         | Assumption  | 374,517        | 15           | 37,400         | 374,517        |
| 01/01/2020         | Amendment   | 52,122         | 15           | 5,205          | 52,122         |
| Total Credits      |             |                |              | \$ 1,334,770   | \$ 6,527,441   |

|    |  |                |
|----|--|----------------|
| 1. | Net Amortization                           | \$ 24,988,688  |
| 2. | Credit (Debit) Balance                     | \$ (3,207,940) |
| 3. | Balance Test: [(1) - (2)]                  | \$ 28,196,628  |
| 4. | Unfunded Accrued Liability:                |                |
|    | a. Accrued Liability                       | \$ 50,927,705  |
|    | b. Actuarial Value of Assets               | 22,731,077     |
|    | c. Unfunded Accrued Liability: [(a) - (b)] | \$ 28,196,628  |

## Development of Minimum Required Contribution

---

### 1. Charges

|   |    |                |           |
|---|----|----------------|-----------|
| a. Funding Deficiency as of December 31, 2019 | \$ | 3,207,940      |           |
| b. Normal Cost for the 2020 Plan Year         |    | 520,968        |           |
| c. Amortization Charges                       |    | 3,523,674      |           |
| d. Interest to December 31, 2020              |    | <u>471,418</u> |           |
| e. Total Charges as of December 31, 2020:     |    |                |           |
| [(a) + (b) + (c) + (d)]                       | \$ |                | 7,724,000 |

### 2. Credits

|   |    |           |           |
|---|----|-----------|-----------|
| a. Credit Balance as of December 31, 2019 | \$ | 0         |           |
| b. Amortization Credits                   |    | 1,334,770 |           |
| c. Interest to December 31, 2020          |    | 86,760    |           |
| d. Full Funding Credit                    |    | <u>0</u>  |           |
| e. Total Credits as of December 31, 2020: |    |           |           |
| [(a) + (b) + (c) + (d)]                   | \$ |           | 1,421,530 |

### 3. Preliminary Minimum Required Contribution:

|  |    |  |           |
|--|----|--|-----------|
| [(1)(e) - (2)(e), but not less than \$0] | \$ |  | 6,302,470 |
|--|----|--|-----------|

### 4. Full Funding Limitation

|   |    |            |            |
|---|----|------------|------------|
| a. Based on 100% of Accrued Liability               | \$ | 30,584,239 |            |
| b. Based on 90% of RPA '94 Current Liability        | \$ | 50,591,803 |            |
| c. Full Funding Limitation: [Larger of (a) and (b)] | \$ |            | 50,591,803 |

### 5. Minimum Required Contribution payable December 31, 2020:

|                             |    |  |           |
|-----------------------------|----|--|-----------|
| [Minimum of (3) and (4)(c)] | \$ |  | 6,302,470 |
|-----------------------------|----|--|-----------|

## Unfunded Vested Accrued Benefits at the Current Liability Interest Rate

|   |                   |               |
|---|-------------------|---------------|
| 1. Value of Vested Accrued Benefits                                       |                   |               |
| a. For Active Participants  | \$ 14,113,901     |               |
| b. For Vested Terminated Participants                                     | 10,195,511        |               |
| c. For Retirees and Beneficiaries   | <u>51,237,560</u> |               |
| d. Total: [(a) + (b) + (c)]   |                   | \$ 75,546,972 |
| 2. Market Value of Assets   |                   | \$ 24,198,270 |
| 3. Value of Unfunded/(Overfunded) Vested Accrued Benefits: [(1)(d) - (2)] |                   | \$ 51,348,702 |

## **Present Value of Accumulated Plan Benefits (ASC 960)**

|   | <u>December 31, 2018</u> | <u>December 31, 2019</u> |
|---|--------------------------|--------------------------|
| 1. Present Value of Accumulated Vested Benefits |                          |                          |
| a. Active Participants                          | \$ 9,336,761             | \$ 9,156,572             |
| b. Vested Terminated Participants               | 5,339,682                | 6,329,599                |
| c. Retirees and Beneficiaries                   | <u>39,750,361</u>        | <u>40,319,433</u>        |
| d. Total: [(a) + (b) + (c)]                     | \$ 54,426,804            | \$ 55,805,604            |
| 2. Accumulated Non-Vested Benefits              | \$ 864,814               | \$ 612,203               |
| 3. Total Accumulated Benefits: [(1)(d) + (2)]   | \$ 55,291,618            | \$ 56,417,807            |
| 4. Net Assets Available for Benefits            | \$ 22,362,057            | \$ 24,198,270            |
| 5. Discount Rate                                | 5.75%                    | 5.50%                    |

### **Changes in the Value of Accumulated Plan Benefits for the Plan Year Ending December 31, 2019**

|   |                |               |
|---|----------------|---------------|
| 1. Value of Accumulated Plan Benefits as of December 31, 2018:                |                | \$ 55,291,618 |
| 2. Increase/(Decrease) in Value due to:                                       |                |               |
| a. Decrease in Discount Period  | \$ 3,078,830   |               |
| b. Plan Amendment   | (60,413)       |               |
| c. Assumption Change  | 1,046,717      |               |
| d. Benefits Paid  | (3,543,007)    |               |
| e. Plan Experience and Benefit Accrual  | <u>604,062</u> |               |
| f. Total Net Increase/(Decrease):<br>[(a) + (b) + (c) + (d) + (e)]            |                | \$ 1,126,189  |
| 3. Value of Accumulated Plan Benefits as of December 31, 2019: [(1) + (2)(f)] |                | \$ 56,417,807 |

## Assessment and Disclosure of Risk (ASOP 51)

Actuarial Standard of Practice No. 51 requires an assessment and disclosure of the risk that the results of future actuarial valuations may differ significantly from the results of the current actuarial valuation. Future differences may be caused by asset returns that are lower than expected (Investment Risk), participants living longer than expected (Longevity Risk), a decline in future hours worked or a concentration of hours with a small number of employers (Contribution Risk), and asset declines that are not matched by declines in liabilities (Asset/Liability Mismatch Risk).

|  | <u>January 1, 2019</u> | <u>January 1, 2020</u> |
|--|------------------------|------------------------|
| 1. Plan Maturity Measures                      |                        |                        |
| a. Duration                                    | 10.1                   | 9.9                    |
| b. Active Average Age                          | 42.2                   | 42.1                   |
| c. Ratio of Retirees to Actives                | 1.4                    | 1.4                    |
| d. Retiree Liability as a % of Total Liability | 72.9%                  | 72.9%                  |
| e. Cash Flow Percentage                        | (11.3%)                | (10.8%)                |

***Duration measures approximately how much liabilities change with a 1.00% change in the interest rate used to calculate these liabilities. Duration can also be used as the number of years to amortize unfunded liabilities.***

|   | <u>January 1, 2019</u> | <u>January 1, 2020</u> |
|---|------------------------|------------------------|
| 2. Actuarial Valuation Results                        |                        |                        |
| a. Real Funded Ratio                                  | 43.7%                  | 47.5%                  |
| b. Funding Interest Rate                              | 6.5%                   | 6.5%                   |
| c. Unfunded Liability                                 | \$28,810,105           | \$26,729,435           |
| d. Hours Worked                                       | 244,909                | 259,420                |
| e. Market Value Asset Return                          | (4.7%)                 | 21.1%                  |
| f. Average Hourly Contribution Rate                   | \$4.63                 | \$4.81                 |
| 3. 100% Funded Average Hourly Contribution Rates      |                        |                        |
| a. Valuation Assumptions                              | \$18.42                | \$15.56                |
| b. Interest Rate Reduced to 5.50% (Investment Risk)   | \$20.99                | \$17.96                |
| c. 10% Mortality Improvement (Longevity Risk)         | \$19.03                | \$16.12                |
| d. Decline in Future Hours Worked (Contribution Risk) | \$19.62                | \$17.55                |

***The 100% funded average hourly contribution rates are the amounts needed for the Plan to be 100% funded by the end of the Plan's duration period. The hours decline assumes future hours worked of 230,000 per year.***

|   | <u>January 1, 2019</u> | <u>January 1, 2020</u> |
|---|------------------------|------------------------|
| 4. Employer Concentration (Contribution Risk) |                        |                        |
| a. Top Five                                   | 97.4%                  | 95.6%                  |
| b. Top Ten                                    | 100.0%                 | 100.0%                 |

***Top employer contributions as a percentage of the Plan's total contributions. Contributions are net of reciprocity.***

## Plan Participant Summary

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|                            | <u>Actives</u> | <u>Vested<br/>Terms</u> | <u>Service<br/>Retirees</u> | <u>Disability<br/>Retirees</u> | <u>Beneficiaries</u> | <u>Total</u> |
|----------------------------|----------------|-------------------------|-----------------------------|--------------------------------|----------------------|--------------|
| As of January 1, 2019      | 175            | 74                      | 138                         | 38                             | 63                   | 488          |
| Deaths during the Year     |                |                         |                             |                                |                      |              |
| a. with Beneficiary        | 0              | 0                       | (1)                         | (1)                            | 2                    | 0            |
| b. without Beneficiary     | (1)            | (2)                     | (2)                         | (2)                            | (3)                  | (10)         |
| Retired during the Year    | (2)            | (3)                     | 4                           | 1                              | 0                    | 0            |
| Term Certain Expired       | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| QDRO Filed during the Year | 0              | 1                       | 0                           | 0                              | 0                    | 1            |
| Became Inactive            |                |                         |                             |                                |                      |              |
| a. with Vesting            | (13)           | 13                      | 0                           | 0                              | 0                    | 0            |
| b. without Vesting         | (14)           | 0                       | 0                           | 0                              | 0                    | (14)         |
| Returned to Work           | 3              | 0                       | 0                           | 0                              | 0                    | 3            |
| New Entrants               | 27             | 0                       | 0                           | 0                              | 0                    | 27           |
| Lump Sum Distributions     | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| Data Corrections           | <u>0</u>       | <u>(1)</u>              | <u>0</u>                    | <u>0</u>                       | <u>0</u>             | <u>(1)</u>   |
| As of January 1, 2020      | 175            | 82 *                    | 139                         | 36                             | 62                   | 494          |

|                             |           |          |          |          |          |           |
|-----------------------------|-----------|----------|----------|----------|----------|-----------|
| Fully Vested Participants   | 101       | 82       | 139      | 36       | 62       | 420       |
| Not Vested Participants     | <u>74</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>74</u> |
| Total as of January 1, 2020 | 175       | 82       | 139      | 36       | 62       | 494       |

\* Includes 1 QDRO alternate payee entitled to future benefits.

## Active Participants as of January 1, 2020

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### Total Years of Service

| Age Group    | < 1      | 1-4       | 5-9       | 10-14     | 15-19     | 20-24     | 25-29    | 30-34    | 35 +     | Total      |
|--------------|----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|------------|
| < 19         | 0        | 0         | 0         | 0         | 0         | 0         | 0        | 0        | 0        | 0          |
| 20-24        | 0        | 7         | 0         | 0         | 0         | 0         | 0        | 0        | 0        | 7          |
| 25-29        | 0        | 20        | 6         | 0         | 0         | 0         | 0        | 0        | 0        | 26         |
| 30-34        | 0        | 11        | 8         | 4         | 0         | 0         | 0        | 0        | 0        | 23         |
| 35-39        | 0        | 13        | 5         | 1         | 2         | 0         | 0        | 0        | 0        | 21         |
| 40-44        | 0        | 10        | 7         | 4         | 5         | 1         | 0        | 0        | 0        | 27         |
| 45-49        | 0        | 5         | 4         | 3         | 6         | 3         | 0        | 0        | 0        | 21         |
| 50-54        | 0        | 5         | 0         | 5         | 5         | 6         | 1        | 0        | 0        | 22         |
| 55-59        | 0        | 1         | 1         | 1         | 4         | 4         | 4        | 1        | 3        | 19         |
| 60-64        | 0        | 2         | 0         | 0         | 2         | 1         | 2        | 0        | 1        | 8          |
| 65-69        | 0        | 0         | 0         | 0         | 0         | 1         | 0        | 0        | 0        | 1          |
| 70 +         | 0        | 0         | 0         | 0         | 0         | 0         | 0        | 0        | 0        | 0          |
| <b>Total</b> | <b>0</b> | <b>74</b> | <b>31</b> | <b>18</b> | <b>24</b> | <b>16</b> | <b>7</b> | <b>1</b> | <b>4</b> | <b>175</b> |

|                            |            |                   |
|----------------------------|------------|-------------------|
| Average Age:               | 42.1 Years | (Last Year: 42.2) |
| Average Expected Lifetime: | 86.7 Years | (Last Year: 83.5) |
| Average Service:           | 10.1 Years | (Last Year: 10.7) |

## Terminated Vested Participants as of January 1, 2020

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| Age Group    | Number of Lives | Monthly Benefit  |               |
|--------------|-----------------|------------------|---------------|
|              |                 | Total            | Average       |
| < 20         | 0               | \$ 0             | \$ 0          |
| 20-24        | 0               | 0                | 0             |
| 25-29        | 0               | 0                | 0             |
| 30-34        | 4               | 1,566            | 392           |
| 35-39        | 8               | 4,753            | 594           |
| 40-44        | 14              | 7,885            | 563           |
| 45-49        | 11              | 7,227            | 657           |
| 50-54        | 23              | 15,660           | 681           |
| 55-59        | 13              | 8,940            | 688           |
| 60-64        | 7               | 4,004            | 572           |
| 65-69        | 1               | 378              | 378           |
| 70 +         | 1               | 392              | 392           |
| <b>Total</b> | <b>82</b>       | <b>\$ 50,805</b> | <b>\$ 620</b> |

|                            |      |
|----------------------------|------|
| Average Age:               | 49.7 |
| Average Expected Lifetime: | 86.5 |

## Retired Participants as of January 1, 2020

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| Age Group    | Life Annuities  |                  |                 | Joint & Survivor Annuities |                   |                 |
|--------------|-----------------|------------------|-----------------|----------------------------|-------------------|-----------------|
|              | Number of Lives | Monthly Benefit  |                 | Number of Lives            | Monthly Benefit   |                 |
|              |                 | Total            | Average         |                            | Total             | Average         |
| < 50         | 0               | \$ 0             | \$ 0            | 0                          | \$ 0              | \$ 0            |
| 50-54        | 0               | 0                | 0               | 0                          | 0                 | 0               |
| 55-59        | 9               | 13,157           | 1,462           | 4                          | 2,444             | 611             |
| 60-64        | 17              | 24,732           | 1,455           | 20                         | 30,646            | 1,532           |
| 65-69        | 16              | 25,624           | 1,602           | 27                         | 38,710            | 1,434           |
| 70-74        | 10              | 14,678           | 1,468           | 14                         | 34,253            | 2,447           |
| 75-79        | 6               | 3,523            | 587             | 7                          | 9,603             | 1,372           |
| 80-84        | 1               | 600              | 600             | 7                          | 12,612            | 1,802           |
| 85-89        | 0               | 0                | 0               | 0                          | 0                 | 0               |
| 90 +         | 1               | 500              | 500             | 0                          | 0                 | 0               |
| <b>Total</b> | <b>60</b>       | <b>\$ 82,814</b> | <b>\$ 1,380</b> | <b>79</b>                  | <b>\$ 128,268</b> | <b>\$ 1,624</b> |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 67.3 | Average Age:                     | 68.5 |
| Average Expected Lifetime: | 85.1 | Average Expected Joint Lifetime: | 92.4 |

## Disabled Participants as of January 1, 2020

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| Age Group    | Life Annuities  |                  |               | Joint & Survivor Annuities |                  |                 |
|--------------|-----------------|------------------|---------------|----------------------------|------------------|-----------------|
|              | Number of Lives | Monthly Benefit  |               | Number of Lives            | Monthly Benefit  |                 |
|              |                 | Total            | Average       |                            | Total            | Average         |
| < 50         | 1               | \$ 905           | \$ 905        | 1                          | \$ 211           | \$ 211          |
| 50-54        | 1               | 846              | 846           | 2                          | 1,497            | 749             |
| 55-59        | 1               | 1,619            | 1,619         | 0                          | 0                | 0               |
| 60-64        | 3               | 4,996            | 1,665         | 6                          | 8,424            | 1,404           |
| 65-69        | 1               | 751              | 751           | 7                          | 8,676            | 1,239           |
| 70-74        | 3               | 1,647            | 549           | 3                          | 3,099            | 1,033           |
| 75-79        | 1               | 700              | 700           | 3                          | 1,853            | 618             |
| 80-84        | 3               | 1,138            | 379           | 0                          | 0                | 0               |
| 85-89        | 0               | 0                | 0             | 0                          | 0                | 0               |
| 90 +         | 0               | 0                | 0             | 0                          | 0                | 0               |
| <b>Total</b> | <b>14</b>       | <b>\$ 12,602</b> | <b>\$ 900</b> | <b>22</b>                  | <b>\$ 23,760</b> | <b>\$ 1,080</b> |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 68.6 | Average Age:                     | 65.5 |
| Average Expected Lifetime: | 81.9 | Average Expected Joint Lifetime: | 90.7 |

## Beneficiary and Alternate Payee Participants as of January 1, 2020

| Age Group | Number of Lives | Monthly Benefit |            |
|-----------|-----------------|-----------------|------------|
|           |                 | Total           | Average    |
| < 50      | 2               | \$ 602          | \$ 301     |
| 50-54     | 1               | 971             | 971        |
| 55-59     | 4               | 2,315           | 579        |
| 60-64     | 8               | 5,848           | 731        |
| 65-69     | 11              | 8,509           | 774        |
| 70-74     | 12              | 11,664          | 972        |
| 75-79     | 13              | 10,021          | 771        |
| 80-84     | 10              | 8,298           | 830        |
| 85-89     | 0               | 0               | 0          |
| 90 +      | <u>1</u>        | <u>124</u>      | <u>124</u> |
| Total     | 62              | \$ 48,352       | \$ 780     |

|                            |      |
|----------------------------|------|
| Average Age:               | 71.1 |
| Average Expected Lifetime: | 87.1 |

## Age Distribution of 2019 Plan Year Benefit Commencements

---

| Retirement<br>Age | Number<br>of Lives | Monthly Benefit |          |
|-------------------|--------------------|-----------------|----------|
|                   |                    | Total           | Average  |
| < 50              | 0                  | \$ 0            | \$ 0     |
| 50                | 0                  | 0               | 0        |
| 51                | 0                  | 0               | 0        |
| 52                | 0                  | 0               | 0        |
| 53                | 0                  | 0               | 0        |
| 54                | 0                  | 0               | 0        |
| 55                | 1                  | 1,619           | 1,619    |
| 56                | 0                  | 0               | 0        |
| 57                | 0                  | 0               | 0        |
| 58                | 3                  | 2,968           | 989      |
| 59                | 0                  | 0               | 0        |
| 60                | 0                  | 0               | 0        |
| 61                | 0                  | 0               | 0        |
| 62                | 0                  | 0               | 0        |
| 63                | 0                  | 0               | 0        |
| 64                | 0                  | 0               | 0        |
| 65                | 1                  | 4,787           | 4,787    |
| 66                | 0                  | 0               | 0        |
| 67                | 0                  | 0               | 0        |
| 68                | 0                  | 0               | 0        |
| 69                | 0                  | 0               | 0        |
| 70 +              | 0                  | 0               | 0        |
| Total             | 5                  | \$ 9,374        | \$ 1,875 |

|                            |      |
|----------------------------|------|
| Average Age:               | 59.3 |
| Average Expected Lifetime: | 83.7 |

## Age Distribution of Approaching Retirements as of January 1, 2020

| Age   | Active Participants |                 |          | Vested Terms |                 |         | Total Participants |                 |         |
|-------|---------------------|-----------------|----------|--------------|-----------------|---------|--------------------|-----------------|---------|
|       | No.                 | Monthly Benefit |          | No.          | Monthly Benefit |         | No.                | Monthly Benefit |         |
|       |                     | Total           | Average  |              | Total           | Average |                    | Total           | Average |
| 50    | 7                   | \$ 4,940        | \$ 706   | 4            | \$ 3,830        | \$ 958  | 11                 | \$ 8,770        | \$ 797  |
| 51    | 4                   | 3,102           | 776      | 4            | 2,338           | 585     | 8                  | 5,440           | 680     |
| 52    | 3                   | 1,755           | 585      | 6            | 2,543           | 424     | 9                  | 4,298           | 478     |
| 53    | 4                   | 4,651           | 1,163    | 3            | 1,579           | 526     | 7                  | 6,230           | 890     |
| 54    | 4                   | 3,914           | 979      | 6            | 5,371           | 895     | 10                 | 9,285           | 929     |
| 55    | 7                   | 8,952           | 1,279    | 2            | 1,542           | 771     | 9                  | 10,494          | 1,166   |
| 56    | 3                   | 2,796           | 932      | 4            | 2,927           | 732     | 7                  | 5,723           | 818     |
| 57    | 4                   | 8,530           | 2,133    | 5            | 3,596           | 719     | 9                  | 12,126          | 1,347   |
| 58    | 0                   | 0               | 0        | 2            | 876             | 438     | 2                  | 876             | 438     |
| 59    | 5                   | 8,593           | 1,719    | 0            | 0               | 0       | 5                  | 8,593           | 1,719   |
| 60    | 1                   | 2,598           | 2,598    | 1            | 779             | 779     | 2                  | 3,377           | 1,689   |
| 61    | 3                   | 3,021           | 1,007    | 0            | 0               | 0       | 3                  | 3,021           | 1,007   |
| 62    | 2                   | 1,871           | 936      | 2            | 1,002           | 501     | 4                  | 2,873           | 718     |
| 63    | 2                   | 1,988           | 994      | 4            | 2,223           | 556     | 6                  | 4,211           | 702     |
| 64    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0       |
| 65    | 1                   | 1,171           | 1,171    | 1            | 378             | 378     | 2                  | 1,549           | 775     |
| 66    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0       |
| 67    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0       |
| 68    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0       |
| 69    | 0                   | 0               | 0        | 0            | 0               | 0       | 0                  | 0               | 0       |
| 70 +  | 0                   | 0               | 0        | 1            | 392             | 392     | 1                  | 392             | 392     |
| Total | 50                  | \$ 57,882       | \$ 1,158 | 45           | \$29,376        | \$ 653  | 95                 | \$ 87,258       | \$ 919  |

## Market Value Asset History (1992-2019)

| Plan<br>Year<br>Ending<br>12/31 | Plan Year<br>Contribution | Plan Year<br>Benefits Paid | Plan Year<br>Admin.<br>Expenses | Plan Year<br>Investment<br>Return | Market Value<br>of Assets<br>at Year End | Asset<br>Return<br>% | Cash<br>Flow<br>% |
|---------------------------------|---------------------------|----------------------------|---------------------------------|-----------------------------------|--|----------------------|-------------------|
| 1992                            | \$ 582,066                | \$ 507,003                 | \$ 31,300                       | \$ 754,504                        | \$ 13,395,027                            | 6.0%                 | 0.3%              |
| 1993                            | 527,500                   | 473,888                    | 27,678                          | 793,615                           | 14,214,576                               | 5.9%                 | 0.2%              |
| 1994                            | 659,661                   | 537,830                    | 32,976                          | (74,013)                          | 14,229,418                               | (0.5%)               | 0.6%              |
| 1995                            | 684,256                   | 600,008                    | 37,725                          | 1,758,170                         | 16,034,111                               | 12.3%                | 0.3%              |
| 1996                            | 728,349                   | 720,912                    | 38,364                          | 1,434,500                         | 17,437,684                               | 9.0%                 | (0.2%)            |
| 1997                            | 860,023                   | 696,861                    | 36,096                          | 3,943,669                         | 21,508,419                               | 22.5%                | 0.6%              |
| 1998                            | 782,298                   | 972,966                    | 38,410                          | 2,957,278                         | 24,236,619                               | 13.8%                | (0.9%)            |
| 1999                            | 923,898                   | 931,531                    | 40,175                          | 2,033,981                         | 26,222,792                               | 8.4%                 | (0.2%)            |
| 2000                            | 882,106                   | 1,095,407                  | 41,554                          | 891,510                           | 26,859,447                               | 3.4%                 | (0.9%)            |
| 2001                            | 926,509                   | 1,192,493                  | 45,280                          | (1,066,205)                       | 25,481,978                               | (4.0%)               | (1.2%)            |
| 2002                            | 892,092                   | 1,117,709                  | 64,047                          | (2,502,113)                       | 22,690,201                               | (9.9%)               | (1.3%)            |
| 2003                            | 949,127                   | 1,198,778                  | 55,772                          | 4,057,413                         | 26,442,191                               | 18.0%                | (1.2%)            |
| 2004                            | 975,058                   | 1,253,452                  | 57,271                          | 2,204,195                         | 28,310,721                               | 8.4%                 | (1.2%)            |
| 2005                            | 1,030,937                 | 1,493,946                  | 58,275                          | 1,342,239                         | 29,131,676                               | 4.8%                 | (1.8%)            |
| 2006                            | 997,910                   | 1,505,304                  | 63,530                          | 3,889,863                         | 32,450,615                               | 13.5%                | (1.8%)            |
| 2007                            | 1,053,854                 | 1,577,892                  | 73,015                          | 2,064,277                         | 33,917,839                               | 6.4%                 | (1.8%)            |
| 2008                            | 957,021                   | 1,782,018                  | 94,267                          | (9,609,919)                       | 23,388,656                               | (28.7%)              | (3.9%)            |
| 2009                            | 796,509                   | 1,969,252                  | 83,088                          | 6,120,957                         | 28,253,782                               | 26.9%                | (4.4%)            |
| 2010                            | 779,323                   | 2,373,921                  | 115,776                         | 3,298,416                         | 29,841,824                               | 12.0%                | (5.7%)            |
| 2011                            | 739,693                   | 2,579,282                  | 79,892                          | (726,699)                         | 27,195,644                               | (2.5%)               | (7.1%)            |
| 2012                            | 1,027,673                 | 2,692,857                  | 99,399                          | 4,062,411                         | 29,493,472                               | 15.4%                | (6.0%)            |
| 2013                            | 858,064                   | 2,838,970                  | 98,171                          | 3,670,065                         | 31,084,460                               | 12.9%                | (6.7%)            |
| 2014                            | 895,300                   | 2,993,731                  | 107,430                         | 585,082                           | 29,463,681                               | 2.0%                 | (7.5%)            |
| 2015                            | 965,222                   | 3,177,270                  | 94,679                          | (1,199,071)                       | 25,957,883                               | (4.2%)               | (8.9%)            |
| 2016                            | 1,060,950                 | 3,231,106                  | 125,564                         | 1,491,954                         | 25,154,117                               | 6.0%                 | (9.1%)            |
| 2017                            | 1,132,719                 | 3,372,256                  | 149,903                         | 3,288,968                         | 26,053,645                               | 13.7%                | (9.2%)            |
| 2018                            | 1,133,418                 | 3,449,227                  | 215,232                         | (1,160,547)                       | 22,362,057                               | (4.7%)               | (11.3%)           |
| 2019                            | 1,247,982                 | 3,543,007                  | 317,786                         | 4,449,024                         | 24,198,270                               | 21.1%                | (10.8%)           |
| <b>Totals</b>                   | <b>\$25,049,518</b>       | <b>\$49,878,877</b>        | <b>\$2,322,655</b>              | <b>\$38,753,524</b>               |  | <b>6.1%</b>          |                   |

## Summary of Plan Provisions

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1. Effective Date: June 1, 1964.
  
2. Plan Year: January 1<sup>st</sup> through December 31<sup>st</sup>.
  
3. Covered Employees: All employees covered by the Local 42 Collective Bargaining Agreement.
  
4. Eligibility: 1<sup>st</sup> of the month coincident with or following the completion of 1,000 Hours of Service.
  
5. Year of Service: 1 Year of Service for each Plan Year during which at least 1,000 Hours of Service are worked. If the participant works less than 1,000 hours,  $\frac{1}{10}$  of a Year of Service is earned for each 100 Hours of Service worked.
  
6. Actuarial Equivalency: UP 1984 Mortality Table at 7.00%.
  
7. Payment Forms:
  - a. Normal Single Life Annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor Annuity (QJSA) for married participants.
  
  - b. Optional Actuarially Equivalent  $66\frac{2}{3}\%$ , 75% or 100% Joint & Survivor (with or without Pop-Up) Annuity (QOSA).

## Summary of Plan Provisions

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### 8. Normal Retirement:

- a. Eligibility Age 58 or the 5<sup>th</sup> anniversary of Plan participation.
- b. Monthly Benefit Based on a percentage of Employer contributions made on behalf of the participant in accordance with the following table:

| <u>Effective Date</u> | <u>Percentage</u>   |
|-----------------------|---------------------|
| 6/1/1964              | 5.220%              |
| 6/1/1965              | 2.616%              |
| 6/1/1966              | 1.740%              |
| 6/1/1972              | 2.040%              |
| 6/1/1974              | 2.040% <sup>1</sup> |
| 1/1/1980              | 2.880% <sup>1</sup> |
| 1/1/1984              | 2.450%              |
| 1/1/1994              | 2.100%              |
| 1/1/2009              | 1.000% <sup>2</sup> |

<sup>1</sup> Accrual is based on the specified percentage of contribution in excess of \$0.15 per hour.

<sup>2</sup> Accrual is based on contributions up to \$3.00 per hour effective 1/1/2009 and \$2.10 per hour effective 1/1/2010.

### 9. Early Retirement:

- a. Eligibility Age 55 and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement with monthly benefit actuarially reduced for each month that Early Retirement precedes age 58.

## Summary of Plan Provisions

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10. Vested Retirement:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal or Early Retirement.

11. Disability Benefit:

- a. Eligibility Total and Permanent Disability and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal or Early Retirement.

12. Pre-Retirement Death:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Surviving Spouses receive the survivor's annuity calculated as for an age 55 Early Retirement reflecting a 50% Joint & Survivor Annuity payment form with death immediately after Early Retirement.

13. Employer Contributions:

| <u>Effective Date</u> | <u>Hourly Rate</u> |
|-----------------------|--------------------|
| 8/1/2014              | \$4.40             |
| 8/1/2015              | \$4.60             |
| 8/1/2016              | \$4.80             |
| 8/1/2017              | \$5.00             |
| 8/1/2018              | \$5.20             |
| 8/1/2019              | \$5.40             |

14. Changes Since Last Year:

Early retirement reductions for Early Retirement and the Disability Benefit were changed to actuarial equivalence.

## Actuarial Assumptions and Methods

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1. Interest Rates:
  - a. Funding 6.50%.
  - b. Current Liability 2.95%.
  - c. ASC 960 5.50% (reflects administration expenses).
  
2. Mortality Rates:
  - a. Funding
    - i. Non-Disabled Blue Collar adjusted Pri-2012.
    - ii. Retired Blue Collar adjusted Pri-2012 Retiree.
    - iii. Survivor Blue Collar adjusted Pri-2012 Contingent Survivor.
    - iv. Disabled Pri-2012 Disabled Retiree.
    - v. Weighting Amount-weighted.
    - vi. Future Improvement Projected generationally using Scale MP-2019.
  - b. Current Liability 2020 Static Mortality Table (IRS Notice 2019-26).
  
3. Actuarial Cost Method: Unit Credit.
  
4. Expense Load: \$150,000.
  
5. Hours Worked: 1,325 per year.

## Actuarial Assumptions and Methods

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6. Retirement Rates:

| <u>Age</u> | <u>Actives</u> | <u>Terminated<br/>Vesteds</u> |
|------------|----------------|-------------------------------|
| 55-56      | 0.10           | 0.10                          |
| 57         | 0.20           | 0.20                          |
| 58         | 0.30           | 0.50                          |
| 59-60      | 0.20           | 0.10                          |
| 61         | 0.40           | 0.10                          |
| 62         | 1.00           | 0.10                          |
| 63-65      | 1.00           | 0.50                          |
| 66-69      | 1.00           | 0.20                          |
| 70         | 1.00           | 1.00                          |

7. Termination Rates:

For years 1 and 2 – 0.20; for years 3 and later:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0967      |
| 35         | 0.0871      |
| 45         | 0.0635      |
| 55         | 0.0155      |
| 65         | 0.0000      |

8. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0009      |
| 35         | 0.0015      |
| 45         | 0.0032      |
| 55         | 0.0083      |
| 65         | 0.0000      |

9. Payment Form Election:

| <u>Payment Form</u>     | <u>Election %</u> |
|-------------------------|-------------------|
| Single Life Annuity     | 47%               |
| 50% Joint and Survivor  | 14%               |
| 66% Joint and Survivor  | 8%                |
| 75% Joint and Survivor  | 2%                |
| 100% Joint and Survivor | 29%               |

## **Actuarial Assumptions and Methods**

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10. Actuarial Value of Assets:

Market Value of Assets minus a decreasing fraction ( $\frac{4}{5}$ ,  $\frac{3}{5}$ ,  $\frac{2}{5}$  and  $\frac{1}{5}$ ) of each of the preceding 4 years' gains and (losses). A gain/(loss) for a year is equal to the actual return minus the expected return using the funding interest rate. The Actuarial Value of Assets is adjusted to be within 80% and 120% of the Market Value of Assets.

11. Changes Since Last Year:

The mortality table and projection scale and ASC 960 discount rate were updated, the hours worked assumption was increased, the expense load was decreased, and the Current Liability mortality and interest rates were changed as mandated by the IRS.

## Rationale for Selection of Significant Actuarial Assumptions

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1. Interest Rate: Based on the Plan's target asset allocation, reflecting asset class future return expectations as determined by the Plan's investment consultant and publicly available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions.
  
2. Mortality Rates: Pri-2012 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. Pri-2012 Retiree table used to reflect expected retiree mortality experience. Pri-2012 Contingent Survivor table used to reflect expected surviving spouse mortality experience. Pri-2012 Disabled Retiree table used to reflect expected disabled mortality experience. Pri-2012 tables are adjusted for expected generational mortality improvement from base year 2012 using Scale MP-2019.
  
3. Retirement Rates: Based on the Plan's most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan's most recent experience study.
  
6. Payment Form Election: Based on the Plan's most recent experience study.

**Form 5500**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security  
Administration

Pension Benefit Guaranty Corporation

**Annual Return/Report of Employee Benefit Plan**

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110  
1210-0089

**2020**

**This Form is Open to Public Inspection**

**Part I Annual Report Identification Information**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

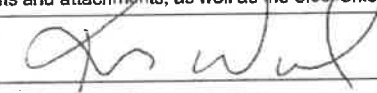

- A** This return/report is for:  a multiemployer plan  a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- a single-employer plan  a DFE (specify) \_\_\_\_\_
- B** This return/report is:  the first return/report  the final return/report
- an amended return/report  a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here: .....
- D** Check box if filing under:  Form 5558  automatic extension  the DFVC program
- special extension (enter description)

**Part II Basic Plan Information—enter all requested information**

|   |  |              |
|---|--|--------------|
| <b>1a</b> Name of plan<br>COMPOSITION ROOFERS LOCAL 42 PENSION PLAN   | <b>1b</b> Three-digit plan number (PN) ▶       | 001          |
|   | <b>1c</b> Effective date of plan               | 06/01/1964   |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><br>COMPOSITION ROOFERS LOCAL 42 PENSION<br><br>205 WEST FOURTH STREET SUITE 225      205 WEST FOURTH STREET SUITE 225<br><br>CINCINNATI      OH 45202-2628      CINCINNATI      OH 45202-2628 | <b>2b</b> Employer Identification Number (EIN) | 31-6127285   |
|   | <b>2c</b> Plan Sponsor's telephone number      | 513-381-6886 |
|   | <b>2d</b> Business code (see instructions)     | 238100       |
|   |  |              |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |   |          |  |
|------------------|---|----------|--|
| <b>SIGN HERE</b> |  | 10/14/21 | Kim Wood   |
|                  | Signature of plan administrator   | Date     | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |  | 10/14/21 | Jackson Elkins   |
|                  | Signature of employer/plan sponsor  | Date     | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |   |          |  |
|                  | Signature of DFE  | Date     | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)  
v. 200204

|  |  |  |
|--|--|--|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor | <b>3b</b> Administrator's EIN              |  |
|  | <b>3c</b> Administrator's telephone number |  |
|  |  |  |

|  |               |  |
|--|---------------|--|
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name | <b>4b</b> EIN |  |
|  | <b>4d</b> PN  |  |

|   |          |     |
|---|----------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 494 |
|---|----------|-----|

|  |              |     |
|--|--------------|-----|
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |              |     |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year.....   | <b>6a(1)</b> | 175 |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....  | <b>6a(2)</b> | 175 |
| <b>b</b> Retired or separated participants receiving benefits.....   | <b>6b</b>    | 82  |
| <b>c</b> Other retired or separated participants entitled to future benefits .....   | <b>6c</b>    | 173 |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....  | <b>6d</b>    | 430 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....   | <b>6e</b>    | 65  |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  | <b>6f</b>    | 495 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....  | <b>6g</b>    |     |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested .....   | <b>6h</b>    |     |

|   |          |   |
|---|----------|---|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)..... | <b>7</b> | 8 |
|---|----------|---|

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
1B

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

|   |   |
|---|---|
| <b>9a</b> Plan funding arrangement (check all that apply)               | <b>9b</b> Plan benefit arrangement (check all that apply)               |
| (1) <input type="checkbox"/> Insurance                                  | (1) <input type="checkbox"/> Insurance                                  |
| (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts | (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts |
| (3) <input checked="" type="checkbox"/> Trust                           | (3) <input checked="" type="checkbox"/> Trust                           |
| (4) <input type="checkbox"/> General assets of the sponsor              | (4) <input type="checkbox"/> General assets of the sponsor              |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

|   |   |
|---|---|
| <b>a Pension Schedules</b>  | <b>b General Schedules</b>  |
| (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  | (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)        |
| (2) <input checked="" type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary | (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)      |
| (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary  | (3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)          |
|   | (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) |
|   | (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)      |
|   | (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)         |

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

If "Yes" is checked, complete lines 11b and 11c.

---

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

**11c** Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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|   |  |  |
|---|--|--|
| <b>SCHEDULE MB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br><b>▶ File as an attachment to Form 5500 or 5500-SF.</b> | <small>OMB No. 1210-0110</small><br><br><b>2020</b><br><br><b>This Form is Open to Public Inspection</b> |
|---|--|--|

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

- ▶ **Round off amounts to nearest dollar.**  
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|   |  |
|---|--|
| <b>A</b> Name of plan<br><u>COMPOSITION ROOFERS LOCAL 42 PENSION PLAN</u>   | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>COMPOSITION ROOFERS LOCAL 42 PENSION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>31-6127285</u> |

**E** Type of plan: (1)  Multiemployer Defined Benefit (2)  Money Purchase (see instructions)

**1a** Enter the valuation date: Month 01 Day 01 Year 2020

**b** Assets

|   |                 |                 |
|---|-----------------|-----------------|
| (1) Current value of assets.....  | <b>1b(1)</b>    | <u>24198270</u> |
| (2) Actuarial value of assets for funding standard account .....  | <b>1b(2)</b>    | <u>22731077</u> |
| <b>c</b> (1) Accrued liability for plan using immediate gain methods .....                                    | <b>1c(1)</b>    | <u>50927705</u> |
| (2) Information for plans using spread gain methods:  |                 |                 |
| (a) Unfunded liability for methods with bases .....   | <b>1c(2)(a)</b> |                 |
| (b) Accrued liability under entry age normal method .....   | <b>1c(2)(b)</b> |                 |
| (c) Normal cost under entry age normal method .....   | <b>1c(2)(c)</b> |                 |
| (3) Accrued liability under unit credit cost method .....   | <b>1c(3)</b>    | <u>50927705</u> |
| <b>d</b> Information on current liabilities of the plan:  |                 |                 |
| (1) Amount excluded from current liability attributable to pre-participation service (see instructions) ..... | <b>1d(1)</b>    |                 |
| (2) "RPA '94" information:  |                 |                 |
| (a) Current liability.....  | <b>1d(2)(a)</b> | <u>79361252</u> |
| (b) Expected increase in current liability due to benefits accruing during the plan year.....                 | <b>1d(2)(b)</b> | <u>738714</u>   |
| (c) Expected release from "RPA '94" current liability for the plan year.....                                  | <b>1d(2)(c)</b> | <u>3743751</u>  |
| (3) Expected plan disbursements for the plan year.....  | <b>1d(3)</b>    | <u>3893751</u>  |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                  |  |  |
|------------------|--|--|
| <b>SIGN HERE</b> |  |  |
|                  | Signature of actuary   | Date                                   |
|                  | <u>M. R. RUST</u>  | <u>10/07/2021</u>                      |
|                  | Type or print name of actuary  | Most recent enrollment number          |
|                  | <u>CUNI, RUST &amp; STRENK</u>                                       | <u>20-06146</u>                        |
|                  | Firm name  | Telephone number (including area code) |
|                  | <u>4555 LAKE FOREST DRIVE - SUITE 620, CINCINNATI, OH 45242-3760</u> | <u>513-891-0270</u>                    |
|                  | Address of the firm  |  |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

**2** Operational information as of beginning of this plan year:

|   |                                   |                              |
|---|-----------------------------------|------------------------------|
| <b>a</b> Current value of assets (see instructions)   | <b>2a</b>                         | 24198270                     |
| <b>b</b> "RPA '94" current liability/participant count breakdown:   | <b>(1) Number of participants</b> | <b>(2) Current liability</b> |
| <b>(1)</b> For retired participants and beneficiaries receiving payment .....   | 237                               | 53906403                     |
| <b>(2)</b> For terminated vested participants .....   | 82                                | 10278565                     |
| <b>(3)</b> For active participants:   |                                   |                              |
| <b>(a)</b> Non-vested benefits.....   |                                   | 859014                       |
| <b>(b)</b> Vested benefits.....   |                                   | 14317270                     |
| <b>(c)</b> Total active.....  | 175                               | 15176284                     |
| <b>(4)</b> Total .....  | 494                               | 79361252                     |
| <b>c</b> If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage ..... | <b>2c</b>                         | 30.49 %                      |

**3** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|-----------------------|--------------------------------|------------------------------|-----------------------|--------------------------------|------------------------------|
| 01/01/2020            | 0                              | 0                            |                       |                                |                              |
| 12/31/2020            | 1122904                        | 0                            |                       |                                |                              |
|                       |                                |                              |                       |                                |                              |
|                       |                                |                              |                       |                                |                              |
|                       |                                |                              |                       |                                |                              |
|                       |                                |                              |                       |                                |                              |
|                       |                                |                              |                       |                                |                              |
|                       |                                |                              |                       |                                |                              |
|                       |                                |                              | <b>Totals ▶</b>       | <b>3(b)</b>                    | <b>3(c)</b>                  |
|                       |                                |                              |                       | 1122904                        | 0                            |

**4** Information on plan status:

|   |           |   |
|---|-----------|---|
| <b>a</b> Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3)) .....  | <b>4a</b> | 44.6 %  |
| <b>b</b> Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If entered code is "N," go to line 5 .....   | <b>4b</b> | D   |
| <b>c</b> Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan? .....   |           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>d</b> If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)? .....  |           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>e</b> If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date .....  | <b>4e</b> | 52122   |
| <b>f</b> If the rehabilitation plan projects emergence from critical status or critical and declining status, enter the plan year in which it is projected to emerge. If the rehabilitation plan is based on forestalling possible insolvency, enter the plan year in which insolvency is expected and check here ..... | <b>4f</b> | 2046  |

**5** Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

- a**  Attained age normal
- b**  Entry age normal
- c**  Accrued benefit (unit credit)
- d**  Aggregate
- e**  Frozen initial liability
- f**  Individual level premium
- g**  Individual aggregate
- h**  Shortfall
- i**  Other (specify):

|   |           |   |
|---|-----------|---|
| <b>j</b> If box h is checked, enter period of use of shortfall method .....   | <b>5j</b> |   |
| <b>k</b> Has a change been made in funding method for this plan year?.....  |           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>l</b> If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval? .....   |           | <input type="checkbox"/> Yes <input type="checkbox"/> No            |
| <b>m</b> If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method..... | <b>5m</b> |   |

**6 Checklist of certain actuarial assumptions:**

|  |  |        |   |   |
|--|--|--------|---|---|
| <b>a</b> Interest rate for "RPA '94" current liability.....  |  |        | <b>6a</b>   | 2.95 %                                  |
| <b>b</b> Rates specified in insurance or annuity contracts.....  | Pre-retirement<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |        | Post-retirement<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |   |
| <b>c</b> Mortality table code for valuation purposes:  |  |        |   |   |
| <b>(1)</b> Males .....   | <b>6c(1)</b>   | A      |   | A                                       |
| <b>(2)</b> Females .....   | <b>6c(2)</b>   | A      |   | A                                       |
| <b>d</b> Valuation liability interest rate .....   | <b>6d</b>  | 6.50 % |   | 6.50 %                                  |
| <b>e</b> Expense loading .....   | <b>6e</b>  | 28.8 % | <input type="checkbox"/> N/A  | <input checked="" type="checkbox"/> N/A |
| <b>f</b> Salary scale .....  | <b>6f</b>  | %      | <input checked="" type="checkbox"/> N/A   |   |
| <b>g</b> Estimated investment return on actuarial value of assets for year ending on the valuation date..... | <b>6g</b>  |        |   | 4.7 %                                   |
| <b>h</b> Estimated investment return on current value of assets for year ending on the valuation date .....  | <b>6h</b>  |        |   | 21.1 %                                  |

**7 New amortization bases established in the current plan year:**

| (1) Type of base | (2) Initial balance | (3) Amortization Charge/Credit |
|------------------|---------------------|--------------------------------|
| 1                | 421917              | 42134                          |
| 3                | -52122              | -5205                          |
| 4                | -374517             | -37400                         |

**8 Miscellaneous information:**

|   |              |   |
|---|--------------|---|
| <b>a</b> If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval.....  | <b>8a</b>    |   |
| <b>b(1)</b> Is the plan required to provide a projection of expected benefit payments? (See the instructions.) If "Yes," attach a schedule.....   |              | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>b(2)</b> Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach a schedule.....   |              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>c</b> Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?.....  |              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>d</b> If line c is "Yes," provide the following additional information:  |              |   |
| <b>(1)</b> Was an extension granted automatic approval under section 431(d)(1) of the Code?.....  |              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>(2)</b> If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended .....  | <b>8d(2)</b> | 5   |
| <b>(3)</b> Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code? .....  |              | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>(4)</b> If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2)).....   | <b>8d(4)</b> |   |
| <b>(5)</b> If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension .....  | <b>8d(5)</b> |   |
| <b>(6)</b> If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007? .....   |              | <input type="checkbox"/> Yes <input type="checkbox"/> No            |
| <b>e</b> If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s) ..... | <b>8e</b>    | 2235872   |

**9 Funding standard account statement for this plan year:**

**Charges to funding standard account:**

|  |                     |         |
|--|---------------------|---------|
| <b>a</b> Prior year funding deficiency, if any .....   | <b>9a</b>           | 3207940 |
| <b>b</b> Employer's normal cost for plan year as of valuation date.....  | <b>9b</b>           | 520968  |
| <b>c</b> Amortization charges as of valuation date:  | Outstanding balance |         |
| <b>(1)</b> All bases except funding waivers and certain bases for which the amortization period has been extended..... | <b>9c(1)</b>        | 3523674 |
| <b>(2)</b> Funding waivers .....   | <b>9c(2)</b>        | 0       |
| <b>(3)</b> Certain bases for which the amortization period has been extended .....                                     | <b>9c(3)</b>        | 0       |
| <b>d</b> Interest as applicable on lines 9a, 9b, and 9c.....   | <b>9d</b>           | 471418  |
| <b>e</b> Total charges. Add lines 9a through 9d.....   | <b>9e</b>           | 7724000 |

**Credits to funding standard account:**

|  |                     |   |
|--|---------------------|---|
| <b>f</b> Prior year credit balance, if any.....  | <b>9f</b>           | 0   |
| <b>g</b> Employer contributions. Total from column (b) of line 3.....  | <b>9g</b>           | 1122904   |
|  | Outstanding balance |   |
| <b>h</b> Amortization credits as of valuation date.....  | <b>9h</b>           | 6527441   |
| <b>i</b> Interest as applicable to end of plan year on lines 9f, 9g, and 9h.....   | <b>9i</b>           | 122680  |
| <b>j</b> Full funding limitation (FFL) and credits:  |                     |   |
| <b>(1)</b> ERISA FFL (accrued liability FFL).....  | <b>9j(1)</b>        | 30584239  |
| <b>(2)</b> "RPA '94" override (90% current liability FFL).....   | <b>9j(2)</b>        | 50591803  |
| <b>(3)</b> FFL credit.....   | <b>9j(3)</b>        | 0   |
| <b>k</b> <b>(1)</b> Waived funding deficiency.....   | <b>9k(1)</b>        | 0   |
| <b>(2)</b> Other credits.....  | <b>9k(2)</b>        | 0   |
| <b>l</b> Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2).....  | <b>9l</b>           | 2580354   |
| <b>m</b> Credit balance: If line 9l is greater than line 9e, enter the difference.....                                   | <b>9m</b>           |   |
| <b>n</b> Funding deficiency: If line 9e is greater than line 9l, enter the difference.....                               | <b>9n</b>           | 5143646   |
| <b>9o</b> Current year's accumulated reconciliation account:   |                     |   |
| <b>(1)</b> Due to waived funding deficiency accumulated prior to the 2020 plan year.....                                 | <b>9o(1)</b>        | 0   |
| <b>(2)</b> Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:   |                     |   |
| <b>(a)</b> Reconciliation outstanding balance as of valuation date.....  | <b>9o(2)(a)</b>     | 0   |
| <b>(b)</b> Reconciliation amount (line 9c(3) balance minus line 9o(2)(a)).....   | <b>9o(2)(b)</b>     | 0   |
| <b>(3)</b> Total as of valuation date.....   | <b>9o(3)</b>        | 0   |
| <b>10</b> Contribution necessary to avoid an accumulated funding deficiency. (See instructions.).....                    | <b>10</b>           | 5143646   |
| <b>11</b> Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions..... |                     | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

**SCHEDULE C  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Service Provider Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning **01/01/2020** and ending **12/31/2020**

|  |  |            |
|--|--|------------|
| <b>A</b> Name of plan<br><b>COMPOSITION ROOFERS LOCAL 42 PENSION PLAN</b>                                    | <b>B</b> Three-digit plan number (PN) ▶                            | <b>001</b> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>COMPOSITION ROOFERS LOCAL 42 PENSION</b> | <b>D</b> Employer Identification Number (EIN)<br><b>31-6127285</b> |            |

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)...  Yes  No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CUNI, RUST & STRENK

4555 LAKE FOREST DRIVE SUITE 620  
CINCINNATI, OH 45242

31-1227755

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 11                     | NONE  | 46310  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>   |   | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

(a) Enter name and EIN or address (see instructions)

LEDBETTER PARISI LLC

9240 MARKETPLACE DRIVE  
MIAMISBURG, OH 45342

03-0599899

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 29                     | NONE  | 27974  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>   |   | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

(a) Enter name and EIN or address (see instructions)

FUND EVALUATION GROUP

201 EAST FIFTH STREET  
CINCINNATI, OH 45202

01-0694771

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 27                     | NONE  | 26393  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>   |   | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

AMERICAN BENEFIT CORPORATION

205 WEST FOURTH STREET SUITE 225  
CINCINNATI, OH 45202

31-1219231

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 13                     | NONE  | 25670  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>   |   | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

(a) Enter name and EIN or address (see instructions)

ARTHUR J. GALLAGHER RISK MANAGEMENT

650 EAST CARMEL DRIVE 400  
CARMEL, IN 46032

36-2102482

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 23                     | NONE  | 16870  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>   |   | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

(a) Enter name and EIN or address (see instructions)

BLUE & COMPANY, LLC

720 EAST PETE ROSE WAY, SUITE 100  
CINCINNATI, OH 45202

35-1178661

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 10                     | NONE  | 15000  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>   |   | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**Part I Service Provider Information (continued)**

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

|  |   |  |
|--|---|--|
| <b>(a)</b> Enter service provider name as it appears on line 2             | <b>(b)</b> Service Codes<br>(see instructions)  | <b>(c)</b> Enter amount of indirect compensation |
|  |   |  |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |  |
|  |   |  |
| <b>(a)</b> Enter service provider name as it appears on line 2             | <b>(b)</b> Service Codes<br>(see instructions)  | <b>(c)</b> Enter amount of indirect compensation |
|  |   |  |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |  |
|  |   |  |
| <b>(a)</b> Enter service provider name as it appears on line 2             | <b>(b)</b> Service Codes<br>(see instructions)  | <b>(c)</b> Enter amount of indirect compensation |
|  |   |  |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |  |
|  |   |  |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---|--------------------------------------|--|
|   |                                      |  |

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---|--------------------------------------|--|
|   |                                      |  |

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---|--------------------------------------|--|
|   |                                      |  |

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---|--------------------------------------|--|
|   |                                      |  |

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---|--------------------------------------|--|
|   |                                      |  |

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---|--------------------------------------|--|
|   |                                      |  |

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |

Explanation:

|  |  |  |
|--|--|--|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2020</b><br><br><b>This Form is Open to Public Inspection</b> |
|--|--|--|

For calendar plan year 2020 or fiscal plan year beginning **01/01/2020** and ending **12/31/2020**

|  |  |            |
|--|--|------------|
| <b>A</b> Name of plan<br><b>COMPOSITION ROOFERS LOCAL 42 PENSION PLAN</b>                                    | <b>B</b> Three-digit plan number (PN) ▶                            | <b>001</b> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>COMPOSITION ROOFERS LOCAL 42 PENSION</b> | <b>D</b> Employer Identification Number (EIN)<br><b>31-6127285</b> |            |

**Part I Asset and Liability Statement**

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets  | (a) Beginning of Year | (b) End of Year |
|---|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash.....  | 688712                | 357995          |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                       |                 |
| <b>(1)</b> Employer contributions .....   | 209422                | 187547          |
| <b>(2)</b> Participant contributions.....   |                       |                 |
| <b>(3)</b> Other .....  | 237832                | 171736          |
| <b>c</b> General investments:   |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | 35872                 | 35825           |
| <b>(2)</b> U.S. Government securities .....   |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                       |                 |
| <b>(A)</b> Preferred .....  |                       |                 |
| <b>(B)</b> All other .....  |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                       |                 |
| <b>(A)</b> Preferred .....  |                       |                 |
| <b>(B)</b> Common .....   |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....  |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....   |                       |                 |
| <b>(8)</b> Participant loans .....  |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....       | 23054900              | 24355902        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... |                       |                 |
| <b>(15)</b> Other.....  |                       |                 |

|                    |   | (a) Beginning of Year | (b) End of Year   |
|--------------------|---|-----------------------|-------------------|
| <b>1d</b>          | Employer-related investments:                                   |                       |                   |
| (1)                | Employer securities.....  | <b>1d(1)</b>          |                   |
| (2)                | Employer real property.....                                     | <b>1d(2)</b>          |                   |
| <b>e</b>           | Buildings and other property used in plan operation.....        | <b>1e</b>             |                   |
| <b>f</b>           | Total assets (add all amounts in lines 1a through 1e).....      | <b>1f</b>             | 24226738 25109005 |
| <b>Liabilities</b> |   |                       |                   |
| <b>g</b>           | Benefit claims payable.....                                     | <b>1g</b>             |                   |
| <b>h</b>           | Operating payables.....   | <b>1h</b>             | 27292 27649       |
| <b>i</b>           | Acquisition indebtedness.....                                   | <b>1i</b>             |                   |
| <b>j</b>           | Other liabilities.....  | <b>1j</b>             | 1176 0            |
| <b>k</b>           | Total liabilities (add all amounts in lines 1g through 1j)..... | <b>1k</b>             | 28468 27649       |
| <b>Net Assets</b>  |   |                       |                   |
| <b>l</b>           | Net assets (subtract line 1k from line 1f).....                 | <b>1l</b>             | 24198270 25081356 |

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

|               |  | (a) Amount      | (b) Total |
|---------------|--|-----------------|-----------|
| <b>Income</b> |  |                 |           |
| <b>a</b>      | <b>Contributions:</b>  |                 |           |
| (1)           | Received or receivable in cash from: <b>(A)</b> Employers.....   | <b>2a(1)(A)</b> | 1122904   |
|               | <b>(B)</b> Participants.....   | <b>2a(1)(B)</b> |           |
|               | <b>(C)</b> Others (including rollovers).....   | <b>2a(1)(C)</b> |           |
| (2)           | Noncash contributions.....   | <b>2a(2)</b>    |           |
| (3)           | Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    | 1122904   |
| <b>b</b>      | <b>Earnings on investments:</b>  |                 |           |
| (1)           | Interest:  |                 |           |
|               | <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....    | <b>2b(1)(A)</b> | 28        |
|               | <b>(B)</b> U.S. Government securities.....   | <b>2b(1)(B)</b> |           |
|               | <b>(C)</b> Corporate debt instruments.....   | <b>2b(1)(C)</b> |           |
|               | <b>(D)</b> Loans (other than to participants).....   | <b>2b(1)(D)</b> |           |
|               | <b>(E)</b> Participant loans.....  | <b>2b(1)(E)</b> |           |
|               | <b>(F)</b> Other.....  | <b>2b(1)(F)</b> |           |
|               | <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                          | <b>2b(1)(G)</b> | 28        |
| (2)           | Dividends: <b>(A)</b> Preferred stock.....   | <b>2b(2)(A)</b> |           |
|               | <b>(B)</b> Common stock.....   | <b>2b(2)(B)</b> |           |
|               | <b>(C)</b> Registered investment company shares (e.g. mutual funds).....                               | <b>2b(2)(C)</b> | 490415    |
|               | <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....              | <b>2b(2)(D)</b> | 490415    |
| (3)           | Rents.....   | <b>2b(3)</b>    |           |
| (4)           | Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds.....                                  | <b>2b(4)(A)</b> |           |
|               | <b>(B)</b> Aggregate carrying amount (see instructions).....   | <b>2b(4)(B)</b> |           |
|               | <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result.....               | <b>2b(4)(C)</b> | 0         |
| (5)           | Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate.....                          | <b>2b(5)(A)</b> |           |
|               | <b>(B)</b> Other.....  | <b>2b(5)(B)</b> |           |
|               | <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....     | <b>2b(5)(C)</b> | 0         |

|  |        | (a) Amount | (b) Total |
|--|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts.....                              | 2b(6)  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts.....                              | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts.....                      | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities.....                            | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            | 2210538   |
| c Other income.....  | 2c     |            | 4510      |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 3828395   |

**Expenses**

e Benefit payment and payments to provide benefits:

|  |       |         |         |
|--|-------|---------|---------|
| (1) Directly to participants or beneficiaries, including direct rollovers..... | 2e(1) | 2756079 |         |
| (2) To insurance carriers for the provision of benefits.....                   | 2e(2) |         |         |
| (3) Other.....   | 2e(3) |         |         |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                   | 2e(4) |         | 2756079 |

f Corrective distributions (see instructions).....

g Certain deemed distributions of participant loans (see instructions).....

h Interest expense.....

i Administrative expenses: (1) Professional fees.....

|   |       |       |        |
|---|-------|-------|--------|
| (2) Contract administrator fees.....                                | 2i(2) | 24328 |        |
| (3) Investment advisory and management fees.....                    | 2i(3) | 26418 |        |
| (4) Other.....  | 2i(4) | 49200 |        |
| (5) Total administrative expenses. Add lines 2i(1) through (4)..... | 2i(5) |       | 189230 |

j Total expenses. Add all **expense** amounts in column (b) and enter total.....

|  |    |  |         |
|--|----|--|---------|
|  | 2j |  | 2945309 |
|--|----|--|---------|

**Net Income and Reconciliation**

k Net income (loss). Subtract line 2j from line 2d.....

|  |    |  |        |
|--|----|--|--------|
|  | 2k |  | 883086 |
|--|----|--|--------|

l Transfers of assets:

|                         |       |  |  |
|-------------------------|-------|--|--|
| (1) To this plan.....   | 2l(1) |  |  |
| (2) From this plan..... | 2l(2) |  |  |

**Part III Accountant's Opinion**

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1)  Unmodified (2)  Qualified (3)  Disclaimer (4)  Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1)  DOL Regulation 2520.103-8 (2)  DOL Regulation 2520.103-12(d) (3)  neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BLUE & CO., LLC

(2) EIN: 35-1178661

d The opinion of an independent qualified public accountant is **not attached** because:

(1)  This form is filed for a CCT, PSA, or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |

|  |           | Yes | No | Amount |
|--|-----------|-----|----|--------|
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) ..... | <b>4b</b> |     | X  |        |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....   | <b>4c</b> |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....  | <b>4d</b> |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond? .....   | <b>4e</b> | X   |    | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....  | <b>4f</b> |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....   | <b>4g</b> |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....   | <b>4h</b> |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....  | <b>4i</b> | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....  | <b>4j</b> |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....  | <b>4k</b> |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....   | <b>4l</b> |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....  | <b>4m</b> |     | X  |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....  | <b>4n</b> |     |    |        |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?.....  Yes  No  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year \_\_\_\_\_.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) .....  Yes  No  Not determined  
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4331953.

|  |   |   |
|--|---|---|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>▶ File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2020</b><br><br><b>This Form is Open to Public Inspection.</b> |
|--|---|---|

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

|  |  |            |
|--|--|------------|
| <b>A</b> Name of plan<br><u>COMPOSITION ROOFERS LOCAL 42 PENSION PLAN</u>                                    | <b>B</b> Three-digit plan number (PN) ▶                            | <u>001</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>COMPOSITION ROOFERS LOCAL 42 PENSION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>31-6127285</u> |            |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

**All references to distributions relate only to payments of benefits during the plan year.**

|   |   |   |
|---|---|---|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions..... | 1 | 0 |
|---|---|---|

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  
EIN(s): \_\_\_\_\_

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

|  |   |   |
|--|---|---|
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... | 3 | 0 |
|--|---|---|

|                |   |
|----------------|---|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.) |
|----------------|---|

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  Yes  No  N/A  
**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_  
**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

|   |    |  |
|---|----|--|
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....  | 6a |  |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....  | 6b |  |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)..... | 6c |  |

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? .....  Yes  No  N/A

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....  Yes  No  N/A

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....  Increase  Decrease  Both  No

|                |   |
|----------------|---|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---|

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  Yes  No

**11 a** Does the ESOP hold any preferred stock? .....  Yes  No

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....  Yes  No

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? .....  Yes  No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

**a** Name of contributing employer **WM KRAMER & SONS, INC.**

**b** EIN **55-0854298**

**c** Dollar amount contributed by employer

**303723**

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month 07 Day 31 Year 2022

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) 5.60

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify):

**a** Name of contributing employer **IMBUS ROOFING CO., INC.**

**b** EIN **31-0532384**

**c** Dollar amount contributed by employer

**289445**

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month 07 Day 31 Year 2022

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) 5.60

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify):

**a** Name of contributing employer **DALTON ROOFING COMPANY**

**b** EIN **31-0557647**

**c** Dollar amount contributed by employer

**261583**

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month 07 Day 31 Year 2022

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) 5.60

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify):

**a** Name of contributing employer **A.W. FARRELL & SON, INC.**

**b** EIN **16-0954042**

**c** Dollar amount contributed by employer

**166976**

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month 07 Day 31 Year 2022

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) 5.60

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

|  |            |   |
|--|------------|---|
| <b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input checked="" type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)..... | <b>14a</b> | 0 |
| <b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....  | <b>14b</b> | 0 |
| <b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....   | <b>14c</b> | 0 |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|  |            |  |
|--|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year.....                            | <b>15b</b> |  |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|   |            |  |
|---|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year.....   | <b>16a</b> |  |
| <b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers..... | <b>16b</b> |  |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment.

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment.....

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
 0-3 years  3-6 years  6-9 years  9-12 years  12-15 years  15-18 years  18-21 years  21 years or more

**c** What duration measure was used to calculate line 19(b)?  
 Effective duration  Macaulay duration  Modified duration  Other (specify): \_\_\_\_\_

**20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero?  Yes  No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:  
 Yes.  
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.  
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.  
 No. Other. Provide explanation \_\_\_\_\_

**COMPOSITION ROOFERS LOCAL NO. 42  
PENSION PLAN**

**FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTAL SCHEDULES**

**DECEMBER 31, 2020 AND 2019**

*CPAs / ADVISORS*



# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

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\*Other Schedules required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Blue & Co., LLC / 813 West Second Street / Seymour, IN 47274  
main 812.522.8416 website blueandco.com

## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Composition Roofers Local No. 42 Pension Plan  
Cincinnati, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of Composition Roofers Local No. 42 Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2020 and 2019, the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2020 and 2019, and changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits of the Plan's financial statements as of and for the years ended December 31, 2020 and 2019, were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedules of Administration Expenses for the years ended December 31, 2020 and 2019 and Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020, are presented for the purpose of additional analysis and are not a required part of the financial statements. In addition, the Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Blue & Co., LLC*

Seymour, Indiana

October 13, 2021

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2020 AND 2019

---

|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| <b>Assets</b>                             |                      |                      |
| Investments at fair value:                |                      |                      |
| Interest-bearing cash                     | \$ 35,825            | \$ 35,872            |
| Mutual funds                              | <u>24,355,902</u>    | <u>23,054,900</u>    |
| Total investments at fair value           | 24,391,727           | 23,090,772           |
| Receivables:                              |                      |                      |
| Contributions receivable                  | 80,380               | 87,959               |
| Employer withdrawal liability receivables | 106,815              | 118,735              |
| Due from plan administrator               | <u>352</u>           | <u>2,728</u>         |
| Total receivables                         | 187,547              | 209,422              |
| Cash                                      | 357,995              | 688,712              |
| Prepaid benefits                          | <u>171,736</u>       | <u>237,832</u>       |
| Total assets                              | <u>\$ 25,109,005</u> | <u>\$ 24,226,738</u> |
| <b>Liabilities</b>                        |                      |                      |
| Accounts payable                          | <u>27,649</u>        | <u>28,468</u>        |
| Total liabilities                         | <u>27,649</u>        | <u>28,468</u>        |
| <b>Net assets available for benefits</b>  | <u>\$ 25,081,356</u> | <u>\$ 24,198,270</u> |

---

*See accompanying notes to financial statements.*

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEARS ENDED DECEMBER 31, 2020 AND 2019

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| <b>Additions to net assets attributed to:</b>          |                      |                      |
| Investment income:                                     |                      |                      |
| Net appreciation in fair value of investments          | \$ 2,210,538         | \$ 3,871,791         |
| Interest and dividends                                 | 490,443              | 595,691              |
| Less: Investment expense                               | <u>(26,418)</u>      | <u>(27,612)</u>      |
| Total investment income                                | 2,674,563            | 4,439,870            |
| Employer contributions                                 | 1,122,904            | 1,247,982            |
| Other income:  |                      |                      |
| Interest from employer withdrawal liability receivable | 4,510                | 8,628                |
| Other income   | <u>-0-</u>           | <u>526</u>           |
| Total other income                                     | <u>4,510</u>         | <u>9,154</u>         |
| Total additions  | 3,801,977            | 5,697,006            |
| <b>Deductions from net assets attributed to:</b>       |                      |                      |
| Benefits paid to participants                          | 2,756,079            | 3,543,007            |
| Administration expenses                                | <u>162,812</u>       | <u>317,786</u>       |
| Total deductions                                       | <u>2,918,891</u>     | <u>3,860,793</u>     |
| Net increase   | 883,086              | 1,836,213            |
| <b>Net assets available for benefits</b>               |                      |                      |
| Beginning of year                                      | <u>24,198,270</u>    | <u>22,362,057</u>    |
| End of year  | <u>\$ 25,081,356</u> | <u>\$ 24,198,270</u> |

*See accompanying notes to financial statements.*

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### STATEMENTS OF ACCUMULATED PLAN BENEFITS DECEMBER 31, 2020 AND 2019

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|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| <b>Actuarial present value of accumulated plan benefits:</b>  |                      |                      |
| Vested benefits:  |                      |                      |
| Active participants   | \$ 7,022,706         | \$ 9,156,572         |
| Vested terminated participants                                | 4,129,484            | 6,329,599            |
| Retirees and beneficiaries                                    | <u>27,370,342</u>    | <u>40,319,433</u>    |
|   | 38,522,532           | 55,805,604           |
| Nonvested benefits:   | <u>258,797</u>       | <u>612,203</u>       |
| Total actuarial present value of accumulated<br>plan benefits | <u>\$ 38,781,329</u> | <u>\$ 56,417,807</u> |

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*See accompanying notes to financial statements.*

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS YEARS ENDED DECEMBER 31, 2020 AND 2019

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|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| <b>Actuarial present value of accumulated plan benefits - beginning of year</b> | \$ 56,417,807        | \$ 55,291,618        |
| Increase (decrease) during the year attributable to:                            |                      |                      |
| Benefits paid   | (2,756,079)          | (3,543,007)          |
| Decrease in discount period   | 3,028,202            | 3,078,830            |
| Plan amendment  | (18,990,291)         | (60,413)             |
| Plan experience and benefit accrual   | 646,300              | 604,062              |
| Change in actuarial assumptions   | <u>435,390</u>       | <u>1,046,717</u>     |
| Net increase  | <u>(17,636,478)</u>  | <u>1,126,189</u>     |
| <b>Actuarial present value of accumulated plan benefits - end of year</b>       | <u>\$ 38,781,329</u> | <u>\$ 56,417,807</u> |

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*See accompanying notes to financial statements.*

# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### 1. DESCRIPTION OF THE PLAN

The following brief description of the Composition Roofers Local No. 42 Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### General

The Plan is a defined benefit pension plan covering the eligible employees of employers within the jurisdiction of Composition Roofers Local No. 42 and who are covered under a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

#### Pension Benefits

Participants with five or more years of credited service are entitled to annual pension benefits, beginning at normal retirement age (58), equal to:

| <u>Effective Period</u>                   | <u>Calculation Method</u>   |
|---|---|
| Prior to June 1, 1964                     | \$4.20 times the number of years of Credited Past Service, not in excess of twenty years, computed to the nearest tenth of a year |
| June 1, 1964 through May 31, 1965         | 5.22% of contributions made on behalf of the participant  |
| June 1, 1966 through May 31, 1972         | 1.74% of contributions made on behalf of the participant  |
| June 1, 1972 through May 31, 1974         | 2.04% of contributions made on behalf of the participant  |
| June 1, 1974 through December 31, 1979    | 2.04% of contributions made on behalf of the participant in excess of \$0.15 per hour   |
| January 1, 1980 through December 31, 1983 | 2.88% of contributions made on behalf of the participant in excess of \$0.15 per hour   |
| January 1, 1984 through December 31, 1993 | 2.45% of contributions made on behalf of the participant  |
| January 1, 1994 through December 31, 2008 | 2.10% of contributions made on behalf of the participant  |
| January 1, 2009 through December 31, 2009 | 1.0% of contributions made on behalf of the participant in excess of \$0.40 per hour  |
| January 1, 2010 through July 31, 2010     | 1.0% of contributions made on behalf of the participant in excess of \$1.30 per hour  |
| August 1, 2010 through July 31, 2011      | 1.0% of contributions made on behalf of the participant in excess of \$1.50 per hour  |
| August 1, 2011 through July 31, 2012      | 1.0% of contributions made on behalf of the participant in excess of \$1.70 per hour  |
| August 1, 2012 through July 31, 2013      | 1.0% of contributions made on behalf of the participant in excess of \$1.90 per hour  |
| August 1, 2013 through July 31, 2014      | 1.0% of contributions made on behalf of the participant in excess of \$2.10 per hour  |
| August 1, 2014 through July 31, 2015      | 1.0% of contributions made on behalf of the participant in excess of \$2.30 per hour  |
| August 1, 2015 through July 31, 2016      | 1.0% of contributions made on behalf of the participant in excess of \$2.50 per hour  |
| August 1, 2016 through July 31, 2017      | 1.0% of contributions made on behalf of the participant in excess of \$2.70 per hour  |
| August 1, 2017 through July 31, 2018      | 1.0% of contributions made on behalf of the participant in excess of \$2.90 per hour  |
| August 1, 2018 through July 31, 2019      | 1.0% of contributions made on behalf of the participant in excess of \$3.10 per hour  |
| August 1, 2019 through July 31, 2020      | 1.0% of contributions made on behalf of the participant in excess of \$3.30 per hour  |
| August 1, 2020 through July 31, 2021      | 1.0% of contributions made on behalf of the participant in excess of \$3.50 per hour  |

The Plan permits early retirement for participants between ages 55-57 with at least 5 years of credited service calculated on the same basis as normal retirement and reduced by 5/9<sup>ths</sup> of 1% for each month that early retirement precedes the participant's 58<sup>th</sup> birthday. Effective for annuity starting dates on or after July 1, 2019, the monthly retirement benefit of participants between ages 55-57 with at least 5 years of credited service shall be equal to the actuarial equivalent, as defined by the Plan, of the normal retirement benefit.

# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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On June 28, 2019, the Plan's Board of Trustees filed an application with the U.S. Department of the Treasury on behalf of the Plan, seeking to reduce accrued benefits pursuant to the Multiemployer Pension Reform Act (MPRA). The application was approved on February 6, 2020, and the Plan was amended to include the suspension of benefits. The amendment provides for a uniform benefits suspension of 45% for all participants, beneficiaries, alternate payees, and retirees. This Pension Recovery Program, which will apply to benefits paid on and after April 1, 2020, is limited by individual limitations established by law, such as for those age 75 and older, as well as those receiving a disability pension benefit. The suspension of benefits will continue indefinitely until such time as the Plan is unable to avoid insolvency with or without a suspension of benefits.

### Disability Benefits

Disability benefits are available to participants with five years of credited service at the time of disability. Disability benefits are a monthly pension equal to the participant's accrued benefit as of the date of disability. Disability benefits are reduced by 5/9<sup>ths</sup> of 1% for each month that the disability retirement date is prior to the first day of the month next following the participant's 58<sup>th</sup> birthday. There is no further reduction of a participant's disability benefit below age 55. Effective for disability applications received on or after July 1, 2019, the monthly retirement benefit of participants with five years of credited service shall be equal to the actuarial equivalent, as defined by the Plan, of their accrued benefit as of the date of disability.

### Death Benefits

If a participant dies with 5 or more years of credited service under the Plan and after reaching the early retirement age of 55, the surviving spouse is entitled to 50% joint and survivor benefits. If the participant dies with 5 or more years of credited service under the Plan, but has not yet reached the early retirement age, the surviving spouse will receive the same benefit that would have been payable to the participant had the participant separated from service on the date of death, survived to the Early Retirement Age, retired with a 50% joint and survivor annuity and died the next day.

### Funding Policy

The following table sets forth the amounts per hour contributed by participating employers for journeymen roofers during the years ended December 31, 2020 and 2019:

| <u>Effective Period</u>                  | <u>Contribution Rate</u> |
|--|--------------------------|
| January 1, 2019 through July 31, 2019    | \$ 5.20                  |
| August 1, 2019 through July 31, 2020     | \$ 5.40                  |
| August 1, 2020 through December 31, 2020 | \$ 5.60                  |

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# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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The contribution rates are pursuant to the current collective bargaining agreement between employers and the union, which expires July 31, 2022.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, changes in those assets and liabilities, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

#### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability on an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value estimates.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on contributions made to the Plan for the participant. The accumulated plan benefits for active employees are based on the contributions to the Plan as of the date which the benefit information is presented (the valuation date). Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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The actuarial present value of accumulated plan benefits is determined by an actuary from Cuni, Rust & Strenk and that amount is determined by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date January 1 and expected date of payment.

The significant actuarial assumptions in the valuations as of January 1, 2021, and 2020 were:

- 1) Mortality Rates – 2021 Static Mortality Table and 2020 Static Mortality Table for 2020 and 2019, respectively
- 2) Retirement Age – At various retirement rates between ages 55-65 for 2020, and 55-70 for 2019 (assumptions vary by active or terminated vested status)
- 3) Net Investment Return – 5.5%
- 4) Future Benefit Accrual –
  - 1,170 hours per year for 2020
  - 1,325 hours per year for 2019
- 5) Actuarial Value of Assets – The actuarial value of assets is equal to the market value of assets less a decreasing fraction of each of the preceding 4 years' gains/losses. A gain/loss for a year is equal to the actual return minus the expected return using the funding interest rate. The actuarial value of assets is adjusted to be within 80% and 120% of the market value of assets.
- 6) Annual Administrative Expenses –
  - 2020: \$165,000
  - 2019: \$150,000
- 7) Actuarial Cost Method – Unit Credit

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

#### Contributions Receivable

Contributions receivable as of December 31, 2020 and 2019 are primarily employer contributions for the last month of the Plan's fiscal year.

In accordance with the Plan's collection and delinquency control program, all contributions must be paid on or before the 15th of the month following the month in which hours are performed. On the 16th day of the subsequent month, the contribution is determined to be late, and the delinquent contractor is referred to the Plan's legal counsel. Amounts that have been referred to

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## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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legal counsel, and that the Plan's management believes to be potentially uncollectible, are included in an allowance for uncollectible contributions. There was no allowance as of December 31, 2020 and 2019, respectively.

When management determines that a receivable is uncollectible, the balance is removed from the receivable balance and is charged to the allowance. Subsequent recoveries of amounts previously written off are credited directly to contributions.

#### Employer Withdrawal Liability Receivable

The Plan is subject to the provisions of the Multiemployer Pension Plan Amendments Act of 1980. Under such act, a withdrawal liability is assessed for a contributing employer that partially or totally withdraws from the Plan. As set forth in ERISA, a portion of the Plan's actuarially determined unfunded vested liability is allocated to withdrawing employers based upon contribution history. Amounts due as a result of withdrawal liability are recognized when entitlement has been determined, net of an allowance for amounts deemed uncollectible. The employer withdrawal liability receivable as of December 31, 2020 and 2019 was \$106,815 and \$118,735 respectively. Amounts received as payment toward assessed employer withdrawal liabilities during each of the years ended December 31, 2020, and 2019 totaled \$19,716 and have been recorded within other income on the statement of changes in plan assets. Additional amounts for other withdrawing employers have been assessed but have been fully offset by an allowance for uncollectible accounts, due to the uncertainty of collectability as of December 31, 2020 and 2019.

#### Due from Plan Administrator

Amounts due from the Plan's administrator and record-keeper (American Benefit Corporation ("ABC")) consist of reimbursements owed as of December 31, 2020, for interest and penalties paid by the Plan regarding delinquent remittance of state tax withheld from participants' benefit payments. As disclosed in Note 4, ABC is a party-in-interest and receives payment from the Plan for administration and record-keeping services.

#### Cash

As of December 31, 2020 and 2019, cash consisted of business checking accounts. The Plan maintains its business checking in bank deposit accounts, which exceeded federal insurance limits by \$121,048 and \$451,638 as of December 31, 2020 and 2019, respectively. The Plan has not experienced any losses in such accounts and management believes it is not exposed to any significant risk.

# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### Prepaid Benefits

Prepaid benefits are benefits in transit that have been initiated on the last day of the month and are received by the participants on the first day of the month.

### Benefit Payments

Benefit payments are recorded when paid

### Reclassifications

Certain prior year amounts have been reclassified to conform to the current method of presentation.

### Subsequent Events

The Plan has evaluated events or transactions occurring subsequent to the statement of net assets available for benefits date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is October 13, 2021.

## **3. FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). Valuation techniques maximize the use of relevant, observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
  - Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
  - Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
-

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2020 and 2019.

- Interest-bearing cash – Represents deposits held at FDIC-insured banks that are affiliated with Charles Schwab & Co., Inc. Valued at the balance as reported by Schwab or one or more of its affiliated banks, which includes any interest received up to such time.
- Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net assets value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the hierarchy, the Plan's assets measured at fair value on a recurring basis as of December 31, 2020 and 2019:

| Investments at fair value:      | Assets at Fair Value as of December 31, 2020 |                  |                      |
|---------------------------------|--|------------------|----------------------|
|                                 | Level 1                                      | Level 2          | Total                |
| Interest-bearing cash           | \$ -0-                                       | \$ 35,825        | \$ 35,825            |
| Mutual funds                    | 24,355,902                                   | -0-              | 24,355,902           |
| Total investments at fair value | <u>\$ 24,355,902</u>                         | <u>\$ 35,825</u> | <u>\$ 24,391,727</u> |

| Investments at fair value:      | Assets at Fair Value as of December 31, 2019 |                  |                      |
|---------------------------------|--|------------------|----------------------|
|                                 | Level 1                                      | Level 2          | Total                |
| Interest-bearing cash           | \$ -0-                                       | \$ 35,872        | \$ 35,872            |
| Mutual funds                    | 23,054,900                                   | -0-              | 23,054,900           |
| Total investments at fair value | <u>\$ 23,054,900</u>                         | <u>\$ 35,872</u> | <u>\$ 23,090,772</u> |

#### 4. PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the Plan sponsor, and certain others. The Plan sponsor is the Composition Roofers Local No. 42.

American Benefit Corporation is the third-party administrator and recordkeeper for the Plan. Cuni, Rust & Strenk is the actuary for the Plan. Fund Evaluation Group, LLC is the investment advisor for the Plan. Ledbetter Parisi LLC is the legal counsel to the Plan. Blue & Co., LLC is the

# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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independent auditor of the Plan. Charles Schwab & Co. is the custodian of the assets owned by the Plan. All of these parties receive payment from the Plan.

### 5. PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceiling is actuarially adjusted downward.
- c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- d) All nonvested benefits.

Whether all the participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### **6. INCOME TAX STATUS**

The Internal Revenue Service has determined by an opinion letter for the Plan dated April 13, 2015, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code.

Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code and, therefore, believe that the Plan is qualified and that the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

The Plan is subject to routine audits by taxing jurisdictions. However, as of the date the financial statements were available to be issued, there were no audits for any tax periods in progress.

### **7. RISKS AND UNCERTAINTIES**

The Plan invests in various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of assets available for plan benefits.

Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and participants hours worked and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

### **8. PENSION PROTECTION ACT FILING OF CRITICAL AND DECLINING STATUS**

As of January 1, 2021, the actuary has certified that the Plan is in critical status and is making scheduled progress in meeting the requirements of the rehabilitation plan. The plan year ended

# COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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December 31, 2010, was the first plan year in which the Plan was certified as being in critical status.

A rehabilitation plan was adopted on August 19, 2014, that includes increases in the Plan's hourly contribution rates. Beginning April 1, 2020, a benefit suspension was put into effect as described in Note 1 under "Pension Benefits."

### **9. CONTINGENCIES**

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Plan's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, decreased demand for services by employers that contribute to the Plan and investment portfolio declines. Management believes the Plan is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### SCHEDULE OF ADMINISTRATION EXPENSES YEARS ENDED OF DECEMBER 31, 2020 AND 2019

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|                               | 2020              | 2019              |
|-------------------------------|-------------------|-------------------|
| Administration expenses       | \$ 24,328         | \$ 25,352         |
| Actuarial and consulting fees | 46,310            | 170,875           |
| Accounting services           | 15,000            | 24,250            |
| Bank service charges          | 10,964            | 9,924             |
| Insurance                     | 16,870            | 15,390            |
| PBGC premiums                 | 14,820            | 14,152            |
| Legal fees                    | 27,974            | 52,916            |
| Other                         | 6,546             | 4,927             |
| Total administration expenses | <u>\$ 162,812</u> | <u>\$ 317,786</u> |

**COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN**

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS  
(HELD AT YEAR END)  
AS OF DECEMBER 31, 2020

EIN 04-2836423  
Plan Number: 002

| (a)   | (b) | (c)   | (d)                  | (e)                  |
|---|-----|---|----------------------|----------------------|
| Identity of issue, borrower, lessor, or similar party |     | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost                 | Current Value        |
| * Charles Schwab & Co., Inc.                          |     | Interest-bearing Cash   | \$ 35,825            | \$ 35,825            |
| Vanguard Total Bond Market Index Fund                 |     | Mutual Fund   | 6,441,489            | 6,812,473            |
| Vanguard Real Estate Index Fund                       |     | Mutual Fund   | 809,421              | 823,488              |
| Vanguard Total International Stock Index Fund         |     | Mutual Fund   | 3,014,514            | 3,851,737            |
| Vanguard Total Stock Market Index Fund                |     | Mutual Fund   | 7,012,051            | 12,167,147           |
| Tortoise MLP & Pipeline Fund Institutional            |     | Mutual Fund   | 1,011,857            | 701,057              |
| Total   |     |   | <u>\$ 18,325,157</u> | <u>\$ 24,391,727</u> |

\* Party-in-interest



**Schedule MB, line 6 – Actuarial Assumptions and Methods.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

1. Interest Rates:

- a. Funding 6.50%.
- b. Current Liability 2.95%.

2. Mortality Rates:

- a. Funding
  - i. Non-Disabled Blue Collar adjusted Pri-2012.
  - ii. Retired Blue Collar adjusted Pri-2012 Retiree.
  - iii. Survivor Blue Collar adjusted Pri-2012 Contingent Survivor.
  - iv. Disabled Pri-2012 Disabled Retiree.
  - v. Weighting Amount-weighted.
  - vi. Future Improvement Projected generationally using Scale MP-2020.
- b. Current Liability 2020 Static Mortality Table (IRS Notice 2019-26).

3. Actuarial Cost Method: Unit Credit.

4. Expense Load: \$150,000.

5. Hours Worked: 1,325 per year.

6. Percent Married/Spousal Age: 80% with husbands 3 years older than their wives.

**Schedule MB, line 6 – Actuarial Assumptions and Methods.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

7. Retirement Rates:

|  |            | Terminated     |
|--|------------|----------------|
|  | <u>Age</u> | <u>Vesteds</u> |
|  | 55-56      | 0.10           |
|  | 57         | 0.20           |
|  | 58         | 0.30           |
|  | 59-60      | 0.20           |
|  | 61         | 0.40           |
|  | 62         | 1.00           |
|  | 63-65      | 1.00           |
|  | 66-69      | 1.00           |
|  | 70         | 1.00           |

The weighted average retirement age is 59.3.

8. Termination Rates:

For years 1 and 2 – 0.20; for years 3 and later:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0967      |
| 35         | 0.0871      |
| 45         | 0.0635      |
| 55         | 0.0155      |
| 65         | 0.0000      |

9. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0009      |
| 35         | 0.0015      |
| 45         | 0.0032      |
| 55         | 0.0083      |
| 65         | 0.0000      |

10. Payment Form Election:

| <u>Payment Form</u> | <u>Election %</u> |
|---------------------|-------------------|
| Life Annuity        | 47%               |
| 50% J&S             | 14%               |
| 66% J&S             | 8%                |
| 75% J&S             | 2%                |
| 100% J&S            | 29%               |

**Schedule MB, line 6 – Actuarial Assumptions and Methods.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

11. Actuarial Value of Assets:

Market Value of Assets minus a decreasing fraction ( $\frac{4}{5}$ ,  $\frac{3}{5}$ ,  $\frac{2}{5}$  and  $\frac{1}{5}$ ) of each of the preceding 4 years' gains and (losses). A gain/(loss) for a year is equal to the actual return minus the expected return using the funding interest rate. The Actuarial Value of Assets is adjusted to be within 80% and 120% of the Market Value of Assets.

12. Changes Since Last Year:

The mortality tables and projection scale were updated, the hours worked assumption was increased, the expense load was lowered, and the Current Liability mortality and interest rates were changed as mandated by the IRS.

**Schedule MB, line 6 – Actuarial Assumptions and Methods.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

**Rationale for Selection of Significant Actuarial Assumptions**

1. Interest Rate: Based on the Plan's target asset allocation, reflecting asset class future return expectations as determined by the Plan's investment consultant and publicly available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions.
  
2. Mortality Rates: Pri-2012 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. Pri-2012 Retiree table used to reflect expected retiree mortality experience. Pri-2012 Contingent Survivor table used to reflect expected surviving spouse mortality experience. Pri-2012 Disabled Retiree table used to reflect expected disabled mortality experience. Pri-2012 tables are adjusted for expected generational mortality improvement from base year 2012 using Scale MP-2019.
  
3. Retirement Rates: Based on the Plan's most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan's most recent experience study.
  
6. Payment Form Election: Based on the Plan's most recent experience study.

**Form 5500**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security  
Administration

Pension Benefit Guaranty Corporation

**Annual Return/Report of Employee Benefit Plan**

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110  
1210-0089

**2020**

**This Form is Open to Public Inspection**

**Part I Annual Report Identification Information**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

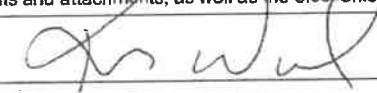

- A** This return/report is for:  a multiemployer plan  a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- a single-employer plan  a DFE (specify) \_\_\_\_\_
- B** This return/report is:  the first return/report  the final return/report
- an amended return/report  a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here: .....
- D** Check box if filing under:  Form 5558  automatic extension  the DFVC program
- special extension (enter description)

**Part II Basic Plan Information—enter all requested information**

|   |  |              |
|---|--|--------------|
| <b>1a</b> Name of plan<br>COMPOSITION ROOFERS LOCAL 42 PENSION PLAN   | <b>1b</b> Three-digit plan number (PN) ▶       | 001          |
|   | <b>1c</b> Effective date of plan               | 06/01/1964   |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><br>COMPOSITION ROOFERS LOCAL 42 PENSION<br><br>205 WEST FOURTH STREET SUITE 225      205 WEST FOURTH STREET SUITE 225<br><br>CINCINNATI      OH 45202-2628      CINCINNATI      OH 45202-2628 | <b>2b</b> Employer Identification Number (EIN) | 31-6127285   |
|   | <b>2c</b> Plan Sponsor's telephone number      | 513-381-6886 |
|   | <b>2d</b> Business code (see instructions)     | 238100       |
|   |  |              |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |   |                 |  |
|------------------|---|-----------------|--|
| <b>SIGN HERE</b> |  | <u>10/14/21</u> | Kim Wood   |
|                  | Signature of plan administrator   | Date            | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |  | <u>10/14/21</u> | Jackson Elkins   |
|                  | Signature of employer/plan sponsor  | Date            | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |   |                 |  |
|                  | Signature of DFE  | Date            | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)  
v. 200204

|   |   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
|---|---|----------|-----|--|--|--------------|--|--|-----|--------------|--|--|-----|-----------|--|--|----|-----------|--|--|-----|-----------|--|--|-----|-----------|--|--|----|-----------|--|--|-----|-----------|--|--|--|-----------|--|--|--|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor  | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div>  |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name  | <b>4b</b> EIN<br><br><b>4d</b> PN   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>5</b> Total number of participants at the beginning of the plan year   | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%; text-align: center;"><b>5</b></td> <td style="text-align: right;">494</td> </tr> </table>   | <b>5</b> | 494 |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>5</b>  | 494   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><b>b</b> Retired or separated participants receiving benefits .....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested..... | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:80%;"></td> <td style="width:10%;"></td> </tr> <tr> <td style="text-align: center;"><b>6a(1)</b></td> <td></td> <td></td> <td style="text-align: right;">175</td> </tr> <tr> <td style="text-align: center;"><b>6a(2)</b></td> <td></td> <td></td> <td style="text-align: right;">175</td> </tr> <tr> <td style="text-align: center;"><b>6b</b></td> <td></td> <td></td> <td style="text-align: right;">82</td> </tr> <tr> <td style="text-align: center;"><b>6c</b></td> <td></td> <td></td> <td style="text-align: right;">173</td> </tr> <tr> <td style="text-align: center;"><b>6d</b></td> <td></td> <td></td> <td style="text-align: right;">430</td> </tr> <tr> <td style="text-align: center;"><b>6e</b></td> <td></td> <td></td> <td style="text-align: right;">65</td> </tr> <tr> <td style="text-align: center;"><b>6f</b></td> <td></td> <td></td> <td style="text-align: right;">495</td> </tr> <tr> <td style="text-align: center;"><b>6g</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;"><b>6h</b></td> <td></td> <td></td> <td></td> </tr> </table> |          |     |  |  | <b>6a(1)</b> |  |  | 175 | <b>6a(2)</b> |  |  | 175 | <b>6b</b> |  |  | 82 | <b>6c</b> |  |  | 173 | <b>6d</b> |  |  | 430 | <b>6e</b> |  |  | 65 | <b>6f</b> |  |  | 495 | <b>6g</b> |  |  |  | <b>6h</b> |  |  |  |
|   |   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6a(1)</b>  |   |          | 175 |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6a(2)</b>  |   |          | 175 |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6b</b>   |   |          | 82  |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6c</b>   |   |          | 173 |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6d</b>   |   |          | 430 |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6e</b>   |   |          | 65  |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6f</b>   |   |          | 495 |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6g</b>   |   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>6h</b>   |   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....   | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%; text-align: center;"><b>7</b></td> <td style="text-align: right;">8</td> </tr> </table>   | <b>7</b> | 8   |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>7</b>  | 8   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1B<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:   |   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor   | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)   |   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input checked="" type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary   | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)   |          |     |  |  |              |  |  |     |              |  |  |     |           |  |  |    |           |  |  |     |           |  |  |     |           |  |  |    |           |  |  |     |           |  |  |  |           |  |  |  |

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

If "Yes" is checked, complete lines 11b and 11c.

---

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

**11c** Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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**SCHEDULE MB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Multiemployer Defined Benefit Plan and Certain  
Money Purchase Plan Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public  
Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|   |  |
|---|--|
| <b>A</b> Name of plan<br><u>Composition Roofers Local No. 42 Pension Plan</u>   | <b>B</b> Three-digit plan number (PN) ► <u>001</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>Board of Trustees, Composition Roofers Local No. 42 Pension Plan</u> | <b>D</b> Employer Identification Number (EIN)<br><u>31-6127285</u> |


**E** Type of plan: (1)  Multiemployer Defined Benefit (2)  Money Purchase (see instructions)

**1a** Enter the valuation date: Month 01 Day 01 Year 2020

|   |                 |                   |
|---|-----------------|-------------------|
| <b>b</b> Assets:  |                 |                   |
| (1) Current value of assets . . . . .   | <b>1b(1)</b>    | <u>24,198,270</u> |
| (2) Actuarial value of assets for funding standard account . . . . .  | <b>1b(2)</b>    | <u>22,731,077</u> |
| <b>c</b> (1) Accrued liability for plan using immediate gain methods . . . . .                                | <b>1c(1)</b>    | <u>50,927,705</u> |
| (2) Information for plans using spread gain methods:  |                 |                   |
| (a) Unfunded liability for methods with bases . . . . .   | <b>1c(2)(a)</b> |                   |
| (b) Accrued liability under entry age normal method . . . . .   | <b>1c(2)(b)</b> |                   |
| (c) Normal cost under entry age normal method . . . . .   | <b>1c(2)(c)</b> |                   |
| (3) Accrued liability under unit credit cost method . . . . .   | <b>1c(3)</b>    | <u>50,927,705</u> |
| <b>d</b> Information on current liabilities of the plan:  |                 |                   |
| (1) Amount excluded from current liability attributable to pre-participation service (see instructions) . . . | <b>1d(1)</b>    | <u>0</u>          |
| (2) "RPA '94" information:  |                 |                   |
| (a) Current liability . . . . .   | <b>1d(2)(a)</b> | <u>79,361,252</u> |
| (b) Expected increase in current liability due to benefits accruing during the plan year . . . . .            | <b>1d(2)(b)</b> | <u>738,714</u>    |
| (c) Expected release from "RPA '94" current liability for the plan year . . . . .                             | <b>1d(2)(c)</b> | <u>3,743,751</u>  |
| (3) Expected plan disbursements for the plan year . . . . .   | <b>1d(3)</b>    | <u>3,893,751</u>  |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                      |   |  |
|----------------------|---|--|
| <b>SIGN<br/>HERE</b> |  | <u>10/07/2021</u>                      |
|                      | Signature of actuary  | Date                                   |
|                      | <u>M. R. Rust</u>   | <u>20-06146</u>                        |
|                      | Type or print name of actuary   | Most recent enrollment number          |
|                      | <u>Cuni, Rust &amp; Strenk</u>  | <u>(513) 891-0270</u>                  |
|                      | Firm name   | Telephone number (including area code) |
|                      | <u>4555 Lake Forest Drive - Suite 620</u>   |  |
|                      | Address of the firm   |  |
|                      | <u>US Cincinnati OH 45242-3760</u>  |  |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice, see the instructions for Form 5500 or Form 5500-SF.

**2** Operational information as of beginning of this plan year:

|   |                                   |                              |
|---|-----------------------------------|------------------------------|
| <b>a</b> Current value of assets (see instructions) . . . . .   | <b>2a</b>                         | 24,198,270                   |
| <b>b</b> "RPA '94" current liability/participant count breakdown:   | <b>(1) Number of participants</b> | <b>(2) Current liability</b> |
| (1) For retired participants and beneficiaries receiving payment . . . . .  | 237                               | 53,906,403                   |
| (2) For terminated vested participants . . . . .  | 82                                | 10,278,565                   |
| (3) For active participants:  |                                   |                              |
| (a) Non-vested benefits . . . . .   |                                   | 859,014                      |
| (b) Vested benefits . . . . .   |                                   | 14,317,270                   |
| (c) Total active . . . . .  | 175                               | 15,176,284                   |
| (4) Total . . . . .   | 494                               | 79,361,252                   |
| <b>c</b> If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage . . . . . | <b>2c</b>                         | 30.49 %                      |

**3** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 01/01/2020               | 0                                 |                                 |                          |                                   |                                 |
| 12/31/2020               | 1,122,904                         |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>3(b)</b>              | 1,122,904                         | <b>3(c)</b>                     |

**4** Information on plan status:

|   |           |   |
|---|-----------|---|
| <b>a</b> Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3)) . . . . .  | <b>4a</b> | 44.6 %  |
| <b>b</b> Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If code is "N," go to line 5 . . . . .   | <b>4b</b> | D   |
| <b>c</b> Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan? . . . . .   |           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>d</b> If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)? . . . . .  |           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>e</b> If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date . . . . .  | <b>4e</b> | 52,122  |
| <b>f</b> If the rehabilitation plan projects emergence from critical status or critical and declining status, enter the plan year in which it is projected to emerge.<br>If the rehabilitation plan is based on forestalling possible insolvency, enter the plan year in which insolvency is expected and check here <input type="checkbox"/> . . . . . | <b>4f</b> | 2046  |

**5** Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

- a**  Attained age normal                      **b**  Entry age normal                      **c**  Accrued benefit (unit credit)                      **d**  Aggregate
- e**  Frozen initial liability                      **f**  Individual level premium                      **g**  Individual aggregate                      **h**  Shortfall
- i**  Other (specify):

|  |           |   |
|--|-----------|---|
| <b>j</b> If box h is checked, enter period of use of shortfall method . . . . .  | <b>5j</b> |   |
| <b>k</b> Has a change been made in funding method for this plan year? . . . . .  |           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>l</b> If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval? . . . . .  |           | <input type="checkbox"/> Yes <input type="checkbox"/> No            |
| <b>m</b> If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method . . . . . | <b>5m</b> |   |

**6** Checklist of certain actuarial assumptions:

| <b>a</b>   | Interest rate for "RPA '94" current liability  | <b>6a</b>  | 2.95 | %              |                 |  |  |  |  |
|--|--|--|------|----------------|-----------------|--|--|--|--|
| <b>b</b>   | Rates specified in insurance or annuity contracts  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Pre-retirement</th> <th style="width: 50%;">Post-retirement</th> </tr> <tr> <td><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</td> </tr> </table> |      | Pre-retirement | Post-retirement | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |  |  |
| Pre-retirement   | Post-retirement  |  |      |                |                 |  |  |  |  |
| <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |  |      |                |                 |  |  |  |  |
| <b>c</b>   | Mortality table code for valuation purposes  |  |      |                |                 |  |  |  |  |
|  | (1) Males  | <b>6c(1)</b>   | A    | A              |                 |  |  |  |  |
|  | (2) Females  | <b>6c(2)</b>   | A    | A              |                 |  |  |  |  |
| <b>d</b>   | Valuation liability interest rate  | <b>6d</b>  | 6.50 | %              |                 |  |  |  |  |
| <b>e</b>   | Expense loading  | <b>6e</b>  | 28.8 | %              |                 |  |  |  |  |
| <b>f</b>   | Salary scale   | <b>6f</b>  | %    | %              |                 |  |  |  |  |
| <b>g</b>   | Estimated investment return on actuarial value of assets for year ending on the valuation date   | <b>6g</b>  | 4.7  | %              |                 |  |  |  |  |
| <b>h</b>   | Estimated investment return on current value of assets for year ending on the valuation date     | <b>6h</b>  | 21.1 | %              |                 |  |  |  |  |

**7** New amortization bases established in the current plan year:

| (1) Type of base | (2) Initial balance | (3) Amortization Charge/Credit |
|------------------|---------------------|--------------------------------|
| 1                | 421,917             | 42,134                         |
| 3                | (52,122)            | (5,205)                        |
| 4                | (374,517)           | (37,400)                       |

**8** Miscellaneous information:

|   |   |           |
|---|---|-----------|
| <b>a</b> If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval   | <b>8a</b>   |           |
| <b>b(1)</b> Is the plan required to provide a projection of expected benefit payments? (See the instructions.) If "Yes," attach a schedule  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |           |
| <b>b(2)</b> Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach a schedule.   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |           |
| <b>c</b> Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |           |
| <b>d</b> If line c is "Yes," provide the following additional information:  |   |           |
| (1) Was an extension granted automatic approval under section 431(d)(1) of the Code?  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |           |
| (2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended   | <b>8d(2)</b>  | 5         |
| (3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |           |
| (4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2))   | <b>8d(4)</b>  |           |
| (5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension   | <b>8d(5)</b>  |           |
| (6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?  | <input type="checkbox"/> Yes <input type="checkbox"/> No            |           |
| <b>e</b> If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s) | <b>8e</b>   | 2,235,872 |

**9** Funding standard account statement for this plan year:

**Charges to funding standard account:**

|          |  |                     |            |
|----------|--|---------------------|------------|
| <b>a</b> | Prior year funding deficiency, if any  | <b>9a</b>           | 3,207,940  |
| <b>b</b> | Employer's normal cost for plan year as of valuation date  | <b>9b</b>           | 520,968    |
| <b>c</b> | Amortization charges as of valuation date:   | Outstanding balance |            |
|          | (1) All bases except funding waivers and certain bases for which the amortization period has been extended | <b>9c(1)</b>        | 31,516,129 |
|          | (2) Funding waivers  | <b>9c(2)</b>        | 0          |
|          | (3) Certain bases for which the amortization period has been extended                                      | <b>9c(3)</b>        | 0          |
| <b>d</b> | Interest as applicable on lines 9a, 9b, and 9c   | <b>9d</b>           | 471,418    |
| <b>e</b> | Total charges. Add lines 9a through 9d   | <b>9e</b>           | 7,724,000  |

| Credits to funding standard account: |   |                     |   |
|--------------------------------------|---|---------------------|---|
| <b>f</b>                             | Prior year credit balance, if any . . . . .   | <b>9f</b>           | 0   |
| <b>g</b>                             | Employer contributions. Total from column (b) of line 3 . . . . .   | <b>9g</b>           | 1,122,904   |
|                                      |   | Outstanding balance |   |
| <b>h</b>                             | Amortization credits as of valuation date . . . . .   | <b>9h</b>           | 6,527,441   |
| <b>i</b>                             | Interest as applicable to end of plan year on lines 9f, 9g, and 9h . . . . .  | <b>9i</b>           | 122,680   |
| <b>j</b>                             | Full funding limitation (FFL) and credits:  |                     |   |
|                                      | (1) ERISA FFL (accrued liability FFL) . . . . .   | <b>9j(1)</b>        | 30,584,239  |
|                                      | (2) "RPA '94" override (90% current liability FFL) . . . . .  | <b>9j(2)</b>        | 50,591,803  |
|                                      | (3) FFL credit . . . . .  | <b>9j(3)</b>        | 0   |
| <b>k</b>                             | (1) Waived funding deficiency . . . . .   | <b>9k(1)</b>        | 0   |
|                                      | (2) Other credits . . . . .   | <b>9k(2)</b>        | 0   |
| <b>l</b>                             | Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2) . . . . .   | <b>9l</b>           | 2,580,354   |
| <b>m</b>                             | Credit balance: If line 9l is greater than line 9e, enter the difference . . . . .                                  | <b>9m</b>           |   |
| <b>n</b>                             | Funding deficiency: If line 9e is greater than line 9l, enter the difference . . . . .                              | <b>9n</b>           | 5,143,646   |
| <b>9 o</b>                           | Current year's accumulated reconciliation account:  |                     |   |
|                                      | (1) Due to waived funding deficiency accumulated prior to the 2020 plan year . . . . .                              | <b>9o(1)</b>        | 0   |
|                                      | (2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:     |                     |   |
|                                      | (a) Reconciliation outstanding balance as of valuation date . . . . .   | <b>9o(2)(a)</b>     | 0   |
|                                      | (b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a)) . . . . .  | <b>9o(2)(b)</b>     | 0   |
|                                      | (3) Total as of valuation date . . . . .  | <b>9o(3)</b>        | 0   |
| <b>10</b>                            | Contribution necessary to avoid an accumulated funding deficiency. (See instructions.) . . . . .                    | <b>10</b>           | 5,143,646   |
| <b>11</b>                            | Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions . . . . . |                     | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

**Schedule MB, line 3 - Withdrawal Liability Amounts.**

Plan Name: Composition Roofers Local No. 42 Pension Plan

EIN: 31-6127285

PN: 001

| <u>Plan<br/>Year</u> | <u>Withdrawal<br/>Liability<br/>Payments</u> |
|----------------------|--|
| 2020                 | \$19,716                                     |

**Schedule MB, line 4c – Documentation Regarding Progress Under Funding Improvement or Rehabilitation Plan**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

Based on reasonable assumptions, the Plan is not expected to emerge from Critical Status by the end of the Rehabilitation Period. On an annual basis, the Board will review updated actuarial projections based on reasonable actuarial assumptions to confirm that the Rehabilitation Plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from Critical Status at a later date.

On June 28, 2019, the Plan filed an application for benefit suspensions with the U.S. Treasury Department. The application was approved on February 6, 2020 to satisfy the requirements established by Congress under MPRA. A voting period from February 19, 2020 through March 13, 2020 upheld the proposed suspension and the Plan received final authorization on March 27, 2020 to reduce benefits effective April 1, 2020.

Based on the assumptions specified in the 2020 actuarial certification the Plan was certified to be in Critical and Declining Status. In December 2020 the Rehabilitation Plan was updated to include the MPRA benefit suspensions as further evidence that all reasonable measures were being taken to forestall insolvency or emerge from Critical Status as a later time. Due to the MPRA benefit suspensions and based on the assumptions specified in the 2021 actuarial certification (the Plan Year in which this 2020 Schedule is filed), the Plan was certified to be in Critical Status (NOT Critical and Declining) and projected to avoid insolvency.

**Schedule MB, line 6 – Summary of Plan Provisions.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

1. Effective Date: June 1, 1964.
  
2. Plan Year: January 1<sup>st</sup> through December 31<sup>st</sup>.
  
3. Covered Employees: All employees covered by the Local 42 Collective Bargaining Agreement.
  
4. Eligibility: 1<sup>st</sup> of the month coincident with or following the completion of 1,000 Hours of Service.
  
5. Year of Service: 1 Year of Service for each Plan Year during which at least 1,000 Hours of Service are worked. If the participant works less than 1,000 hours,  $\frac{1}{10}$  of a Year of Service is earned for each 100 Hours of Service worked.
  
6. Actuarial Equivalency: UP 1984 Mortality Table at 7.00%.
  
7. Payment Forms:
  - a. Normal Single Life Annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor Annuity (QJSA) for married participants.
  
  - b. Optional Actuarially Equivalent  $66\frac{2}{3}\%$ , 75% or 100% Joint & Survivor (with or without Pop-Up) Annuity (QOSA).

**Schedule MB, line 6 – Summary of Plan Provisions.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

8. Normal Retirement:

a. Eligibility

Age 58 or the 5<sup>th</sup> anniversary of Plan participation.

b. Monthly Benefit

Based on a percentage of Employer contributions made on behalf of the participant in accordance with the following table:

| <u>Effective Date</u> | <u>Percentage</u>   |
|-----------------------|---------------------|
| 6/1/1964              | 5.220%              |
| 6/1/1965              | 2.616%              |
| 6/1/1966              | 1.740%              |
| 6/1/1972              | 2.040%              |
| 6/1/1974              | 2.040% <sup>1</sup> |
| 1/1/1980              | 2.880% <sup>1</sup> |
| 1/1/1984              | 2.450%              |
| 1/1/1994              | 2.100%              |
| 1/1/2009              | 1.000% <sup>2</sup> |

<sup>1</sup> Accrual is based on the specified percentage of contribution in excess of \$0.15 per hour.

<sup>2</sup> Accrual is based on contributions up to \$3.00 per hour effective 1/1/2009 and \$2.10 per hour effective 1/1/2010.

9. Early Retirement:

a. Eligibility

Age 55 and 5 Years of Service.

b. Monthly Benefit

Calculated as for Normal Retirement with monthly benefit actuarially reduced for each month that Early Retirement precedes age 58.

**Schedule MB, line 6 – Summary of Plan Provisions.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

10. Vested Retirement:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal or Early Retirement.

11. Disability Benefit:

- a. Eligibility Total and Permanent Disability and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal or Early Retirement.

12. Pre-Retirement Death:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Surviving Spouses receive the survivor's annuity calculated as for an age 55 Early Retirement reflecting a 50% Joint & Survivor Annuity payment form with death immediately after Early Retirement.

13. Employer Contributions:

| <u>Effective Date</u> | <u>Hourly Rate</u> |
|-----------------------|--------------------|
| 8/1/2014              | \$4.40             |
| 8/1/2015              | \$4.60             |
| 8/1/2016              | \$4.80             |
| 8/1/2017              | \$5.00             |
| 8/1/2018              | \$5.20             |
| 8/1/2019              | \$5.40             |

14. Changes Since Last Year:

Early retirement reductions for Early Retirement and the Disability Benefit were changed to actuarial equivalence.

**COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN**

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS  
(HELD AT YEAR END)  
AS OF DECEMBER 31, 2020

EIN 04-2836423  
Plan Number: 002

| (a)   | (b) | (c)   | (d)                  | (e)                  |
|---|-----|---|----------------------|----------------------|
| Identity of issue, borrower, lessor, or similar party |     | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost                 | Current Value        |
| * Charles Schwab & Co., Inc.                          |     | Interest-bearing Cash   | \$ 35,825            | \$ 35,825            |
| Vanguard Total Bond Market Index Fund                 |     | Mutual Fund   | 6,441,489            | 6,812,473            |
| Vanguard Real Estate Index Fund                       |     | Mutual Fund   | 809,421              | 823,488              |
| Vanguard Total International Stock Index Fund         |     | Mutual Fund   | 3,014,514            | 3,851,737            |
| Vanguard Total Stock Market Index Fund                |     | Mutual Fund   | 7,012,051            | 12,167,147           |
| Tortoise MLP & Pipeline Fund Institutional            |     | Mutual Fund   | 1,011,857            | 701,057              |
| Total   |     |   | <u>\$ 18,325,157</u> | <u>\$ 24,391,727</u> |

\* Party-in-interest

## 2020 ACTUARIAL CERTIFICATION OF FUNDED STATUS

*As Required under IRC § 432(b)(3) as Added by the Pension Protection Act of 2006*

### **Plan Identification**

Composition Roofers Local 42 Pension Plan ("Plan")  
205 West Fourth Street, Suite 225  
Cincinnati, OH 45202  
(513) 381-6886  
EIN/PN: 31-6127285/001  
Plan Year: January 1, 2020 – December 31, 2020

### **Information on Plan Status**

As of January 1, 2020, I hereby certify that the Plan is Critical and Declining as defined by the Pension Protection Act of 2006 (PPA) as amended by the Multiemployer Pension Reform Act of 2014 (MPRA) and is meeting the annual standards required under its updated Rehabilitation Plan which was designed to forestall the Plan's insolvency.

This certification has been prepared based on the Plan's January 1, 2019 Actuarial Valuation and the December 31, 2019 unaudited financial statements. The January 1, 2019 Actuarial Valuation was projected to January 1, 2020 for determination of the Plan's funded percentage and additional projections of later years were used to determine the year of insolvency.

Anticipated future Plan contributions and liabilities are based on 250,000 hours worked per year. It is assumed that participants exiting the Plan are replaced by new entrants. All other assumptions used, along with the Plan Provisions reflected in this determination, are summarized in the Plan's January 1, 2019 Actuarial Valuation Report. Pursuant to MPRA, the Plan will suspend benefits effective April 1, 2020. This certification does not reflect this suspension.

### **Actuarial Certification**

I hereby certify that the projection of the Plan's most recent Actuarial Valuation presents fairly the actuarial position of the Plan as of January 1, 2020. In my opinion, the assumptions used to determine the Plan's 2020 PPA funded status are individually reasonable based on Plan experience and represent my best estimate of anticipated future experience under the Plan. The projection of the January 1, 2019 Actuarial Valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meets the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,



M. R. Rust, EA, MAAA, ASA  
Enrollment Number: 17-06146

Cuni, Rust & Strenk  
4555 Lake Forest Drive, Suite 620  
Cincinnati, OH 45242  
(513) 891-0270

March 30, 2020

**Schedule MB, line 4b - Illustration Supporting Actuarial Certification of Status.**

Plan Name: Composition Roofers Local No. 42 Pension Plan

EIN: 31-6127285

PN: 001

2020 PPA Funded Status = Critical and Declining.

2020 PPA Funded Percentage < 80%, Funding Deficiency in 2020, and Projected Insolvency in 2032.

| 1/1<br>Plan<br>Year | Actuarial<br>Value of<br>Assets<br>(1) | PPA<br>Accrued<br>Liability<br>(2) | PPA<br>Funded<br>%<br>(1) / (2) | Prior<br>12/31<br>Credit<br>Balance | Hrly<br>Contr<br>Rate | Minimum<br>Required<br>Contribution | Expected<br>Hours<br>Worked | Expected<br>Contributions | Asset<br>Return<br>% |                                 |
|---------------------|--|------------------------------------|---------------------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------------|---------------------------|----------------------|---------------------------------|
| <b>2019</b>         | <b>\$24,255,813</b>                    | <b>\$51,172,162</b>                | <b>47.4%</b>                    | <b>(\$1,261,993)</b>                | <b>\$5.40</b>         | <b>\$4,495,843</b> <sup>(1)</sup>   | <b>261,004</b>              | <b>\$1,255,426</b>        | <b>21.1%</b>         | <b>Unaudited</b> <sup>(2)</sup> |
| 2020                | \$22,641,058                           | \$51,115,093                       | 44.3%                           | (\$3,112,701)                       | \$5.60                | \$5,991,830                         | 250,000                     | \$1,248,020               | 6.5%                 | Projected                       |
| 2021                | \$21,851,919                           | \$50,869,574                       | 43.0%                           | (\$4,895,557)                       | \$5.80                | \$7,811,984                         | 250,000                     | \$1,293,540               | 6.5%                 | Projected                       |
| 2022                | \$20,969,560                           | \$50,554,912                       | 41.5%                           | (\$6,726,959)                       | \$6.00                | \$9,649,364                         | 250,000                     | \$1,339,061               | 6.5%                 | Projected                       |
| 2023                | \$19,613,281                           | \$50,119,414                       | 39.1%                           | (\$8,576,136)                       | \$6.20                | \$11,505,101                        | 250,000                     | \$1,384,581               | 6.5%                 | Projected                       |
| 2024                | \$18,699,369                           | \$49,590,511                       | 37.7%                           | (\$10,444,259)                      | \$6.20                | \$13,632,044                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2025                | \$17,044,157                           | \$49,006,812                       | 34.8%                           | (\$12,611,836)                      | \$6.20                | \$16,253,697                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2026                | \$15,228,312                           | \$48,288,329                       | 31.5%                           | (\$15,317,351)                      | \$6.20                | \$18,995,401                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2027                | \$13,249,454                           | \$47,455,975                       | 27.9%                           | (\$18,146,758)                      | \$6.20                | \$21,889,349                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2028                | \$11,111,013                           | \$46,507,286                       | 23.9%                           | (\$21,133,279)                      | \$6.20                | \$25,196,289                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2029                | \$8,836,594                            | \$45,489,376                       | 19.4%                           | (\$24,546,002)                      | \$6.20                | \$28,698,544                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2030                | \$6,442,791                            | \$44,432,809                       | 14.5%                           | (\$28,160,289)                      | \$6.20                | \$32,228,293                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2031                | \$3,923,324                            | \$43,351,655                       | 9.0%                            | (\$31,802,949)                      | \$6.20                | \$35,221,657                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2032                | \$1,282,562                            | \$42,237,554                       | 3.0%                            | (\$34,892,065)                      | \$6.20                | \$38,086,393                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |

<sup>(1)</sup> January 1, 2019 Actuarial Valuation results.

<sup>(2)</sup> Estimated based on the Plan's December 31, 2019 unaudited financial statements.

**Schedule MB, line 9c and 9h – Schedule of Funding Standard Account Bases.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

**Charge Bases:**

| <u>Date</u>        |             | <u>Initial</u> | <u>Rem.</u>  |                | <u>Remaining</u> |
|--------------------|-------------|----------------|--------------|----------------|------------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u>   |
| 01/01/1991         | Amendment   | \$ 406,126     | 6            | \$ 20,957      | \$ 108,049       |
| 01/01/1992         | Amendment   | 166,751        | 7            | 9,036          | 52,779           |
| 01/01/1996         | Amendment   | 127,067        | 11           | 7,762          | 63,558           |
| 01/01/1998         | Amendment   | 1,484,015      | 13           | 93,840         | 859,448          |
| 01/01/1999         | Assumption  | 331,735        | 14           | 21,246         | 203,957          |
| 01/01/2000         | Amendment   | 995,239        | 15           | 64,441         | 645,305          |
| 01/01/2001         | Assumption  | 939,678        | 16           | 61,417         | 638,906          |
| 01/01/2003         | Shortfall   | 200,394        | 3            | 17,825         | 50,278           |
| 01/01/2003         | Amendment   | 273,661        | 18           | 18,159         | 201,750          |
| 01/01/2003         | Experience  | 1,090,068      | 3            | 58,797         | 165,845          |
| 01/01/2004         | Shortfall   | 39,055         | 4            | 3,460          | 12,626           |
| 01/01/2004         | Assumption  | 851,659        | 19           | 56,856         | 649,997          |
| 01/01/2004         | Experience  | 1,090,599      | 4            | 65,781         | 239,998          |
| 01/01/2005         | Shortfall   | 140,722        | 5            | 12,421         | 54,976           |
| 01/01/2005         | Experience  | 1,386,896      | 5            | 90,717         | 401,493          |
| 01/01/2006         | Shortfall   | 97,857         | 6            | 8,606          | 44,369           |
| 01/01/2006         | Amendment   | 658,035        | 21           | 44,365         | 533,198          |
| 01/01/2006         | Assumption  | 689,381        | 21           | 46,478         | 558,601          |
| 01/01/2006         | Experience  | 1,775,273      | 6            | 123,464        | 636,545          |
| 01/01/2007         | Shortfall   | 41,838         | 2            | 4,315          | 8,368            |
| 01/01/2008         | Assumption  | 51,604         | 8            | 3,911          | 25,357           |
| 01/01/2009         | Assumption  | 54,311         | 9            | 4,245          | 30,092           |
| 01/01/2009         | Experience  | 163,628        | 9            | 12,789         | 90,656           |
| 01/01/2009         | Asset Loss  | 7,112,667      | 18           | 525,562        | 5,839,295        |
| 01/01/2010         | Assumption  | 205,476        | 10           | 16,473         | 126,117          |
| 01/01/2010         | Asset Loss  | 941,899        | 18           | 70,336         | 781,479          |
| 01/01/2011         | Assumption  | 287,173        | 11           | 23,514         | 192,553          |
| 01/01/2011         | Asset Loss  | 1,249,922      | 18           | 94,415         | 1,048,998        |
| 01/01/2012         | Assumption  | 541,098        | 12           | 45,098         | 391,860          |
| 01/01/2012         | Asset Loss  | 2,815,418      | 18           | 215,337        | 2,392,523        |
| 01/01/2013         | Assumption  | 413,990        | 13           | 35,026         | 320,788          |
| 01/01/2014         | Assumption  | 197,063        | 14           | 16,887         | 162,106          |
| 01/01/2014         | Experience  | 598,913        | 14           | 51,322         | 492,674          |
| 01/01/2015         | Assumption  | 81,628         | 10           | 8,178          | 62,607           |
| 01/01/2015         | Experience  | 1,809,190      | 10           | 181,247        | 1,387,642        |
| 01/01/2016         | Experience  | 2,319,857      | 11           | 231,665        | 1,897,065        |
| 01/01/2016         | Assumption  | 4,737,827      | 11           | 473,128        | 3,874,361        |
| 01/01/2017         | Assumption  | 857,392        | 12           | 85,621         | 743,960          |

**Schedule MB, line 9c and 9h – Schedule of Funding Standard Account Bases.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

**Charge Bases (continued):**

| <u>Date</u><br><u>Established</u> | <u>Type</u> | <u>Initial</u><br><u>Balance</u> | <u>Rem.</u><br><u>Years</u> | <u>Payment</u> | <u>Remaining</u><br><u>Balance</u> |
|-----------------------------------|-------------|----------------------------------|-----------------------------|----------------|------------------------------------|
| 01/01/2017                        | Experience  | 1,827,683                        | 12                          | 182,516        | 1,585,885                          |
| 01/01/2018                        | Assumption  | 316,565                          | 13                          | 31,613         | 289,532                            |
| 01/01/2018                        | Experience  | \$ 1,393,170                     | 13                          | \$ 139,124     | \$ 1,274,204                       |
| 01/01/2019                        | Experience  | 2,038,718                        | 14                          | 203,590        | 1,954,412                          |
| 01/01/2020                        | Experience  | 421,917                          | 15                          | 42,134         | 421,917                            |
| Total Charges                     |             |                                  |                             | \$ 3,523,674   | \$ 31,516,129                      |

**Credit Bases:**

| <u>Date</u><br><u>Established</u> | <u>Type</u> | <u>Initial</u><br><u>Balance</u> | <u>Rem.</u><br><u>Years</u> | <u>Payment</u> | <u>Remaining</u><br><u>Balance</u> |
|-----------------------------------|-------------|----------------------------------|-----------------------------|----------------|------------------------------------|
| 01/01/1994                        | Amendment   | \$ 333,531                       | 4                           | \$ 25,409      | \$ 92,706                          |
| 01/01/1998                        | Assumption  | 1,588,460                        | 8                           | 119,734        | 776,418                            |
| 01/01/2001                        | Shortfall   | 7,520                            | 1                           | 676            | 676                                |
| 01/01/2002                        | Shortfall   | 31,498                           | 2                           | 2,812          | 5,453                              |
| 01/01/2007                        | Assumption  | 152,840                          | 17                          | 11,213         | 120,740                            |
| 01/01/2007                        | Experience  | 115,622                          | 2                           | 11,925         | 23,120                             |
| 01/01/2008                        | Experience  | 378,821                          | 3                           | 38,916         | 109,766                            |
| 01/01/2009                        | Amendment   | 2,897,061                        | 4                           | 296,455        | 1,081,610                          |
| 01/01/2010                        | Experience  | 4,934,797                        | 5                           | 503,067        | 2,226,471                          |
| 01/01/2010                        | Amendment   | 147,383                          | 5                           | 15,025         | 66,494                             |
| 01/01/2011                        | Experience  | 1,067,809                        | 6                           | 108,455        | 559,158                            |
| 01/01/2011                        | Amendment   | 172,544                          | 6                           | 17,525         | 90,356                             |
| 01/01/2012                        | Experience  | 140,157                          | 7                           | 14,185         | 82,852                             |
| 01/01/2013                        | Experience  | 1,120,256                        | 8                           | 112,980        | 732,624                            |
| 01/01/2019                        | Assumption  | 138,068                          | 14                          | 13,788         | 132,358                            |
| 01/01/2020                        | Assumption  | 374,517                          | 15                          | 37,400         | 374,517                            |
| 01/01/2020                        | Amendment   | 52,122                           | 15                          | 5,205          | 52,122                             |
| Total Credits                     |             |                                  |                             | \$ 1,334,770   | \$ 6,527,441                       |

1. Net Amortization \$ 24,988,688
2. Credit Balance / (Funding Deficiency) \$ (3,207,940)
3. Balance Test: [(1) - (2)] \$ 28,196,628
4. Unfunded Accrued Liability:
  - a. Accrued Liability \$ 50,927,705
  - b. Actuarial Value of Assets 22,731,077
  - c. Unfunded Accrued Liability: [(a) - (b)] \$ 28,196,628

**Schedule MB, line 11 – Justification for Change in Actuarial Assumptions.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

Effective with the January 1, 2020 valuation, the following assumptions were changed based upon historical Plan and industry data as an indicator of anticipated future experience:

- The base mortality tables were updated.
- The mortality projection scale was updated.
- The hours worked assumption was increased from 1,250 to 1,325 per active per year.
- The expense load was decreased from \$400,000 to \$150,000.

**Schedule R, Update of Funding Improvement Plan or Rehabilitation Plan.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

**Hourly Contribution Rate Increase**

In accordance with the Rehabilitation Plan, the Plan's contribution rate was increased from \$5.40 per hour as of August 1, 2019 to \$5.60 per hour as of August 1, 2020.

**Suspension of Benefits Under the Multiemployer Pension Reform Act of 2014**

On March 27, 2020, the U.S. Treasury Department approved an application submitted by the Trustees of this Plan to suspend benefits as provided for under the Multiemployer Pension Reform Act of 2014 (MPRA). The Plan is now projected to avoid insolvency as a result of the benefit suspensions taking place on April 1, 2020.

## **Schedule R, Summary of Rehabilitation Plan.**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

The Plan's Board of Trustees adopted a Rehabilitation Plan that includes benefit reductions and increases in the hourly contribution rate. This Rehabilitation Plan was designed to forestall the Plan's insolvency. Rehabilitation Plan benefit reductions are as follows:

- The benefit accrual rate remains 1.0% of contributions required to be made with respect to the participant's covered service, except that the Non-Credited amounts noted in the table below will not be subject to benefit accruals. A proportionate share of contributions for apprentices, reciprocal contributions and other classifications will be treated as outside of the benefit accrual. Required contribution rate increases under the Rehabilitation Plan will not be used to accrue benefits under the Plan.
- The Early Retirement benefit is available for anyone who is at least 55 years of age and who has accumulated at least 5 years of credited service under the Plan. Effective for Annuity Starting Dates on and after July 1, 2019, the monthly retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month that their benefit commencement date precedes their Normal Retirement Date.
- The monthly Disability Retirement benefit for any participant who submits an application to the Plan or is determined to be disabled on or after January 1, 2010, will be reduced by 5/9 of 1% for each month the participant is younger than age 58. The maximum reduction regardless of the participant's age is 36 months. Effective May 1, 2010, no Disability Retirement benefit is available to any person who has earned less than five (5) years of credited service at the time of disability. Effective for disability applications received on or after July 1, 2019, the monthly Disability Retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month their date of disability precedes their Normal Retirement Date.
- Only eligible spouses of participants with 5 or more years of credited service under the Plan will be entitled to Death Benefits. If the participant dies after reaching Early Retirement Age the surviving spouse will receive 50% of the annuity the participant would have received if he retired the day before his death. If the participant dies before reaching Early Retirement Age the surviving spouse will receive the same benefit that would have been payable if the participant had separated from service on the date of death, survived to the Early Retirement Age, retired with a 50% Joint and Survivor Annuity and died the next day.
- Pre-Retirement Death Benefits are not available for non-vested or single participants.
- Postretirement Death Benefits will be payable only in the joint and survivor form of payment elected by the participant and his spouse. No lump-sum death benefits will be paid for any participant who retires on or after May 1, 2010.
- Participants who retire after Normal Retirement Age will remain eligible for an actuarial adjustment of their monthly benefit payment.

## **Schedule R, Summary of Rehabilitation Plan**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

- Effective **April 1, 2020**, all Participants, Beneficiaries and Alternate Payees with a separate interest pension benefit shall be subject to a 45% reduction of his or her monthly benefit. This adjustment is limited to benefits accrued through March 31, 2020, and shall not apply to benefits accrued on or after April 1, 2020. The application of this reduction is limited by the following:
  - (a) No Participant, Beneficiary or other individual's monthly benefit shall be reduced to less than 110% of the amount of payment the Participant, Beneficiary or other individual would receive from the Pension Benefit Guaranty Corporation under its multiemployer guarantee program under ERISA §4022A if the Plan went insolvent, as described by and applied in compliance with Treas. Reg. §1.432(e)(9)-1(d)(2).
  - (b) No Participant, Beneficiary or other individual who has attained age 75 by April 2020, shall have his or her monthly benefit reduced below the applicable percentage as described by and in compliance with Treas. Reg. §1.432(e)(9)-1(d)(3).
  - (c) No Participant who is receiving a Disability Benefit under Section 3.3 of the Plan as of March 31, 2020 shall have his or her monthly benefit reduced pursuant to the limitations described in and imposed by Treas. Reg. §1.432(e)(9)-1(d)(4).
- Effective **April 1, 2020**, the Joint & 66 2/3% Survivor Annuity payment form is no longer available.
- Effective **April 1, 2020**, "pop-up" options are no longer available.

**Schedule R, Summary of Rehabilitation Plan**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

**Contributions**

Journeyman contribution rates shall increase as follows:

| <b>Effective Dates</b>         | <b>Hourly Rate</b> | <b>Non-Credited</b> | <b>Credited</b> |
|--------------------------------|--------------------|---------------------|-----------------|
| August 1, 2013 – July 31, 2014 | \$4.20             | \$2.10              | \$2.10          |
| August 1, 2014 – July 31, 2015 | \$4.40             | \$2.30              | \$2.10          |
| August 1, 2015 – July 31, 2016 | \$4.60             | \$2.50              | \$2.10          |
| August 1, 2016 – July 31, 2017 | \$4.80             | \$2.70              | \$2.10          |
| August 1, 2017 – July 31, 2018 | \$5.00             | \$2.90              | \$2.10          |
| August 1, 2018 – July 31, 2019 | \$5.20             | \$3.10              | \$2.10          |
| August 1, 2019 – July 31, 2020 | \$5.40             | \$3.30              | \$2.10          |
| August 1, 2020 – July 31, 2021 | \$5.60             | \$3.50              | \$2.10          |
| August 1, 2021 – July 31, 2022 | \$5.80             | \$3.70              | \$2.10          |
| August 1, 2022 – July 31, 2023 | \$6.00             | \$3.90              | \$2.10          |
| August 1, 2023 – July 31, 2024 | \$6.20             | \$4.10              | \$2.10          |

Contribution rate increases for participants with lower contribution rates shall be proportionate to the Journeyman increases. Reciprocal contributions and contributions for Apprentices and other classifications will have a proportionate share of their hourly contribution credited to benefit accrual.

## 2020 ACTUARIAL CERTIFICATION OF FUNDED STATUS

*As Required under IRC § 432(b)(3) as Added by the Pension Protection Act of 2006*

### **Plan Identification**

Composition Roofers Local 42 Pension Plan ("Plan")  
205 West Fourth Street, Suite 225  
Cincinnati, OH 45202  
(513) 381-6886  
EIN/PN: 31-6127285/001  
Plan Year: January 1, 2020 – December 31, 2020

### **Information on Plan Status**

As of January 1, 2020, I hereby certify that the Plan is Critical and Declining as defined by the Pension Protection Act of 2006 (PPA) as amended by the Multiemployer Pension Reform Act of 2014 (MPRA) and is meeting the annual standards required under its updated Rehabilitation Plan which was designed to forestall the Plan's insolvency.

This certification has been prepared based on the Plan's January 1, 2019 Actuarial Valuation and the December 31, 2019 unaudited financial statements. The January 1, 2019 Actuarial Valuation was projected to January 1, 2020 for determination of the Plan's funded percentage and additional projections of later years were used to determine the year of insolvency.

Anticipated future Plan contributions and liabilities are based on 250,000 hours worked per year. It is assumed that participants exiting the Plan are replaced by new entrants. All other assumptions used, along with the Plan Provisions reflected in this determination, are summarized in the Plan's January 1, 2019 Actuarial Valuation Report. Pursuant to MPRA, the Plan will suspend benefits effective April 1, 2020. This certification does not reflect this suspension.

### **Actuarial Certification**

I hereby certify that the projection of the Plan's most recent Actuarial Valuation presents fairly the actuarial position of the Plan as of January 1, 2020. In my opinion, the assumptions used to determine the Plan's 2020 PPA funded status are individually reasonable based on Plan experience and represent my best estimate of anticipated future experience under the Plan. The projection of the January 1, 2019 Actuarial Valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meets the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,



M. R. Rust, EA, MAAA, ASA  
Enrollment Number: 17-06146

Cuni, Rust & Strenk  
4555 Lake Forest Drive, Suite 620  
Cincinnati, OH 45242  
(513) 891-0270

March 30, 2020

**Illustration Supporting 2020 Pension Protection Act of 2006 (PPA) Actuarial Certification of Funded Status**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

2020 PPA Funded Status = Critical and Declining.

2020 PPA Funded Percentage < 80%, Funding Deficiency in 2020, and Projected Insolvency in 2032.

| 1/1<br>Plan<br>Year | Actuarial<br>Value of<br>Assets<br>(1) | PPA<br>Accrued<br>Liability<br>(2) | PPA<br>Funded<br>%<br>(1) / (2) | Prior<br>12/31<br>Credit<br>Balance | Hrly<br>Contr<br>Rate | Minimum<br>Required<br>Contribution | Expected<br>Hours<br>Worked | Expected<br>Contributions | Asset<br>Return<br>% |                                 |
|---------------------|--|------------------------------------|---------------------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------------|---------------------------|----------------------|---------------------------------|
| <b>2019</b>         | <b>\$24,255,813</b>                    | <b>\$51,172,162</b>                | <b>47.4%</b>                    | <b>(\$1,261,993)</b>                | <b>\$5.40</b>         | <b>\$4,495,843</b> <sup>(1)</sup>   | <b>261,004</b>              | <b>\$1,255,426</b>        | <b>21.1%</b>         | <b>Unaudited</b> <sup>(2)</sup> |
| 2020                | \$22,641,058                           | \$51,115,093                       | 44.3%                           | (\$3,112,701)                       | \$5.60                | \$5,991,830                         | 250,000                     | \$1,248,020               | 6.5%                 | Projected                       |
| 2021                | \$21,851,919                           | \$50,869,574                       | 43.0%                           | (\$4,895,557)                       | \$5.80                | \$7,811,984                         | 250,000                     | \$1,293,540               | 6.5%                 | Projected                       |
| 2022                | \$20,969,560                           | \$50,554,912                       | 41.5%                           | (\$6,726,959)                       | \$6.00                | \$9,649,364                         | 250,000                     | \$1,339,061               | 6.5%                 | Projected                       |
| 2023                | \$19,613,281                           | \$50,119,414                       | 39.1%                           | (\$8,576,136)                       | \$6.20                | \$11,505,101                        | 250,000                     | \$1,384,581               | 6.5%                 | Projected                       |
| 2024                | \$18,699,369                           | \$49,590,511                       | 37.7%                           | (\$10,444,259)                      | \$6.20                | \$13,632,044                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2025                | \$17,044,157                           | \$49,006,812                       | 34.8%                           | (\$12,611,836)                      | \$6.20                | \$16,253,697                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2026                | \$15,228,312                           | \$48,288,329                       | 31.5%                           | (\$15,317,351)                      | \$6.20                | \$18,995,401                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2027                | \$13,249,454                           | \$47,455,975                       | 27.9%                           | (\$18,146,758)                      | \$6.20                | \$21,889,349                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2028                | \$11,111,013                           | \$46,507,286                       | 23.9%                           | (\$21,133,279)                      | \$6.20                | \$25,196,289                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2029                | \$8,836,594                            | \$45,489,376                       | 19.4%                           | (\$24,546,002)                      | \$6.20                | \$28,698,544                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2030                | \$6,442,791                            | \$44,432,809                       | 14.5%                           | (\$28,160,289)                      | \$6.20                | \$32,228,293                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2031                | \$3,923,324                            | \$43,351,655                       | 9.0%                            | (\$31,802,949)                      | \$6.20                | \$35,221,657                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |
| 2032                | \$1,282,562                            | \$42,237,554                       | 3.0%                            | (\$34,892,065)                      | \$6.20                | \$38,086,393                        | 250,000                     | \$1,411,135               | 6.5%                 | Projected                       |

<sup>(1)</sup> January 1, 2019 Actuarial Valuation results.

<sup>(2)</sup> Estimated based on the Plan's December 31, 2019 unaudited financial statements.

**Additional Information for 2020 Zone Certification**

| 1/1<br>Plan<br>Year | Fair Market<br>Value of Assets<br>at Beginning of<br>Plan Year | Expected<br>Contributions | Expected<br>Withdrawal<br>Liability<br>Payments | Expected<br>Benefit<br>Payments | Expected<br>Administrative<br>Expenses | Expected<br>Asset<br>Return | Asset<br>Return<br>% | Fair Market<br>Value of Assets<br>at End of<br>Plan Year |
|---------------------|--|---------------------------|---|---------------------------------|--|-----------------------------|----------------------|--|
| 2019                | \$22,362,057   | \$1,255,426               | \$0   | \$3,542,757                     | \$317,786                              | \$4,439,870                 | 21.1%                | \$24,196,810   |
| 2020                | \$24,196,810   | \$1,248,020               | \$0   | \$3,774,782                     | \$154,445                              | \$1,487,025                 | 6.5%                 | \$23,002,628   |
| 2021                | \$23,002,628   | \$1,293,540               | \$0   | \$3,857,490                     | \$155,990                              | \$1,408,164                 | 6.5%                 | \$21,690,852   |
| 2022                | \$21,690,852   | \$1,339,061               | \$0   | \$3,942,710                     | \$157,550                              | \$1,321,579                 | 6.5%                 | \$20,251,232   |
| 2023                | \$20,251,232   | \$1,384,581               | \$0   | \$4,004,746                     | \$159,125                              | \$1,227,427                 | 6.5%                 | \$18,699,369   |
| 2024                | \$18,699,369   | \$1,411,135               | \$0   | \$4,032,108                     | \$160,716                              | \$1,126,477                 | 6.5%                 | \$17,044,157   |
| 2025                | \$17,044,157   | \$1,411,135               | \$0   | \$4,081,901                     | \$162,323                              | \$1,017,244                 | 6.5%                 | \$15,228,312   |
| 2026                | \$15,228,312   | \$1,411,135               | \$0   | \$4,123,866                     | \$163,947                              | \$897,820                   | 6.5%                 | \$13,249,454   |
| 2027                | \$13,249,454   | \$1,411,135               | \$0   | \$4,152,224                     | \$165,586                              | \$768,234                   | 6.5%                 | \$11,111,013   |
| 2028                | \$11,111,013   | \$1,411,135               | \$0   | \$4,147,642                     | \$167,242                              | \$629,330                   | 6.5%                 | \$8,836,594  |
| 2029                | \$8,836,594  | \$1,411,135               | \$0   | \$4,118,398                     | \$168,914                              | \$482,374                   | 6.5%                 | \$6,442,791  |
| 2030                | \$6,442,791  | \$1,411,135               | \$0   | \$4,087,703                     | \$170,604                              | \$327,705                   | 6.5%                 | \$3,923,324  |
| 2031                | \$3,923,324  | \$1,411,135               | \$0   | \$4,044,843                     | \$172,310                              | \$165,256                   | 6.5%                 | \$1,282,562  |
| 2032                | \$1,282,562  | \$1,411,135               | \$0   | \$3,993,984                     | \$174,033                              | \$0                         | 6.5%                 | Insolvent  |

Administrative expenses are assumed to increase at a rate of 1.00% per year, and contribution base units are assumed to be 250,000 in all future years. All other provisions and assumptions are summarized in the 2019 Actuarial Valuation Report.

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**Composition Roofers Local 42  
Pension Plan**



*Actuarial Valuation Report  
as of January 1, 2021*

**CUNI, RUST & STRENK**  
**ACTUARIAL CONSULTING**

October 5, 2021

Board of Trustees  
Composition Roofers Local 42 Pension Plan

Dear Trustees:

We are pleased to present this Actuarial Valuation Report as of January 1, 2021 on the status of the Composition Roofers Local 42 Pension Plan ("Plan"). Cuni, Rust & Strenk is an independent actuarial consulting firm engaged the Board of Trustees to prepare this Report.

**Reliance on Plan Administrator and Plan Auditor**

In performing this Actuarial Valuation, we have relied on the Plan Administrator's and Plan Auditor's representations that the information that they have supplied, namely the participant data and annual Plan audit, is both accurate and complete. If this information is either inaccurate or incomplete, the results of this Actuarial Valuation could materially change.

**Experience**

Page 1 of the Report summarizes the results of this year's Actuarial Valuation and compares them to last year's results. During 2020 the Plan experienced an actuarial gain of \$722,367, which is the combined result of a \$61,368 gain on the Plan's liabilities and a \$710,999 gain on the Plan's Actuarial Value of Assets. The development of the actuarial gain can be found on pages 4 and 5.

**Asset Returns**

Page 2 summarizes the financial position of the Plan's assets as of December 31, 2020, while page 3 shows the development of the Actuarial Value of Assets used to determine the minimum funding requirements, the Pension Protection Act of 2006 (PPA) funded percentage, and the maximum tax-deductible limit for the year.

As of the valuation date the Actuarial Value of Assets was \$23,066,158, while the Market Value of Assets was \$25,081,356. Relative to last year, the Actuarial Value increased by \$335,081, while the Market Value increased by \$883,086. The difference between the changes in Market and Actuarial Value is attributable to the smoothing method used to calculate the Actuarial Value of Assets. The approximate 2020 annual return on the Market Value of Assets was 11.5%, which is well above the assumed rate of return of 6.5%.

**Minimum and Maximum Contributions**

Pages 6 through 11 develop the maximum tax deductible and minimum required contributions for the Plan Year ending December 31, 2021. The Plan's maximum tax-deductible contribution is \$60,346,321, while the minimum required contribution is \$6,327,562. The Plan has a funding deficiency which is developed on page 8.

**Pension Relief Act of 2010 (PRA 2010) / Amortization Base Extension**

The Board of Trustees elected to extend the amortization of the Plan's 2008 asset loss from 15 to 29 years as allowed under PRA 2010. The Plan has also received an automatic 5-year amortization extension of its eligible charge bases established before January 1, 2015 under IRC § 431(d)(1).

### **Multiemployer Pension Reform Act of 2014 (MPRA) Benefit Suspensions**

The Board of Trustees submitted a MPRA application to suspend benefits that was approved on March 27, 2020. The amendments presented in the Trustees' Pension Recovery Plan went into effect on April 1, 2020 and have been reflected in this Report.

### **Withdrawal Liability**

Page 12 develops the Present Value of Vested Accrued Benefits at the Current Liability interest rate, which is our best estimate of what interest rate should be used to calculate Employer Withdrawal Liability. The Unfunded Vested Accrued Benefit amount listed here would be the Plan's Withdrawal Liability if we were not directed by the Board of Trustees to calculate Withdrawal Liability at the Plan's funding interest rate of 6.5%. As directed by the Pension Benefit Guaranty Corporation (PBGC), the Plan's Withdrawal Liability excludes the liability reduction due to the MRPA benefit suspensions.

### **ASC 960 Audit Values**

Page 13 shows the present value of accumulated Plan benefits as of December 31, 2020, along with the changes in these liabilities when compared with last year. This information is disclosed each year in the Plan's ASC 960 audit. As of December 31, 2020, the present value of accumulated Plan benefits amounts to \$38,781,329, while assets available to pay these benefits are equal to \$25,081,356.

### **Assessment and Disclosure of Risk (ASOP 51)**

The valuation results developed in this Report are dependent on the specific assumptions disclosed herein which are either selected by the actuary or prescribed by the IRS. We make every effort to predict future Plan experience based on our professional judgement, past experience, and insight about future Plan or economic conditions. Deviations in the Report results should be expected and the Plan can face significant risks associated with these deviations. Those risks might include (but not be limited to) asset return, longevity, regulatory, and demographic risk. When we believe additional calculations of the risk impact on the financial condition of the Plan are warranted, we will consult with the Board of Trustees and recommend additional studies as needed. Page 14 summarizes and measures some of these risks.

### **Participant Information**

Page 15 shows the changes in the number of participants included in this year's valuation when compared to last year. During 2020 the total number of active participants did not change. Page 16 shows the age and service distribution for active participants, while pages 17 through 20 show the age and benefit distributions of the various classes of inactive participants. Page 21 shows the age and benefit distribution of benefit commencements last year and page 22 shows age and benefit distributions of approaching retirements.

### **PPA Funded Status**

The Plan is Critical and operating under a Rehabilitation Plan. As of January 1, 2021, the Plan was certified as making schedule progress in meeting the requirements of its Rehabilitation Plan. This Report confirms the Plan's 2021 PPA Certification.

### **Market Value Asset History**

Page 23 contains a summary of the Plan's asset history. Included are the contributions, benefit payments, administrative expenses, investment returns, and asset return and cash flow percentages on the Plan's Market Value of Assets since 1992.

### **Plan Provisions and Actuarial Assumptions**

Pages 24 through 26 outline the current Plan Provisions, while pages 27 through 30 summarize the Actuarial Assumptions and Methods used for this year's Actuarial Valuation. The changes to the Plan Provisions and Actuarial Assumptions and Methods are shown on pages 26 and 29, respectively. The changes to the Actuarial Assumptions were made to better anticipate future Plan experience along with those mandated by the IRS.

### **Auditor Information**

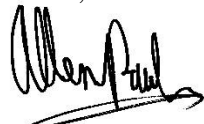
The purpose of this Report is to determine the minimum and maximum deductible employer contribution requirements for the plan year, provide information to be used in the preparation of governmental filings, actuarial certifications, and provide information for the Plan auditor. This Report is prepared for the sole use of the Board of Trustees. Reliance on this Report for other than the above stated purposes may put the relying Entity at risk of being misled because of confusion or failure to properly interpret the results contained herein.

### **Actuarial Certification**

We hereby certify that this Report presents fairly the actuarial position of the Composition Roofers Local 42 Pension Plan as of January 1, 2021. The mortality rates used to calculate Current Liability are mandated by the IRS. In our opinion, all other assumptions used to determine the Plan's liabilities and costs are individually reasonable based on Plan experience and represent our best estimate of anticipated future experience under the Plan. This valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meet the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,

CUNI, RUST & STRENK



Allen Pauly, EA, CERA, ASA, MAAA  
Senior Actuary



M. R. Rust, EA, MAAA, ASA  
President, Lead Actuarial Consultant

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## Summary of Valuation Results

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|   | <u>January 1, 2020</u> | <u>January 1, 2021</u> |
|---|------------------------|------------------------|
| 1. Number of Participants                               |                        |                        |
| a. Active Participants                                  | 175                    | 175                    |
| b. Vested Terminated Participants                       | 82                     | 82                     |
| c. Retirees and Beneficiaries                           | <u>237</u>             | <u>238</u>             |
| d. Total: [(a) + (b) + (c)]                             | 494                    | 495                    |
| 2. Normal Cost  |                        |                        |
| a. For Benefits   | \$370,968              | \$193,381              |
| b. For Expenses   | <u>150,000</u>         | <u>165,000</u>         |
| c. Total: [(a) + (b)]                                   | \$520,968              | \$358,381              |
| 3. Accrued Liability                                    |                        |                        |
| a. Active Participants                                  | \$8,442,521            | \$6,138,704            |
| b. Vested Terminated Participants                       | 5,373,242              | 3,557,609              |
| c. Retirees and Beneficiaries                           | <u>37,111,942</u>      | <u>25,268,671</u>      |
| d. Total: [(a) + (b) + (c)]                             | \$50,927,705           | \$34,964,984           |
| 4. Funding Interest Rate                                | 6.5%                   | 6.5%                   |
| 5. Asset Values   |                        |                        |
| a. Market Value   | \$24,198,270           | \$25,081,356           |
| b. Actuarial Value                                      | \$22,731,077           | \$23,066,158           |
| c. Market Value Asset Return                            | 21.1%                  | 11.5%                  |
| d. Cash Flow Percentage                                 | (10.8%)                | (7.2%)                 |
| e. Prior Year Contributions                             | \$1,247,982            | \$1,122,904            |
| 6. Real Amounts   |                        |                        |
| a. Unfunded Liability: [(3)(d) - (5)(a)]                | \$26,729,435           | \$9,883,628            |
| b. Funded Ratio: [(5)(a) ÷ (3)(d)]                      | 47.5%                  | 71.7%                  |
| 7. Hourly Amounts                                       |                        |                        |
| a. Approximate Hours Worked                             | 259,420                | 220,702                |
| b. Average Contribution Rate: [(5)(e) ÷ (a)]            | \$4.81                 | \$5.09                 |
| c. Normal Cost: [(2)(c) ÷ (a)]                          | <u>2.01</u>            | <u>1.62</u>            |
| d. Unfunded Liability Payment: [(b) - (c)]              | \$2.80                 | \$3.47                 |
| e. Interest on Unfunded Liability: [(4) × (6)(a) ÷ (a)] | <u>6.70</u>            | <u>2.91</u>            |
| f. Reduction in Unfunded Liability: [(d) - (e)]         | (\$3.90)               | \$0.56                 |
| 8. PPA Information                                      | Critical &             |                        |
| a. Status   | Declining              | Critical               |
| b. Funded Percentage: [(5)(b) ÷ (3)(d)]                 | 44.6%                  | 66.0%                  |
| c. Projected Year of Insolvency                         | 2032                   | N/A                    |

## **Plan Assets: Receipts and Disbursements**

---

Market Value of Assets as of January 1, 2020 \$ 24,198,270

### Receipts:

|                                 |                 |              |
|---------------------------------|-----------------|--------------|
| Employer Contributions          | \$ 1,122,904    |              |
| Interest and Dividends          | 490,443         |              |
| Net Appreciation/(Depreciation) | 2,210,538       |              |
| Other Income                    | 4,510           |              |
| Investment Fees                 | <u>(26,418)</u> |              |
| TOTAL RECEIPTS                  |                 | \$ 3,801,977 |

### Disbursements:

|                         |                |  |
|-------------------------|----------------|--|
| Benefits Paid           | \$ 2,756,079   |  |
| Administrative Expenses | <u>162,812</u> |  |

TOTAL DISBURSEMENTS \$ 2,918,891

Excess of Receipts over Disbursements \$ 883,086

Market Value of Assets as of December 31, 2020 \$ 25,081,356

### **NOTES:**

The approximate return for the Plan Year ending December 31, 2020 was 11.5%.

The Plan's negative cashflow was 7.2% of the Plan's Market Value of Assets as of December 31, 2020.

## Plan Assets: Development of Actuarial Value of Assets

---

|   |                    |                |                    |
|---|--------------------|----------------|--------------------|
| 1. Market Value as of January 1, 2020                             |                    |                | \$ 24,198,270      |
| 2. Net Additions  |                    |                |                    |
| a. Employer Contributions   | \$ 1,122,904       |                |                    |
| b. Benefit Payments   | (2,756,079)        |                |                    |
| c. Administrative Expenses  | (162,812)          |                |                    |
| d. Total: [(a) + (b) + (c)]                                       |                    |                | \$ (1,795,987)     |
| 3. Expected Investment Income                                     |                    |                |                    |
| a. On Market Value  | \$ 1,572,888       |                |                    |
| b. On Employer Contributions                                      | 35,920             |                |                    |
| c. On Benefit Payments  | (88,162)           |                |                    |
| d. On Expenses  | (5,208)            |                |                    |
| e. Total: [(a) + (b) + (c) + (d)]                                 |                    |                | \$ 1,515,438       |
| 4. Expected Market Value as of December 31, 2020                  |                    |                | \$ 23,917,721      |
| 5. Actual Market Value as of January 1, 2021                      |                    |                | \$ 25,081,356      |
| 6. Net Gain/(Loss) for the 2020 Plan Year: [(5) - (4)]            |                    |                | \$ 1,163,635       |
| 7. Determination of Unrecognized Gain/(Loss):                     |                    |                |                    |
|   | Net                | Adjustment     | Unrecognized       |
| <u>Plan Year</u>  | <u>Gain/(Loss)</u> | <u>Factors</u> | <u>Gain/(Loss)</u> |
| 2020  | \$ 1,163,635       | 0.80           | \$ 930,908         |
| 2019  | 3,079,069          | 0.60           | 1,847,441          |
| 2018  | (2,773,070)        | 0.40           | (1,109,228)        |
| 2017  | 1,730,384          | 0.20           | 346,077            |
| 2016  | (121,871)          | 0.00           | 0                  |
|   | \$ 3,078,147       |                | \$ 2,015,198       |
| 8. Preliminary Actuarial Value of Assets:                         |                    |                |                    |
| [Actual Market Value as of December 31, 2020                      |                    |                |                    |
| less Unrecognized Gain/(Loss)]                                    |                    |                | \$ 23,066,158      |
| 9. Actuarial Value of Assets:                                     |                    |                |                    |
| [(8), but not less than 80% or greater than 120% of Market Value] |                    |                | \$ 23,066,158      |
| 10. Recognized Gain/(Loss)  |                    |                | \$ 1,062,949       |

**NOTE:** The approximate return on Actuarial Value of Assets is 9.8%.

## **Actuarial Experience: Actuarial (Gain)/Loss**

---

|   |                      |
|---|----------------------|
| 1. Unfunded Accrued Liability as of January 1, 2020   |                      |
| a. Accrued Liability  | \$ 50,927,705        |
| b. Actuarial Value of Assets  | 22,731,077           |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | <u>\$ 28,196,628</u> |
| 2. 2020 Normal Cost   | \$ 520,968           |
| 3. 2020 Contributions   | \$ 1,122,904         |
| 4. Interest at 6.50% to December 31, 2020   | \$ 1,830,724         |
| 5. Expected Unfunded Accrued Liability Prior to Plan, Method and/or Assumption Change: [(1)(c) + (2) - (3) + (4)] | \$ 29,425,416        |
| 6. Increase/(Decrease) in Unfunded Accrued Liability due to Plan, Method and/or Assumption Change                 | \$ (16,754,223)      |
| 7. Expected Unfunded Accrued Liability as of December 31, 2020: [(5) + (6)]                                       | \$ 12,671,193        |
| 8. Actual Unfunded Accrued Liability as of December 31, 2020  |                      |
| a. Accrued Liability  | \$ 34,964,984        |
| b. Actuarial Value of Assets  | 23,066,158           |
| c. Unfunded Accrued Liability: [(a) - (b), not less than \$0]   | <u>\$ 11,898,826</u> |
| 9. Actuarial (Gain)/Loss: [(8)(c) - (7)]  | \$ (772,367)         |

## Actuarial Experience: Accrued Liability and Assets

|  |                     |
|--|---------------------|
| 1. Accrued Liability Experience  |                     |
| a. Accrued Liability as of January 1, 2020   | \$ 50,927,705       |
| b. 2020 Normal Cost  | 520,968             |
| c. 2020 Benefit Payments and Expenses  | (2,918,891)         |
| d. Interest at 6.50% to December 31, 2020  | <u>3,250,793</u>    |
| e. Expected Accrued Liability as of January 1, 2021: [(a) + (b) + (c) + (d)]                 | \$ 51,780,575       |
| f. Actual Accrued Liability as of January 1, 2021 Prior to Changes                           | <u>51,719,207</u>   |
| g. Accrued Liability (Gain)/Loss: [(f) - (e)]  | \$ (61,368)         |
| h. (Decrease)/Increase in Accrued Liability due to Plan, Method<br>and/or Assumption Changes | <u>(16,754,223)</u> |
| i. Accrued Liability as of January 1, 2021: [(f) + (h)]                                      | \$ 34,964,984       |
| <br>   |                     |
| 2. Actuarial Value of Assets (AVA) Experience  |                     |
| a. Actuarial Value of Assets as of January 1, 2020   | \$ 22,731,077       |
| b. 2020 Benefit Payments and Expenses  | (2,918,891)         |
| c. 2020 Contributions  | 1,122,904           |
| d. Expected Earnings at 6.50% to December 31, 2020   | <u>1,420,069</u>    |
| e. Expected AVA as of January 1, 2021: [(a) + (b) + (c) + (d)]                               | \$ 22,355,159       |
| f. Actual AVA as of January 1, 2021 Prior to Method Change                                   | <u>23,066,158</u>   |
| g. Actuarial Value of Assets (Gain)/Loss: [(e) - (f)]  | \$ (710,999)        |
| h. (Decrease)/Increase in AVA due to Method Change   | <u>0</u>            |
| i. Actuarial Value of Assets after Method Change: [(f) + (h)]                                | \$ 23,066,158       |
| <br>   |                     |
| 3. Total Actuarial (Gain)/Loss: [(1)(g) + (2)(g)]  | \$ (772,367)        |

## Determination of the Full Funding Limitations

---

|   | <u>IRC §404<br/>Maximum</u> | <u>IRC §412<br/>Minimum</u> |
|---|-----------------------------|-----------------------------|
| 1. Accrued Liability Basis  |                             |                             |
| a. Estimated End of Year Accrued Liability  | \$ 34,973,426               | \$ 34,973,426               |
| b. Estimated End of Year Assets   | <u>21,919,501</u>           | <u>21,919,501</u>           |
| c. Accrued Liability Basis Full Funding Limit:<br>[(a) - (b), but not less than \$0]        | \$ 13,053,925               | \$ 13,053,925               |
| <br>  |                             |                             |
| 2. Current Liability Basis  |                             |                             |
| a. Estimated End of Year Current Liability  | \$ 58,756,478               | \$ 58,756,478               |
| b. Estimated End of Year Assets   | <u>21,912,749</u>           | <u>21,912,749</u>           |
| c. Current Liability Full Funding Limit:<br>[90% of (2)(a) - (2)(b), but not less than \$0] | \$ 30,968,081               | \$ 30,968,081               |
| <br>  |                             |                             |
| 3. Full Funding Limitation: [Greater of (1) and (2)]  | \$ 30,968,081               | \$ 30,968,081               |

## Development of Maximum Deductible Contribution

|   |                   |
|---|-------------------|
| 1. Normal Cost plus 10-Year Amortization  |                   |
| a. 2021 Normal Cost   | \$ 358,381        |
| b. Net Limit Adjustment (Fresh Start)   | 1,554,162         |
| c. Interest on (a) and (b) to December 31, 2021   | <u>124,315</u>    |
| d. Total as of December 31, 2021: [(a) + (b) + (c)]   | \$ 2,036,858      |
| <br>  |                   |
| 2. Minimum Required Contribution  | \$ 6,327,562      |
| <br>  |                   |
| 3. Full Funding Limitation at December 31, 2021   | \$ 30,968,081     |
| <br>  |                   |
| 4. Contribution Necessary to Fund 140% of Current Liability   |                   |
| a. Estimated End of Year Current Liability  | \$ 58,756,478     |
| b. Estimated End of Year Assets   | <u>21,912,749</u> |
| c. Contribution to Fund 140% of Current Liability: [{140% of (a)} - (b)]  | \$ 60,346,321     |
| <br>  |                   |
| 5. Maximum Deductible Contribution for Fiscal Year 2021:<br>[Greater of {the lesser of (1)(d) and (3)}, (2) and (4)(c)] | \$ 60,346,321     |

## Minimum Required Contribution: Funding Standard Account Balance

### 1. Charges

|   |                |
|---|----------------|
| a. Funding Deficiency as of December 31, 2019 | \$ 3,207,940   |
| b. Normal Cost as of January 1, 2020          | 520,968        |
| c. Amortization Charges                       | 3,523,674      |
| d. Interest to December 31, 2020              | <u>471,418</u> |
| e. Total Charges                              | \$ 7,724,000   |

### 2. Credits

|  |              |
|--|--------------|
| a. Credit Balance as of December 31, 2019        | \$ 0         |
| b. Employer Contributions for the 2020 Plan Year | 1,122,904    |
| c. Amortization Credits                          | 1,334,770    |
| d. Interest to December 31, 2020                 | 122,680      |
| e. Full Funding Credit                           | <u>0</u>     |
| f. Total Credits                                 | \$ 2,580,354 |

|   |                |
|---|----------------|
| 3. Funding Standard Account Balance as of December 31, 2020 | \$ (5,143,646) |
|---|----------------|

## Minimum Required Contribution: Amortization Schedule

### Charge Bases:

| <u>Date</u><br><u>Established</u> | <u>Type</u> | <u>Initial</u><br><u>Balance</u> | <u>Rem.</u><br><u>Years</u> | <u>Payment</u> | <u>1/1/2021</u><br><u>Balance</u> |
|-----------------------------------|-------------|----------------------------------|-----------------------------|----------------|-----------------------------------|
| 01/01/1991                        | Amendment   | \$ 406,126                       | 5                           | \$ 20,957      | \$ 92,753                         |
| 01/01/1992                        | Amendment   | 166,751                          | 6                           | 9,036          | 46,586                            |
| 01/01/1996                        | Amendment   | 127,067                          | 10                          | 7,762          | 59,423                            |
| 01/01/1998                        | Amendment   | 1,484,015                        | 12                          | 93,840         | 815,373                           |
| 01/01/1999                        | Assumption  | 331,735                          | 13                          | 21,246         | 194,587                           |
| 01/01/2000                        | Amendment   | 995,239                          | 14                          | 64,441         | 618,620                           |
| 01/01/2001                        | Assumption  | 939,678                          | 15                          | 61,417         | 615,026                           |
| 01/01/2003                        | Shortfall   | 200,394                          | 2                           | 17,825         | 34,562                            |
| 01/01/2003                        | Amendment   | 273,661                          | 17                          | 18,159         | 195,524                           |
| 01/01/2003                        | Experience  | 1,090,068                        | 2                           | 58,797         | 114,006                           |
| 01/01/2004                        | Shortfall   | 39,055                           | 3                           | 3,460          | 9,762                             |
| 01/01/2004                        | Assumption  | 851,659                          | 18                          | 56,856         | 631,695                           |
| 01/01/2004                        | Experience  | 1,090,599                        | 3                           | 65,781         | 185,541                           |
| 01/01/2005                        | Shortfall   | 140,722                          | 4                           | 12,421         | 45,321                            |
| 01/01/2005                        | Experience  | 1,386,896                        | 4                           | 90,717         | 330,976                           |
| 01/01/2006                        | Shortfall   | 97,857                           | 5                           | 8,606          | 38,088                            |
| 01/01/2006                        | Amendment   | 658,035                          | 20                          | 44,365         | 520,607                           |
| 01/01/2006                        | Assumption  | 689,381                          | 20                          | 46,478         | 545,411                           |
| 01/01/2006                        | Experience  | 1,775,273                        | 5                           | 123,464        | 546,431                           |
| 01/01/2007                        | Shortfall   | 41,838                           | 1                           | 4,315          | 4,315                             |
| 01/01/2008                        | Assumption  | 51,604                           | 7                           | 3,911          | 22,840                            |
| 01/01/2009                        | Assumption  | 54,311                           | 8                           | 4,245          | 27,527                            |
| 01/01/2009                        | Experience  | 163,628                          | 8                           | 12,789         | 82,928                            |
| 01/01/2009                        | Asset Loss  | 7,112,667                        | 17                          | 525,562        | 5,659,126                         |
| 01/01/2010                        | Assumption  | 205,476                          | 9                           | 16,473         | 116,771                           |
| 01/01/2010                        | Asset Loss  | 941,899                          | 17                          | 70,336         | 757,367                           |
| 01/01/2011                        | Assumption  | 287,173                          | 10                          | 23,514         | 180,027                           |
| 01/01/2011                        | Asset Loss  | 1,249,922                        | 17                          | 94,415         | 1,016,631                         |
| 01/01/2012                        | Assumption  | 541,098                          | 11                          | 45,098         | 369,302                           |
| 01/01/2012                        | Asset Loss  | 2,815,418                        | 17                          | 215,337        | 2,318,703                         |
| 01/01/2013                        | Assumption  | 413,990                          | 12                          | 35,026         | 304,337                           |
| 01/01/2014                        | Assumption  | 197,063                          | 13                          | 16,887         | 154,658                           |
| 01/01/2014                        | Experience  | 598,913                          | 13                          | 51,322         | 470,040                           |
| 01/01/2015                        | Assumption  | 81,628                           | 9                           | 8,178          | 57,967                            |
| 01/01/2015                        | Experience  | 1,809,190                        | 9                           | 181,247        | 1,284,811                         |
| 01/01/2016                        | Experience  | 2,319,857                        | 10                          | 231,665        | 1,773,651                         |
| 01/01/2016                        | Assumption  | 4,737,827                        | 10                          | 473,128        | 3,622,313                         |
| 01/01/2017                        | Assumption  | 857,392                          | 11                          | 85,621         | 701,131                           |
| 01/01/2017                        | Experience  | 1,827,683                        | 11                          | 182,516        | 1,494,588                         |
| 01/01/2018                        | Assumption  | 316,565                          | 12                          | 31,613         | 274,684                           |
| 01/01/2018                        | Experience  | 1,393,170                        | 12                          | 139,124        | 1,208,859                         |

## Minimum Required Contribution: Amortization Schedule

### Charge Bases (continued):

| Date               |             | Initial        | Rem.         |                | 1/1/2021       |
|--------------------|-------------|----------------|--------------|----------------|----------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u> |
| 01/01/2019         | Experience  | 2,038,718      | 13           | 203,590        | 1,864,624      |
| 01/01/2020         | Experience  | 421,917        | 14           | 42,134         | 404,469        |
| 01/01/2021         | Assumption  | 271,683        | 15           | 27,131         | 271,683        |
| Total Charges      |             |                |              | \$ 3,550,805   | \$ 30,083,644  |

### Credit Bases:

| Date               |             | Initial        | Rem.         |                | 1/1/2021       |
|--------------------|-------------|----------------|--------------|----------------|----------------|
| <u>Established</u> | <u>Type</u> | <u>Balance</u> | <u>Years</u> | <u>Payment</u> | <u>Balance</u> |
| 01/01/1994         | Amendment   | \$ 333,531     | 3            | \$ 25,409      | \$ 71,671      |
| 01/01/1998         | Assumption  | 1,588,460      | 7            | 119,734        | 699,368        |
| 01/01/2002         | Shortfall   | 31,498         | 1            | 2,812          | 2,812          |
| 01/01/2007         | Assumption  | 152,840        | 16           | 11,213         | 116,646        |
| 01/01/2007         | Experience  | 115,622        | 1            | 11,923         | 11,923         |
| 01/01/2008         | Experience  | 378,821        | 2            | 38,916         | 75,455         |
| 01/01/2009         | Amendment   | 2,897,061      | 3            | 296,455        | 836,190        |
| 01/01/2010         | Experience  | 4,934,797      | 4            | 503,067        | 1,835,425      |
| 01/01/2010         | Amendment   | 147,383        | 4            | 15,025         | 54,814         |
| 01/01/2011         | Experience  | 1,067,809      | 5            | 108,455        | 479,999        |
| 01/01/2011         | Amendment   | 172,544        | 5            | 17,525         | 77,565         |
| 01/01/2012         | Experience  | 140,157        | 6            | 14,185         | 73,130         |
| 01/01/2013         | Experience  | 1,120,256      | 7            | 112,980        | 659,921        |
| 01/01/2019         | Assumption  | 138,068        | 13           | 13,788         | 126,277        |
| 01/01/2020         | Assumption  | 374,517        | 14           | 37,400         | 359,029        |
| 01/01/2020         | Amendment   | 52,122         | 14           | 5,205          | 49,966         |
| 01/01/2021         | Experience  | 772,367        | 15           | 77,130         | 772,367        |
| 01/01/2021         | Amendment   | 17,025,906     | 15           | 1,700,237      | 17,025,906     |
| Total Credits      |             |                |              | \$ 3,111,459   | \$ 23,328,464  |

|    |  |                |
|----|--|----------------|
| 1. | Net Amortization                           | \$ 6,755,180   |
| 2. | Credit Balance / (Funding Deficiency)      | \$ (5,143,646) |
| 3. | Balance Test: [(1) - (2)]                  | \$ 11,898,826  |
| 4. | Unfunded Accrued Liability:                |                |
|    | a. Accrued Liability                       | \$ 34,964,984  |
|    | b. Actuarial Value of Assets               | 23,066,158     |
|    | c. Unfunded Accrued Liability: [(a) - (b)] | \$ 11,898,826  |

## Development of Minimum Required Contribution

|   |    |                |
|---|----|----------------|
| 1. Charges  |    |                |
| a. Funding Deficiency as of December 31, 2020               | \$ | 5,143,646      |
| b. Normal Cost for the 2021 Plan Year                       |    | 358,381        |
| c. Amortization Charges                                     |    | 3,550,805      |
| d. Interest to December 31, 2021                            |    | <u>588,434</u> |
| e. Total Charges as of December 31, 2021:                   |    |                |
| [(a) + (b) + (c) + (d)]                                     | \$ | 9,641,266      |
| 2. Credits  |    |                |
| a. Credit Balance as of December 31, 2020                   | \$ | 0              |
| b. Amortization Credits                                     |    | 3,111,459      |
| c. Interest to December 31, 2021                            |    | 202,245        |
| d. Full Funding Credit                                      |    | <u>0</u>       |
| e. Total Credits as of December 31, 2021:                   |    |                |
| [(a) + (b) + (c) + (d)]                                     | \$ | 3,313,704      |
| 3. Preliminary Minimum Required Contribution:               |    |                |
| [(1)(e) - (2)(e), but not less than \$0]                    | \$ | 6,327,562      |
| 4. Full Funding Limitation                                  |    |                |
| a. Based on 100% of Accrued Liability                       | \$ | 13,053,925     |
| b. Based on 90% of RPA '94 Current Liability                | \$ | 30,968,081     |
| c. Full Funding Limitation: [Larger of (a) and (b)]         | \$ | 30,968,081     |
| 5. Minimum Required Contribution payable December 31, 2021: |    |                |
| [Minimum of (3) and (4)(c)]                                 | \$ | 6,327,562      |

## Unfunded Vested Accrued Benefits at the Current Liability Interest Rate

|   |                   |               |
|---|-------------------|---------------|
| 1. Value of Vested Accrued Benefits                                       |                   |               |
| a. For Active Participants  | \$ 21,026,737     |               |
| b. For Vested Terminated Participants                                     | 12,184,170        |               |
| c. For Retirees and Beneficiaries   | <u>51,881,694</u> |               |
| d. Total: [(a) + (b) + (c)]   |                   | \$ 85,092,601 |
| <br>  |                   |               |
| 2. Market Value of Assets   |                   | \$ 25,081,356 |
| <br>  |                   |               |
| 3. Value of Unfunded/(Overfunded) Vested Accrued Benefits: [(1)(d) - (2)] |                   | \$ 60,011,245 |

## **Present Value of Accumulated Plan Benefits (ASC 960)**

|   | <u>December 31, 2019</u> | <u>December 31, 2020</u> |
|---|--------------------------|--------------------------|
| 1. Present Value of Accumulated Vested Benefits |                          |                          |
| a. Active Participants                          | \$ 9,156,572             | \$ 7,022,706             |
| b. Vested Terminated Participants               | 6,329,599                | 4,129,484                |
| c. Retirees and Beneficiaries                   | 40,319,433               | 27,370,342               |
| d. Total: [(a) + (b) + (c)]                     | <u>\$ 55,805,604</u>     | <u>\$ 38,522,532</u>     |
| 2. Accumulated Non-Vested Benefits              | \$ 612,203               | \$ 258,797               |
| 3. Total Accumulated Benefits: [(1)(d) + (2)]   | \$ 56,417,807            | \$ 38,781,329            |
| 4. Net Assets Available for Benefits            | \$ 24,198,270            | \$ 25,081,356            |
| 5. Discount Rate                                | 5.50%                    | 5.50%                    |

### **Changes in the Value of Accumulated Plan Benefits for the Plan Year Ending December 31, 2020**

|   |                |                 |
|---|----------------|-----------------|
| 1. Value of Accumulated Plan Benefits as of December 31, 2019:                |                | \$ 56,417,807   |
| 2. Increase/(Decrease) in Value due to:                                       |                |                 |
| a. Decrease in Discount Period  | \$ 3,028,202   |                 |
| b. Plan Amendment   | (18,990,291)   |                 |
| c. Assumption Change  | 435,390        |                 |
| d. Benefits Paid  | (2,756,079)    |                 |
| e. Plan Experience and Benefit Accrual  | <u>646,300</u> |                 |
| f. Total Net Increase/(Decrease):<br>[(a) + (b) + (c) + (d) + (e)]            |                | \$ (17,636,478) |
| 3. Value of Accumulated Plan Benefits as of December 31, 2020: [(1) + (2)(f)] |                | \$ 38,781,329   |

## Assessment and Disclosure of Risk (ASOP 51)

Actuarial Standard of Practice No. 51 requires an assessment and disclosure of the risk that the results of future actuarial valuations may differ significantly from the results of the current actuarial valuation. Future differences may be caused by asset returns that are lower than expected (Investment Risk), participants living longer than expected (Longevity Risk), a decline in future hours worked or a concentration of hours with a small number of employers (Contribution Risk), and asset declines that are not matched by declines in liabilities (Asset/Liability Mismatch Risk).

|  | <u>January 1, 2020</u> | <u>January 1, 2021</u> |
|--|------------------------|------------------------|
| 1. Plan Maturity Measures                      |                        |                        |
| a. Duration                                    | 9.9                    | 10.0                   |
| b. Active Average Age                          | 42.1                   | 41.4                   |
| c. Ratio of Retirees to Actives                | 1.4                    | 1.4                    |
| d. Retiree Liability as a % of Total Liability | 72.9%                  | 72.3%                  |
| e. Cash Flow Percentage                        | (10.8%)                | (7.2%)                 |

***Duration measures approximately how much liabilities change with a 1.00% change in the interest rate used to calculate these liabilities. Duration can also be used as the number of years to amortize unfunded liabilities.***

|   | <u>January 1, 2020</u> | <u>January 1, 2021</u> |
|---|------------------------|------------------------|
| 2. Actuarial Valuation Results                        |                        |                        |
| a. Real Funded Ratio                                  | 47.5%                  | 71.7%                  |
| b. Funding Interest Rate                              | 6.5%                   | 6.5%                   |
| c. Unfunded Liability                                 | \$26,729,435           | \$9,883,628            |
| d. Hours Worked                                       | 259,420                | 220,702                |
| e. Market Value Asset Return                          | 21.1%                  | 11.5%                  |
| f. Average Hourly Contribution Rate                   | \$4.81                 | \$5.09                 |
| 3. 100% Funded Average Hourly Contribution Rates      |                        |                        |
| a. Valuation Assumptions                              | \$15.56                | \$7.47                 |
| b. Interest Rate Reduced to 5.50% (Investment Risk)   | \$17.96                | \$9.65                 |
| c. 10% Mortality Improvement (Longevity Risk)         | \$16.12                | \$7.93                 |
| d. Decline in Future Hours Worked (Contribution Risk) | \$26.91                | \$10.98                |

***The 100% funded average hourly contribution rates are the amounts needed for the Plan to be 100% funded by the end of the Plan's duration period. The hours decline assumes future hours worked of 150,000 per year.***

|   | <u>January 1, 2020</u> | <u>January 1, 2021</u> |
|---|------------------------|------------------------|
| 4. Employer Concentration (Contribution Risk) |                        |                        |
| a. Top Five                                   | 95.6%                  | 96.8%                  |
| b. Top Ten                                    | 100.0%                 | 100.0%                 |

***Top employer contributions as a percentage of the Plan's total contributions. Contributions are net of reciprocity.***

## Plan Participant Summary

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|                                    | <u>Actives</u> | <u>Vested<br/>Terms</u> | <u>Service<br/>Retirees</u> | <u>Disability<br/>Retirees</u> | <u>Beneficiaries</u> | <u>Total</u> |
|------------------------------------|----------------|-------------------------|-----------------------------|--------------------------------|----------------------|--------------|
| As of January 1, 2020              | 175            | 82                      | 139                         | 36                             | 62                   | 494          |
| Deaths during the Year             |                |                         |                             |                                |                      |              |
| a. with Beneficiary                | 0              | 0                       | (1)                         | (3)                            | 4                    | 0            |
| b. without Beneficiary             | 0              | 0                       | (3)                         | 0                              | (3)                  | (6)          |
| Retired during the Year            | (3)            | (4)                     | 5                           | 1                              | 1                    | 0            |
| Term Certain Expired               | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| QDRO Filed during the Year         | 0              | 0                       | 0                           | 0                              | 1                    | 1            |
| Became Inactive                    |                |                         |                             |                                |                      |              |
| a. with Vesting                    | (6)            | 6                       | 0                           | 0                              | 0                    | 0            |
| b. without Vesting                 | (18)           | 0                       | 0                           | 0                              | 0                    | (18)         |
| Returned to Work                   | 6              | (4)                     | 0                           | 0                              | 0                    | 2            |
| New Entrants                       | 21             | 0                       | 0                           | 0                              | 0                    | 21           |
| Lump Sum Distributions             | 0              | 0                       | 0                           | 0                              | 0                    | 0            |
| Data Corrections                   | <u>0</u>       | <u>2</u>                | <u>(1)</u>                  | <u>0</u>                       | <u>0</u>             | <u>1</u>     |
| As of January 1, 2021              | 175            | 82                      | 139                         | 34                             | 65                   | 495          |
| <b>Fully Vested Participants</b>   |                |                         |                             |                                |                      |              |
|                                    | 107            | 82                      | 139                         | 34                             | 65                   | 427          |
| <b>Not Vested Participants</b>     |                |                         |                             |                                |                      |              |
|                                    | <u>68</u>      | <u>0</u>                | <u>0</u>                    | <u>0</u>                       | <u>0</u>             | <u>68</u>    |
| <b>Total as of January 1, 2021</b> | <u>175</u>     | <u>82</u>               | <u>139</u>                  | <u>34</u>                      | <u>65</u>            | <u>495</u>   |

## Active Participants as of January 1, 2021

### Total Years of Service

| Age Group    | < 1      | 1-4       | 5-9       | 10-14     | 15-19     | 20-24     | 25-29    | 30-34    | 35 +     | Total      |
|--------------|----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|------------|
| < 20         | 0        | 2         | 0         | 0         | 0         | 0         | 0        | 0        | 0        | 2          |
| 20-24        | 0        | 10        | 1         | 0         | 0         | 0         | 0        | 0        | 0        | 11         |
| 25-29        | 0        | 16        | 4         | 0         | 0         | 0         | 0        | 0        | 0        | 20         |
| 30-34        | 0        | 15        | 10        | 2         | 1         | 0         | 0        | 0        | 0        | 28         |
| 35-39        | 0        | 11        | 7         | 6         | 3         | 0         | 0        | 0        | 0        | 27         |
| 40-44        | 0        | 4         | 5         | 4         | 4         | 1         | 0        | 0        | 0        | 18         |
| 45-49        | 0        | 5         | 2         | 4         | 5         | 4         | 0        | 0        | 0        | 20         |
| 50-54        | 0        | 2         | 3         | 4         | 4         | 3         | 3        | 0        | 0        | 19         |
| 55-59        | 0        | 1         | 2         | 2         | 3         | 4         | 4        | 1        | 0        | 17         |
| 60-64        | 0        | 1         | 0         | 0         | 2         | 3         | 2        | 0        | 3        | 11         |
| 65-69        | 0        | 0         | 0         | 0         | 0         | 1         | 0        | 0        | 0        | 1          |
| 70 +         | 0        | 1         | 0         | 0         | 0         | 0         | 0        | 0        | 0        | 1          |
| <b>Total</b> | <b>0</b> | <b>68</b> | <b>34</b> | <b>22</b> | <b>22</b> | <b>16</b> | <b>9</b> | <b>1</b> | <b>3</b> | <b>175</b> |

|                            |            |                   |
|----------------------------|------------|-------------------|
| Average Age:               | 41.4 Years | (Last Year: 42.1) |
| Average Expected Lifetime: | 86.4 Years | (Last Year: 86.7) |
| Average Service:           | 10.2 Years | (Last Year: 10.1) |

There were 2 participants for whom no dates of birth were provided. They were assumed to be age 30 upon entrance into the Plan.

## Terminated Vested Participants as of January 1, 2021

| <u>Age Group</u> | <u>Number of Lives</u> | <u>Monthly Benefit</u> |                |
|------------------|------------------------|------------------------|----------------|
|                  |                        | <u>Total</u>           | <u>Average</u> |
| < 20             | 0                      | \$ 0                   | \$ 0           |
| 20-24            | 0                      | 0                      | 0              |
| 25-29            | 0                      | 0                      | 0              |
| 30-34            | 1                      | 103                    | 103            |
| 35-39            | 9                      | 2,702                  | 300            |
| 40-44            | 15                     | 4,904                  | 327            |
| 45-49            | 9                      | 3,009                  | 334            |
| 50-54            | 22                     | 7,625                  | 347            |
| 55-59            | 18                     | 7,464                  | 415            |
| 60-64            | 7                      | 3,265                  | 466            |
| 65-69            | 1                      | 207                    | 207            |
| 70-74            | 0                      | 0                      | 0              |
| 75 +             | <u>0</u>               | <u>0</u>               | <u>0</u>       |
| <br>Total        | 82                     | \$ 29,279              | \$ 357         |

|                            |      |
|----------------------------|------|
| Average Age:               | 50.4 |
| Average Expected Lifetime: | 86.3 |

There was 1 participant for whom no date of birth was provided. He was assumed to be age 30 upon entrance into the Plan.

## Retired Participants as of January 1, 2021

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| Age Group | Life Annuities  |                 |         | Joint & Survivor Annuities |                 |          |
|-----------|-----------------|-----------------|---------|----------------------------|-----------------|----------|
|           | Number of Lives | Monthly Benefit |         | Number of Lives            | Monthly Benefit |          |
|           |                 | Total           | Average |                            | Total           | Average  |
| < 50      | 0               | \$ 0            | \$ 0    | 0                          | \$ 0            | \$ 0     |
| 50-54     | 0               | 0               | 0       | 0                          | 0               | 0        |
| 55-59     | 3               | 1,967           | 656     | 4                          | 2,773           | 693      |
| 60-64     | 23              | 21,552          | 937     | 20                         | 17,906          | 895      |
| 65-69     | 13              | 11,863          | 913     | 27                         | 22,565          | 836      |
| 70-74     | 12              | 8,992           | 749     | 10                         | 13,257          | 1,326    |
| 75-79     | 7               | 5,648           | 807     | 9                          | 10,599          | 1,178    |
| 80-84     | 1               | 797             | 797     | 6                          | 10,174          | 1,696    |
| 85-89     | 1               | 600             | 600     | 2                          | 2,762           | 1,381    |
| 90 +      | 1               | 500             | 500     | 0                          | 0               | 0        |
| Total     | 61              | \$ 51,919       | \$ 851  | 78                         | \$ 80,036       | \$ 1,026 |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 68.3 | Average Age:                     | 69.1 |
| Average Expected Lifetime: | 85.2 | Average Expected Joint Lifetime: | 92.3 |

## Disabled Participants as of January 1, 2021

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| Age Group    | Life Annuities  |                  |               | Joint & Survivor Annuities |                  |                 |
|--------------|-----------------|------------------|---------------|----------------------------|------------------|-----------------|
|              | Number of Lives | Monthly Benefit  |               | Number of Lives            | Monthly Benefit  |                 |
|              |                 | Total            | Average       |                            | Total            | Average         |
| < 50         | 1               | \$ 905           | \$ 905        | 2                          | \$ 238           | \$ 119          |
| 50-54        | 1               | 846              | 846           | 0                          | 0                | 0               |
| 55-59        | 1               | 1,619            | 1,619         | 1                          | 850              | 850             |
| 60-64        | 2               | 3,503            | 1,752         | 5                          | 6,186            | 1,237           |
| 65-69        | 1               | 1,493            | 1,493         | 5                          | 4,995            | 999             |
| 70-74        | 4               | 2,398            | 600           | 5                          | 6,780            | 1,356           |
| 75-79        | 0               | 0                | 0             | 2                          | 1,149            | 575             |
| 80-84        | 4               | 1,838            | 460           | 0                          | 0                | 0               |
| 85-89        | 0               | 0                | 0             | 0                          | 0                | 0               |
| 90 +         | 0               | 0                | 0             | 0                          | 0                | 0               |
| <b>Total</b> | <b>14</b>       | <b>\$ 12,602</b> | <b>\$ 900</b> | <b>20</b>                  | <b>\$ 20,198</b> | <b>\$ 1,010</b> |

|                            |      |                                  |      |
|----------------------------|------|----------------------------------|------|
| Average Age:               | 69.6 | Average Age:                     | 65.6 |
| Average Expected Lifetime: | 82.3 | Average Expected Joint Lifetime: | 90.6 |

## Beneficiary and Alternate Payee Participants as of January 1, 2021

| Age Group | Number of Lives | Monthly Benefit |            |
|-----------|-----------------|-----------------|------------|
|           |                 | Total           | Average    |
| < 50      | 1               | \$ 271          | \$ 271     |
| 50-54     | 3               | 565             | 188        |
| 55-59     | 5               | 2,429           | 486        |
| 60-64     | 9               | 7,129           | 792        |
| 65-69     | 11              | 6,771           | 616        |
| 70-74     | 12              | 9,072           | 756        |
| 75-79     | 10              | 8,188           | 819        |
| 80-84     | 12              | 10,372          | 864        |
| 85-89     | 1               | 212             | 212        |
| 90 +      | <u>1</u>        | <u>124</u>      | <u>124</u> |
| Total     | 65              | \$ 45,133       | \$ 694     |

|                            |      |
|----------------------------|------|
| Average Age:               | 70.8 |
| Average Expected Lifetime: | 86.9 |

## Age Distribution of 2020 Plan Year Benefit Commencements

---

| Retirement<br>Age | Number<br>of Lives | Monthly Benefit |         |
|-------------------|--------------------|-----------------|---------|
|                   |                    | Total           | Average |
| < 50              | 1                  | \$ 27           | \$ 27   |
| 50                | 0                  | 0               | 0       |
| 51                | 0                  | 0               | 0       |
| 52                | 0                  | 0               | 0       |
| 53                | 1                  | 59              | 59      |
| 54                | 0                  | 0               | 0       |
| 55                | 1                  | 290             | 290     |
| 56                | 0                  | 0               | 0       |
| 57                | 0                  | 0               | 0       |
| 58                | 2                  | 1,833           | 917     |
| 59                | 0                  | 0               | 0       |
| 60                | 0                  | 0               | 0       |
| 61                | 1                  | 528             | 528     |
| 62                | 0                  | 0               | 0       |
| 63                | 0                  | 0               | 0       |
| 64                | 1                  | 1,731           | 1,731   |
| 65                | 0                  | 0               | 0       |
| 66                | 0                  | 0               | 0       |
| 67                | 0                  | 0               | 0       |
| 68                | 0                  | 0               | 0       |
| 69                | 0                  | 0               | 0       |
| 70 +              | 1                  | 1,348           | 1,348   |
| Total             | 8                  | \$ 5,816        | \$ 727  |

|                            |      |
|----------------------------|------|
| Average Age:               | 58.9 |
| Average Expected Lifetime: | 83.6 |

## Age Distribution of Approaching Retirements as of January 1, 2021

| Age   | Active Participants |                 |         | Vested Terms |                 |         | Total Participants |                 |         |
|-------|---------------------|-----------------|---------|--------------|-----------------|---------|--------------------|-----------------|---------|
|       | No.                 | Monthly Benefit |         | No.          | Monthly Benefit |         | No.                | Monthly Benefit |         |
|       |                     | Total           | Average |              | Total           | Average |                    | Total           | Average |
| 50    | 5                   | \$ 1,037        | \$ 207  | 4            | \$ 1,209        | \$ 302  | 9                  | \$ 2,246        | \$ 250  |
| 51    | 5                   | 2,477           | 495     | 5            | 2,443           | 489     | 10                 | 4,920           | 492     |
| 52    | 4                   | 1,830           | 458     | 4            | 1,286           | 322     | 8                  | 3,116           | 390     |
| 53    | 2                   | 536             | 268     | 6            | 1,819           | 303     | 8                  | 2,355           | 294     |
| 54    | 3                   | 2,617           | 872     | 3            | 868             | 289     | 6                  | 3,485           | 581     |
| 55    | 5                   | 2,711           | 542     | 5            | 2,487           | 497     | 10                 | 5,198           | 520     |
| 56    | 7                   | 5,106           | 729     | 2            | 848             | 424     | 9                  | 5,954           | 662     |
| 57    | 2                   | 1,171           | 586     | 5            | 2,028           | 406     | 7                  | 3,199           | 457     |
| 58    | 3                   | 3,214           | 1,071   | 4            | 1,620           | 405     | 7                  | 4,834           | 691     |
| 59    | 0                   | 0               | 0       | 2            | 482             | 241     | 2                  | 482             | 241     |
| 60    | 5                   | 4,827           | 965     | 0            | 0               | 0       | 5                  | 4,827           | 965     |
| 61    | 1                   | 1,461           | 1,461   | 1            | 1,492           | 1,492   | 2                  | 2,953           | 1,477   |
| 62    | 3                   | 1,720           | 573     | 0            | 0               | 0       | 3                  | 1,720           | 573     |
| 63    | 1                   | 1,004           | 1,004   | 2            | 551             | 276     | 3                  | 1,555           | 518     |
| 64    | 1                   | 45              | 45      | 4            | 1,223           | 306     | 5                  | 1,268           | 254     |
| 65    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 66    | 1                   | 671             | 671     | 1            | 207             | 207     | 2                  | 878             | 439     |
| 67    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 68    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 69    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 70    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 71    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 72    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 73    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 74    | 0                   | 0               | 0       | 0            | 0               | 0       | 0                  | 0               | 0       |
| 75 +  | 1                   | 24              | 24      | 0            | 0               | 0       | 1                  | 24              | 24      |
| Total | 49                  | \$30,451        | \$ 621  | 48           | \$18,563        | \$ 387  | 97                 | \$49,014        | \$ 505  |

## Market Value Asset History (1992-2020)

| Plan<br>Year<br>Ending<br>12/31 | Plan Year<br>Contribution | Plan Year<br>Benefits Paid | Plan Year<br>Admin.<br>Expenses | Plan Year<br>Investment<br>Return | Market Value<br>of Assets<br>at Year End | Asset<br>Return<br>% | Cash<br>Flow<br>% |
|---------------------------------|---------------------------|----------------------------|---------------------------------|-----------------------------------|--|----------------------|-------------------|
| 1992                            | \$ 582,066                | \$ 507,003                 | \$ 31,300                       | \$ 754,504                        | \$ 13,395,027                            | 6.0%                 | 0.3%              |
| 1993                            | 527,500                   | 473,888                    | 27,678                          | 793,615                           | 14,214,576                               | 5.9%                 | 0.2%              |
| 1994                            | 659,661                   | 537,830                    | 32,976                          | (74,013)                          | 14,229,418                               | (0.5%)               | 0.6%              |
| 1995                            | 684,256                   | 600,008                    | 37,725                          | 1,758,170                         | 16,034,111                               | 12.3%                | 0.3%              |
| 1996                            | 728,349                   | 720,912                    | 38,364                          | 1,434,500                         | 17,437,684                               | 9.0%                 | (0.2%)            |
| 1997                            | 860,023                   | 696,861                    | 36,096                          | 3,943,669                         | 21,508,419                               | 22.5%                | 0.6%              |
| 1998                            | 782,298                   | 972,966                    | 38,410                          | 2,957,278                         | 24,236,619                               | 13.8%                | (0.9%)            |
| 1999                            | 923,898                   | 931,531                    | 40,175                          | 2,033,981                         | 26,222,792                               | 8.4%                 | (0.2%)            |
| 2000                            | 882,106                   | 1,095,407                  | 41,554                          | 891,510                           | 26,859,447                               | 3.4%                 | (0.9%)            |
| 2001                            | 926,509                   | 1,192,493                  | 45,280                          | (1,066,205)                       | 25,481,978                               | (4.0%)               | (1.2%)            |
| 2002                            | 892,092                   | 1,117,709                  | 64,047                          | (2,502,113)                       | 22,690,201                               | (9.9%)               | (1.3%)            |
| 2003                            | 949,127                   | 1,198,778                  | 55,772                          | 4,057,413                         | 26,442,191                               | 18.0%                | (1.2%)            |
| 2004                            | 975,058                   | 1,253,452                  | 57,271                          | 2,204,195                         | 28,310,721                               | 8.4%                 | (1.2%)            |
| 2005                            | 1,030,937                 | 1,493,946                  | 58,275                          | 1,342,239                         | 29,131,676                               | 4.8%                 | (1.8%)            |
| 2006                            | 997,910                   | 1,505,304                  | 63,530                          | 3,889,863                         | 32,450,615                               | 13.5%                | (1.8%)            |
| 2007                            | 1,053,854                 | 1,577,892                  | 73,015                          | 2,064,277                         | 33,917,839                               | 6.4%                 | (1.8%)            |
| 2008                            | 957,021                   | 1,782,018                  | 94,267                          | (9,609,919)                       | 23,388,656                               | (28.7%)              | (3.9%)            |
| 2009                            | 796,509                   | 1,969,252                  | 83,088                          | 6,120,957                         | 28,253,782                               | 26.9%                | (4.4%)            |
| 2010                            | 779,323                   | 2,373,921                  | 115,776                         | 3,298,416                         | 29,841,824                               | 12.0%                | (5.7%)            |
| 2011                            | 739,693                   | 2,579,282                  | 79,892                          | (726,699)                         | 27,195,644                               | (2.5%)               | (7.1%)            |
| 2012                            | 1,027,673                 | 2,692,857                  | 99,399                          | 4,062,411                         | 29,493,472                               | 15.4%                | (6.0%)            |
| 2013                            | 858,064                   | 2,838,970                  | 98,171                          | 3,670,065                         | 31,084,460                               | 12.9%                | (6.7%)            |
| 2014                            | 895,300                   | 2,993,731                  | 107,430                         | 585,082                           | 29,463,681                               | 2.0%                 | (7.5%)            |
| 2015                            | 965,222                   | 3,177,270                  | 94,679                          | (1,199,071)                       | 25,957,883                               | (4.2%)               | (8.9%)            |
| 2016                            | 1,060,950                 | 3,231,106                  | 125,564                         | 1,491,954                         | 25,154,117                               | 6.0%                 | (9.1%)            |
| 2017                            | 1,132,719                 | 3,372,256                  | 149,903                         | 3,288,968                         | 26,053,645                               | 13.7%                | (9.2%)            |
| 2018                            | 1,133,418                 | 3,449,227                  | 215,232                         | (1,160,547)                       | 22,362,057                               | (4.7%)               | (11.3%)           |
| 2019                            | 1,247,982                 | 3,543,007                  | 317,786                         | 4,449,024                         | 24,198,270                               | 21.1%                | (10.8%)           |
| 2020                            | 1,122,904                 | 2,756,079                  | 162,812                         | 2,679,073                         | 25,081,356                               | 11.5%                | (7.2%)            |
| <b>Totals</b>                   | <b>\$26,172,422</b>       | <b>\$52,634,956</b>        | <b>\$2,485,467</b>              | <b>\$41,432,597</b>               |  | <b>6.3%</b>          |                   |

## Summary of Plan Provisions

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1. Effective Date: June 1, 1964.
  
2. Plan Year: January 1<sup>st</sup> through December 31<sup>st</sup>.
  
3. Covered Employees: All employees covered by the Local 42 Collective Bargaining Agreement.
  
4. Eligibility: 1<sup>st</sup> of the month coincident with or following the completion of 1,000 Hours of Service.
  
5. Year of Service: 1 Year of Service for 1,000 Plan Year Hours worked with  $\frac{1}{10}$  of a Year for each 100 Hours of Service worked if less than 1,000.
  
6. Actuarial Equivalency: UP 1984 Mortality Table at 7.00%.
  
7. Payment Forms:
  - a. Normal Single Life Annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor Annuity (QJSA) for married participants.
  
  - b. Optional Actuarially Equivalent 75% or 100% Joint & Survivor Annuity (QOSA).
  
8. Benefit Suspension: Described in detail in the Pension Recovery Plan. Benefits accrued through March 31, 2020 are subject to a 45% suspension as of April 1, 2020.

## Summary of Plan Provisions

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### 9. Normal Retirement:

- a. Eligibility Age 58 or the 5<sup>th</sup> anniversary of Plan participation.
- b. Monthly Benefit Based on a % of contributions made in accordance with the following table:

| <u>Effective Date</u> | <u>Percentage</u>   |
|-----------------------|---------------------|
| 6/1/1964              | 5.220%              |
| 6/1/1965              | 2.616%              |
| 6/1/1966              | 1.740%              |
| 6/1/1972              | 2.040%              |
| 6/1/1974              | 2.040% <sup>1</sup> |
| 1/1/1980              | 2.880% <sup>1</sup> |
| 1/1/1984              | 2.450%              |
| 1/1/1994              | 2.100%              |
| 1/1/2009              | 1.000% <sup>2</sup> |

<sup>1</sup> Accrual is based on the specified percentage of contribution in excess of \$0.15 per hour.

<sup>2</sup> Accrual is based on contributions up to \$3.00 per hour effective 1/1/2009 and \$2.10 per hour effective 1/1/2010.

### 10. Early Retirement:

- a. Eligibility Age 55 and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal Retirement with monthly benefit actuarially reduced for each month that Early Retirement precedes age 58.

### 11. Vested Retirement:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal or Early Retirement.

## Summary of Plan Provisions

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12. Disability Benefit:

- a. Eligibility Total and Permanent Disability and 5 Years of Service.
- b. Monthly Benefit Calculated as for Normal or Early Retirement.

13. Pre-Retirement Death:

- a. Eligibility 5 Years of Service.
- b. Monthly Benefit Surviving Spouses receive the survivor's annuity calculated as for an age 55 Early Retirement reflecting a 50% Joint & Survivor Annuity payment form with death immediately after Early Retirement.

14. Employer Contributions:

| <u>Effective Date</u> | <u>Hourly Rate</u> |
|-----------------------|--------------------|
| 8/1/2020              | \$5.60             |
| 8/1/2021              | \$5.80             |
| 8/1/2022              | \$6.00             |
| 8/1/2023              | \$6.20             |

15. Changes Since Last Year:

Effective April 1, 2020, the MPRA Benefit Suspensions went into effect, and the 66 2/3% Joint & Survivor and pop-up optional forms of payment are no longer available.

## Actuarial Assumptions and Methods

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1. Interest Rates:

- a. Funding 6.50%.
- b. Current Liability 2.43%.
- c. ASC 960 5.50% (reflects administration expenses).

2. Mortality Rates:

- a. Funding
  - i. Non-Disabled Blue Collar adjusted Pri-2012.
  - ii. Retired Blue Collar adjusted Pri-2012 Retiree.
  - iii. Survivor Blue Collar adjusted Pri-2012 Contingent Survivor.
  - iv. Disabled Pri-2012 Disabled Retiree.
  - v. Weighting Amount-weighted.
  - vi. Future Improvement Projected generationally using Scale MP-2020.
- b. Current Liability 2021 Static Mortality Table (IRS Notice 2019-67).

3. Actuarial Cost Method: Unit Credit.

4. Expense Load: \$165,000.

5. Hours Worked: 1,170 per year.

6. Percent Married/Spousal Age: 80% with husbands 3 years older than their wives.

## Actuarial Assumptions and Methods

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7. Retirement Rates:

| <u>Age</u> | <u>Actives</u> | Terminated<br><u>Vesteds</u> |
|------------|----------------|------------------------------|
| 55-56      | 0.05           | 0.00                         |
| 57         | 0.25           | 0.25                         |
| 58         | 0.20           | 0.50                         |
| 59         | 0.10           | 0.25                         |
| 60         | 0.05           | 0.25                         |
| 61-64      | 0.05           | 0.05                         |
| 65         | 1.00           | 1.00                         |

8. Termination Rates:

Less than 2 Years of Service – 0.2500; 2 to 3 Years of Service – 0.2000; more than 3 Years of Service:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.1722      |
| 35         | 0.1486      |
| 45         | 0.1084      |
| 55         | 0.0440      |
| 65         | 0.0000      |

9. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0006      |
| 35         | 0.0010      |
| 45         | 0.0021      |
| 55         | 0.0055      |
| 65         | 0.0000      |

10. Payment Form Election:

| <u>Payment Forms</u> | <u>Election %</u> |
|----------------------|-------------------|
| Life Annuity         | 56%               |
| 50% J&S              | 5%                |
| 75% J&S              | 11%               |
| 100% J&S             | 28%               |

## **Actuarial Assumptions and Methods**

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11. Actuarial Value of Assets:

Market Value of Assets less a decreasing fraction ( $\frac{4}{5}$ ,  $\frac{3}{5}$ ,  $\frac{2}{5}$  and  $\frac{1}{5}$ ) of each of the preceding 4 years' gains and (losses). A gain/(loss) for a year is equal to the actual return minus the expected return using the funding interest rate. The Actuarial Value of Assets is adjusted to be within 80% and 120% of the Market Value of Assets.

12. Changes Since Last Year:

The mortality projection scale, payment form election assumption, and retirement, termination, and disability rates were updated, the hours worked assumption was lowered, the expense load was increased, and the Current Liability mortality and interest rates were changed as mandated by the IRS.

## Rationale for Selection of Significant Actuarial Assumptions

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1. Interest Rate: Based on the Plan's target asset allocation, reflecting asset class future return expectations as determined by the Plan's investment consultant and publicly available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions.
  
2. Mortality Rates: Pri-2012 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. Pri-2012 Retiree table used to reflect expected retiree mortality experience. Pri-2012 Contingent Survivor table used to reflect expected surviving spouse mortality experience. Pri-2012 Disabled Retiree table used to reflect expected disabled mortality experience. Pri-2012 tables are adjusted for expected generational mortality improvement from base year 2012 using Scale MP-2020.
  
3. Retirement Rates: Based on the Plan's most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan's most recent experience study.
  
6. Payment Form Election: Based on the Plan's most recent experience study.

## 2021 ACTUARIAL CERTIFICATION OF FUNDED STATUS

*As Required under IRC § 432(b)(3) as Added by the Pension Protection Act of 2006*

### **Plan Identification**

Composition Roofers Local 42 Pension Plan ("Plan")  
525 Vine Street, Suite 2325  
Cincinnati, OH 45202  
(800) 832-7113  
EIN/PN: 31-6127285/001  
Plan Year: January 1, 2021 – December 31, 2021

### **Information on Plan Status**

As of January 1, 2021, I hereby certify that the Plan is Critical (NOT Critical and Declining) and is meeting the annual standards required under its Rehabilitation Plan as defined by the Pension Protection Act of 2006 (PPA) as amended by the Multiemployer Pension Reform Act of 2014 (MPRA).

This certification has been prepared based on the Plan's January 1, 2020 Actuarial Valuation and the December 31, 2020 unaudited financial statements. The January 1, 2020 Actuarial Valuation was projected to January 1, 2021 for determination of the Plan's funded percentage and additional projections of later years were used to determine the Plan's solvency.

The projections reflect the MPRA benefit suspensions that went into effect on April 1, 2020. Anticipated future Plan contributions and liabilities are based on 231,875 hours worked per year and it is assumed that participants exiting the Plan are replaced by new entrants. All other assumptions used, along with the Plan Provisions reflected in this determination, are summarized in the Plan's January 1, 2020 Actuarial Valuation Report.

### **Actuarial Certification**

I hereby certify that the projection of the Plan's most recent Actuarial Valuation presents fairly the actuarial position of the Plan as of January 1, 2021. In my opinion, the assumptions used to determine the Plan's 2021 PPA funded status are individually reasonable based on Plan experience and represent my best estimate of anticipated future experience under the Plan. The projection of the January 1, 2020 Actuarial Valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meets the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,



M. R. Rust, EA, MAAA, ASA  
Enrollment Number: 20-06146

Cuni, Rust & Strenk  
4555 Lake Forest Drive, Suite 620  
Cincinnati, OH 45242  
(513) 891-0270

March 29, 2021

**Illustration Supporting 2021 Pension Protection Act of 2006 (PPA) Actuarial Certification of Funded Status**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

2021 PPA Funded Status = Critical [NOT Critical and Declining].

Does Not Pass Emergence Test, Funding Deficiency in 2021.

2021 PPA Funded Percentage < 80% and No Projected Insolvency in Current or Succeeding 19 Years.

| 1/1<br>Plan<br>Year | Actuarial<br>Value of<br>Assets<br>(1) | PPA<br>Accrued<br>Liability<br>(2) | PPA<br>Funded<br>%<br>(1) / (2) | Prior<br>12/31<br>Credit<br>Balance | 8/1<br>Hrly<br>Contr<br>Rate | Expected<br>Hours<br>Worked | Asset<br>Return<br>% |                                 |
|---------------------|--|------------------------------------|---------------------------------|-------------------------------------|------------------------------|-----------------------------|----------------------|---------------------------------|
| <b>2020</b>         | <b>\$22,731,077</b>                    | <b>\$50,927,705</b>                | <b>44.6%</b>                    | <b>(\$3,207,940)</b>                | <b>\$5.60</b> <sup>(1)</sup> | <b>229,386</b>              | <b>11.5%</b>         | <b>Unaudited</b> <sup>(2)</sup> |
| 2021                | \$22,278,001                           | \$34,444,199                       | 64.7%                           | (\$5,120,565)                       | \$5.80                       | 231,875                     | 6.5%                 | Projected                       |
| 2022                | \$23,036,543                           | \$34,108,624                       | 67.5%                           | (\$5,097,923)                       | \$6.00                       | 231,875                     | 6.5%                 | Projected                       |
| 2023                | \$23,431,590                           | \$33,652,641                       | 69.6%                           | (\$4,889,169)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2024                | \$24,379,815                           | \$33,106,882                       | 73.6%                           | (\$4,494,631)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2025                | \$24,722,500                           | \$32,531,965                       | 76.0%                           | (\$4,210,913)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2026                | \$24,607,314                           | \$31,878,080                       | 77.2%                           | (\$4,278,314)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2027                | \$24,475,879                           | \$31,162,029                       | 78.5%                           | (\$4,309,704)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2028                | \$24,337,219                           | \$30,406,444                       | 80.0%                           | (\$4,353,632)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2029                | \$24,204,374                           | \$29,624,764                       | 81.7%                           | (\$4,651,678)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2030                | \$24,089,455                           | \$28,826,814                       | 83.6%                           | (\$4,958,117)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2031                | \$23,994,516                           | \$28,016,503                       | 85.6%                           | (\$5,099,732)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2032                | \$23,930,524                           | \$27,201,994                       | 88.0%                           | (\$4,566,891)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2033                | \$23,906,684                           | \$26,390,915                       | 90.6%                           | (\$3,692,514)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2034                | \$23,925,741                           | \$25,582,246                       | 93.5%                           | (\$2,433,601)                       | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2035                | \$23,991,051                           | \$24,767,754                       | 96.9%                           | (\$742,067)                         | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2036                | \$24,110,996                           | \$23,962,104                       | 100.6%                          | \$1,205,312                         | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2037                | \$24,290,431                           | \$23,166,788                       | 104.9%                          | \$1,501,321                         | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2038                | \$24,541,964                           | \$22,389,171                       | 109.6%                          | \$1,686,954                         | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2039                | \$24,881,021                           | \$21,640,509                       | 115.0%                          | \$2,744,641                         | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |
| 2040                | \$25,309,930                           | \$20,913,759                       | 121.0%                          | \$3,807,259                         | \$6.20                       | 231,875                     | 6.5%                 | Projected                       |

<sup>(1)</sup> January 1, 2020 Actuarial Valuation results.

<sup>(2)</sup> Estimated based on the Plan's December 31, 2020 unaudited financial statements.

### **Additional Information for 2021 Zone Certification**

Administrative expenses are assumed to increase at a rate of 2.50% per year, and contribution base units are assumed to be 231,875 in all future years. All other provisions and assumptions are summarized in the 2020 Actuarial Valuation Report.

## 2022 ACTUARIAL CERTIFICATION OF FUNDED STATUS

*As Required under IRC § 432(b)(3) as Added by the Pension Protection Act of 2006*

### **Plan Identification**

Composition Roofers Local 42 Pension Plan ("Plan")  
525 Vine Street, Suite 2325  
Cincinnati, OH 45202  
(800) 832-7113  
EIN/PN: 31-6127285/001  
Plan Year: January 1, 2022 – December 31, 2022

### **Information on Plan Status**

As of January 1, 2022, I hereby certify that the Plan is Critical (NOT Critical and Declining) and is meeting the annual standards required under its Rehabilitation Plan as defined by the Pension Protection Act of 2006 (PPA) as amended by the Multiemployer Pension Reform Act of 2014 (MPRA).

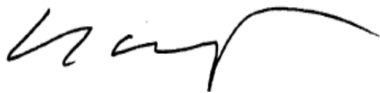
This certification has been prepared based on the Plan's January 1, 2021 Actuarial Valuation and the December 31, 2021 unaudited financial statements. The January 1, 2021 Actuarial Valuation was projected to January 1, 2022 for determination of the Plan's funded percentage and additional projections of later years were used to determine the Plan's solvency.

Anticipated future Plan contributions and liabilities are based on 204,750 hours worked per year and it is assumed that participants exiting the Plan are replaced by new entrants. All other assumptions used, along with the Plan Provisions reflected in this determination, are summarized in the Plan's January 1, 2021 Actuarial Valuation Report.

### **Actuarial Certification**

I hereby certify that the projection of the Plan's most recent Actuarial Valuation presents fairly the actuarial position of the Plan as of January 1, 2022. In my opinion, the assumptions used to determine the Plan's 2022 PPA funded status are individually reasonable based on Plan experience and represent my best estimate of anticipated future experience under the Plan. The projection of the January 1, 2021 Actuarial Valuation has been performed in accordance with generally accepted actuarial principles and practices and the undersigned meets the qualification standards of the American Academy of Actuaries necessary to render an actuarial opinion.

Respectfully submitted,



M. R. Rust, EA, MAAA, ASA  
Enrollment Number: 20-06146

Cuni, Rust & Strenk  
4555 Lake Forest Drive, Suite 620  
Cincinnati, OH 45242  
(513) 891-0270

March 29, 2022

**Illustration Supporting 2022 Pension Protection Act of 2006 (PPA) Actuarial Certification of Funded Status**

Plan Name: Composition Roofers Local 42 Pension Plan

EIN: 31-6127285

PN: 001

2022 PPA Funded Status = Critical [NOT Critical and Declining].

Does Not Pass Emergence Test, Funding Deficiency in 2022.

2022 PPA Funded Percentage < 80% and No Projected Insolvency in Current or Succeeding 19 Years.

| 1/1<br>Plan<br>Year | Actuarial<br>Value of<br>Assets<br>(1) | PPA<br>Accrued<br>Liability<br>(2) | PPA<br>Funded<br>%<br>(1) / (2) | Prior<br>12/31<br>Credit<br>Balance | 8/1<br>Hrly<br>Contr<br>Rate | Expected<br>Hours<br>Worked | Asset<br>Return<br>% |                                 |
|---------------------|--|------------------------------------|---------------------------------|-------------------------------------|------------------------------|-----------------------------|----------------------|---------------------------------|
| <b>2021</b>         | <b>\$23,066,158</b>                    | <b>\$34,964,984</b>                | <b>66.0%</b>                    | <b>(\$5,143,646)</b>                | <b>\$5.80</b> <sup>(1)</sup> | <b>198,944</b>              | <b>15.6%</b>         | <b>Unaudited</b> <sup>(2)</sup> |
| 2022                | \$24,060,457                           | \$34,800,540                       | 69.1%                           | (\$5,262,401)                       | \$6.00                       | 204,750                     | 6.5%                 | Projected                       |
| 2023                | \$24,880,928                           | \$34,583,171                       | 71.9%                           | (\$5,167,548)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2024                | \$26,249,565                           | \$34,297,195                       | 76.5%                           | (\$4,881,566)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2025                | \$26,991,097                           | \$33,953,451                       | 79.5%                           | (\$4,668,477)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2026                | \$27,467,398                           | \$33,558,905                       | 81.8%                           | (\$4,810,597)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2027                | \$27,444,055                           | \$33,087,758                       | 82.9%                           | (\$4,881,558)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2028                | \$27,421,111                           | \$32,591,986                       | 84.1%                           | (\$4,967,430)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2029                | \$27,372,047                           | \$32,043,489                       | 85.4%                           | (\$5,306,334)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2030                | \$27,311,056                           | \$31,456,519                       | 86.8%                           | (\$5,722,265)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2031                | \$27,236,472                           | \$30,822,201                       | 88.4%                           | (\$6,041,733)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2032                | \$27,172,189                           | \$30,167,072                       | 90.1%                           | (\$5,686,011)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2033                | \$27,143,171                           | \$29,515,543                       | 92.0%                           | (\$4,988,247)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2034                | \$27,138,158                           | \$28,850,730                       | 94.1%                           | (\$3,902,085)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2035                | \$27,172,697                           | \$28,190,065                       | 96.4%                           | (\$2,391,593)                       | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2036                | \$27,241,423                           | \$27,520,745                       | 99.0%                           | (\$614,976)                         | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2037                | \$27,355,388                           | \$26,853,535                       | 101.9%                          | (\$406,029)                         | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2038                | \$27,508,797                           | \$26,183,774                       | 105.1%                          | (\$395,213)                         | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2039                | \$27,735,504                           | \$25,543,750                       | 108.6%                          | \$408,891                           | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2040                | \$28,043,107                           | \$24,938,446                       | 112.4%                          | \$1,166,262                         | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |
| 2041                | \$28,428,088                           | \$24,357,909                       | 116.7%                          | \$1,882,048                         | \$6.20                       | 204,750                     | 6.5%                 | Projected                       |

<sup>(1)</sup> January 1, 2021 Actuarial Valuation results.

<sup>(2)</sup> Estimated based on the Plan's December 31, 2021 unaudited financial statements.

**Additional Information for 2022 Zone Certification**

Administrative expenses are assumed to increase at a rate of 2.50% per year, and contribution base units are assumed to be 204,750 in all future years. All other provisions and assumptions are summarized in the 2021 Actuarial Valuation Report.

# COMPOSITION ROOFERS LOCAL 42

## PBI RESULTS:

### PBI REPORT DATES:

| <b>Mo/Year</b> | <b>Number of<br/>Members on<br/>Report</b> |
|----------------|--|
| 07/03/2021     | 0  |
| 07/10/2021     | 0  |
| 07/17/2021     | 0  |
| 07/26/2021     | 1  |
| 08/02/2021     | 0  |
| 08/09/2021     | 0  |
| 08/16/2021     | 0  |
| 08/23/2021     | 0  |
| 08/30/2021     | 0  |
| 09/06/2021     | 0  |
| 09/13/2021     | 0  |
| 09/20/2021     | 0  |
| 09/27/2021     | 0  |
| 10/04/2021     | 0  |
| 10/11/2021     | 0  |
| 10/18/2021     | 0  |
| 10/25/2021     | 0  |
| 11/01/2022     | 0  |

|            |   |
|------------|---|
| 11/08/2022 | 0 |
| 11/15/2021 | 0 |
| 11/22/2021 | 0 |
| 11/29/2021 | 0 |
| 12/06/2021 | 0 |
| 12/13/2021 | 0 |
| 12/20/2021 | 0 |
| 12/26/2021 | 0 |
| 01/02/2022 | 0 |
| 01/08/2022 | 0 |
| 01/15/2022 | 0 |
| 01/23/2022 | 0 |
| 01/31/2022 | 0 |
| 02/04/2022 | 8 |
| 02/11/2022 | 0 |
| 02/18/2022 | 1 |
| 02/25/2022 | 1 |
| 03/10/2022 | 0 |
| 03/17/2022 | 0 |
| 03/24/2022 | 0 |
| 03/31/2022 | 0 |
| 04/01/2022 | 0 |
| 04/08/2022 | 0 |

|            |   |
|------------|---|
| 04/14/2022 | 0 |
| 04/21/2022 | 0 |
| 04/28/2022 | 0 |
| 05/05/2022 | 0 |
| 05/12/2022 | 0 |
| 05/19/2022 | 0 |
| 05/26/2022 | 0 |
| 06/03/2022 | 0 |
| 06/09/2022 | 0 |
| 06/16/2022 | 0 |
| 06/23/2022 | 0 |

**COMPOSITION ROOFERS LOCAL 42**

**PENSION PLAN**

**Restated and Amended  
Effective January 1, 2015**

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**COMPOSITION ROOFERS NO. 42 PENSION PLAN**

**AS RESTATED AND AMENDED**

This Restated and Amended Pension Plan is hereby updated effective as of January 1, 2015, except as otherwise noted, in accordance with the powers granted to the undersigned Trustees in the COMPOSITION ROOFERS NO. 42 PENSION FUND AGREEMENT AND DECLARATION OF TRUST.

**PREAMBLE**

On December 14, 1964, the Trustees of the Composition Roofers No. 42 Pension Fund, pursuant to the Agreement and Declaration of Trust effective December 14, 1964, adopted a certain Plan effective June 1, 1964, which provided pension benefits to eligible Employees. The said Pension Plan was amended from time to time, but with the purpose of this Plan remaining that of providing such pension benefits for all Employees and Beneficiaries (as defined herein) who satisfy the requirements with respect to eligibility contained in the Plan.

This Plan is intended to consolidate and update the Plan, with all amendments thereto, into one document to comply with all applicable laws, and is further intended to meet the applicable requirements of the Internal Revenue Code of 1986, as amended (hereinafter referred to as "IRC"), and the Employee Retirement Income Security Act of 1974. Certain amendments are now incorporated in this Restatement (i.e., principally those made to comply with certain requirements of the Pension Protection Act of 2006 (PPA), the final Section 415 regulations of the Internal Revenue Code, the Heroes Earnings Assistance and Relief Tax Act, the Worker, Retiree, and Employer Recovery Act, the United States v. Windsor decision and other applicable rules and regulations).

## ARTICLE I

### DEFINITIONS

The following terms used herein shall have the following respective meanings, unless the context clearly indicates otherwise:

1.1 "Accrued Benefit" of a Participant means that amount, as determined as of any specified date, which is equal to his annual Normal Retirement Benefit computed in accordance with Article IV of the Plan, but based on Credited Service and contributions to the given date.

1.2 "Actuarial Equivalent" means an alternative benefit or payment which has a one-sum value equivalent to the one-sum value of the benefit or payment which it replaces, computed on the basis of the following actuarial assumptions:

Interest: 7.0%

Mortality: UP 1984 Mortality Table

Effective for benefits, the distribution of which commences in a Plan Year beginning on or after January 1, 1987 but prior to December 31, 2000, the Actuarial Equivalent lump sum shall be determined using the interest rates specified above or the following interest rates, whichever results in the greater Actuarial Equivalent benefit: the interest rate which would be used (as of the date of distribution) by the Pension Benefit Guaranty Corporation to value a benefit upon termination of an insufficient trustee single-employer plan or 120 percent of that interest rate if the Actuarial Equivalent lump sum exceeds \$25,000 (provided, that the use of this 120 percent rate shall not result in an Actuarial Equivalent lump sum of less than \$25,000).

Effective for benefits the distribution of which commences in a Plan Year beginning on or after January 1, 2000, Actuarial Equivalency shall be determined on the basis of 7.0% interest and UP 1984 Mortality Table or the Applicable Interest Rate and Applicable Mortality Table set forth in IRC Section 417(e), whichever produces the greater benefit.

The Applicable Interest Rate is the rate of interest on 30-year Treasury securities as specified by the Commissioner for the look-back month for the stability period. The look-back month applicable to the stability period is the 2<sup>nd</sup> calendar month preceding the first day of the stability period. The stability period is the successive period of one Plan Year that contains the Annuity Starting Date for the distribution and for which the Applicable Interest Rate remains constant.

A plan amendment that changes the date for determining the Applicable Interest Rate (including an indirect change as a result of a change in Plan Year), shall not be given effect with respect to any distribution during the period commencing one year after the later of the amendment's effective date or adoption date, if, during such period and as a result of such amendment, the Participant's distribution would be reduced.

The IRC Section 417 "Applicable Mortality Table" for distributions commencing prior to January 1, 2003, is set forth in Rev. Rul. 95-6. The IRC "Applicable Mortality Table" for distributions commencing on or after January 1, 2003, shall be as set forth in Rev. Ruling 2001-62. Additionally, any references in the Plan to the "Applicable Mortality Table" or the mortality table set forth in Rev. Ruling 95-6 shall (beginning January 1, 2003) be construed as a reference to the mortality table prescribed by Rev. Ruling 2001-62.

For lump sum payments on and after January 1, 2008, the "Actuarial Present Value" shall be determined by using the "Applicable Interest Rate" and "Applicable Mortality Table" set forth in this Subsection:

- (a) The Applicable Interest Rate shall be the interest rate prescribed under IRC Section 417(e)(3)(C), which is the applicable first, second and third segment rates (as defined in IRC Section 417(e)(3)(D)) for the second calendar month preceding the first day of the Plan Year that contains the date of distribution, or such other time as may be prescribed by the Secretary of Treasury, for the second month preceding the first day of the Plan Year in which the distribution was made. The Plan Year is the stability period under Treasury Regulation § 1.417(e)-1(d)(4).

- (b) The Applicable Mortality Table shall be the mortality table prescribed in regulations under IRC Section 417(e)(3)(B), as such table may be modified by the Secretary of Treasury, for use in the Plan Year that contains the date of distribution.

1.3 The term "Actuary" means any individual who has satisfied the standards and qualifications as set forth in the regulations of the Joint Board for the Enrollment of Actuaries and who has been approved as an enrolled actuary to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA).

1.4 The term "Administrator" means the Board of Trustees.

1.5 The term "Annuitant" means an Employee who is receiving retirement benefits under this Plan.

1.6 The "Annuity Starting Date" is the first day of the first period for which a benefit is payable as an annuity.

1.7 "Association" shall mean the Greater Cincinnati Roofing Contractors Association, or its corporate successor.

1.8 The term "Beneficiary" means a person designated by a Participant or by the terms of the Plan who is or may become entitled to a benefit thereunder.

1.9 "Break in Service" means: Any Plan Year during which an Employee has not completed an Hour of Service.

1.10 "Collective Bargaining Agreement" shall mean any written contract by and between the Union and the Employers as defined herein and shall also include any and all extensions thereof, renewal or renewals thereof, any amendments or addenda thereto, any assents to participation, and any subsequent Collective Bargaining Agreements, which provide pension contributions to be made to this Plan, Trust and Fund as presently existing or as hereafter amended.

1.11 The term "Consultant" means any person or entity who for compensation, advises, represents and provides other assistance to the Trustees concerning the operation of the Plan.

1.12 The term "Contributions" means the payments required, whether paid or owed, of any Employer to the Trust Fund as required by the Collective Bargaining Agreement.

1.13 "Covered Employment" shall mean employment by an Employee for which the Employer has agreed to contribute to the Fund under the Collective Bargaining Agreement with the Union or under any other written agreement. Covered Employment shall include employment with the Union as an Employee of the Union or of the Fund, or as an elected or an appointed Official of the Union, insofar as the Union or the Fund makes contributions to the Fund with respect to said employment.

1.14 "Credited Service" of an Employee is the time computed in accordance with Article II hereof, to determine Employee's eligibility for benefits hereunder. Credited Future Service is any Credited Service after June 1, 1964.

1.15 The term "Custodian" means one who is officially entrusted with guarding and keeping records and documents of the Trust Fund.

1.16 The term "Employee" shall include:

- (a) All the employees working or available for work in the Collective Bargaining Unit of the Union and represented for the purpose of collective bargaining by the Union who are employed by Employers who are signatory to the Trust Agreement or who signify their intention to be bound by this Trust Agreement by signing an Assent of Participation and by making payments into the Fund hereby created.
- (b) Elected or appointed Officers or Employees of the Union, providing that the Trustees agree to accept such Officers and Employees.
- (c) Employees, if any, of the Trust Fund who are proposed and accepted for such benefits by the Trustees. As to such personnel who are Employees of the trust Fund, the Trustees shall be deemed to be an Employer within the meaning of this

Trust Agreement, and may provide benefits for said Employees out of said Trust Fund.

- (d) A person, represented by or under the jurisdiction of the Union, who shall be employed by a Governmental Unit or Agency, and on whose behalf payment of contributions shall be made at the times and at the rate of payment equal to that paid by an Employer, as defined in Section 1.17 of this Article, in accordance with a written agreement, ordinance or resolution.

**1.17** The term "Employer" means and shall be deemed to include any person, firm, association, partnership or corporation employing Employees working in the Collective Bargaining Unit of the Union as well as Employers who employ persons represented for purposes of collective bargaining by the Union and who signify their intentions to be bound by the provisions of the Declaration of Trust by signature hereto, or by signing an Assent of Participation, and by making payments into the fund hereby created. This Section shall also include the Composition Roofers Local No. 42, as an Employer for those Employees working in full time capacities of the Union. The term "Employer" as used in this Plan shall be further deemed to include the Trust itself.

**1.18** The term "ERISA" means the Employee Retirement Income Security Act of 1974 and any amendments thereto, together with any regulations promulgated pursuant to its provisions.

**1.19** "Hour of Service" means:

- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours shall be credited to the Employee for the computation period or periods in which the duties are performed; and
- (b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). Hours under this paragraph

shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and

- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both under paragraph (a) or (b) as the case may be, and under this paragraph (c). These hours shall be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.
- (d) No Hours of Service will be counted as Hours of Service under Section unless the Employee furnishes to the Plan Administrator such timely information the Plan Administrator may reasonably require.

**1.20** "Investment Manager" means any person, firm or corporation who has been appointed by the Trustees as such and has evidenced acknowledgement and acceptance of such appointment by a document signed in writing and returned to the Trustees and who is:

- (a) Registered as an Investment Advisor under the Investment Advisor's Act of 1940;
- (b) Is a Bank as defined in that Act; or
- (c) Is an Insurance Company qualified under the laws or more than one State to have the power to manage, acquire or dispose of the assets of Trust Funds such as this Fund.

**1.21** The term "Participant" means any Employee or former Employee of an Employer who is or may be eligible to receive a benefit of any type from the Fund or whose Beneficiaries may be eligible to receive any such benefit.

- (a) Employees in Covered Employment prior to January 1, 2004: shall be considered a Participant upon the completion of one Hour of Service for which contributions are made to the Fund on his behalf.
- (b) Employees who begin work in Covered Employment on or after January 1, 2004: shall be considered a Participant in the Plan the first month following the month in which he is credited with 1,000 Hours of Service for contributing Employers. Employees who sign and file a valid Reciprocity Agreement will have contributions transferred to their Home Local Fund, and will not become Participants of the Composition Roofers Local No. 42 Pension Plan.

**1.22** The term "Party in Interest" means such persons and entities as defined in ERISA.

**1.23** "Plan" means the Composition Roofers No. 42 Pension Plan effective January 1, 1964.

**1.24** "Plan Year" means the 12 consecutive month period beginning on January 1 and ending on December 31.

**1.25** "Qualified Election" shall mean a waiver in writing of a Qualified Joint and Survivor Annuity. The waiver must be signed by the Participant and the Participant's Spouse and the Spouse's signature must be witnessed by a Notary Public or a Plan representative.

**1.26** "Qualified Joint and Survivor Annuity," as used herein, means an annuity for the life of the Employee with a survivor annuity for the life of his Spouse which is equal to the annuity payable during the joint lives of the Employee and his Spouse and which is the Actuarial Equivalent of a single Life Annuity on the life of the Employee.

**1.27** "Required Beginning Date" shall mean April 1 of the calendar year following the year the Participant attains age 70½.

**1.28** "Spouse" means the person to who to a Participant is legally married. Whether a marriage is legal shall be determined by federal law and shall include a same-sex Spouse where the Participant and Spouse were legally married in a state that recognizes same-sex marriages. A Spouse may also be a former Spouse designated as a surviving Spouse by the terms of a valid Qualified Domestic Relations Order.

**1.29** "Trust" means the Declaration of Trust establishing the Composition Roofers, Local 42, Pension Plan dated December 4, 1964, and any amendments thereto.

**1.30** The term "Trust Fund" shall mean the Composition Roofers No. 42 Pension Fund established pursuant to the terms of the Declaration of Trust as described herein. It shall include but not be limited to all funds received in the form of contributions, together with all contracts,

including dividends, interest, refunds, transfers of funds under reciprocity, and any other sums payable to the Trustees on account of such contracts, all investments made and held by the Trustees, all income, increments, earnings and profits therefrom, and any and all other property or funds received and held by the Trustees by reason of their acceptance of this Declaration of Trust. Employer Contributions owed but not paid are also considered assets of the Trust Fund.

**1.31** "Trustee" means the Trustees and their successors, appointed to administer the Plan. The Trustees are named fiduciaries for the Plan.

**1.32** "Union" as used in this Plan means the United Union of Roofers, Waterproofers and Allied Workers, Local Union No. 42.

**1.33** "Year of Service" means one thousand (1,000) or more Hours of Service in Covered Employment during a Plan Year. If less than one thousand (1,000) Hours of Service are earned in a given year, a partial credit of one-tenth (1/10<sup>th</sup>) of the year for each one hundred (100) hours worked will be credited in accordance with Article II hereunder.

## ARTICLE II

### CREDITED SERVICE

**2.1 Credited Service.** The Credited Service of an Employee is the time computed in accordance with the following schedule:

- (a) Credited Service Between June 1, 1964 and May 31, 1976. For such Plan Years beginning on or after June 1, 1964, and through May 31, 1976, an Employee shall accrue one (1) year of Credited Service if contributions have been made on his behalf to the Trust Fund for one thousand (1,000) or more hours. If contributions have been made for less than one thousand (1,000) hours, he shall be credited with one-tenth (1/10<sup>th</sup>) of a year for each one hundred (100) such hours.
- (b) Credited Service after June 1, 1976. For each Plan Year beginning on or after June 1, 1976, an Employee shall accrue one (1) year of Credited Service if he completes one thousand (1,000) or more Hours of Service in such Plan Year. If he complete less than one thousand (1,000) Hours of Service, he shall be credited with one-tenth (1/10<sup>th</sup>) of a year for each one hundred (100) such hours.

**2.2 Break in Service.** The continuity of Covered Employment shall be considered an essential element under this Plan. The continuity of Covered Employment shall be considered broken, and except for Employees having a vested interest defined by Article III, all previously accumulated pension credits shall be cancelled, if an Employee is charged with five (5) consecutive one year Breaks in Service.

If an Employee who does not retain a vested right in his Accrued Benefit according to Section 3.4 and who has suffered at least a one year Break in Service, but who has not been charged with five (5) consecutive one year Breaks in Service, again becomes a Participant in the Plan according to Section 1.21, shall have his prior Service and Accrued Benefit restored.

Similarly, if a Participant who is vested in his Accrued Benefit under the terms of Section 3.4 returns to Covered Employment and again becomes a Participant according to Section 1.21, he shall have his Service and Accrued Benefit restored, and any subsequent Service and Benefits earned will be added to those respective amounts.

**2.3 Grace Period from Breaks in Service.** It shall not be considered a break in Covered Employment and an Employee shall be granted a grace period if his failure to earn an Hour of Service in any period of time equivalent to the period as set forth in Section 2.2 hereof is due to the following:

- (a) Injury or sickness which prevented him from working as a roofer, in which case a grace period of up to three (3) years will be allowed during the continuance of such disability, but in the case of a Pensioner receiving Disability Pension Benefits, the grace period shall not be granted for any less than that period of time for which he is receiving such Disability Pension. Disability for the purpose of this Section of the Plan is to be determined in the sole satisfaction of the Trustees. In order to secure the benefit of the disability grace period, an Employee must give written notice to the Trustees that he is disabled. No grace period shall be granted for any period prior to one (1) year preceding the receipt of such written notice, unless the Trustees find there are extenuating circumstances which prevent timely filing.
- (b) Military service in the Armed Forces of the United States, in which case a grace period shall be granted for the entire time the Employee was engaged in such military service, provided he makes himself available for work in Covered Employment within ninety (90) days after separation from active service in the Armed Forces, or within ninety (90) days after recovery from a disability incurred during military service. Effective January 1, 2007, any Participant killed during a period of qualifying military service will be credited with Hours of Service as if he were reemployed the day prior to his death. The manner of calculating the Hours of Service to be credited to the Participant will be solely at the discretion of the Board of Trustees.
- (c) After the last contribution date, the promotion of an Employee by an Employer to an employment category not covered by the Collective Bargaining Agreement in effect between the Employer and Union, or an Employee's acceptance of full time employment with the Local Union, the International, or other Employer approved by the Trustees, in which cases a grace period for the entire length of such employment will be granted. In order to secure the benefit of a grace period under this Subsection (c), an application in writing must be submitted to the Trustees within twenty-four (24) months after the date that the Employee leaves Covered Employment.
- (d) For purposes of determining whether a Break in Service has occurred, periods during which an Employee is absent from work due to an Approved Leave of Absence granted by the Trustees shall not be considered a Break in Service during such periods.

Approved leave of Absence means any absence authorized by the Trustees, provided that all persons under similar circumstances must be treated alike in the granting of such Approved Leave of Absence, and provided further that the Employee retires or returns to work within the period specified in the Approved Leave of Absence.

The exceptions noted in (a), (c), and (d) of this Section are not intended to add to the pension credits of any Employee except as may be required by law. They are merely intended to set forth a period which may be disregarded in determination of whether a Break in Service has occurred.

## ARTICLE III

### ELIGIBILITY

**3.1 Normal Retirement.** An Employee in the Plan shall be entitled to retire on the first (1<sup>st</sup>) day of the month following the later of the attainment of age fifty eight (58) years or the fifth (5<sup>th</sup>) anniversary of the time he commenced participation in the Plan. His date of retirement shall be on or after the first (1<sup>st</sup>) day of the month next following the date upon which written application for retirement is filed with the Trustees or their authorized agent, accompanied with satisfactory evidence of his date of birth. Upon the attainment of the later of age fifty-eight (58) of the fifth (5<sup>th</sup>) anniversary of the time he commenced participation in the Plan, a Participant shall have a one hundred percent (100%) non-forfeitable right to his Normal Retirement Benefits. This Section shall entitle the Employee to Normal Retirement Benefits as provided in Section 4.1 hereunder.

**3.2 Early Retirement.** An Employee in the Plan shall be entitled to retire on the first (1<sup>st</sup>) day of the month following the later of the attainment of age fifty-five (55) years, or the completion of five (5) or more years of Credited Service, but who has not as yet attained his Normal Retirement Age. His date of retirement shall be on or after the first (1<sup>st</sup>) day of the month next following the date upon which written application for early retirement is filed with the Trustees or their authorized agent, accompanied with satisfactory evidence of his date of birth. This Section shall entitle the Employee to Early Retirement Benefits as provided in Section 4.3 hereunder.

- (a) Any Employee who is eligible for an Early Retirement benefit may simultaneously apply to the Plan for disability and Early Retirement. The Employee may begin receipt of the Early Retirement benefit while awaiting a disability determination from the Social Security Administration. In the event the Employee is determined to be disabled by Social Security, his benefit will convert from an Early to a disability retirement. Benefit payments will be changed (on a prospective basis) effective the first day of the month following the month in which the Employee provides evidence of a disability

payment from Social Security. The initial application for benefits must clearly state the Employee is seeking disability benefits in addition to an Early Retirement.

**3.3 Disability Retirement.** An Employee with five (5) or more years of Credited Service who is permanently and totally disabled prior to Normal Retirement Age shall be entitled to retire and be eligible for disability benefits as provided in Section 4.4 hereunder, if he worked at least 200 Hours of Service during the 24-month period prior to his disability, or if his last work was in Covered Employment.

- (a) An Employee shall be deemed to be permanently and totally disabled only if a determination has been made by the Social Security Administration of Medical Disability in connection with Old Age and Survivor Insurance Coverage.
- (b) An Employee applying for disability pension may be required to submit to an examination by a physician or physicians selected by the Trustees, and may be required to submit to re-examination periodically as the Trustees may direct.
- (c) Upon approval of the application for benefits, the payment of the disability pension will begin as of the first day of the month coincident with, or next following the date on which the first Social Security disability check was received by the Employee and presented at the Administration Office.
- (d) Earnings by a disabled Pensioner. A disability Pensioner shall not be entitled to receive a monthly disability payment for any month during which he earns more than that amount allowed to be earned under Social Security regulations. A disability Pensioner shall report any and all earnings from any employment in excess of that amount allowed under Social Security to the office of the Pension Fund, in writing, within fifteen (15) days after the end of each quarter in which he had such earnings. If a disability Pensioner fails to make such timely reports as required by this Section, he shall be disqualified for benefits for twelve (12) months in addition to the duration of such employment for such violation.
- (e) Cessation of total and permanent disability. Any Employee retiring under the disability pension provision, who subsequently ceases to be totally and permanently disabled, may then return to Covered Employment and thereby resume the accrual of pension credits as outlined in Article II of this Plan.

**3.4 Vested Deferred Retirement.** As of January 1, 1987, an Employee who ceases to work for an Employer making contributions on his behalf to the Trust shall, if he has five (5) years or more of Credited Service and providing he applies therefore, be entitled to a retirement

benefit commencing on the first (1<sup>st</sup>) day of the month following his fifty-eighth (58<sup>th</sup>) birthday, computed on the same basis as normal retirement under Section 4.1 hereof.

(a) For Annuity Starting Dates prior to January 1, 2014, an Employee who has satisfied the service requirement for an Early Retirement Benefit and is fully vested as provided in Section 3.4, but who separates from the service (ceases to be an Employee as defined herein) before satisfying the age requirement for such Early Retirement Benefit, is entitled upon satisfaction of said age requirement to receive a benefit not less than the benefit to which he would be entitled at age 58, reduced as provided in Section 4.3. Early payment of the Vested Deferred Retirement is eliminated for Annuity Starting Dates on or after January 1, 2014.

## ARTICLE IV

### RETIREMENT BENEFITS

**4.1 Normal Retirement.** The Normal Form of benefit payments shall be a monthly annuity for the life of the Participant. The monthly retirement benefits of an Employee eligible for retirement benefits and who has applied therefor for commencement on or after age fifty-eight (58) years shall be equal to the sum of:

- (a) Four Dollars and Twenty Cents (\$4.20) times the number of his years of Credited Past Service, not in excess of twenty (20) years computed to the nearest one-tenth (1/10<sup>th</sup>) of a year, and completed on June 1, 1964, plus
- (b) 5.22% of the amount of contributions made by an Employer on behalf of the Employee between June 1, 1964 and May 31, 1965, plus
- (c) 2.616% of the amount of contributions made by an Employer on behalf of the Employee from June 1, 1965 to May 31, 1966, plus
- (d) 1.74% of all contributions made on behalf of an Employee from June 1, 1966 to May 31, 1972, plus
- (e) 2.04% of all contributions made on behalf of an Employee from June 1, 1972 to May 31, 1974, plus
- (f) 2.04% of all contributions in excess of 15 Cents (15¢) per hour made on behalf of the Employee from June 1, 1974 to December 31, 1979, plus
- (g) 2.88% of all contributions in excess of 15 Cents (15¢) per hour made on behalf of the Employee from January 1, 1980 to December 31, 1983, plus
- (h) 2.45% of all contributions made on behalf of the Employee from January 1, 1984 to December 31, 1993, plus
- (i) 2.10% of all contributions made on behalf of the Employee from January 1, 1994 to December 31, 2008, plus
- (j) 1.0% of all contributions made on behalf of the Employee in excess of the Reserve Rate listed in Appendix A, from January 1, 2009 forward.

**4.2 Adjustments to Benefits.** In addition to the benefit determined under Section 4.1, a further adjustment will be made as follows:

- (a) For Retirees and Beneficiaries receiving monthly benefits as of the Determination Date shown, a percentage increase in the amount indicated commencing on the Start Date.

|     | <u>Determination Date</u> | <u>Percentage Increase</u> | <u>Starting Date</u> |
|-----|---------------------------|----------------------------|----------------------|
| (a) | December 31, 1986         | 10%                        | January 1, 1987      |
| (b) | December 31, 1988         | 5%                         | January 1, 1989      |
| (c) | December 31, 1989         | 15%                        | January 1, 1990      |
| (d) | December 31, 1997         | 10%                        | January 1, 1998      |
| (e) | December 31, 1999         | 5%*                        | January 1, 2000      |

\* \$25 per month minimum

- (b) For all other Participants as of the Determination Date not included in Section 4.2(a) above, a percentage increase in the amount indicated to be effective on the given Determination Date.

|     | <u>Determination Date</u> | <u>Percentage Increase</u> |
|-----|---------------------------|----------------------------|
| (a) | December 31, 1986         | 10%                        |
| (b) | December 31, 1988         | 5%                         |
| (c) | December 31, 1989         | 15%                        |
| (d) | December 31, 1997         | 10%                        |
| (e) | December 31, 1999         | 5%                         |

**4.3 Early Retirement.** The monthly retirement benefit of an Employee eligible for retirement benefits and who has applied therefor for commencement on or after age fifty-five (55) years, and prior to age fifty-eight (58) years shall be computed on the same basis as "Normal Retirement" under Section 4.1, reduced by five-ninths of one percent ( $5/9^{\text{th}}$  of 1%) for each month that the early retirement date is prior to the first (1<sup>st</sup>) of the month next following the fifty-eighth (58<sup>th</sup>) birthday.

**4.4 Disability Retirement.**

- (a) There shall be no disability retirement benefits for an employee who has less than five (5) years of Credited Service at the time of disability.

- (b) The retirement benefit of an Employee who is eligible and has applied for disability retirement and who has five (5) or more years of Credited Service under the Plan shall be a monthly pension equal to his Accrued Benefit as of the date of disability.
- (c) The monthly disability retirement benefit for an Employee eligible for disability retirement benefits, as computed under either Section 4.4(a) or 4.4(b) above, shall be reduced by five-ninths of one percent ( $5/9^{\text{th}}$  of 1%) for each month that the disability retirement date is prior to the first day of the month next following the participant's 58<sup>th</sup> birthday. The reduction is based on the participant's age as of the date of the disability. There shall be no further reduction for those below age 55.

**4.5 Eligibility for Death Benefits.** The Spouse of an Employee with five (5) or more years of Credited Service shall be eligible for death benefits under the rules set forth in Sections 4.6 and 4.7 below.

**4.6 Pre-Retirement Death Benefits.** A Qualified Pre-Retirement Survivor Annuity as described in Section 6.3 shall be payable upon the death of a vested Participant who is married for more than one (1) year from the later of the Annuity Starting Date or the date of the Participant's death.

**4.7 Post-Retirement Death Benefit.** If the death of a Participant occurs after monthly benefits have commenced, a death benefit will be payable in accordance with the form of benefit payment selected by the Participant at the Annuity Starting Date.

## ARTICLE V

### COMMENCEMENT AND DURATION OF BENEFITS

**5.1 Commencement of Benefits.** Retirement benefits shall commence on the first (1<sup>st</sup>) of the month following the date a written application is filed with the Trustees. In any event, benefits shall commence within sixty (60) days of the end of the Plan Year in which the latest of the following three events occur:

- (a) Attainment of age fifty-eight (58);
- (b) The fifth (5<sup>th</sup>) anniversary of participation in the Plan;
- (c) Termination of employment under the Plan.

**5.2 Duration of Benefits.** The Normal form of benefit payment under the Plan is a Life Annuity.

**5.3 Suspension or Loss of Benefits.**

- (a) A retired Employee who withdraws from normal retirement by working in disqualified employment shall be disqualified from receiving or being entitled to any pension benefits for any month during which he is not in retirement. Disqualified employment shall be construed to mean working in the industry or trade in any one or more of the following circumstances:
  - (1) Employment by any contributing Employer;
  - (2) Employment by any Employer in the same business as any contributing Employer;
  - (3) Self-employment in the same business as any contributing Employer;
  - (4) Employment or self-employment in any business which is or may be under the jurisdiction of the Union.

A Retiree will become disqualified by working more than 40 hours per month and shall have his benefits suspended for every month he was so employed. Pension benefits shall be adjusted at the end of the Plan Year in which re-employment was terminated to include the adjusted age of the Participant, and any contributions received on account of the Participant during such period of re-employment. Benefits will be adjusted as of the March 1<sup>st</sup> following the end of each Plan Year.

**5.4 Notice of Suspension of Benefits.** Notice of the suspension of benefits under Section 5.3 hereof shall be given to all Participant/Retirees, and shall include the following information:

- (a) A description of the specific reasons why benefit payments are being suspended;
- (b) A general description of the Plan provisions relating to the suspension of payments, and a copy of such provisions;
- (c) A statement that the applicable Department of Labor Regulations may be found in Section 2503.203-3 of the Code of Federal Regulations;
- (d) The Plan's procedure for providing a review of the suspension benefits;
- (e) The procedure, and necessary forms, for filing a notice of termination of disqualifying employment and resumption of benefit payments;
- (f) That the Plan intends to offset any suspendable amounts actually paid during disqualifying re-employment, specifying:
  - (1) Period and amounts of such offset;
  - (2) Manner in which offset will be handled.

**5.5 Employment Past Normal Retirement Age.** A Participant who continues his employment beyond his Normal Retirement Age will be disqualified from receiving or being entitled to any pension benefits until he terminates his employment and applies for retirement benefits. Upon retirement, he shall be entitled to the greater of: the benefit payable at Normal Retirement Date actuarially increased to reflect commencement at a later retirement date; or his Accrued Benefit as of the late retirement date.

**5.6 Benefit Payments Following Suspension or Retirement After Normal Retirement Age.**

- (a) **Amount of Benefit Payment.** The monthly amount of benefits following a suspension or retirement after Normal Retirement Age, shall be determined under Subsection (b) and shall be adjusted for any optional form of payment in accordance with Subsection (c). Nothing in this Section is intended to extend any benefit increase or adjustment effective after the initial retirement to any benefit upon resumption of payment, except to the extent that it may be expressly directed by other provisions of the Plan.

- (b) Payment of Benefits. If a Participant retires on or after his Normal Retirement Date, does not complete at least 40 Hours of Service in Suspendable Employment during any month prior to the Annuity Starting Date, and if the Annuity Starting Date is after the Normal Retirement Date, the monthly benefit will be the Accrued Benefit at the Normal Retirement Date, actuarially increased for each month between the Normal Retirement Date and the Annuity Starting Date, and then converted as of the Annuity Starting Date to the form of a benefit elected in the pension application or, if none, to the Joint and Survivor Annuity. However, if for administrative reasons, such as the need to obtain reliable information to calculate benefits or to await formal approval by the Board of Trustees for benefits, actual payments begin after the scheduled Annuity Starting Date, such delay shall not affect the Annuity Starting Date nor the benefit determination, provided, however, that when such monthly payments actually begin, the Former Participant shall receive a lump sum retroactive payment to cover benefits due for all months after the Annuity Starting Date but prior to the commencement of monthly benefits.

When a Participant or Former Participant whose monthly benefit has been suspended pursuant to Section 5.3 has filed for resumption of benefits, the amount of such benefit upon its resumption shall be the amount thereof prior to its suspension, increased to reflect benefits due which were not suspendable pursuant to Section 5.3. In addition, if the Participant or Former Participant earned additional benefit accruals while benefits were suspended, such additional benefit accruals shall be actuarially adjusted from the date they would first have been paid and as of the March 1 following the Plan Year in which they were earned, shall be reflected in the Former Participant's resumed benefit. A Former Participant who returns to Covered Employment shall not be entitled to a recomputation of his or her entire benefit upon subsequent termination of employment.

- (c) Adjustments. The amount determined under the above subparagraphs shall be adjusted (using the actuarial factors set forth in Article I, Section 1.2).
- (d) Effect upon Form of Benefit. A Joint and Survivor Annuity in effect immediately prior to suspension of benefits shall remain effective if death occurs while benefits are suspended. If a Participant earns additional benefit accruals while his or her benefit is suspended, such person shall be entitled to a new election as to the form of benefit, but only with respect to such benefit accruals earned during the period of suspension.

- (e) Notice.

Once monthly benefits have been suspended, it is the Participant's responsibility to notify the Trustees of any request for monthly benefits to resume. The Participant must notify the Fund Office in writing of any employment that is not Covered Employment within 15 days after the end of the month in which the Participant has any earnings from non-Covered Employment. The Trustees have

the right to withhold monthly benefit payments until such notice is made to the Plan.

**5.7 Cessation of Disability Benefits.** Disability Retirement Benefits shall be terminated upon the occurrence of any of the following events:

- (a) The Employee ceased to be eligible for disability benefits from Social Security;
- (b) The Trustees determine on the basis of medical examination that the Employee has sufficiently recovered to return to any regular work in Covered Employment and refuses an offer of employment;
- (c) The Employee refuses to undergo a medical examination ordered by the Trustees, provided that the Employee may not be required to undergo a medical examination more often than semi-annually;
- (d) The date an Employee reaches his normal retirement date; provided, however, that he shall then be entitled to Normal Retirement Benefits.

**5.8 Mandatory Distributions to Participants**

Notwithstanding any other provision in the Plan, payment of benefits shall not be suspended after April 1 following the year in which the Participant reaches the age of 70 ½, whether or not he is still working in Covered Employment. However, benefits for such work will continue to accrue, with such accruals to be paid as of January 1 following the year in which they were earned.

## ARTICLE VI

### FORM OF RETIREMENT BENEFITS

#### **6.1 Qualified Joint and Survivor Annuity.**

- (a) The distribution to any Participant must be paid in the form of a Qualified Joint and Survivor Annuity, unless an optional form of benefit is selected pursuant to a Qualified Election within the period commencing no more than 180 days and ending no less than 30 days prior to the Annuity Starting Date. In addition, the Plan Administrator shall provide each Participant, within a reasonable period prior to the commencement of benefits, a written explanation of:
- (1) The terms and conditions of a Qualified Joint and Survivor Annuity;
  - (2) The Participant's right to make, and the effect of, an election to waive the Qualified Joint and Survivor Annuity form of benefit;
  - (3) The rights of the Participant's Spouse; and
  - (4) The right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity.

Notwithstanding the requirement of consent by the Participant's Spouse, if the Participant establishes to the satisfaction of the Trustees that such written consent may not be obtained because there is no Spouse or the Spouse cannot be located, the Qualified Election shall be deemed valid without such Spouse's signature. Any consent necessary for this provision will be valid only with respect to the Spouse who signs the consent or in the event of a deemed Qualified Election, the designated Spouse. A revocation of a prior waiver may be made by a Participant without the consent of the Spouse at any time before commencement of benefits. There is no limit to the number of Qualified Elections and revocations which may be made.

- (b) The automatic form of the Qualified and Joint and Survivor Annuity shall be paid in the form of a Qualified Joint and One-Half Survivor Annuity, otherwise known as a Joint and 50% Survivor Annuity. Under the Qualified Joint and One-Half Survivor Annuity, a reduced amount shall be paid to the Participant for his lifetime; and his Eligible Spouse, if surviving at the Participants death, shall be entitled to receive thereafter a lifetime survivorship Pension in a monthly amount equal to 50% of the reduced monthly amount which had been payable to the Participant. The last payment of a Qualified Joint and One-Half Survivor Annuity shall be made as of the first day of the month in which the death of the survivor occurs.
- (c) The Annuity Starting Date for a distribution may be less than 30 days after receipt of the written explanation described in the preceding paragraph provided:

- (1) The Participant has been provided with information that clearly indicates the Participant has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect (with spousal consent) to a form of distribution other than a Qualified Joint and Survivor Annuity;
- (2) The Participant is permitted to revoke any affirmative distribution election at least until the Annuity Starting Date or, if later, at any time prior to the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant; and
- (3) The Annuity Starting Date is after the date that the written explanation was provided to the Participant.

## **6.2 Qualified Pre-Retirement Survivor Annuity.**

- (a) If a vested married Participant dies on or after the Earliest Retirement Age, the Participant's Surviving Spouse will receive the same benefit that would have been payable if the Participant had retired with an immediate Joint and 50% Survivor Annuity on the day before the Participant's date of death.
- (b) If a vested married Participant dies before the Earliest Retirement Age, the Participant's Surviving Spouse will receive the same benefit that would be payable if the Participant had:
  - (1) Separated from service on the date of death;
  - (2) Survived to the Earliest Retirement Age;
  - (3) Retired with an immediate Joint and 50% Survivor Annuity at the Earliest Retirement Age; and
  - (4) Died on the day after the Earliest Retirement Age.
- (c) For purposes of Section 6.2(b), a Surviving Spouse will begin to receive payments at the Earliest Retirement Age unless such Surviving Spouse elects a later date.
- (d) For purposes of Section 6.2, the Joint and 50% Survivor Annuity will be the Actuarial Equivalent of the Normal Form of benefit payment.

## **6.3 Qualified Optional Survivor Annuity ("QOSA").**

- (a) A Participant who is eligible for the Qualified Joint and One-Half Survivor Annuity and who retires on or after January 1, 2009 may elect to receive his

pension benefit in the form of a Qualified Optional Survivor Annuity under the Plan. By filing a timely Qualified Election with the Plan, a Participant may choose to have benefits paid in the form of:

- (1) A Qualified Joint & Two-Thirds (66 2/3%) Survivor Annuity;
- (2) A Qualified Joint & Three-Fourths (75%) Survivor Annuity;
- (3) A Qualified Joint & Full (100%) Survivor Annuity.

Under each QOSA, a reduced amount shall be paid to the Participant for his lifetime and if the Participant predeceases his Spouse, the eligible Spouse shall be entitled to receive the applicable percentage of the QOSA (66 2/3%, 75%, or 100%) chosen based on the reduced lifetime amount payable to the Participant.

- (b) The last payment of a QOSA benefit shall be made as of the first day of the month in which the death of the survivor occurs. The general terms and conditions for the Surviving Spouse under the Plan shall apply to all QOSA forms of payment.
- (c) All references in this Plan Document to the Qualified Joint and One-Half Survivor Annuity, or QJSA, shall now be references to all three of the QOSA forms of payment unless otherwise clearly apparent in the context of the Plan Document that such reference shall not include QOSA forms of payment.

#### **6.4 Joint and Survivor Pension "Pop-up."**

The Plan allows for a "pop-up" option under which a Participant selecting any Joint and Survivor Annuity form of payment may further elect the feature that if the Spouse should predecease the Retiree, then the benefit subsequently payable to the Retiree shall revert back to the pension amount that would have been payable had the form of benefit payment originally been a Life Annuity. This benefit will be the Actuarial Equivalent of the pension that would otherwise be payable to the Participant, assuming the Normal Form of payment as described in Section 4.1.

#### **6.5 IRC Section 401(a)(9) Requirements.**

The optional form of a Participant's annuity, as adjusted for Actuarial Equivalence, shall be further adjusted (if necessary) to comply with IRC Section 401(a)(9).

The Annuity Forms shall be subject to the following provisions for purposes of compliance with IRC Section 401(a)(9):

- (a) **Life Expectancy.** The distribution period must be over a life (or lives), or over a period certain not longer than a life expectancy (or joint life and last survivor expectancy), or for the Participant and his Designated Beneficiary. For purposes hereof:
  - (1) Life expectancy and joint and last survivor expectancy are computed by use of the expected return multiples in Tables V and VI of Treasury Regulations § 1.72-9.
  - (2) Life expectancy or joint and last survivor expectancy shall be determined using the attained age of the Participant (or Designated Beneficiary) as of the Participant's (or Designated Beneficiary's) birthday in the earlier of:  
(A) the calendar year of the Participant's Annuity Starting Date; or (B) the calendar year preceding the Participant's Required Beginning Date.
  - (3) The life expectancy (or joint life and last survivor expectancy) for purposes of determining the period certain shall be determined without recalculation of life expectancy.
- (b) **Payments.** Once payments have begun over a period certain, the period certain may not be lengthened even if the period certain is shorter than the maximum permitted. The payments shall be level monthly payments, except with respect to a survivor benefit payment which themselves will be level monthly payments. The payments must either be non-increasing or increase only with any percentage increase in a specified and generally recognized cost-of-living index or because of an increase in benefits under the Plan.

#### **6.6 Minimum Distribution Requirements.**

The Annuity Forms shall be subject to the following provisions for purposes of compliance with the minimum distribution requirements of IRC Section 401(a)(9), including the incidental death benefit requirement of Section 401(a)(9)(G). All distributions will be made in accordance with IRC Section 401(a)(9) and §§ 1.401(a)(9)-2 through 1.401(a)(9)-9. Any Plan provisions reflecting IRC Section 401(a)(9) shall override inconsistent distribution options.

## ARTICLE VII

### NON-ALIENATION OF BENEFITS

**7.1 Non-Alienation of Benefits.** No benefits payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or encumbrance of any kind and any attempt to do so shall be void. No retirement benefit nor the Trust Fund shall in any manner be liable for or subject to the debts or liabilities of any Employee or retired Employee entitled to any retirement benefits. If the Employee or retired Employee shall attempt to, or shall alienate, sell, transfer, assign, pledge, or otherwise encumber his benefits under this Plan or any part thereof, or if by reason of his bankruptcy or other event happening at any such time, such benefits would devolve upon anyone else or would not be enjoyed by him; or in the event of a legal disability of a retired Employee, or his inability to care for his affairs, the Trustees in their discretion may terminate his interest in any such benefit and hold or apply it to or for the benefit of such person, his Spouse, children or other dependents, or any of them in such manner as the Trustees may deem proper.

**7.2 Qualified Domestic Relations Order.** The provisions of Section 7.1 shall not apply with respect to any Qualified Domestic Relations Order. The Trustees shall establish reasonable procedures, when necessary, to determine the qualified status of any domestic relations order and to administer distributions under such qualified orders.

**ARTICLE VIII**  
**CONTRIBUTIONS**

**8.1 General.** The purposes of this Fund are to provide pension benefits to eligible Employees and/or Spouses and/or named Beneficiaries of the Employees. These benefits are to be funded by receipt of contributions from contributing Employers and by the returns on the investments of these contributions.

In order to effectuate the purposes hereof, each Employer shall contribute to the Pension Fund the amount required by the Collective Bargaining Agreement between the Union and the Employer. The rate of contribution shall at all times be governed by the aforesaid Collective Bargaining Agreement or other written agreement then in force and effect. All benefits are payable only from the Pension Fund, only to the extent such Fund has sufficient assets.

**8.2 Increases or Decreases in Benefits.** If on the basis of an Actuarial Valuation made by the Actuary, the Trustees deem that the Employer's payments required under Section 8.1 of this Article, and the current Collective Bargaining Agreement are in excess of or fall short of the amounts then required to maintain the Plan on a sound actuarial basis including all expenses of administration, the Trustees shall have the power to authorize such increases or decreases in benefits under the Plan as they determine, with the advice of the Actuary, to be sound and feasible as the basis of maintaining the Plan on a sound actuarial basis, or as otherwise permitted and/or required by federal law.

**8.3 Reciprocal Contributions.** A Participant's work outside the jurisdiction of the Fund in employment for which contributions are required to be made to a pension fund of another local union, and which contributions are forwarded to the Roofers Local 42 Pension Plan, shall be credited under this Plan. Any adjustment to Hours of Service or benefit accrual

necessary to account for a higher or lower hourly contribution rate is at the sole discretion of the Board of Trustees.

**ARTICLE IX**  
**DISTRIBUTIONS**

**9.1 General.** Any other provisions of the Plan notwithstanding, if the Actuarial Equivalent value of a benefit payable to a Participant, Alternate Payee (pursuant to a valid QDRO) or of a Pre-retirement Survivor Annuitant does not exceed \$1,000 and has never exceeded \$1,000, the Administrator, in its sole discretion, may cause the entire benefit to be paid in a lump-sum taxable payment to such Participant, Alternate Payee or Survivor Annuitant. The Actuarial Equivalent value of any benefit will be determined in accordance with the assumptions specified in Section 1.2 of the Plan Document. No lump-sum benefit shall be payable under this Plan if the present value of the Participant's non-forfeitable benefit under the Plan exceeds \$1,000.

**9.2 Direct Rollover of Distributions.** With respect to distributions made on or after January 1, 1993, notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under the Plan, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover subject to the following terms and conditions:

- (a) **Eligible Rollover Distributions.** For purposes of this Article, an "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an eligible Rollover Distribution does not include:
- (1) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more;
  - (2) Any distribution to the extent such distribution is required under IRC Section 401(a)(9);

- (3) The portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities); or
  - (4) any hardship distribution described in IRC Section 401(k)(2)(B)(i)(IV).
- (b) Eligible Retirement Plan. For purposes of this Article, an “Eligible Retirement Plan” is one of the following that accepts the Distributee’s Eligible Rollover Distribution:
- (1) An individual retirement account described in IRC Section 408(a). For distributions made on or after December 31, 2007, an Eligible Retirement Plan also includes a Roth IRA;
  - (2) An individual retirement annuity described in IRC Section 408(b);
  - (3) An annuity plan described in IRC Section 403(a);
  - (4) A qualified trust described in IRC Section 401(a); or
  - (5) An annuity contract described in IRC Section 403(b) and an eligible plan under IRC Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a Surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relation Order, as defined in IRC Section 414(p).
- (c) Distributee. For purposes of this Article, a “Distributee” includes:
- (1) An Employee or former Employee; and
  - (2) An Employee’s or a former Employee’s Surviving Spouse and an Employee’s or former Employee’s Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order, without regard to the interest of the Spouse or former Spouse; and
  - (3) Effective January 1, 2010 an Employee or former Employee’s non-Spouse beneficiary.
- (d) Direct Rollover. For purposes of this Article, a “Direct Rollover” is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

- (e) \$200 Minimum Direct Rollover. Notwithstanding anything in this Article to the contrary, a Distributee shall not be permitted to elect a Direct Rollover if it is reasonable to expect that the total Eligible Rollover Distributions made to the Distributee during the taxable year of the Distributee will be less than \$200.
- (f) Partial Direct Rollover. If the entire amount of an Eligible Rollover Distribution is greater than \$500, a Distributee may elect to have a portion of such an Eligible Rollover Distribution paid to an Eligible Retirement Plan in a Direct Rollover provided that the amount of the Direct Rollover equals at least \$500. If a Distributee elects such a partial Direct Rollover, the remaining portion of the Eligible Rollover Distribution must be paid to the Distributee.
- (g) Multiple Direct Rollovers Not Permitted. A Distributee is not permitted to divide an Eligible Rollover Distribution into separate distributions to be paid to two or more Eligible Retirement Plans in Direct Rollovers. A Distributee must elect that the Eligible Rollover Distribution or portion thereof be distributed in a Direct Rollover payable to a single Eligible Retirement Plan selected by the Distributee.
- (h) Elections for Installment Payments. If distribution is made to a Distributee in a series of periodic payments, his election to make or not to make a Direct Rollover with respect to one payment in a series of payments shall apply to all subsequent payments in the series unless the Distributee makes a subsequent election to change his prior election.
- (i) Default Procedures. If, after a reasonable time as defined in Treasury Regulations § 1.402(c)-2T, a Distributee has failed to elect either a Direct Rollover or to have his Eligible Rollover Distribution paid to him, distribution shall be made to the Distributee in an amount equal to his eligible Rollover Distribution less any amount required to be withheld under any applicable income tax withholding requirements.

## ARTICLE X

### AMENDMENT AND DURATION OF THIS PLAN

**10.1 Amendment of Plan.** No part of the corpus or income of the Plan shall be used for purposes other than for the exclusive benefit of Participants, Former Participants and Beneficiaries, and for defraying reasonable expenses of administering the Plan. There shall be no reversion of funds to any Employer or Association except as permitted by law and as authorized by the Board of Trustees. Otherwise, the Plan may be amended at any time by the Board of Trustees. Any amendment may be given retroactive effect. However, no amendment (including a change in the actuarial basis for determining option or early retirement benefits) shall be effective to the extent it has the effect of decreasing an Accrued Benefit. However, the preceding sentence shall not apply to the extent the reduction in the Accrued Benefit is permitted by the Code and/or ERISA. For purposes of this Section, an amendment which has the effect of (a) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (b) eliminating an optional form of benefit (with respect to benefits attributable to service before the amendment), shall be treated as reducing an Accrued Benefit. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant or Former Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a Social Security supplement, a death benefit (including life insurance), or a plant shutdown benefit that does not continue after retirement age. In addition, no amendment shall have the effect of decreasing a Participant's or Former Participant's vested interest determined without regard to such amendment as of the later of the date of such amendment is adopted or becomes effective.

If the Plan's vesting schedule is amended, or if the Plan is amended in any way that directly or indirectly affects the computation of the non-forfeitable percentage, each affected person with at least three Years of Vesting Service may elect, within a reasonable period after the adoption of the amendment or change, to have the non-forfeitable percentage computed under the Plan without regard to such amendment or change if his or her non-forfeitable percentage under the Plan, as amended, is at any time less than the percentage determined without regard to such amendment.

The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made, and shall end on the latest of the following:

- (a) 60 days after the amendment is adopted;
- (b) 60 days after the amendment becomes effective; or
- (c) 60 days after written notice of the amendment is issued by the Board of Trustees.

An amendment to the Plan shall be evidenced by an instrument in writing signed by a majority of the number of the Board of Trustees.

**10.2 IRS Approval.** The Trustees intend to obtain approval of the Director of Internal Revenue that the Revised Plan and Trust established in connection herewith is a qualified Plan and Trust under IRC Sections 401(a) and 501(a), and will entitle any Employer to deduct its contributions to the Plan from its income for the purpose of computing Federal Income Tax under the provisions of IRC Section 404. Any amendment or modification of the Plan may be made retroactively by the Trustees, if necessary, or appropriate to qualify or maintain the Plan as a Plan and Trust meeting the requirements of IRC Sections 401(a), 501(a) and 404.

**10.3 Duration.** This Plan shall continue so long as the Agreement and Declaration of Trust establishing said Plan shall remain operative.

#### **10.4 Merger of Plan.**

(a) In the case of any merger or consolidation of this Plan and/or the Trust Fund with or transfer of the assets or liabilities of the Plan and/or Trust Fund to, any other plan, the terms of such merger, consolidation or transfer shall be such that each Employee or other Participant would receive (in the event of termination of this Plan or its successor immediately thereafter) a benefit which is no less than he would have received in the event of termination of this Plan immediately before such merger, consolidation or transfer.

(b) The Trust Fund shall not be merged into, acquired by or become part of any Trust Fund other than the Composition Roofers, Local 42, Pension Fund (providing for selection of three Trustees by the Greater Cincinnati Roofing Contractors Association and three Trustees by the United Union of Roofers, Waterproofers and Allied Trades, Local 42) unless fifty-one percent (51%) of the combined total of Employees, Participants and Beneficiaries, as defined by ERISA, vote in favor of such action. Said vote shall not be considered proper unless written notification stating the purpose of such vote and the date, time and location of the vote is mailed to each person eligible to vote as stated above not less than ten (10) days prior to such secret ballot vote.

## ARTICLE XI

### TERMINATION

**11.1 Termination.** This Plan shall be terminated if no Employers are obligated to contribute to the Trust Fund. This Plan may also be terminated by the unanimous consent of all Trustees upon giving reasonable notice of intention to vote on such termination and the reasons therefore to all Trustees, the Unions and the Employers who designate the Employer Trustees.

**11.2 Partial Withdrawal of Employers.** The withdrawal or elimination of some Employers and/or groups of Employees from the Plan shall not constitute a termination of this Plan, which shall continue to exist for the benefit of other Employees remaining in or subsequently brought under said continuing Plan.

**11.3 Allocation on Termination.** Upon termination of the Plan, the rights of all Employees to benefits accrued to the date of such termination shall be non-forfeitable, and upon occurrence of such event, the assets of the Fund shall be allocated among the Employees and their Beneficiaries in accordance with Section 4044(a) of ERISA, and administered and distributed at such time or times as is determined by the Trustees.

**11.4 Partial Termination.** Upon termination of the Plan by the Trustees with respect to a group of Employees, the Trustees shall allocate and segregate for the benefit of the Employees then or theretofore employed by an Employer or Employers with respect to which the Plan is being terminated the proportionate interest of such Employees in the Trust Fund. The funds so allocated and segregated shall be non-forfeitable and shall be distributed to such Employees.

## ARTICLE XII

### THE PENSION TRUST AND FUNDING

**12.1 Trust Agreement.** A Pension Trust Agreement has been executed between the Employers and the Union and subscribed and accepted by the Trustees under the terms of which a Pension Fund shall be established to receive and hold contributions payable by the Employers under this Plan, interest and other income and to pay the benefits provided under said Plan and the expense of operation of the Plan.

**12.2 Non-Reversion of Contributions.** The Employers shall have no right, title or interest in the contributions made by them or any of them to the Pension Fund and no part of the Pension Fund shall revert to the Employers or to any of them except to the extent permitted or required by law.

The benefits of this Plan shall be only such as can be provided by the assets of the Pension Fund and there shall be no liability or obligations hereunder on the part of the Employers to make any further contributions to the Pension Fund in the event of termination of this Plan.

## ARTICLE XIII

### ADMINISTRATION

**13.1 Administration by Trustees.** This Plan shall be administered by the Trustees of the Trust Fund in accordance with the Agreement and Declaration of Trust and any further amendments thereto.

**13.2. Application for Benefits.**

- (a) Upon becoming eligible for benefits under this Plan, an Employee or his Beneficiary, as the case may be, shall file an application for benefits upon a form prescribed by the Trustees and shall furnish such evidence and information which may be required by the Trustees or persons designated by them to establish the Employee's or Beneficiary's rights to benefits under this Plan.
- (b) Said application shall be presented to the Trustees for a determination of whether applicant is eligible for benefits hereunder. If the application is approved, the Trustees shall authorize the payment of the benefit. If the application is rejected, the applicant shall be promptly notified accordingly, and be advised of his rights to appeal at a hearing as provided below.
- (c) Pursuant to procedures established by the Trustees and consistent with Section 503 of ERISA and the applicable regulations contained at 29 CFR Part 2560, which are incorporated by reference herein, each Participant or Beneficiary whose claim for benefits under the Plan has been denied shall receive written notice of denial. The notice will include: (1) the specific reason for the denial; (2) the sections of the Plan and/or SPD upon which the denial was based; (3) a description of any additional information which the Participant or Beneficiary may need to provide to the administrator and an explanation as to why such information is necessary; (4) a copy of the Plan's appeal procedures; (5) notice of any internal rule or guideline used in making the decision (if applicable); and (6) a notice of the Participant or Beneficiary's right to a written explanation of any exclusion which affects his claim.
- (d) Any Participant or Beneficiary who chooses to appeal an adverse benefit determination must file a written notice of appeal with the administrator no later than 180 days from the date the written notice of the adverse benefit determination is received. The appeal must include the Participant's name, current address and decision being appealed. The Board shall consider any comments, documents or other evidence the Participant/Beneficiary may submit in support of the appeal. The administrator shall also supply (on request) any documents or material to the Participant which may be relevant to the appeal. There will be no charge to the Participant or Beneficiary for the cost of copying such material.

**13.3 Decision on Appeal.** All appeals will be considered within the time periods set forth in 29 CFR Part 2560. Participants or beneficiaries will be provided a written notice of the decision of the Board within 5 days of the meeting at which the appeal was considered. In the event the appeal is denied, the written notice shall include the following: (a) the reasons for the denial; (b) the portion of the Plan and/or SPD on which the denial is based; (c) a statement advising the Participant if any internal rule or guideline was followed in making the decision and if so, the Participant's right to a copy of such rule; (d) a notice of the Participant's right to a written explanation of any exclusion which affects the claim; and (e) a notice of the Participant's right to file suit under Section 502(a) of ERISA.

**13.4 Official Plan Records.** The Trustees shall rely upon the records of the Plan in determining eligibility for benefits and such records are presumed to be correct. In the event of a discrepancy between the records maintained by the Plan and a claim asserted by a Participant, an Employee or a retiree, the Trustees shall rely upon the Plan records unless shown to their satisfaction that the additional records are valid and should be relied upon. The burden of proving a claim for benefits which differs from the records established and maintained by the Plan shall be upon the Participant, Employee, retiree, or other person or entity.

**13.5 Ruling No Precedent.** No ruling or decision of the Trustees in one case shall create a basis for a retroactive adjustment in any previously decided case nor constitute a precedent, except as may be required by law.

**13.6 Adjustment of Benefits.** In the event that incorrect information is furnished to the Trustees or in the event of error by the Trustees or their delegates in determining eligibility or benefits, the Trustees shall have the power to make such adjustments in the Employee's benefits which they may deem appropriate. Such adjustments include the power to recoup overpayments

if needed by any method agreed to by the Trustees. If an Employee deliberately supplies false information in order to acquire benefits, the Trustees may impose any penalty they deem appropriate.

**13.7 Three Year Limitation Period.**

No action at law or in equity shall be brought by any Participant or Beneficiary after the expiration of three (3) years from the date the Board provides written notice of a decision on an appeal of an adverse benefit determination. Failure to bring an action within this three (3) year period shall forever bar such action.

## ARTICLE XIV

### MISCELLANEOUS

**14.1 Interest in the Plan.** No Employee, group of Employees or other persons shall have any interest in, or right to, any part of the principal or earnings of the Pension Fund, or in the assets of the Pension Fund, but the same shall be administered solely in accordance with the provisions of the Plan and the Agreement and Declaration of Trust.

**14.2 Limitation on Employment.** Nothing contained in this Plan shall be construed as a contract of employment between any Employer and any Employee, or as granting the right of any Employee to be continued in the employment of any Employer, or as a limitation on the right of the Employer to terminate the employment of an Employee at any time. An Employer's right to discipline or discharge Employees shall not be affected by reason of existence of this Plan, or by reason of any of the provisions of this Plan. No matter respecting the provisions of the Plan shall be subject to the grievance procedure established in the Collective Bargaining Agreement.

**14.3 Participant Incapacity.** In the event that it is determined that a Participant is unable to manage his affairs because of illness, accident, or incapacity, either mental or physical, any payment due may be applied, in the discretion of the Trustees, to the maintenance and support of such Participant (unless and until proper claim shall be made therefore by a legally appointed guardian, committee or legal representatives).

**14.4 Unclaimed Benefits/Missing Participants.** If any benefit payment made by the Trustees out of the Pension Fund be unclaimed for a period of three (3) years, it shall revert to and become a part of said Pension Fund, but must be reinstated if a claim for benefits is made by a Participant or Beneficiaries for the forfeited amount.

**14.5 Former Plan.** No Participant, active or retired, or Beneficiary, or any representative of a deceased Participant may claim a greater benefit than was previously determined under the Plan provisions in effect at the time of such determination.

**14.6 Applicable Law.** To the extent not preempted by federal law, the Plan and all rights hereunder shall be governed, construed and administered in accordance with the laws of the State of Ohio.

**14.7 Veteran's Pension Rights.** Nothing in this Plan shall be interpreted so as to deny a veteran of the Armed Forces any rights granted under federal law. The right of a veteran to the restoration of pension benefits upon his or her reemployment with a contributing Employer shall be governed by the rules and regulations found in 38 U.S.C. §4301, *et seq.*, and IRC Section 414(u).

**14.8 Retroactive Annuity Starting Date.** To the extent the terms of the Plan permit a participant to affirmatively select an Annuity Starting Date that occurs sometime prior to the date the Plan provides the Participant is provided with a Qualified Joint and Survivor Annuity notice (Retroactive Annuity Starting Date – "RASD"), such payments shall be governed by the rules set forth in 29 CFR 1.417(3)-I which are incorporated herein by reference. Benefits will be calculated as of the RASD using the mortality and interest assumptions in effect on that date. The benefits must satisfy the IRC Section 415 limits and IRC Section 417(e)(3) Present Value assumptions (if applicable) in effect on the RASD. Participants shall receive make-up payments including an adjustment for interest from the RASD (based on the Applicable Interest Rate) to the date payments are actually made. Spousal consent is required if the survivor benefit payable to the Spouse based on the RASD is less than the amount of the minimum required survivor benefit that would be payable if the actual payment date were used as the Annuity Starting Date.

**14.9 Overpayments.** No Participant or dependent shall be entitled to receive a benefit in excess of that which is provided for by the terms of the Plan. In the event a Participant and/or dependent are overpaid by the Plan due to any administrative, mathematical or other error, the Board of Trustees shall have the right and obligation to recoup such overpayments through an actuarial reduction of future benefit payments, the offset of future benefit payments or any other Trustee-approved procedure. Any Participant or dependent, upon being notified of the reduction or offset, shall have the right and obligation to appeal the decision to the Board of Trustees prior to commencing any other legal or administrative action. Under no circumstances will an overpayment become or be considered a vested benefit.

**14.10 Miscellaneous.** The use of the masculine shall include feminine where applicable, and the use of the singular shall include the plural where applicable. The words "and" and "or" are employed in the conjunctive and disjunctive sense, respectively, except where a contrary intention clearly appears from the context.

## **ARTICLE XV - EMPLOYER WITHDRAWAL LIABILITY**

### **15.1 Determination by Trustees.**

The Trustees shall determine:

- (A) Whether an Employer has Withdrawn from the Plan;
- (B) The date of such Withdrawal;
- (C) The Employer's Withdrawal Liability;
- (D) The schedule of payments of the Employer's Withdrawal Liability; and
- (E) Any other decisions necessary to the establishment and calculation of liability under this Article.

The Trustees have the sole discretion and full authority to make a determination and shall promptly notify the Employer of its determination, including the amount of the Employer's withdrawal liability payments. The notices shall specify the schedule of the payments and demand payment. The notice herein provided shall be sent to the Employer by certified, return-receipt mail or hand delivery.

### **15.2 Employer's Right to Information.**

(A) Within ninety (90) days after the Employer receives the notice required by Section 15.1, the Employer, in the event it wishes to take any action described in subparagraphs (A) through (C), shall provide in written form by certified, return-receipt mail or hand delivered to the Trustees:

- (1) Ask the Trustees to review any specific matter relating to the determination of the Employer's liability and the schedule of payments;
- (2) Identify any inaccuracy in the determination of the amount of the Unfunded Vested Benefits allocable to the Employer; and

(3) Furnish any additional relevant information to the Trustees.

(B) If an Employer fails to take any of the actions set forth in Section 15.2(A) in the time provided therein, it shall be deemed to have agreed to the determinations of the Trustees referred to in Section 15.1.

(C) The Trustees shall review as soon as practical any matter raised by an Employer pursuant to Section 15.2(A). The Trustees shall send a written reply to the Employer by certified, return-receipt or hand delivery, setting forth the decision of the Trustees, the basis for the decision, and the reason for any change in the determination of the Employer's liability or schedule of liability payments.

### **15.3 Trustees' Consultation with Actuary and Other Professionals.**

In making the determination described herein, the Trustees may consult with the Plan's Actuary, Attorney, and Auditor, administrative personnel or other Plan professionals.

### **15.4 Annual Right to Notice of Potential Withdrawal Liability.**

No more than once per calendar year, any Employer may make a written request for a notice of: the estimated amount of what the Employer's withdrawal liability would be if the Employer withdrew on the last day of the Plan Year preceding the date of the request if available, otherwise the estimate will be as of the last day of the preceding Plan Year; and an explanation of how the estimated amount was determined including (a) the actuarial assumptions and methods used to determine the value of Plan liabilities and assets, (b) the data regarding Employer contributions, unfunded vested benefits, and annual changes in the Plan's unfunded vested benefits, and (c) the application of any relevant limits on the estimated withdrawal liability. The reasonable costs incurred by the Plan in responding to such annual requests shall be paid by the Employer, but in no case shall the costs exceed the limits established by the Secretary of Labor. No fees shall be

assessed when an Employer requests only summary information on its proportionate share of withdrawal liability, provided such information is contained in an Employer withdrawal liability report prepared by the Plan's actuary and previously presented to the Board of Trustees.

**15.5 Method of Calculation for Withdrawal Liability.**

The Plan shall utilize the "rolling-five" method for calculating the amount of unfunded vested benefits allocated to a withdrawing Employer as described in Section 4211(c)(3) of ERISA.

(A) The amount of an Employer's unfunded vested benefits upon withdrawal shall be the product of:

(1) The Plan's unfunded vested benefits as of the end of the Plan Year proceeding the Plan Year in which the Employer withdraws, less the value as of the end of such Plan Year of all outstanding claims for withdrawal liability which can reasonably be expected to be collected from Employers withdrawing before such Plan Years, multiplied by

(2) The fraction of:

(a) the total amount required to be contributed by the Employer under the Plan for the last five Plan Years ending before the withdrawal, divided by

(b) the total amount contributed under the Plan by all Employers for the last five Plan Years ending before the withdrawal, increased by any Employer contributions owed with respect to earlier periods which were collected in those Plan Years, and decreased by any amount contributed to the Plan during those Plan Years by Employers who withdrew from the Plan under this section during those Plan Years.

### **15.6 Complete Withdrawal.**

A complete withdrawal occurs when:

(A) An Employer, including those who have performed work on a temporary or project-by-project basis, ceases to have an obligation to contribute under the Plan and the Employer:

- (1) Continues to perform work in the jurisdiction of the Plan of the type for which contributions were previously required, or
- (2) Returns to work in the jurisdiction within five (5) years after the date on which the obligation to contribute under the Plan ceases and does not renew the obligation at the time work resumes.

### **15.7 Partial Withdrawal.**

Under Section 4208(d)(2) of ERISA, there is no partial withdrawal liability within the entertainment industry except under the conditions and to the extent provided by the Pension Benefit Guarantee Corporation.

### **15.8 Arbitration.**

A dispute between an Employer and the Plan concerning a determination of withdrawal liability shall be submitted to arbitration as provided in Section 4221 of ERISA, to be conducted in accordance with the rules adopted by the Trustees not inconsistent with regulations of the Pension Benefit Guarantee Corporation. No issue concerning the computation of withdrawal liability may be submitted for arbitration unless the matter has been reviewed by the Plan in accordance with Section 4219(b)(2) of ERISA and any Plan rules adopted thereunder.

### **15.9 Employer Withdrawal Liability Procedures.**

The Board of Trustees may, at its discretion, adopt Employer Withdrawal Liability Procedures, which, upon adoption, shall detail additional or discretionary operating procedures as to

employer withdrawal liability under the Plan. Such procedures may be amended from time to time by the Board of Trustees and shall be available upon request by contributing employers.

IN WITNESS WHEREOF, the Trustees have set their hands and adopted this Restated and Amended Plan document effective the 1<sup>st</sup> day of January, 2015.

**UNION TRUSTEES**

  
Robert Stockelman

  
Brandon Burke

  
Rodney Toole

**CONTRACTOR TRUSTEES**

  
Tom Dalton

  
Daniel Imbus

  
Steve Kramer

**Appendix A  
Contribution and Reserve Rate**

| <b>Effective Dates</b>                    | <b>Journeyman Basic Pension Rate</b> | <b>Reserve</b> | <b>Benefit Credit Rate</b> |
|---|--------------------------------------|----------------|----------------------------|
| September 1988 through July 1989          | \$1.75                               | \$0.00         | \$1.75                     |
| August 1989 through July 1990             | \$2.00                               | \$0.00         | \$2.00                     |
| July 1990 through July 1991               | \$2.25                               | \$0.00         | \$2.25                     |
| August 1991 through July 1995             | \$2.50                               | \$0.00         | \$2.50                     |
| August 1995 through October 1996          | \$2.65                               | \$0.00         | \$2.65                     |
| November 1996 through July 2002           | \$2.80                               | \$0.00         | \$2.80                     |
| August 2002 through July 2005             | \$3.00                               | \$0.00         | \$3.00                     |
| August 2005 through December 2008         | \$3.40                               | \$0.00         | \$3.40                     |
| January 1, 2009 through December 31, 2009 | \$3.40                               | \$0.40         | \$3.00                     |
| January 1, 2010 through July 31, 2010     | \$3.40                               | \$1.30         | \$2.10                     |
| August 1, 2010 through July 31, 2011      | \$3.60                               | \$1.50         | \$2.10                     |
| August 1, 2011 through July 31, 2012      | \$3.80                               | \$1.70         | \$2.10                     |
| August 1, 2012 through July 31, 2013      | \$4.00                               | \$1.90         | \$2.10                     |
| August 1, 2013 through July 31, 2014      | \$4.20                               | \$2.10         | \$2.10                     |
| August 1, 2014 through July 31, 2015      | \$4.40                               | \$2.30         | \$2.10                     |

**AMENDMENT NO. 1  
TO THE COMPOSITION ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has previously adopted a Restated Plan with an effective date of January 1, 2015 and has retained the authority to modify the Plan in the best interest of all participants and beneficiaries. The IRS has requested certain changes be made as part of the pending Determination Letter application. The purpose of this amendment is to ensure the Plan remains compliant with federal law.

**AMENDMENT**

\* \* \* \*

Effective as of January 1, 2015, Section 9.2(a)(4) shall be amended in its entirety to read as follows:

- (4) any hardship distribution.

\* \* \* \*

Effective as of January 1, 2015, Section 1.16 shall be modified as follows:

**1.16** The term "Employee" shall include:

- (a) All the employees working or available for work in the Collective Bargaining Unit of the Union and represented for the purpose of collective bargaining by the Union who are employed by Employers who are signatory to the Trust Agreement or who signify their intention to be bound by this Trust Agreement by signing an Assent of Participation and by making payments into the Fund hereby created.
- (b) Elected or appointed Officers or Employees of the Union, providing that the Trustees agree to accept such Officers and Employees.
- ~~(c) Employees, if any, of the Trust Fund who are proposed and accepted for such benefits by the Trustees. As to such personnel who are Employees of the trust Fund, the Trustees shall be~~

~~deemed to be an Employer within the meaning of this Trust Agreement, and may provide benefits for said Employees out of said Trust Fund.~~

(d)(c) A person, represented by or under the jurisdiction of the Union, who shall be employed by a Governmental Unit or Agency, and on whose behalf payment of contributions shall be made at the times and at the rate of payment equal to that paid by an Employer, as defined in Section 1.17 of this Article, in accordance with a written agreement, ordinance or resolution.

\* \* \* \*

Effective as of January 1, 2015, a new Section 14.11 shall be added to read as follows:



**14.11 IRC Section 415.** The final Section 415 regulations of the Internal Revenue Code are hereby incorporated by reference into this Plan.




\* \* \* \*

IN WITNESS WHEREOF, the Trustees have set their hands this 13<sup>th</sup> day of May, 2015.

**EMPLOYER TRUSTEES**

**UNION TRUSTEES**

  
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**AMENDMENT NO. 2  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted the authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan to update the current contribution and reserve rates.

**AMENDMENT**

\* \* \* \*

Effective June 1, 2017, Appendix A of the Restated Plan document will be amended in its entirety to read as follows:




| <b>Effective Dates</b>                    | <b>Journeyman Basic Pension Rate</b> | <b>Reserve</b> | <b>Benefit Credit Rate</b> |
|---|--------------------------------------|----------------|----------------------------|
| September 1988 through July 1989          | \$1.75                               | \$0.00         | \$1.75                     |
| August 1989 through July 1990             | \$2.00                               | \$0.00         | \$2.00                     |
| August 1990 through July 1991             | \$2.25                               | \$0.00         | \$2.25                     |
| August 1991 through July 1995             | \$2.50                               | \$0.00         | \$2.50                     |
| August 1995 through October 1996          | \$2.65                               | \$0.00         | \$2.65                     |
| November 1996 through July 2002           | \$2.80                               | \$0.00         | \$2.80                     |
| August 2002 through July 2005             | \$3.00                               | \$0.00         | \$3.00                     |
| August 2005 through December 2008         | \$3.40                               | \$0.00         | \$3.40                     |
| January 1, 2009 through December 31, 2009 | \$3.40                               | \$0.40         | \$3.00                     |
| January 1, 2010 through July 31, 2010     | \$3.40                               | \$1.30         | \$2.10                     |
| August 1, 2010 through July 31, 2011      | \$3.60                               | \$1.50         | \$2.10                     |
| August 1, 2011 through July 31, 2012      | \$3.80                               | \$1.70         | \$2.10                     |

|                                      |        |        |        |
|--------------------------------------|--------|--------|--------|
| August 1, 2012 through July 31, 2013 | \$4.00 | \$1.90 | \$2.10 |
| August 1, 2013 through July 31, 2014 | \$4.20 | \$2.10 | \$2.10 |
| August 1, 2014 through July 31, 2015 | \$4.40 | \$2.30 | \$2.10 |
| August 1, 2015 through July 31, 2016 | \$4.60 | \$2.50 | \$2.10 |
| August 1, 2016 through July 31, 2017 | \$4.80 | \$2.70 | \$2.10 |
| August 1, 2017 through July 31, 2018 | \$5.00 | \$2.90 | \$2.10 |
| August 1, 2018 through July 31, 2019 | \$5.20 | \$3.10 | \$2.10 |
| August 1, 2019 through July 31, 2020 | \$5.40 | \$3.30 | \$2.10 |
| August 1, 2020 through July 31, 2021 | \$5.60 | \$3.50 | \$2.10 |
| August 1, 2021 through July 31, 2022 | \$5.80 | \$3.70 | \$2.10 |
| August 1, 2022 through July 31, 2023 | \$6.00 | \$3.90 | \$2.10 |
| August 1, 2023 through July 31, 2024 | \$6.20 | \$4.10 | \$2.10 |

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 17<sup>th</sup> day of May, 2017.

EMPLOYER TRUSTEES

UNION TRUSTEES


**AMENDMENT NO. 3  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan to comply with the Department of Labor's Disability Claims Regulations.

**AMENDMENT**

\* \* \* \*

Effective January 1, 2018, Sections 13.2 (c) and (d) are deleted in their entirety and replaced with the following:

(c) Pursuant to procedures established by the Trustees and consistent with Section 503 of ERISA and applicable regulations contained at 29 CFR PART 2560, which are incorporated by reference herein, each Participant or Beneficiary whose claim for benefits under the Plan has been denied shall receive written notice of the denial. The notice will include: (1) the specific reason for the denial; (2) the section of the Plan and/or SPD upon which the denial was based; (3) a description of any additional information which the Participant or Beneficiary may need to provide to the administrator and an explanation as to why such information is necessary; (4) a copy of the Plan's appeal procedures; (5) notice of the internal rule or guideline used in making the decision (if applicable); and (6) a statement that the Participant or Beneficiary is entitled to receive upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's benefit determination.

If the notice is for the denial of a disability claim it will also include: (1) the specific rules, guidelines, protocols, standards, or other similar criteria the Plan relied upon in making the adverse determination or alternatively a statement that such rules, guidelines, protocols, standards, or other similar criteria do not exist; (2) a discussion of the decision to disagree or not follow: (a) the views presented by health care professionals treating the Participant, (b) the views of medical or vocational experts whose advice was obtained on behalf of the plan, and/or (c) a disability determination made by the Social Security Administration; (3) if the denial is based on medical necessity, because the treatment was experimental, or another similar exclusion or limitation, either an explanation of the scientific or clinical judgment for the determination, applying the terms of

the Plan to the Participant's medical circumstances, or a statement that such an explanation will be provided free of charge upon request.

(d) Any Participant or Beneficiary who chooses to appeal an adverse benefit determination must file a written notice of appeal with the administrator no later than 180 days from the date the written notice of the adverse benefit determination is received. The appeal must include the Participant's name, current address, and decision being appealed. The Board shall consider any comments, documents, records, and other information submitted by the Participant or Beneficiary without regard to whether such information was submitted or considered in the initial benefit determination. The Board shall be empowered to hold a hearing at which the Participant or Beneficiary shall be entitled to present the basis of his claims for review and at which he may be represented by Counsel. The administrator shall also supply (on request) any documents or material to the Participant which may be relevant to the appeal. There will be no charge to the Participant or Beneficiary for the cost of copying such material.

If the Participant or Beneficiary is appealing a disability claim denial, the following also applies to the appeal: (1) The Participant or Beneficiary shall be provided with any new or additional evidence or rationale considered or relied upon in connection with the claim automatically and free of charge; (2) The Participant or Beneficiary shall be provided with a review that does not afford deference to the initial adverse benefit determination and is conducted by an individual who did not make the initial adverse benefit determination nor the subordinate of that individual; (3) If the adverse benefit determination is based on whole or in part on a medical judgment including determinations regarding whether a treatment or drug is experimental, investigational, or not medically necessary, the individual making the determination will consult a health care professional who has appropriate training and experience in the medical field involved in the medical judgment and the medical or vocational expert will be identified; (4) The healthcare professional engaged for consultation will not be the individual who was consulted in making the adverse benefit determination that is the subject of the appeal, nor their subordinate.

\* \* \* \*

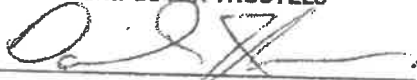
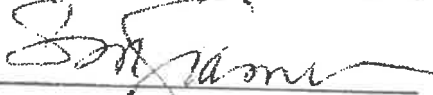
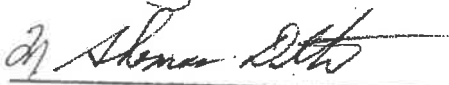
Effective January 1, 2018, the following language is added to the end of section 13.3:

If the notice is for the denial of a disability claim on appeal it will also include: (a) A discussion of the decision to disagree or not follow: (i) the views presented by health care professionals treating the Participant; (ii) the views of medical or vocational experts whose advice was obtained on behalf of the plan; and/or (iii) a disability determination made by the social security administration.




\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 9<sup>th</sup> day of August, 2017.

**EMPLOYER TRUSTEES**

**UNION TRUSTEES**

**AMENDMENT NO. 4  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted the authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan to update the suspension of benefit provisions.

**AMENDMENT**

\* \* \* \*

Effective October 1, 2017, Section 5.3 shall be amended to provide as follows:

**5.3 Suspension or Loss of Benefits.** A retired Employee who withdraws from retirement by working in disqualifying employment shall be prohibited from receiving or being entitled to any pension benefits for any month during which he is not in retirement. Disqualifying employment shall be construed to mean working in the industry or trade in any one or more of the following circumstances:


- (1) Employment by any contributing Employer in any position under the jurisdiction of the Union;
- (2) Employment by any entity in the same business as any contributing Employer;
- (3) Self-employment in the same business as any contributing Employer;
- (4) Employment or self-employment in any business which is or may be under the jurisdiction of the Union.

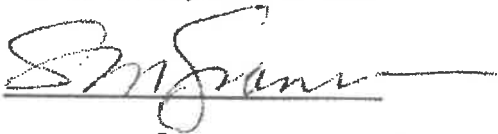
A Retiree will become disqualified by working more than 40 hours per month and shall have his benefits suspended for every month he was so employed. Pension benefits shall be adjusted at the end of the Plan Year in which re-employment was terminated to include the adjusted age of the Participant, and any contributions received on account of the Participant during such period of re-employment. Benefits will be adjusted as of the March 1st following the end of each Plan Year.

\* \* \* \*

IN WITNESS WHEREOF, the undersigned do hereby cause this Amendment to be duly executed  
this 9<sup>th</sup> day of August, 2017.

EMPLOYER TRUSTEES







UNION TRUSTEES







**AMENDMENT NO. 6  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted the authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan to update the suspension of benefit provisions.

**AMENDMENT**

\* \* \* \*

Effective April 1, 2018, Section 5.3 of the Plan shall be amended to provide as follows:

**5.3 Suspension or Loss of Benefits.**

- (a) A retired Employee who withdraws from retirement by working in disqualifying employment shall be prohibited from receiving or being entitled to any pension benefits for any month during which he is not in retirement. Disqualifying employment shall be construed to mean working in the industry or trade in any one or more of the following circumstances:
- (1) Employment by any contributing Employer in any position under the jurisdiction of the Union;
  - (2) Employment by any entity in the same business as any contributing Employer;
  - (3) Self-employment in the same business as any contributing Employer;
  - (4) Employment or self-employment in any business which is or may be under the jurisdiction of the Union.




A Retiree will become disqualified by working more than 40 hours per month and shall have his benefits suspended for every month he was so employed. Pension benefits shall be adjusted at the end of the Plan Year in which re-employment was terminated to include the adjusted age of the Participant, and any contributions received on account of the Participant during such period of re-employment. Benefits will be adjusted as of the March 1st following the end of each Plan Year.

(b) Any provision of this Article notwithstanding, the Board of Trustees may declare a temporary moratorium on the Suspension of Retirement Benefit Rules when they determine such action is in the best interest of the participants and beneficiaries. A moratorium has been declared for the period of April 1, 2018 through December 31, 2018 for any Retiree with an Annuity Starting Date prior to March 1, 2018 who returned to work in the circumstances listed in Section 5.3(a)(1); employment by any contributing Employer in any position under the jurisdiction of the Union, subject to such other terms and conditions as may be mandated by the Board of Trustees. At the discretion of the Trustees, the moratorium provided herein may be extended.




\* \* \* \*

IN WITNESS WHEREOF, the undersigned do hereby cause this Amendment to be duly executed this 10<sup>th</sup> day of April, 2018.

EMPLOYER TRUSTEES

UNION TRUSTEES

**AMENDMENT NO. 7  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted the authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan.

**AMENDMENT**

\* \* \* \*

Effective October 30, 2018, Section 13.8 of the Plan shall be added to provide as follows:

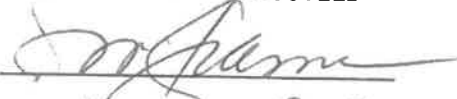


**13.8 Restriction on Venue**

A participant or Beneficiary shall only bring an action in connection with the Plan in the United States District Court for the Southern District of Ohio.



\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 30<sup>th</sup> day of October, 2018.

~ EMPLOYER TRUSTEES

UNION TRUSTEES

**AMENDMENT NO. 8  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted the authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan to update the suspension of benefit provisions.

**AMENDMENT**

\* \* \* \*

Effective January 1, 2019 Section 5.3 of the Plan shall be amended to provide as follows:

**5.3 Suspension or Loss of Benefits.**

(a) A retired Employee who withdraws from retirement by working in disqualifying employment shall be prohibited from receiving or being entitled to any pension benefits for any month during which he is not in retirement. Disqualifying employment shall be construed to mean working in the industry or trade in any one or more of the following circumstances:

- (1) Employment by any contributing Employer in any position under the jurisdiction of the Union;
- (2) Employment by any entity in the same business as any contributing Employer;
- (3) Self-employment in the same business as any contributing Employer;
- (4) Employment or self-employment in any business which is or may be under the jurisdiction of the Union.

A Retiree will become disqualified by working more than 40 hours per month and shall have his benefits suspended for every month he was so employed. Pension benefits shall be adjusted at the end of the Plan Year in which re-employment was terminated to include the adjusted age of the Participant, and any contributions received on account of the Participant during such period of re-employment. Benefits will be adjusted as of the March 1st following the end of each Plan Year.



**AMENDMENT NO. 9  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective on the date shown below. The purpose of this amendment is to help ensure compliance with the Required Minimum Distribution rules.

**AMENDMENT**

\* \* \* \*

Effective March 19, 2019, a new provision will be added to **Article VI FORM OF RETIREMENT BENEFITS** as Section 6.7 **Commencement of Benefits at Required Beginning Date** as follows:

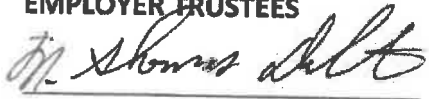
**6.7 Commencement of Benefits at Required Beginning Date.**

Notwithstanding any provision of the Plan, a Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date. The Administrator may commence benefit payment for any Participant who has not applied for a benefit prior to their Required Beginning Date. If necessary, such as when the Participant cannot be located, the Administrator may remit the full amount of the monthly benefit to the Internal Revenue Service as federal income tax withholding.

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 19<sup>th</sup> day of March, 2019.

**EMPLOYER TRUSTEES**





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**UNION TRUSTEES**







**AMENDMENT NO. 10  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective on the dates shown below.

**AMENDMENT**

\* \* \* \*

Effective July 1, 2019, Section 3.4 Vested Retirement, will be amended in relevant part as follows:

**3.4 Vested Deferred Retirement.** As of January 1, 1987, an Employee who ceases to work for an Employer making contributions on his behalf to the Trust shall, if he has five (5) years or more of Credited Service and providing he applies therefore, be entitled to a retirement benefit commencing on the first (1<sup>st</sup>) day of the month following his fifty-eighth (58<sup>th</sup>) birthday, computed on the same basis as normal retirement under Section 4.1 hereof.

(a) An Employee who has satisfied the service requirement for an Early Retirement Benefit and is fully vested as provided in Section 3.4, but who separates from the service (ceases to be an Employee as defined herein) before satisfying the age requirement for such Early Retirement Benefit, is entitled upon satisfaction of said age requirement to receive a benefit not less than the benefit to which he would be entitled at age 58, reduced as provided in Section 4.3.

Effective July 1, 2019, Section 4.3 Early Retirement, will be amended and shall provide as follows:

**4.3 Early Retirement.** The monthly retirement benefit of an Employee eligible for retirement benefits and who has applied therefor for commencement on or after age fifty-five (55) years, and prior to age fifty-eight (58) years shall be computed on the same basis as "Normal Retirement" under Section 4.1, reduced by five-ninths of one percent (5/9<sup>th</sup> of 1%) for each month that the early retirement date is prior to the first (1<sup>st</sup>) of the month next following the fifty-eighth (58<sup>th</sup>) birthday.

(a) Effective for Annuity Starting Dates on and after July 1, 2019, the monthly retirement benefit of Participant eligible for retirement benefits and who has applied therefor for commencement on or after age fifty-five (55) years, and prior

to age fifty-eight (58) years shall be the Actuarial Equivalent of the "Normal Retirement" under Section 4.1

Effective July 1, 2019, Section 4.4 Disability Retirement, will be amended, and shall provide as follows:


**4.4 Disability Retirement.**

- (a) There shall be no disability retirement benefits for an employee who has less than five (5) years of Credited Service at the time of disability.
- (b) For disability retirements prior to July 1, 2019, the retirement benefit of an Employee who is eligible and has applied for disability retirement and who has five (5) or more years of Credited Service under the Plan shall be a monthly pension equal to his Accrued Benefit as of the date of disability, reduced by five-ninths of one percent (5/9<sup>th</sup> of 1%) for each month that the disability retirement date is prior to the first day of the month next following the participant's 58<sup>th</sup> birthday. The reduction is based on the participant's age as of the date of the disability. There shall be no further reduction for those below age 55.
- (c) Effective for disability applications received on or after July 1, 2019, the retirement benefit of an Employee who is eligible and has applied for disability retirement and who has five (5) or more years of Credited Service under the Plan shall be a monthly pension equal to the Actuarial Equivalent of his Accrued Benefit as of the date of disability.

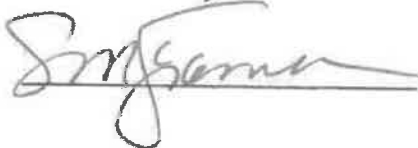
\* \* \* \*

IN WITNESS WHEREOF, the undersigned do hereby cause this Amendment to be duly executed this 18<sup>th</sup> day of June, 2019.

**EMPLOYER TRUSTEES**

  
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**UNION TRUSTEES**

  
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**AMENDMENT NO. 11  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective on the date shown below. The purpose of this amendment is to help ensure compliance with the definitely determinable benefit rule.

**AMENDMENT**

\* \* \* \*

Effective September 17<sup>th</sup>, 2019, a new provision will be added to **Article V COMMENCEMENT AND DURATION OF BENEFITS** as **Section 5.9 In-Service Distributions**, and shall provide as follows:

**5.9 In-Service Distributions.**

Unless otherwise allowed by the Plan, no distribution shall be made to a Participant who is employed in any capacity by a contributing Employer at the time of distribution. In the event the Board learns that a Participant did not experience a bona-fide separation of employment or returned to work within 60 days of his or her retirement, all benefit payments will be terminated. Any benefits received will be treated as an overpayment and recovered, with interest, by any means the Board deems reasonable.

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 17<sup>th</sup> day of September, 2019.

**EMPLOYER TRUSTEES**

  
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**UNION TRUSTEES**

  
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**AMENDMENT NO. 12  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective on the date shown below. The purpose of this amendment is to amend the disability provision of the plan in light of the Plan's MPRA suspension application.

**AMENDMENT**

\* \* \* \*

Effective February 20<sup>th</sup>, 2020, **Section 4.4 Disability Retirement**, will be amended, and shall provide as follows:

**4.4 Disability Retirement.**

- (a) There shall be no disability retirement benefits for a Participant who has less than five (5) years of Credited Service at the time of disability.
- (b) For disability retirements prior to July 1, 2019, the retirement benefit of a Participant who is eligible and has applied for disability retirement and who has five (5) or more years of Credited Service under the Plan shall be a monthly pension equal to his Accrued Benefit as of the date of disability, reduced by five-ninths of one percent (5/9<sup>th</sup> of 1%) for each month that the disability retirement date is prior to the first day of the month next following the Participant's 58<sup>th</sup> birthday. The reduction is based on the Participant's age as of the date of the disability. There shall be no further reduction for those below age 55.
- (c) Effective for disability applications received on or after July 1, 2019, the retirement benefit of a Participant who is eligible and has applied for disability retirement and who has five (5) or more years of Credited Service under the Plan shall be a monthly pension equal to the Participant's Accrued Benefit actuarially reduced to reflect commencement prior to his Normal Retirement Date.
- (d) Effective for disability applications received on or after April 1, 2020, the benefits payable to a Participant who is eligible and has applied for disability retirement and who has five (5) or more years of Credited Service under the Plan shall be equal to the amount described in 4.4(c), with benefits accrued through March 31, 2020 being further reduced by 45%.



**AMENDMENT NO. 13  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective on the date shown below. The purpose of this amendment is to amend the payment options offered by the Plan.

**AMENDMENT**

\* \* \* \*

Effective February 20, 2020, **Section 6.3 Qualified Optional Survivor Annuity ("QOSA")** and **Section 6.4 Joint and Survivor Pension "Pop-up"**, shall be amended and provide as follows:

**6.3 Qualified Optional Survivor Annuity ("QOSA").**

(a) A Participant who is eligible for the Qualified Joint and One-Half Survivor Annuity and who retires on or after January 1, 2009 and prior to April 1, 2020 may elect to receive his pension benefit in the form of a Qualified Optional Survivor Annuity under the Plan. By filing a timely Qualified Election with the Plan, a Participant may choose to have benefits paid in the form of:

- (1) A Qualified Joint & Two-Thirds (66 2/3%) Survivor Annuity;
- (2) A Qualified Joint & Three-Fourths (75%) Survivor Annuity;
- (3) A Qualified Joint & Full (100%) Survivor Annuity.

Under each QOSA, a reduced amount shall be paid to the Participant for his lifetime and if the Participant predeceases his Spouse, the eligible Spouse shall be entitled to receive the applicable percentage of the QOSA (66 2/3%, 75%, or 100%) chosen based on the reduced lifetime amount payable to the Participant.

(b) For annuity starting dates on or after April 1, 2020, a Participant who is eligible for the Qualified Joint and One-Half Survivor Annuity may elect to receive his pension benefit in the form of a Qualified Optional Survivor Annuity under the Plan. By filing a timely Qualified Election with the Plan, a Participant may choose to have benefits paid in the form of:

- (1) A Qualified Joint & Three-Fourths (75%) Survivor Annuity;

(2) A Qualified Joint & Full (100%) Survivor Annuity.

Under each QOSA, a reduced amount shall be paid to the Participant for his lifetime and if the Participant predeceases his Spouse, the eligible Spouse shall be entitled to receive the applicable percentage of the QOSA (75% or 100%) chosen based on the reduced lifetime amount payable to the Participant.

- (c) The last payment of a QOSA benefit shall be made as of the first day of the month in which the later of the death of the Participant or the survivor occurs. The general terms and conditions for the Surviving Spouse under the Plan shall apply to all QOSA forms of payment.
- (d) All references in this Plan Document to the Qualified Joint and One-Half Survivor Annuity, or QJSA, shall now be references to all of the QOSA forms of payment unless otherwise clearly apparent in the context of the Plan Document that such reference shall not include QOSA forms of payment.

**6.4 Joint and Survivor Pension “Pop-up.”**

For annuity starting dates prior to April 1, 2020, the Plan allows for a “pop-up” option under which a Participant selecting any Joint and Survivor Annuity form of payment may further elect the feature that if the Spouse should predecease the Retiree, then the benefit subsequently payable to the Retiree shall revert back to the pension amount that would have been payable had the form of benefit payment originally been a Life Annuity. This benefit will be the Actuarial Equivalent of the pension that would otherwise be payable to the Participant, assuming the Normal Form of payment as described in Section 4.1.

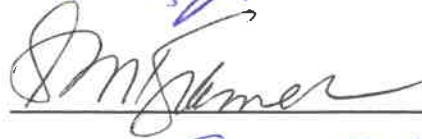
For annuity starting dates on or after April 1, 2020, the “pop-up” option is eliminated from the Plan.

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 20<sup>th</sup> day of February, 2020.

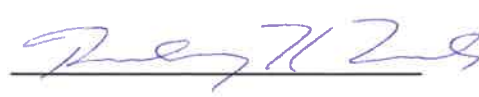
**EMPLOYER TRUSTEES**

  
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**UNION TRUSTEES**

  
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**AMENDMENT NO. 14  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective on the date shown below. The purpose of this amendment is to amend the plan to implement the benefit suspension, as described in the Plan's MPRA application.

\* \* \* \*

Effective March 31, 2020, **Section 4.8 Implementation of Benefit Suspensions**, will be added to the Plan, and shall provide as follows:

**4.8 Implementation of Benefit Suspensions**. Effective March 31, 2020, the monthly benefit earned through March 31, 2020 of any Participant, Beneficiary, or any other individual entitled to or receiving a benefit from the Plan shall be adjusted for payments after the effective date as follows:

- (a) For any Participant, Beneficiary or other individual that commenced payment from the Plan prior to April 1, 2020, the monthly benefit of any Participant, Beneficiary or other individual shall be further reduced by forty-five percent (45%).
- (b) For any Participant, Beneficiary or other individual that commences payment from the Plan on or after April 1, 2020, the monthly benefit of such Participant, Beneficiary or other individual accrued through March 31, 2020, shall be reduced by forty-five percent (45%).
- (c) The adjustment made to monthly benefits pursuant to this Section 4.8 shall be limited to benefits accrued through March 31, 2020, and shall not apply to, nor adjust, any benefits accrued on or after April 1, 2020.

\* \* \* \*

Effective March 31, 2020, **Section 4.9 Application of Benefit Suspensions to Qualified Domestic Relations Orders**, will be added to the Plan, and shall provide as follows:

**4.9 Application of Benefit Suspensions to Qualified Domestic Relations Orders.**

Section 4.9 shall be applied to any alternate payee who has been assigned a separate interest in a Participant's benefits via a Qualified Domestic Relations Order ("QDRO"), without regard to whether the alternate payee has or has not yet commenced benefits as of March 31, 2020.

Each alternate payee subject to this Section 4.9 shall be treated as an "other individual" as set forth in Section 4.8, and shall be subject to the benefit suspensions set forth therein, including the application of any actuarial reductions applicable to the commencement of benefits prior to Normal Retirement Date.

Any alternate payee who has been assigned a shared interest in a Participant's pension benefit, where such interest is set forth in the QDRO as a percentage of the Participant's monthly benefit, shall be subject to a pro rata share of the reductions applied to the Participant's benefit under Section 4.8.

\* \* \* \*

Effective March 31, 2020, **Section 4.10 Limitations on Application of Benefit Suspensions**, will be added to the Plan, and shall provide as follows:

**4.10 Limitations of Application of Benefit Suspensions.** The application of any reduction pursuant to Section 4.8 and 4.9 to any Participant, Beneficiary, or other individual's monthly benefit shall be limited by the following:

- (a) No Participant, Beneficiary or other individual's monthly benefit shall be reduced to more than to 110% of the amount of payment the Participant, Beneficiary or other individual would receive from the Pension Benefit Guaranty Corporation under its multiemployer guarantee program under ERISA §4022A if the Plan went insolvent, as described by and applied in compliance with Treas. Reg.

§1.432(e)(9)-I(d)(2);

- (b) No Participant, Beneficiary or other individual who has attained age 75 as of March 31, 2020, shall have his or her monthly benefit reduced below the applicable percentage as described by and in compliance with Treas. Reg. §1.432(e)(9)-I(d)(3); and
- (c) No Participant, or their Beneficiary, who received a Disability Benefit under Section 3.4 of the Plan shall have his or her monthly benefit reduced under Section 4.10 pursuant to the limitations described in and imposed by Treas. Reg. §1.432(e)(9)-I(d)(4).

\* \* \* \*

Effective March 31, 2020, **Section 4.11 Cessation of Benefit Suspensions**, will be added to the Plan, and shall provide as follows:

**4.11 Cessation of Benefit Suspensions.** The suspension and reduction of benefits set forth in Sections 4.8 through 4.10 of the Plan shall cease as of the first day of the first Plan Year following the Plan Year in which the Board of Trustees fails to maintain a written determination that both:

- (a) All reasonable measures to avoid insolvency continue to be taken during the period of benefit suspension; and
- (b) The Plan would not be projected to avoid insolvency if no suspension of benefits were applied under Sections 4.8 through 4.10 of the Plan.

\* \* \* \*

Effective March 31, 2020, **Section 4.12 Limitation of Future Benefit Improvements**, will be added to the Plan, and shall provide as follows:

**4.12 Limitation of Future Benefit Improvements.** Any future improvements to the Accrued Benefit of any Participant, Beneficiary or Alternate Payee, including, but not limited to any subsidy, shall satisfy the requirements of Section 432(e)(9) of the Code, and the regulations promulgated thereunder.

\* \* \* \*

Effective March 31, 2020, **Section 4.13 Modification of Amendments**, will be added to the Plan, and shall provide as follows:

**4.13 Modification of Amendments.** Notwithstanding any other provision of the Plan to the contrary, Sections 4.8 through Section 4.12 shall not be amended except in accordance with the cessation of the suspension of benefits pursuant to Section 432(e)(9) of the Code, and the regulations promulgated thereunder.

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 31<sup>st</sup> day of March, 2020.

**EMPLOYER TRUSTEES**

**UNION TRUSTEES**

/s/ Tom Dalton

/s/ Rodney Toole

/s/ Steve Kramer

/s/ Brandon Burke

/s/ Daniel Imbus

\_\_\_\_\_

-Signed Electronically due to meeting restrictions related to COVID-19 pandemic

**AMENDMENT NO. 15  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. The Board of Trustees has been granted the authority under the terms of the governing Trust document to amend the Plan and upon consultation with their professional advisors find it necessary to amend the Plan to update the suspension of benefit provisions.

**AMENDMENT**

\* \* \* \*

Effective July 1, 2020 Section 5.3 of the Plan shall be amended to provide as follows:

**5.3 Suspension or Loss of Benefits.**

- (a) A retired Employee who withdraws from retirement by working in disqualifying employment shall be prohibited from receiving or being entitled to any pension benefits for any month during which he is not in retirement. Disqualifying employment shall be construed to mean working in the industry or trade in any one or more of the following circumstances:
- (1) Employment by any contributing Employer in any position under the jurisdiction of the Union;
  - (2) Employment by any entity in the same business as any contributing Employer;
  - (3) Self-employment in the same business as any contributing Employer;
  - (4) Employment or self-employment in any business which is or may be under the jurisdiction of the Union.

A Retiree will become disqualified by working more than 40 hours per month and shall have his benefits suspended for every month he was so employed. Pension benefits shall be adjusted at the end of the Plan Year in which re-employment was terminated to include the adjusted age of the Participant, and any contributions received on account of the Participant during such period of re-employment. Benefits will be adjusted as of the March 1st following the end of each Plan Year.

- (b) Any provision of the Plan notwithstanding, effective July 1, 2020, a Retiree working for a contributing Employer or any other position likely to generate or sustain contributions to the Plan may perform such employment for no more than 468 hours in a Plan Year.

(c) Any provision of this Article notwithstanding, the Board of Trustees may declare a temporary moratorium on the Suspension of Retirement Benefit Rules when they determine such action is in the best interest of the participants and beneficiaries. Previously a moratorium had been declared for the period of April 1, 2018 through December 31, 2018 for any Retiree with an Annuity Starting Date prior to March 1, 2018 who returned to work in the circumstances listed in Section 5.3(a)(1); employment by any contributing Employer in any position under the jurisdiction of the Union, subject to such other terms and conditions as may be mandated by the Board of Trustees. The Board of Trustees then extended the moratorium through December 31, 2019, for those with an Annuity Starting Date prior to December 1, 2018. At the discretion of the Trustees, the moratorium provided herein may be extended.

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 16<sup>th</sup> day of June, 2020.

EMPLOYER TRUSTEES

UNION TRUSTEES

/s/ Tom Dalton

/s/ Rodney Toole

/s/ Daniel Imbus

/s/ Brandon Burke

/s/ Steve Kramer

\_\_\_\_\_

**AMENDMENT NO. 16  
TO THE ROOFERS LOCAL 42  
PENSION PLAN**

**PREAMBLE**

The Board of Trustees has approved a Restated Plan Document with an effective date of January 1, 2015. In accordance with the authority contained in Section 10.1 of the Plan Document, the following amendment shall be made effective January 1, 2020. Pending further guidance from Treasury, the purpose of this amendment is to comply with the SECURE Act.

\* \* \* \*

The following Sections of the Plan will be modified to read as follows:

**1.8** The term “Beneficiary” as used herein shall mean a person designated by a Participant or by the terms of the Plan who is or may become entitled to a benefit thereunder. For purposes of the Required Minimum Distribution rules, the individual who is designated as the Beneficiary under the plan is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation §1.401(a)(9)-4, Q&A-1.

**1.27** As set forth in Code Section 401(a)(9)(C) and applicable regulations, for a Participant who is not a 5% owner of a contributing Employer, the Required Beginning Date is April 1 following the calendar year in which the later occurs: (1) the Participant attains 72; or (2) the Participant retires. For a 5% owner, the Required Beginning Date is April 1 of the calendar year in which he attained 72, regardless of whether the Participant has retired.

(a) For periods prior to January 1, 2020, the Required Beginning Date is April 1 following the calendar year in which the later occurs: (1) the Participant attains 70 1/2; or (2) the Participant retires. For a 5% owner, the Required Beginning Date is April 1 of the calendar year in which he attained 70 1/2, regardless of whether the Participant has retired.

**5.1 Commencement of Benefits.** Retirement benefits shall commence on the first (1<sup>st</sup>) of the month following the date a written application is filed with the Trustees. In any event, benefits shall commence within sixty (60) days of the end of the Plan Year in which the latest of the following three events occur:

- (a) Attainment of age fifty-eight (58);
- (b) The fifth (5<sup>th</sup>) anniversary of participation in the Plan;
- (c) Termination of employment under the Plan.

Notwithstanding the foregoing, the failure of a Participant and spouse to consent to a distribution while a benefit immediately distributable, shall be deemed to be an election to defer commencement of payment of any benefit.

**5.8 Mandatory Distributions to Participants**

Notwithstanding any other provision in the Plan, payment of benefits shall not be suspended after April 1 following the year in which the Participant reaches the Required Beginning Date whether or not he is still working in Covered Employment. However, benefits for such work will continue to accrue, with such accruals to be paid as of January 1 following the year in which they were earned.

\* \* \* \*

**IN WITNESS WHEREOF**, the undersigned do hereby cause this Amendment to be duly executed this 15<sup>th</sup> day of September, 2020.

**EMPLOYER TRUSTEES**

**UNION TRUSTEES**

/s/ Tom Dalton

/s/ Rodney Toole

/s/ Daniel Imbus

/s/ Brandon Burke

/s/ Steve Kramer

\_\_\_\_\_

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 13 2015**

COMPOSITION ROOFERS LOCAL 42  
PENSION FUND  
C/O LEDBETTER PARISI SOLLARS LLC  
RACHEL PARISI  
9240 MARKETPLACE DR  
MIAMISBURG, OH 45342

Employer Identification Number:  
31-6127285

DLN:  
17007248051024

Person to Contact:  
RUTH CHEN

ID# [REDACTED]

Contact Telephone Number:  
(626) 927-1423

Plan Name:  
COMPOSITION ROOFERS LOCAL 42  
PENSION FUND  
Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provides examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter gives no reliance for any qualification change that becomes effective, any guidance published, or any statutes enacted, after the issuance of the Cumulative List (unless the item has been identified in the Cumulative List) for the cycle under which this application was submitted.

This determination letter is applicable for the amendment(s) executed on 2-3-10/8-4-10.

This determination letter is also applicable for the amendment(s) dated on 10-13-10/8-29-12.

This determination letter is also applicable for the amendment(s) dated on

Letter 2002

COMPOSITION ROOFERS LOCAL 42

11-19-13/2-19-14.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated 3-27-15. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code section 401(b).

This letter may not be relied on after the end of the plan's first five-year remedial amendment cycle that ends more than 12 months after the application was received. This letter expires on January 31, 2020. This letter considered the 2013 Cumulative List of Changes in Plan Qualification Requirements.

The information on the enclosed addendum is an integral part of this determination. Please be sure to read and keep it with this letter.

We have sent a copy of this letter to your representative as indicated in the Form 2848 Power of Attorney or appointee as indicated by the Form 8821 Tax Information Authorization.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely,



Karen D. Truss  
Director, EP Rulings & Agreements

Enclosures:  
Publication 794  
Addendum

COMPOSITION ROOFERS LOCAL 42

This determination letter does not provide reliance for any portion(s) of the document that incorporates the terms of an auxiliary agreement (collective bargaining, reciprocity and/or participation agreement), unless the exact language of the section(s) that is being incorporated by reference to the auxiliary agreement has been appended to the document.

This letter is also applicable for amendment adopted on 8-19-14.



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number  
 [REDACTED]

Statement Period  
 June 1-30, 2022

Need help reading this statement?  
 Visit [www.schwab.com/StatementUserGuide](http://www.schwab.com/StatementUserGuide) for more information.

**Your Independent Investment Manager and/or Advisor**

FUND EVALUATION GROUP LLC  
 ATTN: LORRAINE FRANZ  
 201 E 5TH ST STE 1600  
 CINCINNATI OH 45202-4156

*The custodian of your brokerage account is: Charles Schwab & Co., Inc.*

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M RING & S THOMAS & A WATTS TT  
 COMPOSITION ROOFERS LOCAL #42  
 U/A DTD 11/01/1968  
 205 W 4TH ST, STE 225  
 CINCINNATI OH 45202



Schwab One® Trust Account of  
M RING & S THOMAS & A WATTS TT  
COMPOSITION ROOFERS LOCAL #42  
U/A DTD 11/01/1968

Account Number

Statement Period  
June 1-30, 2022

## Terms and Conditions

### GENERAL INFORMATION AND KEY TERMS:

This Account statement is furnished solely by Charles Schwab & Co., Inc. ("Schwab") for your Account at Schwab ("Account"). Unless otherwise defined herein, capitalized terms have the same meanings as in your Account Agreement. If you receive any other communication from any source other than Schwab which purports to represent your holdings at Schwab (including balances held at a Depository Institution) you should verify its content with this statement.

**AIP (Automatic Investment Plan) Customers:** Schwab receives remuneration in connection with certain transactions effected through Schwab. If you participate in a systematic investment program through Schwab, the additional information normally detailed on a trade confirmation will be provided upon request.

**Average Daily Balance:** Average daily composite of all cash balances that earn interest and all loans from Schwab that are charged interest.

**Bank Sweep and Bank Sweep for Benefit Plans Features:** Schwab acts as your agent and custodian in establishing and maintaining your Deposit Account(s) as a feature of your brokerage account(s). Deposit accounts held through bank sweep features constitute direct obligations of one of more FDIC insured banks ("Affiliated Banks") that are affiliated with Schwab and are not obligations of Schwab. Funds swept to Affiliated Banks are eligible for deposit insurance from the FDIC up to the applicable limits for each bank for funds held in the same insurable capacity. The balance in the Deposit Accounts can be withdrawn on your order and the proceeds returned to your brokerage account or remitted to you as provided in your Account Agreement. For information on FDIC insurance and its limits, as well as other important disclosures about the bank sweep feature(s) in your account, please refer to the Cash Features Disclosure Statement available online or from a Schwab representative.

**Cash:** Any Free Credit Balance owed by us to you payable upon demand which, although accounted for on our books of record, is not segregated and may be used in the conduct of this firm's business.

**Dividend Reinvestment Customers:** Dividend reinvestment transactions were effected by Schwab acting as a principal for its own account, except for the reinvestment of Schwab dividends, for which an independent broker-dealer acted as the buying agent. Further information on these transactions will be furnished upon written request.

**Interest:** For the Schwab One Interest, Bank Sweep, and Bank Sweep for Benefit Plans features, interest is paid for a period that may differ from the Statement Period. Balances include interest paid as indicated on your statement by Schwab or one or more of its Affiliated Banks. These balances do not include interest that may have accrued during the Statement Period after interest is paid. The interest paid may include interest that accrued in the prior Statement Period. For the Schwab One Interest feature, interest accrues daily from the second-to-last business day of the prior month and is posted on the second-to-last business day of the current month. For the bank sweep feature(s), interest accrues daily from the 16th day of the prior month and is credited/posted on the first business day after the 15th of the current month.

If, on any given day, the interest that Schwab calculates for the Free Credit Balances in the Schwab One Interest feature in your brokerage account is less than \$.005, you will not accrue any interest on that day. For balances held at banks affiliated with Schwab in the Bank Sweep and Bank Sweep for Benefit Plans features, interest will accrue even if the amount is less than \$.005.

**Margin Account Customers:** This is a combined statement of your margin account and special memorandum account maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection.

Securities purchased on margin are Schwab's collateral for the loan to you. It is important that you fully understand the risks involved in trading securities on margin. These risks include:

- You can lose more funds than you deposit in the margin account.
- Schwab can force the sale of securities or other assets in any of your account(s) to maintain the required account equity without contacting you.
- You are not entitled to choose which assets are liquidated nor are you entitled to an extension of time on a margin call.
- Schwab can increase both its "house" maintenance margin requirements and the maintenance margin requirements for your Account at any time without advance written notice to you.

**Market Price:** The most recent price evaluation available to Schwab on the last business day of the report period, normally the last trade price or bid as of market close. Unpriced securities denote that no market evaluation update is currently available. Price evaluations are obtained from outside parties. Schwab shall have no responsibility for the accuracy or timeliness of any such valuations. Pricing of assets not held at Schwab is for informational purposes only. Some securities, especially thinly traded equities in the OTC market or foreign markets, may not report the most current price and are indicated as Stale Priced. For Limited Partnerships and Real Estate Investment Trust (REIT) securities, you may see that the value reflected on your monthly account statement for this security is unpriced. NASD rules require that certain Limited Partnerships (direct participation programs) and Real Estate Investment Trust (REIT) securities, that have not been priced within 18 months, must show as unpriced on customer statements. Note that these securities are generally illiquid, the value of the securities will be different than its purchase price, and, if applicable, that accurate valuation information may not be available.

**Market Value:** The Market Value is computed by multiplying the Market Price by the Quantity of Shares. This is the dollar value of your present holdings in your specified Schwab Account or a summary of the Market Value summed over multiple accounts.

**Non-Publicly Traded Securities:** All assets shown on this statement, other than certain direct investments which may be held by a third party, are held in your Account. Values of certain Non-Publicly Traded Securities may be furnished by a third party as provided by Schwab's Account Agreement. Schwab shall have no responsibility for the accuracy or timeliness of such valuations. The Securities Investor Protection Corporation (SIPC) does not cover many limited partnership interests.

**Schwab Sweep Money Funds:** Includes the primary money market funds into which Free Credit Balances may be automatically invested pursuant to your Account Agreement. Schwab or an affiliate acts and receives compensation as the Investment Advisor, Transfer Agent, Shareholder Service Agent and Distributor for the Schwab Sweep Money Funds. The amount of such compensation is disclosed in the prospectus. The yield information for Schwab Sweep Money Funds is the current 7-day yield as of the statement period. Yields vary. If on any given day, the accrued daily dividend for your selected sweep money fund as calculated for your account is less than 1/2 of 1 cent (\$.005), your account will not earn a dividend for that day. In addition, if you do not accrue at least 1 daily dividend of \$.01 during a pay period, you will not receive a money market dividend for that period. Schwab and the Schwab Sweep Money Funds investment advisor may be voluntarily reducing a portion of a Schwab Sweep Money Fund's expenses. Without these reductions, yields would have been lower.

**Securities Products and Services:** Securities products and services

are offered by Charles Schwab & Co., Inc., Member SIPC. Securities products and services, including unswept intraday funds and net credit balances held in brokerage accounts are not deposits or other obligations of, or guaranteed by, any bank, are not FDIC insured, and are subject to investment risk and may lose value. SIPC does not cover balances held at banks affiliated with Schwab in the Bank Sweep and Bank Sweep for Benefit Plans features. Please see your Cash Feature Disclosure Statement for more information on insurance coverage. **Yield to Maturity:** This is the actual average annual return on a note if held to maturity.

**Gain (or Loss):** Unrealized Gain or (Loss) and Realized Gain or (Loss) sections ("Gain/Loss Section(s)") contain a gain or a loss summary of your Account. This information has been provided on this statement at the request of your Advisor, if applicable. This information is not a solicitation or a recommendation to buy or sell. Schwab does not provide tax advice and encourages you to consult with your tax professional. Please view the Cost Basis Disclosure Statement for additional information on how gain (or loss) is calculated and how Schwab reports adjusted cost basis information to the IRS.

**Accrued Income:** Accrued Income is the sum of the total accrued interest and/or accrued dividends on positions held in your Account, but the interest and/or dividends have not been received into your account. Schwab makes no representation that the amounts shown (or any other amount) will be received. Accrued amounts are not covered by SIPC account protection until actually received and held in the Account.

**IN CASE OF ERRORS OR DISCREPANCIES:** If you find an error or discrepancy relating to your brokerage activity (other than an electronic fund transfer) you must notify us promptly, but no later than 10 days after this statement is sent or made available to you. If this statement shows that we have mailed or delivered security certificate(s) that you have not received, notify Schwab immediately. You may call us at 800-435-4000. (Outside the U.S., call +1-415-667-8400.) If you're a client of an independent investment advisor, call us at 800-515-2157. Any oral communications should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). If you do not so notify us, you agree that the statement activity and Account balance are correct for all purposes with respect to those brokerage transactions.

**IN CASE OF COMPLAINTS:** If you have a complaint regarding your Schwab statement, products or services, please write to the Client Advocacy Team at Charles Schwab & Co., Inc., Attention: Client Advocacy Team, 211 Main St., San Francisco, CA 94105, USA, or call Schwab Signature Alliance at 800-515-2157.

**Address Changes:** If you fail to notify Schwab in writing of any change of address or phone number, you may not receive important notifications about your Account, and trading or other restrictions might be placed on your Account.

### Additional Information:

We are required by law to report to the Internal Revenue Service adjusted cost basis information (if applicable), certain payments to you and credits to your Account during the calendar year. Retain this statement for income tax purposes. A financial statement for your inspection is available at Schwab's offices or a copy will be mailed to you upon written request. Any third party trademarks appearing herein are the property of their respective owners. Schwab and Charles Schwab Bank are affiliates of each other and subsidiaries of the Charles Schwab Corporation.

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Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
U/A DTD 11/01/1968

Account Number



Statement Period  
June 1-30, 2022

**Account Value as of 06/30/2022: \$ 21,514,152.54**

| <b>Change in Account Value</b>       | <b>This Period</b>       | <b>Year to Date</b>      |
|--------------------------------------|--------------------------|--------------------------|
| <b>Starting Value</b>                | <b>\$ 23,053,725.39</b>  | <b>\$ 26,585,363.40</b>  |
| Credits                              | 395,260.46               | 527,239.75               |
| Debits                               | (300,000.00)             | (910,813.92)             |
| Transfer of Securities (In/Out)      | 0.00                     | 0.00                     |
| Income Reinvested                    | (95,310.16)              | (216,473.85)             |
| Change in Value of Investments       | (1,539,523.15)           | (4,471,162.84)           |
| <b>Ending Value on 06/30/2022</b>    | <b>\$ 21,514,152.54</b>  | <b>\$ 21,514,152.54</b>  |
| <b>Total Change in Account Value</b> | <b>\$ (1,539,572.85)</b> | <b>\$ (5,071,210.86)</b> |

| <b>Asset Composition</b>   | <b>Market Value</b>     |
|----------------------------|-------------------------|
| Bank Sweep <sup>A,B</sup>  | \$ 335,726.88           |
| Bond Funds                 | 5,849,155.02            |
| Equity Funds               | 15,329,270.64           |
| <b>Total Assets Long</b>   | <b>\$ 21,514,152.54</b> |
| <b>Total Account Value</b> | <b>\$ 21,514,152.54</b> |



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number

Statement Period  
 June 1-30, 2022

| Gain or (Loss) Summary | Realized Gain or (Loss) This Period |             | Unrealized Gain or (Loss) |
|------------------------|-------------------------------------|-------------|---------------------------|
|                        | Short Term                          | Long Term   |                           |
| <b>All Investments</b> | \$0.00                              | \$38,810.79 | \$3,727,711.45            |

Values may not reflect all of your gains/losses; Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis may be incomplete or unavailable for some of your holdings and may change or be adjusted in certain cases. Statement information should not be used for tax preparation, instead refer to official tax documents. For additional information refer to Terms and Conditions.

| Income Summary                    | This Period          |                   | Year to Date         |                   |
|-----------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                   | Federally Tax-Exempt | Federally Taxable | Federally Tax-Exempt | Federally Taxable |
| Bank Sweep Interest               | 0.00                 | 0.30              | 0.00                 | 1.98              |
| Cash Dividends                    | 0.00                 | 95,310.16         | 0.00                 | 222,603.35        |
| Total Capital Gains Distributions | 0.00                 | 0.00              | 0.00                 | 4,684.42          |
| <b>Total Income</b>               | <b>0.00</b>          | <b>95,310.46</b>  | <b>0.00</b>          | <b>227,289.75</b> |

| Cash Transactions Summary            | This Period          | Year to Date         |
|--------------------------------------|----------------------|----------------------|
| <b>Starting Cash *</b>               | <b>\$ 35,796.58</b>  | <b>\$ 35,814.90</b>  |
| Deposits and other Cash Credits      | 299,950.00           | 299,950.00           |
| Investments Sold                     | 299,980.00           | 910,773.92           |
| Dividends and Interest               | 95,310.46            | 216,475.83           |
| Withdrawals and other Debits         | (300,000.00)         | (900,000.00)         |
| Investments Purchased                | (95,310.16)          | (227,287.77)         |
| Fees and Charges                     | 0.00                 | 0.00                 |
| <b>Total Cash Transaction Detail</b> | <b>299,930.30</b>    | <b>299,911.98</b>    |
| <b>Ending Cash *</b>                 | <b>\$ 335,726.88</b> | <b>\$ 335,726.88</b> |

\*Cash (includes any cash debit balance) held in your account plus the value of any cash invested in a sweep money fund.



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number  
 [REDACTED]

Statement Period  
 June 1-30, 2022

### Investment Detail - Bank Sweep

| Bank Sweep                             | Starting Balance | Ending Balance    |
|--|------------------|-------------------|
| CHARLES SCHWAB BANK                    | 35,796.58        | 249,000.00        |
| CHARLES SCHWAB TRUST BANK              | 0.00             | 86,726.88         |
| <b>Total Bank Sweep <sup>A,B</sup></b> | <b>35,796.58</b> | <b>335,726.88</b> |
| <b>Total Bank Sweep</b>                |                  | <b>335,726.88</b> |

### Investment Detail - Mutual Funds

| Bond Funds   | Quantity            | Market Price | Market Value        | Cost Basis          | Unrealized Gain or (Loss) |
|--|---------------------|--------------|---------------------|---------------------|---------------------------|
| VANGUARD TOTAL BOND MARK <sup>◊</sup><br>ET INDEX ADM<br>SYMBOL: VBTLX | 590,227.5500        | 9.91000      | 5,849,155.02        | 6,484,207.14        | (635,052.12)              |
| <b>Total Bond Funds</b>  | <b>590,227.5500</b> |              | <b>5,849,155.02</b> | <b>6,484,207.14</b> | <b>(635,052.12)</b>       |

| Equity Funds   | Quantity    | Market Price | Market Value | Cost Basis | Unrealized Gain or (Loss) |
|--|-------------|--------------|--------------|------------|---------------------------|
| TORTOISE MLP & PIPELINE <sup>◊</sup><br>INSTL<br>SYMBOL: TORIX       | 64,798.9990 | 12.10000     | 784,067.89   | 777,485.08 | 6,582.81                  |
| VANGUARD REAL ESTATE IND <sup>◊</sup><br>EX ADMIRAL<br>SYMBOL: VGSLX | 7,121.7050  | 129.05000    | 919,056.03   | 849,946.95 | 69,109.08                 |



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number  
 [REDACTED]

Statement Period  
 June 1-30, 2022

**Investment Detail - Mutual Funds (continued)**

| Equity Funds (continued)                                       | Quantity            | Market Price | Market Value         | Cost Basis           | Unrealized Gain or (Loss) |
|--|---------------------|--------------|----------------------|----------------------|---------------------------|
| VANGUARD TOTAL INTL STOC ◊<br>K INDEX ADMIRAL<br>SYMBOL: VTIAK | 120,907.3210        | 27.63000     | 3,340,669.28         | 3,106,461.77         | 234,207.51                |
| VANGUARD TOTAL STOCK MKT ◊<br>IDX ADM<br>SYMBOL: VTSAX         | 112,078.8650        | 91.77000     | 10,285,477.44        | 6,232,613.27         | 4,052,864.17              |
| <b>Total Equity Funds</b>                                      | <b>304,906.8900</b> |              | <b>15,329,270.64</b> | <b>10,966,507.07</b> | <b>4,362,763.57</b>       |
| <b>Total Mutual Funds</b>                                      | <b>895,134.4400</b> |              | <b>21,178,425.66</b> | <b>17,450,714.21</b> | <b>3,727,711.45</b>       |

*Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only and are derived from information provided by outside parties. Schwab cannot guarantee the accuracy of such information. Since the interest and dividends are subject to change at any time, they should not be relied upon exclusively for making investment decisions. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.*

|                                |                      |
|--------------------------------|----------------------|
| <b>Total Investment Detail</b> | <b>21,514,152.54</b> |
| <b>Total Account Value</b>     | <b>21,514,152.54</b> |
| <b>Total Cost Basis</b>        | <b>17,450,714.21</b> |

**Realized Gain or (Loss)**

| Long Term                                       | Quantity/Par | Acquired/<br>Opened | Sold/<br>Closed | Total Proceeds | Cost Basis | Realized<br>Gain or (Loss) |
|---|--------------|---------------------|-----------------|----------------|------------|----------------------------|
| VANGUARD TOTAL BOND MARKET INDEX ADM :<br>VBTLX | 15,306.1220  | 10/18/16            | 06/17/22        | 149,990.00     | 168,185.14 | (18,195.14)                |



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number  
 [REDACTED]

Statement Period  
 June 1-30, 2022

### Realized Gain or (Loss) (continued)

| Long Term (continued)                       | Quantity/Par | Acquired/<br>Opened | Sold/<br>Closed | Total Proceeds    | Cost Basis        | Realized<br>Gain or (Loss) |
|---|--------------|---------------------|-----------------|-------------------|-------------------|----------------------------|
| VANGUARD TOTAL STOCK MKT IDX ADM :<br>VTSAX | 1,676.3520   | 10/18/16            | 06/17/22        | 149,990.00        | 92,984.07         | 57,005.93                  |
| <b>Total Long Term</b>                      |              |                     |                 | <b>299,980.00</b> | <b>261,169.21</b> | <b>38,810.79</b>           |
| <b>Total Realized Gain or (Loss)</b>        |              |                     |                 | <b>299,980.00</b> | <b>261,169.21</b> | <b>38,810.79</b>           |

Schwab has provided accurate realized gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. If all data for a given investment is not available, the investment will not be listed here.

Option Customers: Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options. Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options.

### Transaction Detail - Purchases & Sales

#### Bond Funds Activity

| Settle Date                      | Trade Dat | Transaction       | Description  | Quantity      | Unit Price | Charges and<br>Interest | Total Amount      |
|----------------------------------|-----------|-------------------|--|---------------|------------|-------------------------|-------------------|
| 06/21/22                         | 06/17/22  | Sold              | VANGUARD TOTAL BOND MARK<br>ET INDEX ADM: VBTLX<br>Includes Commission \$10.00 | (15,306.1220) | 9.8000     | 10.00                   | 149,990.00        |
| 06/30/22                         | 06/30/22  | Reinvested Shares | VANGUARD TOTAL BOND MARK<br>ET INDEX ADM: VBTLX                                | 1,177.7900    | 9.9100     | 0.00                    | (11,671.90)       |
| <b>Total Bond Funds Activity</b> |           |                   |  |               |            |                         | <b>138,318.10</b> |



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number  
 [REDACTED]

Statement Period  
 June 1-30, 2022

### Transaction Detail - Purchases & Sales (continued)

#### Equity Funds Activity

| Settle Date | Trade Date | Transaction       | Description   | Quantity     | Unit Price | Charges and Interest | Total Amount |
|-------------|------------|-------------------|---|--------------|------------|----------------------|--------------|
| 06/17/22    | 06/17/22   | Reinvested Shares | VANGUARD TOTAL INTL STOC<br>K INDEX ADMIRAL: VTIAK                        | 1,370.5660   | 27.3600    | 0.00                 | (37,498.68)  |
| 06/21/22    | 06/17/22   | Sold              | VANGUARD TOTAL STOCK MKT<br>IDX ADM: VTSAX<br>Includes Commission \$10.00 | (1,676.3520) | 89.4800    | 10.00                | 149,990.00   |
| 06/22/22    | 06/22/22   | Reinvested Shares | VANGUARD REAL ESTATE IND<br>EX ADMIRAL: VGSLX                             | 45.0900      | 126.7800   | 0.00                 | (5,716.49)   |
| 06/22/22    | 06/22/22   | Reinvested Shares | VANGUARD TOTAL STOCK MKT<br>IDX ADM: VTSAX                                | 443.7220     | 91.1000    | 0.00                 | (40,423.09)  |

|                                    |                   |
|------------------------------------|-------------------|
| <b>Total Equity Funds Activity</b> | <b>66,351.74</b>  |
| <b>Total Purchases &amp; Sales</b> | <b>204,669.84</b> |

### Transaction Detail - Deposits & Withdrawals

| Transaction Date                        | Process Date | Activity        | Description           | Location | Credit/(Debit) |
|---|--------------|-----------------|-----------------------|----------|----------------|
| 06/21/22                                | 06/21/22     | Funds Paid      | WIRED FUNDS DISBURSED |          | (300,000.00)   |
| 06/22/22                                | 06/22/22     | Misc Cash Entry | RETURNED WIRE         |          | 299,950.00     |
| <b>Total Deposits &amp; Withdrawals</b> |              |                 |                       |          | <b>(50.00)</b> |

The total deposits activity for the statement period was \$299,950.00. The total withdrawals activity for the statement period was \$300,000.00.



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
 U/A DTD 11/01/1968

Account Number  
 [REDACTED]

Statement Period  
 June 1-30, 2022

**Transaction Detail - Dividends & Interest** (including Money Market Fund dividends reinvested)

| Transaction Date                      | Process Date | Activity                     | Description                     | Credit/(Debit)    |
|---------------------------------------|--------------|------------------------------|---------------------------------|-------------------|
| 06/15/22                              | 06/16/22     | Bank Interest <sup>A,B</sup> | BANK INT [REDACTED] SCHWAB BANK | 0.30              |
| 06/17/22                              | 06/17/22     | Div For Reinvest             | VANGUARD TOTAL INTL STOC: VTIA  | 37,498.68         |
| 06/22/22                              | 06/22/22     | Div For Reinvest             | VANGUARD REAL ESTATE IND: VGSLX | 5,716.49          |
| 06/22/22                              | 06/22/22     | Div For Reinvest             | VANGUARD TOTAL STOCK MKT: VTSAX | 40,423.09         |
| 06/30/22                              | 06/30/22     | Div For Reinvest             | VANGUARD TOTAL BOND MARK: VBTX  | 11,671.90         |
| <b>Total Dividends &amp; Interest</b> |              |                              |                                 | <b>95,310.46</b>  |
| <b>Total Transaction Detail</b>       |              |                              |                                 | <b>299,930.30</b> |

**Bank Sweep for Benefit Plans Activity**

| Transaction Date                      | Transaction                  | Description                             | Withdrawal   | Deposit           | Balance <sup>A,B</sup> |
|---------------------------------------|------------------------------|---|--------------|-------------------|------------------------|
| <b>Opening Balance <sup>A,B</sup></b> |                              |   |              |                   | <b>35,796.58</b>       |
| 06/15/22                              | Interest Paid <sup>A,B</sup> | BANK INTEREST - CHARLES SCHWAB BANK     |              | 0.30              | 35,796.88              |
| 06/15/22                              | Auto Transfer                | BANK TRANSFER TO BROKERAGE              | 0.30         |                   | 35,796.58              |
| 06/17/22                              | Auto Transfer                | BANK CREDIT FROM BROKERAGE <sup>A</sup> |              | 0.30              | 35,796.88              |
| 06/22/22                              | Auto Transfer                | BANK TRANSFER TO BROKERAGE              | 20.00        |                   | 35,776.88              |
| 06/23/22                              | Auto Transfer                | BANK CREDIT FROM BROKERAGE <sup>A</sup> |              | 299,950.00        | 335,726.88             |
| <b>Total Activity</b>                 |                              |   | <b>20.30</b> | <b>299,950.60</b> |                        |
| <b>Ending Balance <sup>A,B</sup></b>  |                              |   |              |                   | <b>335,726.88</b>      |

Bank Sweep for Benefit Plans: Interest Rate as of 06/30/22 was 0.15%.<sup>B</sup>



Schwab One® Trust Account of  
**M RING & S THOMAS & A WATTS TT**  
**COMPOSITION ROOFERS LOCAL #42**  
**U/A DTD 11/01/1968**

Account Number  
[REDACTED]

Statement Period  
**June 1-30, 2022**

## Endnotes For Your Account

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### Symbol Endnote Legend

- 
- |   |   |
|---|---|
| ◇ | Dividends paid on this security will be automatically reinvested.   |
| A | Bank Sweep deposits are held at FDIC-insured bank(s) ("Banks") that are affiliated with Charles Schwab & Co., Inc.  |
| B | For Bank Sweep and Bank Sweep for Benefit Plans features, interest is paid for a period that differs from the Statement Period. Balances include interest paid as indicated on your statement by Schwab or one or more of its affiliated banks. These balances do not include interest that may have accrued during the Statement Period after interest is paid. The interest paid may include interest that accrued in the prior Statement Period. |
- 

Schwab Institutional is a division of Charles Schwab & Co., Inc., and provides back office brokerage and related services to independent investment advisors and retirement plan providers. Schwab is a registered broker-dealer and is not affiliated with your Investment Advisor whose name appears on this statement ("Advisors") except in the case of Charles Schwab Investment Advisory, Inc. ("CSIA"), Schwab Private Client Investment Advisory, Inc. ("SPCIA"), or an affiliated company that may act as the investment advisor on a fund. Schwab neither endorses nor recommends any particular Advisor or its investment strategy and has no responsibility to monitor trading by any Advisor in your Account. Schwab has not verified any statement accompanying any Advisor's logo appearing on this statement. Not all of these products and services may benefit your Account, and Schwab may provide them to Advisors on the Advisor's commitment to place a certain amount of its clients' assets in brokerage accounts at Schwab within a certain period of time. This commitment could influence an Advisor's recommendation or requirement that its clients establish brokerage accounts at Schwab. For questions about this statement, or if there is a change in your financial situation, investment objectives, or risk profile, please contact your Independent Investment Manager and/or Advisor.



P.O. Box 1800  
Saint Paul, Minnesota 55101-0800

23 IMG S Y ST01

Account Number: [REDACTED]

Statement Period:  
Jun 1, 2022  
through  
Jun 30, 2022

Page 1 of 2



000002430 01 AB 0.461 000638237911088 P Y  
COMPOSITION ROOFERS LOCAL 42  
205 W 4TH ST STE 225  
CINCINNATI OH 45202-4813



To Contact U.S. Bank

24-Hour Business

Solutions: 1-800-673-3555

U.S. Bank accepts Relay Calls

Internet: usbank.com

**PREMIUM BUSINESS CHECKING**

Member FDIC

U.S. Bank National Association

Account Number [REDACTED]

**Account Summary**

|                                       | # Items |           |             |
|---------------------------------------|---------|-----------|-------------|
| Beginning Balance on Jun 1            |         | \$        | 18,649.33   |
| Customer Deposits                     | 4       |           | 160,563.34  |
| Other Withdrawals                     | 3       |           | 179,212.67- |
| <b>Ending Balance on Jun 30, 2022</b> |         | <b>\$</b> | <b>0.00</b> |

**Customer Deposits**

| Number                         | Date   | Ref Number | Amount    | Number | Date   | Ref Number | Amount    |                   |
|--------------------------------|--------|------------|-----------|--------|--------|------------|-----------|-------------------|
|                                | Jun 9  | 8913427444 | 29,651.31 |        | Jun 21 | 8317125417 | 9,336.17  |                   |
|                                | Jun 15 | 8613591427 | 89,889.08 |        | Jun 22 | 8616358632 | 31,686.78 |                   |
| <b>Total Customer Deposits</b> |        |            |           |        |        |            | <b>\$</b> | <b>160,563.34</b> |

**Other Withdrawals**

| Date                           | Description of Transaction                      | Ref Number                                 | Amount                |
|--------------------------------|---|--|-----------------------|
| Jun 2                          | Electronic Settlement<br>REF=221530069904710Y00 | From COMP ROOFERS 42<br>SETTLEMENTSINGLEPT | \$ 18,649.15-         |
| Jun 28                         | Electronic Settlement<br>REF=221790055938600Y00 | From COMP ROOFERS 42<br>SETTLEMENTSINGLEPT | 35,110.60-            |
| Jun 28                         | Electronic Funds Transfer                       | To Account [REDACTED]                      | 125,452.92-           |
| <b>Total Other Withdrawals</b> |   |  | <b>\$ 179,212.67-</b> |

**Balance Summary**

| Date  | Ending Balance | Date   | Ending Balance | Date   | Ending Balance |
|-------|----------------|--------|----------------|--------|----------------|
| Jun 2 | 0.18           | Jun 15 | 119,540.57     | Jun 22 | 160,563.52     |
| Jun 9 | 29,651.49      | Jun 21 | 128,876.74     | Jun 28 | 0.00           |

Balances only appear for days reflecting change.



### BALANCE YOUR ACCOUNT

To keep track of all your transactions, you should balance your account every month. Please examine this statement immediately. We will assume that the balance and transactions shown are correct unless you notify us of an error.

#### Outstanding Deposits

| DATE         | AMOUNT    |
|--------------|-----------|
|              |           |
|              |           |
|              |           |
| <b>TOTAL</b> | <b>\$</b> |

#### Outstanding Withdrawals

| DATE         | AMOUNT    |
|--------------|-----------|
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
|              |           |
| <b>TOTAL</b> | <b>\$</b> |

- List any deposits that do not appear on your statement in the Outstanding Deposits section at the left. Record the total.
- Check off in your checkbook register all checks, withdrawals (including Debit Card and ATM) and automatic payments that appear on your statement. Withdrawals that are NOT checked off should be recorded in the Outstanding Withdrawals section at the left. Record the total.
- Enter the ending balance shown on this statement. \$ \_\_\_\_\_
- Enter the total deposits recorded in the Outstanding Deposits section. \$ \_\_\_\_\_
- Total lines 3 and 4. \$ \_\_\_\_\_
- Enter the total withdrawals recorded in the Outstanding Withdrawals section. \$ \_\_\_\_\_
- Subtract line 6 from line 5. This is your balance. \$ \_\_\_\_\_
- Enter in your register and subtract from your register balance any checks, withdrawals or other debits (including fees, if any) that appear on your statement but have not been recorded in your register.
- Enter in your register and add to your register balance any deposits or other credits (including interest, if any) that appear in your statement but have not been recorded in your register.
- The balance in your register should be the same as the balance shown in #7. If it does not match, review and check all figures used, and check the addition and subtraction in your register. If necessary, review and balance your statement from the previous month.

### IMPORTANT DISCLOSURES TO OUR CONSUMER CUSTOMERS

#### In Case of Errors or Questions About Your Checking, Savings, ATM, Debit Card, ACH, Bill Pay and Other Electronic Transfers

If you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, we must hear from you no later than 60 days\* after we sent you the FIRST statement on which the error or problem appeared. Telephone us at the number listed on the front of this statement or write to us at U.S. Bank, EP-MN-WS5D, 60 Livingston Ave., St. Paul, MN 55107.

- Tell us your name and account number.
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, we may take up to 45 days to investigate your complaint. For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

\*Please note: Paper draft and paper check claims must be disputed within 30 days per Your Deposit Account Agreement.

### IMPORTANT DISCLOSURES TO OUR BUSINESS CUSTOMERS

Errors related to any transaction on a business account will be governed by any agreement between us and/or all applicable rules and regulations governing such transactions, including the rules of the National Automated Clearing House Association (NACHA Rules) as may be amended from time to time. If you think this statement is wrong, please telephone us at the number listed on the front of this statement immediately.

### CONSUMER BILLING RIGHTS SUMMARY REGARDING YOUR RESERVE LINE

#### What To Do If You Think You Find A Mistake on Your Statement

If you think there is an error on your statement, write to us at:  
U.S. Bank, P.O. Box 3528, Oshkosh, WI 54903-3528.

In your letter, give us the following information:

- Account Information:** Your name and account number.
- Dollar Amount:** The dollar amount of the suspected error.
- Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

**Reserve Line Balance Computation Method:** To determine your **Balance Subject to Interest Rate**, use the dates and balances provided in the Reserve Line Balance Summary section. The date next to the first Balance Subject to Interest is day one for that balance and is applicable up to (but not including) the date of the next balance (if there is one). We multiply the Balance Subject to Interest by the number of days it is applicable and add them up to get the same number of days in the billing cycle. We then divide the result by the number of billing days in the cycle. This is your **Balance Subject to Interest Rate**. Any unpaid interest charges and unpaid fees are not included in the Balance Subject to Interest. The **\*\*\*INTEREST CHARGE\*\*\*** begins from the date of each advance.

### REPORTS TO AND FROM CREDIT BUREAUS FOR RESERVE LINES

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

### CONSUMER REPORT DISPUTES

We may report information about account activity on consumer and small business deposit accounts and consumer reserve lines to Consumer Reporting Agencies (CRA). As a result, this may prevent you from obtaining services at other financial institutions. If you believe we have inaccurately reported information to a CRA, you may submit a dispute by calling 844.624.8230 or by writing to: U.S. Bank Attn: Consumer Bureau Dispute Handling (CBDH), P.O. Box 3447, Oshkosh, WI 54903-3447. In order for us to assist you with your dispute, you must provide: your name, address and phone number; the account number; the specific information you are disputing; the explanation of why it is incorrect; and any supporting documentation (e.g., affidavit of identity theft), if applicable.





COMPOSITION ROOFERS LOCAL 42  
205 W 4TH ST STE 225  
CINCINNATI OH 45202-4813

Business Statement

Account Number: [REDACTED]

Statement Period:

Jun 1, 2022  
through  
Jun 30, 2022

Page 2 of 2



Member FDIC

Account Number [REDACTED]

IMAGES FOR YOUR PREMIUM BUSINESS CHECKING ACCOUNT

PRODUCT IMAGE DATE 06/09/2022

| CURRENCY | COIN | CHECKS  | DEBIT | CREDIT   | DATE | AMOUNT | DESCRIPTION |
|----------|------|---------|-------|----------|------|--------|-------------|
|          |      | 1643.00 |       |          |      |        | Stacker     |
|          |      | 2808.31 |       |          |      |        | Imbus       |
|          |      |         |       | 29651.31 |      |        |             |

13-1/420  
TOTAL ITEMS 2  
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.  
CHECKS AND OTHER ITEMS ARE SUBJECT TO THE FEDERAL RESERVE'S CHECKS AND OTHER ITEMS CLEARING PROCESS. YOUR BANK MAY HOLD CHECKS FOR A SHORT PERIOD OF TIME.

COMPOSITION ROOFERS LOCAL #42 PENSION PLAN

usbank. All of us serving you

⑆54⑆2⑆0032⑆ [REDACTED]

0000 Jun 09 29,651.31

06092022 10:33 AM EDT 000400251

[REDACTED] USB >091000022<

06092022 10:33 AM EDT 0004002500001

PRODUCT IMAGE DATE 06/15/2022

| CURRENCY | COIN | CHECKS  | DEBIT | CREDIT   | DATE | AMOUNT | DESCRIPTION |
|----------|------|---------|-------|----------|------|--------|-------------|
|          |      | 2377.60 |       |          |      |        | Stacker     |
|          |      | 2534.51 |       |          |      |        | Dalton      |
|          |      | 4972.52 |       |          |      |        | Kelley      |
|          |      | 1155.96 |       |          |      |        | Keith       |
|          |      | 5190.43 |       |          |      |        | Lutz/Kramer |
|          |      | 4592.98 |       |          |      |        | Toy Refund  |
|          |      |         |       | 89889.08 |      |        |             |

13-1/420  
TOTAL ITEMS 6  
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.  
CHECKS AND OTHER ITEMS ARE SUBJECT TO THE FEDERAL RESERVE'S CHECKS AND OTHER ITEMS CLEARING PROCESS. YOUR BANK MAY HOLD CHECKS FOR A SHORT PERIOD OF TIME.

COMPOSITION ROOFERS LOCAL #42 PENSION PLAN

usbank. All of us serving you

⑆54⑆2⑆0032⑆ [REDACTED]

0000 Jun 15 89,889.08

06152022 02:28 PM EDT 000400771

[REDACTED] USB >091000022<

06152022 02:28 PM EDT 0004007700001

PRODUCT IMAGE DATE 06/21/2022

| CURRENCY | COIN | CHECKS  | DEBIT | CREDIT  | DATE | AMOUNT | DESCRIPTION |
|----------|------|---------|-------|---------|------|--------|-------------|
|          |      | 9336.17 |       |         |      |        | Awerral     |
|          |      |         |       | 9336.17 |      |        |             |

13-1/420  
TOTAL ITEMS 1  
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.  
CHECKS AND OTHER ITEMS ARE SUBJECT TO THE FEDERAL RESERVE'S CHECKS AND OTHER ITEMS CLEARING PROCESS. YOUR BANK MAY HOLD CHECKS FOR A SHORT PERIOD OF TIME.

COMPOSITION ROOFERS LOCAL #42 PENSION PLAN

usbank. All of us serving you

⑆54⑆2⑆0032⑆ [REDACTED]

0000 Jun 21 9,336.17

06212022 02:59 PM EDT 000302071

[REDACTED] USB >091000022<

06212022 02:59 PM EDT 0003020700001

PRODUCT IMAGE DATE 06/22/2022

| CURRENCY | COIN | CHECKS   | DEBIT | CREDIT   | DATE | AMOUNT | DESCRIPTION |
|----------|------|----------|-------|----------|------|--------|-------------|
|          |      | 31686.78 |       |          |      |        | Imbus       |
|          |      |          |       | 31686.78 |      |        |             |

13-1/420  
TOTAL ITEMS 1  
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.  
CHECKS AND OTHER ITEMS ARE SUBJECT TO THE FEDERAL RESERVE'S CHECKS AND OTHER ITEMS CLEARING PROCESS. YOUR BANK MAY HOLD CHECKS FOR A SHORT PERIOD OF TIME.

COMPOSITION ROOFERS LOCAL #42 PENSION PLAN

usbank. All of us serving you

⑆54⑆2⑆0032⑆ [REDACTED]

0000 Jun 22 31,686.78

06222022 03:50 PM EDT 002100281

[REDACTED] USB >091000022<

06222022 03:50 PM EDT 0021002800001

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P.O. Box 1800  
Saint Paul, Minnesota 55101-0800

23 ARP 4350 S Y ST01

**Business Statement**

Account Number: [REDACTED]

Statement Period:  
Jun 1, 2022  
through  
Jun 30, 2022

Page 1 of 2



000000022 01 SP 106481522279310 S  
COMPOSITION ROOFERS LOCAL 42  
205 W 4TH ST STE 225  
CINCINNATI OH 45202-4813



**To Contact U.S. Bank**

**24-Hour Business Solutions:**

1-800-673-3555

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**GOLD BUSINESS CHECKING**

U.S. Bank National Association

**Account Summary**

Account Number **Member FDIC** [REDACTED]

|                                       | # Items |           |                  |
|---------------------------------------|---------|-----------|------------------|
| Beginning Balance on Jun 1            |         | \$        | 153,166.05       |
| Other Deposits                        | 1       |           | 125,452.92       |
| Other Withdrawals                     | 7       |           | 187,930.20-      |
| Summary Post                          | 28      |           | 55,176.52-       |
| <b>Ending Balance on Jun 30, 2022</b> |         | <b>\$</b> | <b>35,512.25</b> |

**Other Deposits**

| Date                        | Description of Transaction | Ref Number              | Amount               |
|-----------------------------|----------------------------|-------------------------|----------------------|
| Jun 28                      | Electronic Funds Transfer  | From Account [REDACTED] | \$ 125,452.92        |
| <b>Total Other Deposits</b> |                            |                         | <b>\$ 125,452.92</b> |

**Other Withdrawals**

| Date                           | Description of Transaction | Ref Number            | Amount                |
|--------------------------------|----------------------------|-----------------------|-----------------------|
| Jun 8                          | Electronic Withdrawal      | To IRS                | \$ 12,759.35-         |
|                                | REF=221580058158870N00     | [REDACTED]            |                       |
| Jun 10                         | Electronic Withdrawal      | To AZ DEPT OF REV     | 11.54-                |
|                                | REF=221600090522510N00     | [REDACTED]            |                       |
| Jun 10                         | Electronic Withdrawal      | To DOR ITS PAYMENTS   | 631.97-               |
|                                | REF=221610011034780N00     | [REDACTED]            |                       |
| Jun 13                         | Electronic Withdrawal      | To 8011OHIO-TAXOEW    | 1,747.37-             |
|                                | REF=221610043867520N00     | [REDACTED]            |                       |
| Jun 14                         | Analysis Service Charge    | 1400000000            | 877.80-               |
| Jun 22                         | Electronic Withdrawal      | To Dept of Revenue    | 171.12-               |
|                                | REF=221730026315990N00     | [REDACTED]            |                       |
| Jun 30                         | Electronic Settlement      | From COMPOSITION ROOF | 171,731.05-           |
|                                | REF=221810101680160Y00     | SETTLEMENTCOMPOROF    |                       |
| <b>Total Other Withdrawals</b> |                            |                       | <b>\$ 187,930.20-</b> |

**Summary Post**

| Date  | Description of Transaction | Ref Number | Amount        |
|-------|----------------------------|------------|---------------|
| Jun 1 | Summary Post of            | 12 Items   | \$ 11,630.34- |
| Jun 2 | Summary Post of            | 4 Items    | 2,726.26-     |





COMPOSITION ROOFERS LOCAL 42  
 205 W 4TH ST STE 225  
 CINCINNATI OH 45202-4813

**Business Statement**

Account Number: [REDACTED]

Statement Period:  
 Jun 1, 2022  
 through  
 Jun 30, 2022



Page 2 of 2

**GOLD BUSINESS CHECKING**

**(CONTINUED)**

U.S. Bank National Association

Account Number [REDACTED]

**Summary Post (continued)**

| <i>Date</i>                    | <i>Description of Transaction</i> | <i>Ref Number</i> | <i>Amount</i>        |
|--------------------------------|-----------------------------------|-------------------|----------------------|
| Jun 3                          | Summary Post of                   | 4 Items           | 4,125.80-            |
| Jun 6                          | Summary Post of                   | 3 Items           | 31,201.00-           |
| Jun 7                          | Summary Post of                   | 1 Items           | 365.73-              |
| Jun 9                          | Summary Post of                   | 1 Items           | 404.57-              |
| Jun 22                         | Summary Post of                   | 1 Items           | 1,921.54-            |
| Jun 28                         | Summary Post of                   | 1 Items           | 599.76-              |
| Jun 29                         | Summary Post of                   | 1 Items           | 2,201.52-            |
| <b>Total (28) Summary Post</b> |                                   |                   | <b>\$ 55,176.52-</b> |

**Balance Summary**

| <i>Date</i> | <i>Ending Balance</i> | <i>Date</i> | <i>Ending Balance</i> | <i>Date</i> | <i>Ending Balance</i> |
|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|
| Jun 1       | 141,535.71            | Jun 8       | 90,357.57             | Jun 22      | 84,591.66             |
| Jun 2       | 138,809.45            | Jun 9       | 89,953.00             | Jun 28      | 209,444.82            |
| Jun 3       | 134,683.65            | Jun 10      | 89,309.49             | Jun 29      | 207,243.30            |
| Jun 6       | 103,482.65            | Jun 13      | 87,562.12             | Jun 30      | 35,512.25             |
| Jun 7       | 103,116.92            | Jun 14      | 86,684.32             |             |                       |

Balances only appear for days reflecting change.



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**Bank Reconciliation**

|  |             |            |
|--|-------------|------------|
| Bank Statement Ending Balance  | 35,512.25   |            |
| Less Outstanding Pension Checks                                      | (27,613.92) |            |
| Less Outstanding Admin Checks  | (2,156.00)  |            |
| Reconciled Bank Balance without removing Pension Benefits paid early |             | 5,742.33   |
| Add back pension benefits paid early (July ACH cleared in June)      | 171,731.05  |            |
| Add back pension benefits paid early (July checks cashed in June)    | 2,801.28    |            |
| Reconciled Bank Balance  |             | 180,274.66 |

**Financials:**

|  |            |            |
|--|------------|------------|
| Cash per financial statements                                | 8,538.66   |            |
| Add back cash portion Pension Benefits Prepaid (Audit Entry) | 171,736.00 |            |
| Cash Balance After adding back pre-paid pension benefits     |            | 180,274.66 |

**ACH VENDOR/MISCELLANEOUS PAYMENT  
ENROLLMENT FORM**

OMB No. 1530-0069

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

**PRIVACY ACT STATEMENT**

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

**AGENCY INFORMATION**

|                         |                              |   |
|-------------------------|------------------------------|---|
| FEDERAL PROGRAM AGENCY  |                              |   |
| AGENCY IDENTIFIER:      | AGENCY LOCATION CODE (ALC):  | ACH FORMAT:<br><input type="checkbox"/> CCD+ <input type="checkbox"/> CTX |
| ADDRESS:                |                              |   |
|                         |                              |   |
| CONTACT PERSON NAME:    | TELEPHONE NUMBER:<br>(     ) |   |
| ADDITIONAL INFORMATION: |                              |   |

**PAYEE/COMPANY INFORMATION**

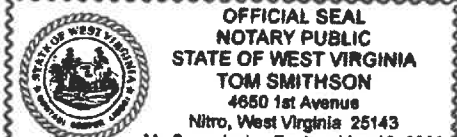
|  |   |
|--|---|
| NAME<br><i>Composition Roofers Local 42 Pension Plan</i> | SSN NO. OR TAXPAYER ID NO.<br><i>31-6127285</i> |
| ADDRESS<br><i>525 Vine St., Ste 2325</i>                 |   |
| <i>Cincinnati OH 45205</i>                               |   |
| CONTACT PERSON NAME:                                     | TELEPHONE NUMBER:<br><i>(304) 399-9000</i>      |

**FINANCIAL INSTITUTION INFORMATION**

|  |  |
|--|--|
| NAME:<br><i>WesBanco Bank</i>  |  |
| ADDRESS:<br><i>4650 1st Ave</i>  |  |
| <i>Nitro WV 25143</i>  |  |
| ACH COORDINATOR NAME:<br><i>Sherry Thomas</i>  | TELEPHONE NUMBER:<br><i>(304) 399-9000</i> |
| NINE-DIGIT ROUTING TRANSIT NUMBER:<br><i>043400036</i>   |  |
| DEPOSITOR ACCOUNT TITLE:<br><i>Composition Roofers Local 42 Pension Plan</i>   |  |
| DEPOSITOR ACCOUNT NUMBER:<br>[REDACTED]  | LOCKBOX NUMBER:                            |
| TYPE OF ACCOUNT:<br><input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX            |  |
| SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:<br>(Could be the same as ACH Coordinator)<br><i>Sherry Thomas / Plan Administrator</i> | TELEPHONE NUMBER:<br><i>(304) 399-9000</i> |

AUTHORIZED FOR LOCAL REPRODUCTION

*Tom Smithson*  
Notary Public



SF 3881 (Rev. 2/2003)  
Prescribed by Department of Treasury  
31 U.S.C. 3322; 31 CFR 210



Wesbanco Bank  
4650 1<sup>st</sup> Ave  
Nitro, WV 25143

To Whom it May Concern:

This letter is to confirm that account number [REDACTED] is for the Composition Roofers Local 42 Pension Plan.

Thank you,

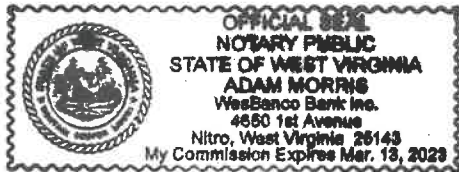
A handwritten signature in blue ink that reads 'Tom Smithson'.

Tom Smithson

State of WV County of Putnam Signed or attested before me on 09/23/22 by Tom Smithson

A handwritten signature in blue ink that reads 'Adam Morris'.

My commission expires: March 13, 2023



WesBanco Bank, Inc.  
823 Eighth Street  
Huntington, WV 25701

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2021 AND 2020

|  | <u>2021</u>              | <u>2020</u>              |
|--|--------------------------|--------------------------|
| <b>Assets</b>                                |                          |                          |
| Investments at fair value:                   |                          |                          |
| Interest-bearing cash                        | \$ 35,815                | \$ 35,825                |
| Mutual funds                                 | <u>26,549,547</u>        | <u>24,355,902</u>        |
| Total investments at fair value              | 26,585,362               | 24,391,727               |
| Receivables:                                 |                          |                          |
| Contributions receivable                     | 98,205                   | 80,380                   |
| Employer withdrawal liability receivables    | 94,001                   | 106,815                  |
| Due from plan administrator                  | <u>-0-</u>               | <u>352</u>               |
| Total receivables                            | 192,206                  | 187,547                  |
| Cash   | 320,203                  | 357,995                  |
| Prepaid benefits                             | <u>176,281</u>           | <u>171,736</u>           |
| <br>Total assets                             | <br><u>\$ 27,274,052</u> | <br><u>\$ 25,109,005</u> |
| <b>Liabilities</b>                           |                          |                          |
| Accounts payable                             | <u>27,268</u>            | <u>27,649</u>            |
| Total liabilities                            | <u>27,268</u>            | <u>27,649</u>            |
| <br><b>Net assets available for benefits</b> | <br><u>\$ 27,246,784</u> | <br><u>\$ 25,081,356</u> |

*See accompanying notes to financial statements.*

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEARS ENDED DECEMBER 31, 2021 AND 2020

|  | 2021                 | 2020                 |
|--|----------------------|----------------------|
| <b>Additions to net assets attributed to:</b>          |                      |                      |
| Investment income:                                     |                      |                      |
| Net appreciation in fair value of investments          | \$ 3,282,202         | \$ 2,210,538         |
| Interest and dividends                                 | 511,434              | 490,443              |
| Less: Investment expense                               | <u>(29,269)</u>      | <u>(26,418)</u>      |
| Total investment income                                | 3,764,367            | 2,674,563            |
| Employer contributions                                 | 1,049,969            | 1,122,904            |
| Other income:  |                      |                      |
| Interest from employer withdrawal liability receivable | <u>6,902</u>         | <u>4,510</u>         |
| Total other income                                     | 6,902                | 4,510                |
| Total additions  | 4,821,238            | 3,801,977            |
| <b>Deductions from net assets attributed to:</b>       |                      |                      |
| Benefits paid to participants                          | 2,514,732            | 2,756,079            |
| Administration expenses                                | <u>141,078</u>       | <u>162,812</u>       |
| Total deductions                                       | <u>2,655,810</u>     | <u>2,918,891</u>     |
| Net increase   | 2,165,428            | 883,086              |
| <b>Net assets available for benefits</b>               |                      |                      |
| Beginning of year                                      | <u>25,081,356</u>    | <u>24,198,270</u>    |
| End of year  | <u>\$ 27,246,784</u> | <u>\$ 25,081,356</u> |

*See accompanying notes to financial statements.*

## COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

### SCHEDULE OF ADMINISTRATION EXPENSES YEARS ENDED OF DECEMBER 31, 2021 AND 2019

---

|                               | <u>2021</u>       | <u>2020</u>       |
|-------------------------------|-------------------|-------------------|
| Administration expenses       | \$ 23,579         | \$ 24,328         |
| Actuarial and consulting fees | 23,425            | 46,310            |
| Accounting services           | 21,075            | 15,000            |
| Bank service charges          | 10,457            | 10,964            |
| Insurance                     | 17,982            | 16,870            |
| PBGC premiums                 | 15,345            | 14,820            |
| Legal fees                    | 27,061            | 27,974            |
| Other                         | 2,154             | 6,546             |
| Total administration expenses | <u>\$ 141,078</u> | <u>\$ 162,812</u> |

# Composition Roofers #42 Pension Fund Balance Sheet

As of June 30, 2022

|   | Jun 30, 22           | Jun 30, 21           |
|---|----------------------|----------------------|
| <b>ASSETS</b>                                     |                      |                      |
| <b>Current Assets</b>                             |                      |                      |
| <b>Checking/Savings</b>                           |                      |                      |
| 1010 · Cash                                       |                      |                      |
| 1030 · Cash (████) - US Bank                      | 8,538.66             | 345,177.66           |
| 1040 · Cash (████) - US Bank                      | 0.00                 | 942.10               |
| <b>Total 1010 · Cash</b>                          | 8,538.66             | 346,119.76           |
| <b>Total Checking/Savings</b>                     | 8,538.66             | 346,119.76           |
| <b>Other Current Assets</b>                       |                      |                      |
| 13000 · Employer contribution rec.                | 98,205.00            | 80,380.00            |
| 13100 · Employer withdrawal liab rec.             | 94,001.04            | 106,815.04           |
| 1400 · Investments (at market value)              |                      |                      |
| 1410 · Charles Schwab                             | 21,514,152.54        | 25,985,560.01        |
| <b>Total 1400 · Investments (at market value)</b> | 21,514,152.54        | 25,985,560.01        |
| 1510 · Prepaid Pension Benefits                   | 176,281.00           | 171,736.00           |
| <b>Total Other Current Assets</b>                 | 21,882,639.58        | 26,344,491.05        |
| <b>Total Current Assets</b>                       | 21,891,178.24        | 26,690,610.81        |
| <b>TOTAL ASSETS</b>                               | <b>21,891,178.24</b> | <b>26,690,610.81</b> |
| <b>LIABILITIES &amp; EQUITY</b>                   |                      |                      |
| <b>Liabilities</b>                                |                      |                      |
| <b>Current Liabilities</b>                        |                      |                      |
| <b>Accounts Payable</b>                           |                      |                      |
| 2000 · Accounts payable                           | 64,645.99            | 27,292.00            |
| <b>Total Accounts Payable</b>                     | 64,645.99            | 27,292.00            |
| <b>Other Current Liabilities</b>                  |                      |                      |
| 2120 · Pension Benefit - Under Payment            | 1,992.78             | 1,992.78             |
| 2130 · Taxes withheld                             | -2,479.22            | -1,806.47            |
| <b>Total Other Current Liabilities</b>            | -486.44              | 186.31               |
| <b>Total Current Liabilities</b>                  | 64,159.55            | 27,478.31            |
| <b>Total Liabilities</b>                          | 64,159.55            | 27,478.31            |
| <b>Equity</b>                                     |                      |                      |
| 3200 · Net Assets                                 | 27,246,785.47        | 25,081,355.78        |
| Net Income  | -5,419,766.78        | 1,581,776.72         |
| <b>Total Equity</b>                               | 21,827,018.69        | 26,663,132.50        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>             | <b>21,891,178.24</b> | <b>26,690,610.81</b> |

# Composition Roofers #42 Pension Fund Profit & Loss

June 2022

|  | Jun 22        | Jan - Jun 22  |
|--|---------------|---------------|
| <b>Ordinary Income/Expense</b>         |               |               |
| <b>Income</b>                          |               |               |
| 4010 · Contributions                   | 100,767.61    | 460,435.40    |
| 4320 · Employer withdrawal liab pymnts | 1,643.00      | 9,858.00      |
| <b>Total Income</b>                    | 102,410.61    | 470,293.40    |
| <b>Gross Profit</b>                    | 102,410.61    | 470,293.40    |
| <b>Expense</b>                         |               |               |
| 5210 · Administration Fee - ABC        | 1,948.00      | 11,688.00     |
| 5220 · Legal fees                      | 2,309.00      | 20,271.00     |
| 5230 · Auditing fees                   | 0.00          | 1,595.00      |
| 5240 · Actuarial & consulting fees     | 33,075.00     | 70,425.00     |
| 5310 · Pension benefits paid           | 201,113.94    | 1,276,264.00  |
| 5520 · Fidelity & fiduciary insurance  | 0.00          | 15,610.00     |
| 6110 · Administration Fee - PBI/Berwyn | 0.00          | 234.00        |
| 6120 · Bank fees                       | 927.80        | 5,649.08      |
| 6150 · Postage & printing              | 0.00          | 1,032.06      |
| 6160 · Shredding & Storage             | 21.99         | 540.18        |
| 9030 · Investment fees                 | 0.00          | 15,591.00     |
| <b>Total Expense</b>                   | 239,395.73    | 1,418,899.32  |
| <b>Net Ordinary Income</b>             | -136,985.12   | -948,605.92   |
| <b>Other Income/Expense</b>            |               |               |
| <b>Other Income</b>                    |               |               |
| 9040 · Interest & dividends            | 95,310.46     | 216,777.89    |
| 9050 · Unrealized gains (losses)       | -1,673,644.10 | -4,871,655.21 |
| 9060 · Realized gains (losses)         | 38,810.79     | 183,716.46    |
| <b>Total Other Income</b>              | -1,539,522.85 | -4,471,160.86 |
| <b>Net Other Income</b>                | -1,539,522.85 | -4,471,160.86 |
| <b>Net Income</b>                      | -1,676,507.97 | -5,419,766.78 |

# Composition Roofers #42 Pension Fund Profit & Loss - Prior Year Comparison

January through June 2022

|  | <u>Jan - Jun 22</u>         | <u>Jan - Jun 21</u>        | <u>\$ Change</u>            |
|--|-----------------------------|----------------------------|-----------------------------|
| <b>Ordinary Income/Expense</b>         |                             |                            |                             |
| <b>Income</b>                          |                             |                            |                             |
| 4010 · Contributions                   | 460,435.40                  | 410,756.14                 | 49,679.26                   |
| 4320 · Employer withdrawal liab pymnts | 9,858.00                    | 9,858.00                   | 0.00                        |
| <b>Total Income</b>                    | <u>470,293.40</u>           | <u>420,614.14</u>          | <u>49,679.26</u>            |
| <b>Gross Profit</b>                    | 470,293.40                  | 420,614.14                 | 49,679.26                   |
| <b>Expense</b>                         |                             |                            |                             |
| 5210 · Administration Fee - ABC        | 11,688.00                   | 11,688.00                  | 0.00                        |
| 5220 · Legal fees                      | 20,271.00                   | 11,015.25                  | 9,255.75                    |
| 5230 · Auditing fees                   | 1,595.00                    | 4,850.00                   | -3,255.00                   |
| 5240 · Actuarial & consulting fees     | 70,425.00                   | 23,425.00                  | 47,000.00                   |
| 5310 · Pension benefits paid           | 1,276,264.00                | 1,246,844.52               | 29,419.48                   |
| 5520 · Fidelity & fiduciary insurance  | 15,610.00                   | 15,610.00                  | 0.00                        |
| 6110 · Administration Fee - PBI/Berwyn | 234.00                      | 0.00                       | 234.00                      |
| 6120 · Bank fees                       | 5,649.08                    | 5,340.31                   | 308.77                      |
| 6150 · Postage & printing              | 1,032.06                    | 1,708.91                   | -676.85                     |
| 6160 · Shredding & Storage             | 540.18                      | -1,824.90                  | 2,365.08                    |
| 9030 · Investment fees                 | 15,591.00                   | 14,013.00                  | 1,578.00                    |
| <b>Total Expense</b>                   | <u>1,418,899.32</u>         | <u>1,332,670.09</u>        | <u>86,229.23</u>            |
| <b>Net Ordinary Income</b>             | -948,605.92                 | -912,055.95                | -36,549.97                  |
| <b>Other Income/Expense</b>            |                             |                            |                             |
| <b>Other Income</b>                    |                             |                            |                             |
| 9040 · Interest & dividends            | 216,777.89                  | 215,541.56                 | 1,236.33                    |
| 9050 · Unrealized gains (losses)       | -4,871,655.21               | 1,887,786.92               | -6,759,442.13               |
| 9060 · Realized gains (losses)         | 183,716.46                  | 390,504.19                 | -206,787.73                 |
| <b>Total Other Income</b>              | <u>-4,471,160.86</u>        | <u>2,493,832.67</u>        | <u>-6,964,993.53</u>        |
| <b>Net Other Income</b>                | <u>-4,471,160.86</u>        | <u>2,493,832.67</u>        | <u>-6,964,993.53</u>        |
| <b>Net Income</b>                      | <u><b>-5,419,766.78</b></u> | <u><b>1,581,776.72</b></u> | <u><b>-7,001,543.50</b></u> |

## Composition Roofers #42 Pension Fund Profit & Loss - Rolling 3 Month

April through June 2022

|  | Apr 22                      | May 22                    | Jun 22                      | TOTAL                       |
|--|-----------------------------|---------------------------|-----------------------------|-----------------------------|
| <b>Ordinary Income/Expense</b>         |                             |                           |                             |                             |
| <b>Income</b>                          |                             |                           |                             |                             |
| 4010 · Contributions                   | 87,098.87                   | 81,539.13                 | 100,767.61                  | 269,405.61                  |
| 4320 · Employer withdrawal liab pymnts | 1,643.00                    | 1,643.00                  | 1,643.00                    | 4,929.00                    |
| <b>Total Income</b>                    | <u>88,741.87</u>            | <u>83,182.13</u>          | <u>102,410.61</u>           | <u>274,334.61</u>           |
| <b>Gross Profit</b>                    | 88,741.87                   | 83,182.13                 | 102,410.61                  | 274,334.61                  |
| <b>Expense</b>                         |                             |                           |                             |                             |
| 5210 · Administration Fee - ABC        | 1,948.00                    | 1,948.00                  | 1,948.00                    | 5,844.00                    |
| 5220 · Legal fees                      | 5,980.00                    | 2,563.00                  | 2,309.00                    | 10,852.00                   |
| 5240 · Actuarial & consulting fees     | 15,000.00                   | 0.00                      | 33,075.00                   | 48,075.00                   |
| 5310 · Pension benefits paid           | 206,156.88                  | 217,448.14                | 201,113.94                  | 624,718.96                  |
| 5520 · Fidelity & fiduciary insurance  | 0.00                        | 15,610.00                 | 0.00                        | 15,610.00                   |
| 6110 · Administration Fee - PBI/Berwyn | 0.00                        | 234.00                    | 0.00                        | 234.00                      |
| 6120 · Bank fees                       | 957.81                      | 948.25                    | 927.80                      | 2,833.86                    |
| 6150 · Postage & printing              | 176.10                      | 550.38                    | 0.00                        | 726.48                      |
| 6160 · Shredding & Storage             | 180.06                      | 158.07                    | 21.99                       | 360.12                      |
| 9030 · Investment fees                 | 0.00                        | 15,591.00                 | 0.00                        | 15,591.00                   |
| <b>Total Expense</b>                   | <u>230,398.85</u>           | <u>255,050.84</u>         | <u>239,395.73</u>           | <u>724,845.42</u>           |
| <b>Net Ordinary Income</b>             | -141,656.98                 | -171,868.71               | -136,985.12                 | -450,510.81                 |
| <b>Other Income/Expense</b>            |                             |                           |                             |                             |
| <b>Other Income</b>                    |                             |                           |                             |                             |
| 9040 · Interest & dividends            | 11,156.46                   | 20,807.89                 | 95,310.46                   | 127,274.81                  |
| 9050 · Unrealized gains (losses)       | -1,851,811.31               | 35,939.82                 | -1,673,644.10               | -3,489,515.59               |
| 9060 · Realized gains (losses)         | 141,419.10                  | 0.00                      | 38,810.79                   | 180,229.89                  |
| <b>Total Other Income</b>              | <u>-1,699,235.75</u>        | <u>56,747.71</u>          | <u>-1,539,522.85</u>        | <u>-3,182,010.89</u>        |
| <b>Net Other Income</b>                | -1,699,235.75               | 56,747.71                 | -1,539,522.85               | -3,182,010.89               |
| <b>Net Income</b>                      | <u><u>-1,840,892.73</u></u> | <u><u>-115,121.00</u></u> | <u><u>-1,676,507.97</u></u> | <u><u>-3,632,521.70</u></u> |

# **Composition Roofers Local 42 Pension Plan**

## ***Updated Rehabilitation Plan***

**June 2019**

### **Introduction**

The Pension Protection Act of 2006 (PPA), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) and the Pension Relief Act of 2010 (PRA), requires the trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status to develop a Rehabilitation Plan that is intended to enable the plan to emerge from Critical Status by the end of its Rehabilitation Period. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions.

On March 31, 2010, the Composition Roofers Local 42 Pension Plan ("Plan") was certified by its Actuary to be in Critical Status for the Plan Year beginning January 1, 2010. On March 29, 2019 the Plan was certified to be in Critical and Declining Status for the Plan Year beginning January 1, 2019. The Plan is not expected to be able to emerge from Critical Status over the 10-year Rehabilitation Period that ends on December 31, 2024 and faces insolvency within the next 20 years.

### **Rehabilitation Period and Expected Emergence Date**

PPA directs the Board of Trustees to adopt a Rehabilitation Plan designed to allow a plan to emerge from Critical Status by the end of a 10-year Rehabilitation Period. However, PPA also allows for a Rehabilitation Plan that forestalls insolvency or allows a plan to emerge from Critical Status at a later date if the Board determines that the plan cannot emerge from Critical Status based on reasonable actuarial assumptions and exhaustion of all reasonable measures.

On August 19, 2014, the Board of Trustees adopted a Rehabilitation Plan designed to forestall the Plan's insolvency.

### **Annual Standards for Meeting the Rehabilitation Requirements**

Based on reasonable assumptions, the Plan is not expected to emerge from Critical Status by the end of the Rehabilitation Period. On an annual basis, the Board will review updated actuarial projections based on reasonable actuarial assumptions to confirm that the Rehabilitation Plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from Critical Status at a later date.

### **Annual Updating of Rehabilitation Plan**

Each year the Plan's actuary will review and certify the status of the Plan under PPA funding rules and, starting with the beginning of the Rehabilitation Period, whether the Plan is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. Scheduled progress will be determined based on the Plan continuing to forestall its insolvency. Based on new information, if the Board determines that it is necessary to update this Rehabilitation Plan they will present new schedules to the bargaining parties that may prescribe additional benefit reductions and/or higher contribution rates.

### **Other Issues**

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

## **PREFERRED SCHEDULE**

### **Affected Participants**

Unless otherwise noted the changes described in this Schedule apply to participants retiring or terminating employment after this Schedule is adopted.

### **Benefit Structure**

Unless specified otherwise, all of the benefit changes listed below are effective beginning with the first of the month after the later of (1) the date the Schedule is effective for their former bargaining group or (2) 30 days after the date the notice described in Internal Revenue Code ("Code") Section 432(e)(8)(C) is provided.

- The benefit accrual rate remains 1.0% of contributions required to be made with respect to the participant's covered service, except that the Non-Credited amounts noted in the table below will not be subject to benefit accruals. A proportionate share of contributions for apprentices, reciprocal contributions and other classifications will be treated as outside of the benefit accrual. Required contribution rate increases under the Rehabilitation Plan will not be used to accrue benefits under the Plan.
- Normal Retirement benefits remain unchanged.
- The Early Retirement benefit is available for anyone who is at least 55 years of age and who has accumulated at least 5 years of credited service under the Plan. Effective for Annuity Starting Dates on and after July 1, 2019, the monthly retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month that the their benefit commencement date precedes their Normal Retirement Date.
- The monthly Disability Retirement benefit for any participant who submits an application to the Plan or is determined to be disabled on or after January 1, 2010, will be reduced by 5/9 of 1% for each month the participant is younger than age 58. The maximum reduction regardless of the participant's age is 36 months. Effective May 1, 2010, no Disability Retirement benefit is available to any person who has earned less than five (5) years of credited service at the time of disability. Effective for disability applications received on or after July 1, 2019, the monthly Disability Retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month their date of disability precedes their Normal Retirement Date.
- Only eligible spouses of participants with 5 or more years of credited service under the Plan will be entitled to Death Benefits. If the participant dies after reaching Early Retirement Age the surviving spouse will receive 50% of the annuity the participant would have received if he retired the day before his death. If the participant dies before reaching Early Retirement Age the surviving spouse will receive the same benefit that would have been payable if the participant had separated from service on the date of death, survived to the Early Retirement Age, retired with a 50% Joint and Survivor Annuity and died the next day.
- Pre-Retirement Death Benefits are not available for non-vested or single participants.
- Postretirement Death Benefits will be payable only in the joint and survivor form of payment elected by the participant and his spouse. No lump-sum death benefits will be paid for any participant who retires on or after May 1, 2010.
- Participants who retire after Normal Retirement Age will remain eligible for an actuarial adjustment of their monthly benefit payment.

## Forms of Payment at Retirement

- Normal forms of Payment at Retirement:
  - Qualified Joint and Survivor Annuity, which under the Plan is a Joint and 50% Survivor Annuity for married participants.
  - Single Life Annuity for single participants.
- Optional forms (benefit amounts actuarially adjusted depending on form):
  - Single Life Annuity (for married participants).
  - Joint and 66 2/3%, 75% or 100% Survivor Annuity (with or without “pop-up”).

## Contributions

Journeyman contribution rates shall increase as follows under this Schedule:

| Effective Dates                     | Hourly Rate | Non-Credited | Credited |
|-------------------------------------|-------------|--------------|----------|
| January 1, 2009 – December 31, 2009 | \$3.40      | \$0.40       | \$3.00   |
| January 1, 2010 – July 31, 2010     | \$3.40      | \$1.30       | \$2.10   |
| August 1, 2010 – July 31, 2011      | \$3.60      | \$1.50       | \$2.10   |
| August 1, 2011 – July 31, 2012      | \$3.80      | \$1.70       | \$2.10   |
| August 1, 2012 – July 31, 2013      | \$4.00      | \$1.90       | \$2.10   |
| August 1, 2013 – July 31, 2014      | \$4.20      | \$2.10       | \$2.10   |
| August 1, 2014 – July 31, 2015      | \$4.40      | \$2.30       | \$2.10   |
| August 1, 2015 – July 31, 2016      | \$4.60      | \$2.50       | \$2.10   |
| August 1, 2016 – July 31, 2017      | \$4.80      | \$2.70       | \$2.10   |
| August 1, 2017 – July 31, 2018      | \$5.00      | \$2.90       | \$2.10   |
| August 1, 2018 – July 31, 2019      | \$5.20      | \$3.10       | \$2.10   |
| August 1, 2019 – July 31, 2020      | \$5.40      | \$3.30       | \$2.10   |
| August 1, 2020 – July 31, 2021      | \$5.60      | \$3.50       | \$2.10   |
| August 1, 2021 – July 31, 2022      | \$5.80      | \$3.70       | \$2.10   |
| August 1, 2022 – July 31, 2023      | \$6.00      | \$3.90       | \$2.10   |
| August 1, 2023 – July 31, 2024      | \$6.20      | \$4.10       | \$2.10   |

Contribution rate increases for participants with lower contribution rates shall be proportionate to the Journeyman increases. Reciprocal contributions and contributions for Apprentices and other classifications will have a proportionate share of their hourly contribution credited to benefit accrual.

**Future Revisions**

As the Trustees are required by ERISA and the Internal Revenue Code to review the progress of their Rehabilitation Plan each year and to update the Plan and schedules if necessary, benefit reductions and contribution rates specified in this schedule as applicable in future years are subject to change, except with respect to a collective bargaining agreement negotiated in reliance on this schedule.

# COMPOSITION ROOFERS LOCAL 42 PENSION PLAN

## *Rehabilitation Plan Update*

December 2020

### **Introduction**

The Pension Protection Act of 2006 (PPA), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), the Pension Relief Act of 2010 (PRA), and the Multiemployer Pension Reform Act of 2014 (MPRA), requires the trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status to develop a Rehabilitation Plan that is intended to enable the plan to emerge from Critical Status by the end of its Rehabilitation Period. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions.

On March 31, 2010, the Composition Roofers Local 42 Pension Plan ("Plan") was certified by its Actuary to be in Critical Status for the Plan Year beginning January 1, 2010. On March 30, 2016 the Plan was certified to be in Critical and Declining Status for the Plan Year beginning January 1, 2016. The Plan has remained in Critical and Declining Status in all Plan Years since then. The Board submitted an application to the U.S. Department of Treasury ("Treasury") for Approval of Suspension of Benefits under the Multiemployer Pension Reform Act ("MPRA"), which was approved by Treasury, and the benefit suspension went into effect on April 1, 2020. The Board is now amending the Rehabilitation Plan to take into account the terms of the Plan's MPRA application.

### **Updated Rehabilitation Period and Expected Emergence Date**

PPA directs the Board of Trustees ("Board") to adopt a Rehabilitation Plan designed to allow a plan to emerge from Critical Status by the end of a 10-year Rehabilitation Period. However, PPA also allows for a Rehabilitation Plan that forestalls insolvency or allows a plan to emerge from Critical Status at a later date if the Board determines that the plan cannot emerge from Critical Status based on reasonable actuarial assumptions and exhaustion of all reasonable measures.

On August 19, 2014, the Board of Trustees adopted a Rehabilitation Plan designed to forestall the Plan's insolvency. However, the terms of the previously enacted Rehabilitation Plan have not managed to forestall the Plan's insolvency to an adequate degree.

The Board considered many alternative combinations of contribution increases and benefit adjustments. After much deliberation and consideration, the Board determined that any combination of changes that would allow the Plan to emerge from Critical Status in the Rehabilitation Period would have a significant adverse effect on the ability of participating employers to obtain work and work opportunities for employees. This in turn would result in a reduction in expected contributions due to decreased work and would place further risk on the Plan and its participants. Decreased hours would also have a significant impact on the funded status of the Plan and eventual insolvency.

Based on the benefit suspension effective April 1, 2020, as approved by Treasury, the Board has concluded that this Rehabilitation Plan includes all reasonable measures designed to allow the Plan to emerge from Critical Status at a later time or forestall possible insolvency.

### **Trustee-Approved Schedules and Remedies**

The Board adopted the Preferred Schedule summarized in this document. The Plan's original Preferred Schedule provided for fewer contribution increases and retained more of the Plan's past benefits. The Board also adopted a Default Schedule that included all benefit reductions allowed by law and also

required increases in the Plan's hourly contribution rates. The Preferred Schedule was updated in 2014 to extend the schedule of contribution rate increases and again in 2020 to reflect the approval of the Plan's MPRA application.

### **Annual Standards for Meeting the Rehabilitation Requirements**

On an annual basis, the Board will review updated actuarial projections based on reasonable actuarial assumptions to confirm that the Rehabilitation Plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from Critical Status at a later date. Based on new information, if the Board determines that it is necessary to update this Rehabilitation Plan they will present new schedules to the bargaining parties.

### **Annual Determination Under MPRA**

The Board has determined that as of December 15, 2020: (a) all reasonable measures to avoid insolvency have been and continue to be taken; and (b) the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan. This determination was made pursuant to 26 CFR §1.432(e)(9)-1(c)(4) using the standard set forth therein, and based on the advice and recommendation of the Plan's actuaries and their use of reasonable actuarial assumptions. The Board's consideration of the relevant factors in making this determination is set forth in Appendix A to this Rehabilitation Plan.

### **Other Issues**

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

## **PREFERRED SCHEDULE**

### **Affected Participants**

Unless otherwise noted the changes described in this Schedule apply to participants retiring or terminating employment after October 13, 2010.

### **Benefit Structure**

Unless specified otherwise, all of the benefit changes listed below are effective beginning with the first of the month after the later of (1) the date the Schedule is effective for their former bargaining group or (2) 30 days after the date the notice described in Internal Revenue Code Section 432(e)(8)(C) is provided.

- The benefit accrual rate remains 1.0% of contributions required to be made with respect to the participant's covered service, except that the Non-Credited amounts noted in the table below will not be subject to benefit accruals. A proportionate share of contributions for apprentices, reciprocal contributions and other classifications will be treated as outside of the benefit accrual. Required contribution rate increases under the Rehabilitation Plan will not be used to accrue benefits under the Plan.
- The Early Retirement benefit is available for anyone who is at least 55 years of age and who has accumulated at least 5 years of credited service under the Plan. Effective for Annuity Starting Dates on and after July 1, 2019, the monthly retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month that their benefit commencement date precedes their Normal Retirement Date.

- The monthly Disability Retirement benefit for any participant who submits an application to the Plan or is determined to be disabled on or after January 1, 2010, will be reduced by 5/9 of 1% for each month the participant is younger than age 58. The maximum reduction regardless of the participant's age is 36 months. Effective May 1, 2010, no Disability Retirement benefit is available to any person who has earned less than five (5) years of credited service at the time of disability. Effective for disability applications received on or after July 1, 2019, the monthly Disability Retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month their date of disability precedes their Normal Retirement Date.
- Only eligible spouses of participants with 5 or more years of credited service under the Plan will be entitled to Death Benefits. If the participant dies after reaching Early Retirement Age the surviving spouse will receive 50% of the annuity the participant would have received if he retired the day before his death. If the participant dies before reaching Early Retirement Age the surviving spouse will receive the same benefit that would have been payable if the participant had separated from service on the date of death, survived to the Early Retirement Age, retired with a 50% Joint and Survivor Annuity and died the next day.
- Pre-Retirement Death Benefits are not available for non-vested or single participants.
- Postretirement Death Benefits will be payable only in the joint and survivor form of payment elected by the participant and his spouse. No lump-sum death benefits will be paid for any participant who retires on or after May 1, 2010.
- Participants who retire after Normal Retirement Age will remain eligible for an actuarial adjustment of their monthly benefit payment.
- Effective April 1, 2020, all Participants, Beneficiaries and Alternate Payees with a separate interest pension benefit shall be subject to a 45% reduction of his or her monthly benefit. This adjustment is limited to benefits accrued through March 31, 2020, and shall not apply to benefits accrued on or after April 1, 2020. The application of this reduction is limited by the following:
  - (a) No Participant, Beneficiary or other individual's monthly benefit shall be reduced to less than 110% of the amount of payment the Participant, Beneficiary or other individual would receive from the Pension Benefit Guaranty Corporation under its multiemployer guarantee program under ERISA §4022A if the Plan went insolvent, as described by and applied in compliance with Treas. Reg. §1.432(e)(9)-1(d)(2).
  - (b) No Participant, Beneficiary or other individual who has attained age 75 by April 2020, shall have his or her monthly benefit reduced below the applicable percentage as described by and in compliance with Treas. Reg. §1.432(e)(9)-1(d)(3).
  - (c) No Participant who is receiving a Disability Benefit under Section 3.3 of the Plan as of March 31, 2020 shall have his or her monthly benefit reduced pursuant to the limitations described in and imposed by Treas. Reg. §1.432(e)(9)-1(d)(4).
- Effective April 1, 2020, the Joint & 66 2/3% Survivor Annuity payment form is no longer available.
- Effective April 1, 2020, "pop-up" options are no longer available.

## Contributions

Journeyman contribution rates shall increase as follows under this Schedule:

| Effective Dates                     | Hourly Rate | Non-Credited | Credited |
|-------------------------------------|-------------|--------------|----------|
| January 1, 2009 – December 31, 2009 | \$3.40      | \$0.40       | \$3.00   |
| January 1, 2010 – July 31, 2010     | \$3.40      | \$1.30       | \$2.10   |
| August 1, 2010 – July 31, 2011      | \$3.60      | \$1.50       | \$2.10   |
| August 1, 2011 – July 31, 2012      | \$3.80      | \$1.70       | \$2.10   |
| August 1, 2012 – July 31, 2013      | \$4.00      | \$1.90       | \$2.10   |
| August 1, 2013 – July 31, 2014      | \$4.20      | \$2.10       | \$2.10   |
| August 1, 2014 – July 31, 2015      | \$4.40      | \$2.30       | \$2.10   |
| August 1, 2015 – July 31, 2016      | \$4.60      | \$2.50       | \$2.10   |
| August 1, 2016 – July 31, 2017      | \$4.80      | \$2.70       | \$2.10   |
| August 1, 2017 – July 31, 2018      | \$5.00      | \$2.90       | \$2.10   |
| August 1, 2018 – July 31, 2019      | \$5.20      | \$3.10       | \$2.10   |
| August 1, 2019 – July 31, 2020      | \$5.40      | \$3.30       | \$2.10   |
| August 1, 2020 – July 31, 2021      | \$5.60      | \$3.50       | \$2.10   |
| August 1, 2021 – July 31, 2022      | \$5.80      | \$3.70       | \$2.10   |
| August 1, 2022 – July 31, 2023      | \$6.00      | \$3.90       | \$2.10   |
| August 1, 2023 – July 31, 2024      | \$6.20      | \$4.10       | \$2.10   |

Contribution rate increases for participants with lower contribution rates shall be proportionate to the Journeyman increases. Reciprocal contributions and contributions for Apprentices and other classifications will have a proportionate share of their hourly contribution credited to benefit accrual.

## Forms of Payment at Retirement

- Normal Forms of Payment at Retirement:
  - Qualified Joint & Survivor Annuity, which under the Plan is a Joint & 50% Survivor Annuity for married participants.
  - Life Annuity for single participants.
- Optional Forms (benefit amounts actuarially adjusted depending on form):
  - Life Annuity (for married participants).
  - Joint & 75% or 100% Survivor Annuity.

**Future Revisions**

As the Trustees are required by ERISA and the Internal Revenue Code to review the progress of their Rehabilitation Plan each year and to update the Plan and schedules if necessary, benefit reductions and contribution rates specified in this schedule as applicable in future years are subject to change, except with respect to a collective bargaining agreement negotiated in reliance on this schedule.

**APPENDIX A**

**COMPOSITION ROOFERS LOCAL 42 PENSION PLAN**

*Annual Determination in Accordance with Treasury Regulation 26 CFR §1.432(e)(9)-1(c)(4)*

**Introduction**

The Board of Trustees (“Board”) of the Composition Roofers Local 42 Pension Plan (“Plan”) has determined that as of December 15, 2020: (a) all reasonable measures to avoid insolvency have been and continue to be taken; and (b) the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan. This Appendix A to the Plan’s Rehabilitation Plan Update effective December 15, 2020 (“Rehabilitation Plan”) outlines the Board’s consideration of the relevant factors in making this determination under the Multiemployer Pension Reform Act (“MPRA”), pursuant to 26 CFR §1.432(e)(9)-1(c)(4), for the Plan Year ending December 31, 2020.

**Avoidance of Insolvency**

The Board’s initial consideration of these factors, which include the non-exclusive list shown in 26 CFR §1.432(e)(9)-1(c)(3)(ii), was summarized in the Plan’s Application to the Department of Treasury for the Approval of Suspension of Benefits under MPRA (“Application”), which was approved on March 27, 2020, and became effective on April 1, 2020. That summary remains applicable and accurately reflects the Board’s ongoing efforts to avoid insolvency, and further supports the conclusion that all reasonable measures have been and continue to be taken to avoid insolvency.

**Annual Determination**

The projection in this Appendix A shows that, absent the benefit suspensions, the Plan is not projected to avoid insolvency in an extended period. This is because the solvency ratio is less than 1.0 for the year ending December 31, 2030, which is less than 30 years from the current Plan Year. This demonstrates for purposes of the Board’s annual determination that the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan.

So agreed and approved by the Board of Trustees on the 15<sup>th</sup> day of December, 2020.

**EMPLOYER TRUSTEES**

/s/ Tom Dalton

/s/ Daniel Imbus

/s/ Steve Kramer

**UNION TRUSTEES**

/s/ Rodney Toole

/s/ Brandon Burke

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## APPENDIX A - Annual Determination

### Deterministic Forecast

Projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2020 through December 31, 2031.

|   | 2020*        | 2021         | 2022         | 2023         | 2024         | 2025         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Actuarial Accrued Liability              | \$50,927,705 | \$50,779,646 | \$50,549,322 | \$50,151,067 | \$49,612,056 | \$49,015,734 |
| 2. Market Value at beginning of year        | \$24,198,270 | \$22,716,601 | \$21,250,644 | \$19,632,218 | \$17,882,918 | \$16,027,123 |
| 3. Contributions                            | 1,121,051    | 1,293,719    | 1,339,246    | 1,384,773    | 1,411,330    | 1,411,330    |
| 4. Withdrawal liability payments            | 0            | 0            | 0            | 0            | 0            | 0            |
| 5. Benefit payments                         | 3,062,232    | \$3,833,895  | \$3,941,858  | 4,020,178    | 4,048,391    | 4,097,184    |
| 6. Administrative expenses                  | 160,677      | \$163,891    | \$167,169    | 170,512      | 173,922      | 177,400      |
| 7. Investment earnings                      | 620,189      | \$1,238,110  | \$1,151,355  | 1,056,617    | 955,188      | 846,246      |
| 8. Market Value at end of year              | \$22,716,601 | \$21,250,644 | \$19,632,218 | \$17,882,918 | \$16,027,123 | \$14,010,115 |
| 9. Available resources: (2)+(3)+(4)-(6)+(7) | \$25,778,833 | \$25,084,539 | \$23,574,076 | \$21,903,096 | \$20,075,514 | \$18,107,299 |
| 10. Solvency Ratio: (9)÷(5)                 | 8.42         | 6.54         | 5.98         | 5.45         | 4.96         | 4.42         |
| 11. Funded percentage: (2)÷(1)              | 47.5%        | 44.7%        | 42.0%        | 39.1%        | 36.0%        | 32.7%        |

|   | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Actuarial Accrued Liability              | \$48,282,864 | \$47,453,824 | \$46,535,713 | \$45,556,411 | \$44,535,822 | \$43,477,603 |
| 2. Market Value at beginning of year        | \$14,010,115 | \$11,839,326 | \$9,522,935  | \$7,075,105  | \$4,506,940  | \$1,839,744  |
| 3. Contributions                            | 1,411,330    | 1,411,330    | 1,411,330    | 1,411,330    | 1,411,330    | 1,411,330    |
| 4. Withdrawal liability payments            | 0            | 0            | 0            | 0            | 0            | 0            |
| 5. Benefit payments                         | 4,129,605    | 4,145,347    | 4,139,050    | 4,114,485    | 4,088,991    | 4,047,387    |
| 6. Administrative expenses                  | 180,948      | 184,567      | 188,258      | 192,023      | 195,863      | 199,780      |
| 7. Investment earnings                      | 728,434      | 602,193      | 468,148      | 327,013      | 206,328      | 29,662       |
| 8. Market Value at end of year              | \$11,839,326 | \$9,522,935  | \$7,075,105  | \$4,506,940  | \$1,839,744  | Insolvent    |
| 9. Available resources: (2)+(3)+(4)-(6)+(7) | \$15,968,931 | \$13,668,282 | \$11,214,155 | \$8,621,425  | \$5,928,735  | \$3,080,956  |
| 10. Solvency Ratio: (9)÷(5)                 | 3.87         | 3.30         | 2.71         | 2.10         | 1.45         | 0.76         |
| 11. Funded percentage: (2)÷(1)              | 29.0%        | 24.9%        | 20.5%        | 15.5%        | 10.1%        | 4.2%         |

\*Based on audited December 31, 2019 financials and unaudited September 30, 2020 financials.

**Appendix A – Annual Determination Actuarial Assumptions and Methods**

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1. Interest Rates:

|                      |             |             |
|----------------------|-------------|-------------|
| a. Liability         | 6.50%.      |             |
| b. Investment Return | <u>Year</u> | <u>Rate</u> |
|                      | 2020        | 2.68%*      |
|                      | 2021-2029   | 5.79%       |
|                      | 2030+       | 6.67%       |

\*Based on unaudited September 30, 2020 financials with one quarter of a 5.79% annual return.

2. Mortality Rates:

|                       |  |
|-----------------------|--|
| a. Non-Disabled       | Blue Collar adjusted Pri-2012.                     |
| b. Retired            | Blue Collar adjusted Pri-2012 Retiree.             |
| c. Survivor           | Blue Collar adjusted Pri-2012 Contingent Survivor. |
| d. Disabled           | Pri-2012 Disabled Retiree.                         |
| e. Weighting          | Amount-weighted.                                   |
| f. Future Improvement | Projected generationally using Scale MP-2019.      |

3. Actuarial Cost Method: Unit Credit.

4. Expense Load: \$160,677 for 2020 Plan Year. Expected to increase by 2% each year due to inflation.

5. Hours Worked: 1,325 per year.

## Appendix A – Annual Determination Actuarial Assumptions and Methods

6. Retirement Rates:

| <u>Age</u> | <u>Actives</u> | <u>Terminated<br/>Vesteds</u> |
|------------|----------------|-------------------------------|
| 55-56      | 0.10           | 0.10                          |
| 57         | 0.20           | 0.20                          |
| 58         | 0.30           | 0.50                          |
| 59-60      | 0.20           | 0.10                          |
| 61         | 0.40           | 0.10                          |
| 62         | 1.00           | 0.10                          |
| 63-65      | 1.00           | 0.50                          |
| 66-69      | 1.00           | 0.20                          |
| 70         | 1.00           | 1.00                          |

7. Termination Rates:

For years 1 and 2 – 0.20; for years 3 and later:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0967      |
| 35         | 0.0871      |
| 45         | 0.0635      |
| 55         | 0.0155      |
| 65         | 0.0000      |

8. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0009      |
| 35         | 0.0015      |
| 45         | 0.0032      |
| 55         | 0.0083      |
| 65         | 0.0000      |

9. Payment Form Election:

| <u>Payment Form</u> | <u>Election %</u> |
|---------------------|-------------------|
| Life Annuity        | 47%               |
| 50% J&S             | 22%               |
| 75% J&S             | 2%                |
| 100% J&S            | 29%               |

**Appendix A – Annual Determination Actuarial Assumptions and Methods**

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- 10. Percent Married/Spousal Age: 80% with husbands 3 years older than their wives.
  
- 11. Withdrawal Liability Payments: Based on currently negotiated withdrawal liability payment streams being received.
  
- 12. New Entrants Profile:
  - a. Entry Age 34.6
  - b. Sex Male
  - c. Annual Accrued Benefit \$281.26
  - d. Entry Age Service 1.3 Years

## **Appendix A – Annual Determination Actuarial Assumptions and Methods**

### **Rationale for Selection of Significant Actuarial Assumptions**

1. Interest Rate: Based on the Plan’s target asset allocation, reflecting asset class future return expectations as determined by the Plan’s investment consultant and publicly available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions. Rationale for the expected return on investment is supported by the Plan’s most recent study based on the 2020 Horizon Survey of Capital Market Assumptions.
  
2. Mortality Rates: Pri-2012 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. Pri-2012 Retiree table used to reflect expected retiree mortality experience. Pri-2012 Contingent Survivor table used to reflect expected surviving spouse mortality experience. Pri-2012 Disabled Retiree table used to reflect expected disabled mortality experience. Pri-2012 tables are adjusted for expected generational mortality improvement from base year 2012 using Scale MP-2019.
  
3. Retirement Rates: Based on the Plan’s most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan’s most recent experience study.

## **Appendix A – Annual Determination Actuarial Assumptions and Methods**

- |                                  |  |
|----------------------------------|--|
| 6. <u>Expense Load:</u>          | Based on expected 2020 Plan Year expenses and adjusted for anticipated changes in future expenses. |
| 7. <u>Payment Form Election:</u> | Based on recent observed experience of selection of payment forms.                                 |
| 8. <u>New Entrant Profile:</u>   | Based on the Plan's most recent experience study.  |

# COMPOSITION ROOFERS LOCAL 42 PENSION PLAN

## *Rehabilitation Plan Update*

December 2021

### **Introduction**

The Pension Protection Act of 2006 (PPA), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), the Pension Relief Act of 2010 (PRA), and the Multiemployer Pension Reform Act of 2014 (MPRA), requires the trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status to develop a Rehabilitation Plan that is intended to enable the plan to emerge from Critical Status by the end of its Rehabilitation Period. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions.

On March 31, 2010, the Composition Roofers Local 42 Pension Plan ("Plan") was certified by its Actuary to be in Critical Status for the Plan Year beginning January 1, 2010. On March 30, 2016 the Plan was certified to be in Critical and Declining Status for the Plan Year beginning January 1, 2016. The Plan has remained in Critical and Declining Status in all Plan Years since then. The Board submitted an application to the U.S. Department of Treasury ("Treasury") for Approval of Suspension of Benefits under the Multiemployer Pension Reform Act ("MPRA"), which was approved by Treasury, and the benefit suspension went into effect on April 1, 2020. The Board is now amending the Rehabilitation Plan to take into account the terms of the Plan's MPRA application.

### **Updated Rehabilitation Period and Expected Emergence Date**

PPA directs the Board of Trustees ("Board") to adopt a Rehabilitation Plan designed to allow a plan to emerge from Critical Status by the end of a 10-year Rehabilitation Period. However, PPA also allows for a Rehabilitation Plan that forestalls insolvency or allows a plan to emerge from Critical Status at a later date if the Board determines that the plan cannot emerge from Critical Status based on reasonable actuarial assumptions and exhaustion of all reasonable measures.

On August 19, 2014, the Board of Trustees adopted a Rehabilitation Plan designed to forestall the Plan's insolvency. However, the terms of the previously enacted Rehabilitation Plan have not managed to forestall the Plan's insolvency to an adequate degree.

The Board considered many alternative combinations of contribution increases and benefit adjustments. After much deliberation and consideration, the Board determined that any combination of changes that would allow the Plan to emerge from Critical Status in the Rehabilitation Period would have a significant adverse effect on the ability of participating employers to obtain work and work opportunities for employees. This in turn would result in a reduction in expected contributions due to decreased work and would place further risk on the Plan and its participants. Decreased hours would also have a significant impact on the funded status of the Plan and eventual insolvency.

Based on the benefit suspension effective April 1, 2020, as approved by Treasury, the Board has concluded that this Rehabilitation Plan includes all reasonable measures designed to allow the Plan to emerge from Critical Status at a later time or forestall possible insolvency.

### **Trustee-Approved Schedules and Remedies**

The Board adopted the Preferred Schedule summarized in this document. The Plan's original Preferred Schedule provided for fewer contribution increases and retained more of the Plan's past benefits. The Board also adopted a Default Schedule that included all benefit reductions allowed by law and also

required increases in the Plan's hourly contribution rates. The Preferred Schedule was updated in 2014 to extend the schedule of contribution rate increases and again in 2020 to reflect the approval of the Plan's MPRA application.

### **Annual Standards for Meeting the Rehabilitation Requirements**

On an annual basis, the Board will review updated actuarial projections based on reasonable actuarial assumptions to confirm that the Rehabilitation Plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from Critical Status at a later date. Based on new information, if the Board determines that it is necessary to update this Rehabilitation Plan they will present new schedules to the bargaining parties.

### **Annual Determination Under MPRA**

The Board has determined that as of December 14, 2021: (a) all reasonable measures to avoid insolvency have been and continue to be taken; and (b) the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan. This determination was made pursuant to 26 CFR §1.432(e)(9)-1(c)(4) using the standard set forth therein, and based on the advice and recommendation of the Plan's actuaries and their use of reasonable actuarial assumptions. The Board's consideration of the relevant factors in making this determination is set forth in Appendix A to this Rehabilitation Plan.

### **Other Issues**

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

## **PREFERRED SCHEDULE**

### **Affected Participants**

Unless otherwise noted, the changes described in this Schedule apply to participants retiring or terminating employment after October 13, 2010.

### **Benefit Structure**

Unless specified otherwise, all of the benefit changes listed below are effective beginning with the first of the month after the later of (1) the date the Schedule is effective for their former bargaining group or (2) 30 days after the date the notice described in Internal Revenue Code Section 432(e)(8)(C) is provided.

- The benefit accrual rate remains 1.0% of contributions required to be made with respect to the participant's covered service, except that the Non-Credited amounts noted in the table below will not be subject to benefit accruals. A proportionate share of contributions for apprentices, reciprocal contributions and other classifications will be treated as outside of the benefit accrual. Required contribution rate increases under the Rehabilitation Plan will not be used to accrue benefits under the Plan.
- The Early Retirement benefit is available for anyone who is at least 55 years of age and who has accumulated at least 5 years of credited service under the Plan. Effective for Annuity Starting Dates on and after July 1, 2019, the monthly retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month that their benefit commencement date precedes their Normal Retirement Date.

- The monthly Disability Retirement benefit for any participant who submits an application to the Plan or is determined to be disabled on or after January 1, 2010, will be reduced by 5/9 of 1% for each month the participant is younger than age 58. The maximum reduction regardless of the participant's age is 36 months. Effective May 1, 2010, no Disability Retirement benefit is available to any person who has earned less than five (5) years of credited service at the time of disability. Effective for disability applications received on or after July 1, 2019, the monthly Disability Retirement benefit will be the participant's accrued benefit with a full actuarial reduction for each month their date of disability precedes their Normal Retirement Date.
- Only eligible spouses of participants with 5 or more years of credited service under the Plan will be entitled to Death Benefits. If the participant dies after reaching Early Retirement Age the surviving spouse will receive 50% of the annuity the participant would have received if he retired the day before his death. If the participant dies before reaching Early Retirement Age the surviving spouse will receive the same benefit that would have been payable if the participant had separated from service on the date of death, survived to the Early Retirement Age, retired with a 50% Joint and Survivor Annuity and died the next day.
- Pre-Retirement Death Benefits are not available for non-vested or single participants.
- Postretirement Death Benefits will be payable only in the joint and survivor form of payment elected by the participant and his spouse. No lump-sum death benefits will be paid for any participant who retires on or after May 1, 2010.
- Participants who retire after Normal Retirement Age will remain eligible for an actuarial adjustment of their monthly benefit payment.
- Effective April 1, 2020, all Participants, Beneficiaries and Alternate Payees with a separate interest pension benefit shall be subject to a 45% reduction of his or her monthly benefit. This adjustment is limited to benefits accrued through March 31, 2020, and shall not apply to benefits accrued on or after April 1, 2020. The application of this reduction is limited by the following:
  - (a) No Participant, Beneficiary or other individual's monthly benefit shall be reduced to less than 110% of the amount of payment the Participant, Beneficiary or other individual would receive from the Pension Benefit Guaranty Corporation under its multiemployer guarantee program under ERISA §4022A if the Plan went insolvent, as described by and applied in compliance with Treas. Reg. §1.432(e)(9)-1(d)(2).
  - (b) No Participant, Beneficiary or other individual who has attained age 75 by April 2020, shall have his or her monthly benefit reduced below the applicable percentage as described by and in compliance with Treas. Reg. §1.432(e)(9)-1(d)(3).
  - (c) No Participant who is receiving a Disability Benefit under Section 3.3 of the Plan as of March 31, 2020 shall have his or her monthly benefit reduced pursuant to the limitations described in and imposed by Treas. Reg. §1.432(e)(9)-1(d)(4).
- Effective April 1, 2020, the Joint & 66 2/3% Survivor Annuity payment form is no longer available.
- Effective April 1, 2020, "pop-up" options are no longer available.

## Contributions

Journeyman contribution rates shall increase as follows under this Schedule:

| Effective Dates                     | Hourly Rate | Non-Credited | Credited |
|-------------------------------------|-------------|--------------|----------|
| January 1, 2009 – December 31, 2009 | \$3.40      | \$0.40       | \$3.00   |
| January 1, 2010 – July 31, 2010     | \$3.40      | \$1.30       | \$2.10   |
| August 1, 2010 – July 31, 2011      | \$3.60      | \$1.50       | \$2.10   |
| August 1, 2011 – July 31, 2012      | \$3.80      | \$1.70       | \$2.10   |
| August 1, 2012 – July 31, 2013      | \$4.00      | \$1.90       | \$2.10   |
| August 1, 2013 – July 31, 2014      | \$4.20      | \$2.10       | \$2.10   |
| August 1, 2014 – July 31, 2015      | \$4.40      | \$2.30       | \$2.10   |
| August 1, 2015 – July 31, 2016      | \$4.60      | \$2.50       | \$2.10   |
| August 1, 2016 – July 31, 2017      | \$4.80      | \$2.70       | \$2.10   |
| August 1, 2017 – July 31, 2018      | \$5.00      | \$2.90       | \$2.10   |
| August 1, 2018 – July 31, 2019      | \$5.20      | \$3.10       | \$2.10   |
| August 1, 2019 – July 31, 2020      | \$5.40      | \$3.30       | \$2.10   |
| August 1, 2020 – July 31, 2021      | \$5.60      | \$3.50       | \$2.10   |
| August 1, 2021 – July 31, 2022      | \$5.80      | \$3.70       | \$2.10   |
| August 1, 2022 – July 31, 2023      | \$6.00      | \$3.90       | \$2.10   |
| August 1, 2023 – July 31, 2024      | \$6.20      | \$4.10       | \$2.10   |

Contribution rate increases for participants with lower contribution rates shall be proportionate to the Journeyman increases. Reciprocal contributions and contributions for Apprentices and other classifications will have a proportionate share of their hourly contribution credited to benefit accrual.

## Forms of Payment at Retirement

- Normal Forms of Payment at Retirement:
  - Qualified Joint & Survivor Annuity, which under the Plan is a Joint & 50% Survivor Annuity for married participants.
  - Life Annuity for single participants.
- Optional Forms (benefit amounts actuarially adjusted depending on form):
  - Life Annuity (for married participants).
  - Joint & 75% or 100% Survivor Annuity.

**Future Revisions**

As the Trustees are required by ERISA and the Internal Revenue Code to review the progress of their Rehabilitation Plan each year and to update the Plan and schedules if necessary, benefit reductions and contribution rates specified in this schedule as applicable in future years are subject to change, except with respect to a collective bargaining agreement negotiated in reliance on this schedule.

**APPENDIX A**

**COMPOSITION ROOFERS LOCAL 42 PENSION PLAN**

*Annual Determination in Accordance with Treasury Regulation 26 CFR §1.432(e)(9)-1(c)(4)*

**Introduction**

The Board of Trustees (“Board”) of the Composition Roofers Local 42 Pension Plan (“Plan”) has determined that as of December 14, 2021: (a) all reasonable measures to avoid insolvency have been and continue to be taken; and (b) the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan. This Appendix A to the Plan’s Rehabilitation Plan Update effective December 14, 2021 (“Rehabilitation Plan”) outlines the Board’s consideration of the relevant factors in making this determination under the Multiemployer Pension Reform Act (“MPRA”), pursuant to 26 CFR §1.432(e)(9)-1(c)(4), for the Plan Year ending December 31, 2021.

**Avoidance of Insolvency**

The Board’s initial consideration of these factors, which include the non-exclusive list shown in 26 CFR §1.432(e)(9)-1(c)(3)(ii), was summarized in the Plan’s Application to the Department of Treasury for the Approval of Suspension of Benefits under MPRA (“Application”), which was approved on March 27, 2020, and became effective on April 1, 2020. That summary remains applicable and accurately reflects the Board’s ongoing efforts to avoid insolvency, and further supports the conclusion that all reasonable measures have been and continue to be taken to avoid insolvency.

**Annual Determination**

The projection in this Appendix A shows that, absent the benefit suspensions, the Plan is not projected to avoid insolvency in an extended period. This is because the solvency ratio is less than 1.0 for the year ending December 31, 2033, which is less than 30 years from the current Plan Year. This demonstrates for purposes of the Board’s annual determination that the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan.

So agreed and approved by the Board of Trustees on the 14<sup>th</sup> day of December, 2021.

**EMPLOYER TRUSTEES**

/s/ Tom Dalton

/s/ Daniel Imbus

/s/ Steve Kramer

**UNION TRUSTEES**

/s/ Rodney Toole

/s/ Brandon Burke

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**APPENDIX A - Annual Determination**  
***Deterministic Forecast***

Projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2021 through December 31, 2033.

|   | <b>2021*</b> | <b>2022</b>  | <b>2023</b>  | <b>2024</b>  | <b>2025</b>  | <b>2026</b>  | <b>2027</b>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Actuarial Accrued Liability              | \$34,964,984 | \$51,851,103 | \$51,617,142 | \$51,258,483 | \$50,788,461 | \$50,210,847 | \$49,488,106 |
| 2. Market Value at beginning of year        | \$25,081,356 | \$25,899,480 | \$24,522,215 | \$23,008,881 | \$21,353,996 | \$19,528,754 | \$17,499,548 |
| 3. Contributions                            | 1,022,862    | 1,117,736    | 1,155,732    | 1,177,897    | 1,177,897    | 1,177,897    | 1,177,897    |
| 4. Withdrawal liability payments            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| 5. Benefit payments                         | 2,787,170    | 3,686,050    | 3,781,936    | 3,860,178    | 3,936,878    | 4,037,378    | 4,045,821    |
| 6. Administrative expenses                  | 118,155      | 121,109      | 124,137      | 127,240      | 130,421      | 133,682      | 137,024      |
| 7. Investment earnings                      | 2,700,587    | 1,312,158    | 1,237,007    | 1,154,636    | 1,064,160    | 963,957      | 855,287      |
| 8. Market Value at end of year              | \$25,899,480 | \$24,522,215 | \$23,008,881 | \$21,353,996 | \$19,528,754 | \$17,499,548 | \$15,349,887 |
| 9. Available resources: (2)+(3)+(4)-(6)+(7) | \$28,686,650 | \$28,208,265 | \$26,790,817 | \$25,214,174 | \$23,465,632 | \$21,536,926 | \$19,395,708 |
| 10. Solvency Ratio: (9)÷(5)                 | 10.29        | 7.65         | 7.08         | 6.53         | 5.96         | 5.33         | 4.79         |
| 11. Funded percentage: (2)÷(1)              | 71.7%        | 49.9%        | 47.5%        | 44.9%        | 42.0%        | 38.9%        | 35.4%        |

|   | <b>2028</b>  | <b>2029</b>  | <b>2030</b>  | <b>2031</b>  | <b>2032</b>  | <b>2033</b>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Actuarial Accrued Liability              | \$48,709,109 | \$47,823,945 | \$46,851,595 | \$45,782,178 | \$44,659,259 | \$43,522,318 |
| 2. Market Value at beginning of year        | \$15,349,887 | \$13,023,945 | \$10,540,722 | \$7,892,398  | \$5,169,336  | \$2,329,019  |
| 3. Contributions                            | 1,177,897    | 1,177,897    | 1,177,897    | 1,177,897    | 1,177,897    | 1,177,897    |
| 4. Withdrawal liability payments            | 0            | 0            | 0            | 0            | 0            | 0            |
| 5. Benefit payments                         | 4,102,305    | 4,131,021    | 4,159,084    | 4,146,334    | 4,091,459    | 4,056,309    |
| 6. Administrative expenses                  | 140,450      | 143,961      | 147,560      | 151,249      | 155,030      | 158,906      |
| 7. Investment earnings                      | 738,916      | 613,862      | 480,423      | 396,624      | 228,275      | 0            |
| 8. Market Value at end of year              | \$13,023,945 | \$10,540,722 | \$7,892,398  | \$5,169,336  | \$2,329,019  | Insolvent    |
| 9. Available resources: (2)+(3)+(4)-(6)+(7) | \$17,126,250 | \$14,671,743 | \$12,051,482 | \$9,315,670  | \$6,420,478  | \$3,348,010  |
| 10. Solvency Ratio: (9)÷(5)                 | 4.17         | 3.55         | 2.90         | 2.25         | 1.57         | 0.83         |
| 11. Funded percentage: (2)÷(1)              | 31.5%        | 27.2%        | 22.5%        | 17.2%        | 11.6%        | 5.4%         |

\* Based on audited December 31, 2020 financials and unaudited September 30, 2021 financials.

## Appendix A – Annual Determination Actuarial Assumptions and Methods

### 1. Interest Rates:

a. Funding 6.50%.

| b. Investment Return | <u>Year</u> | <u>Rate</u> |
|----------------------|-------------|-------------|
|                      | 2021        | 11.19%*     |
|                      | 2022-2030   | 5.34%       |
|                      | 2031+       | 6.24%       |

\*Based on unaudited September 30, 2021 financials with 3 months of a 5.34% annual return.

### 2. Mortality Rates:

a. Non-Disabled Blue Collar adjusted Pri-2012.

b. Retired Blue Collar adjusted Pri-2012 Retiree.

c. Survivor Blue Collar adjusted Pri-2012 Contingent Survivor.

d. Disabled Pri-2012 Disabled Retiree.

e. Weighting Amount-weighted.

f. Future Improvement Projected generationally using Scale MP-2020.

### 3. Actuarial Cost Method:

Unit Credit.

### 4. Expense Load:

\$118,155 for 2021 Plan Year. Expected to increase by 2.5% each year due to inflation.

### 5. Hours Worked:

193,964 in 2021 and 204,750 in each year thereafter.

## Appendix A – Annual Determination Actuarial Assumptions and Methods

6. Retirement Rates:

|            | <u>Actives</u> | <u>Terminated<br/>Vesteds</u> |
|------------|----------------|-------------------------------|
| <u>Age</u> |                |                               |
| 55-56      | 0.05           | 0.00                          |
| 57         | 0.25           | 0.25                          |
| 58         | 0.20           | 0.50                          |
| 59         | 0.10           | 0.25                          |
| 60         | 0.05           | 0.25                          |
| 61-64      | 0.05           | 0.05                          |
| 65         | 1.00           | 1.00                          |

7. Termination Rates:

Less than 2 Years of Service – 0.2500; 2 to 3 Years of Service – 0.2000; more than 3 Years of Service:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.1722      |
| 35         | 0.1486      |
| 45         | 0.1084      |
| 55         | 0.0440      |
| 65         | 0.0000      |

8. Disability Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25         | 0.0006      |
| 35         | 0.0010      |
| 45         | 0.0021      |
| 55         | 0.0055      |
| 65         | 0.0000      |

9. Payment Form Election:

| <u>Payment Form</u> | <u>Election %</u> |
|---------------------|-------------------|
| Life Annuity        | 56%               |
| 50% J&S             | 5%                |
| 75% J&S             | 11%               |
| 100% J&S            | 28%               |

## Appendix A – Annual Determination Actuarial Assumptions and Methods

10. Percent Married/Spousal Age: 80% with husbands 3 years older than their wives.

11. Withdrawal Liability Payments: Based on currently negotiated withdrawal liability payment streams being received.

12. New Entrant Profile:

| Entry Age | Sex | Entry Age Accrued Benefit | Entry Age Service | Weighted Percentage of New Entrants |
|-----------|-----|---------------------------|-------------------|-------------------------------------|
| 22.2      | M   | \$295.57                  | 1.44              | 17.0%                               |
| 29.9      | M   | \$273.55                  | 1.32              | 50.9%                               |
| 39.5      | M   | \$285.32                  | 1.31              | 22.6%                               |
| 48.9      | M   | \$371.94                  | 1.45              | 7.5%                                |
| 55.3      | M   | \$316.92                  | 1.00              | 1.0%                                |
| 76.2      | M   | \$374.16                  | 1.50              | 1.0%                                |

## Appendix A – Annual Determination Actuarial Assumptions and Methods

### **Rationale for Selection of Significant Actuarial Assumptions**

1. Interest Rate: Based on the Plan’s target asset allocation, reflecting asset class future return expectations as determined by the Plan’s investment consultant and publicly available inflation expectations, anticipated risk premiums, and associated long-term capital market assumptions. Rationale for the expected return on investment is supported by the Plan’s most recent study based on the 2021 Horizon Survey of Capital Market Assumptions.
  
2. Mortality Rates: Pri-2012 table used as base rates. Blue Collar adjustment used to reflect expected workforce mortality experience. Pri-2012 Retiree table used to reflect expected retiree mortality experience. Pri-2012 Contingent Survivor table used to reflect expected surviving spouse mortality experience. Pri-2012 Disabled Retiree table used to reflect expected disabled mortality experience. Pri-2012 tables are adjusted for expected generational mortality improvement from base year 2012 using Scale MP-2020.
  
3. Retirement Rates: Based on the Plan’s most recent experience study.
  
4. Hours Worked: Based on prior year hours worked and adjusted for anticipated changes in future hours worked.
  
5. Termination/Disability Rates: Based on the Plan’s most recent experience study.

## **Appendix A – Annual Determination Actuarial Assumptions and Methods**

6. Expense Load: Based on expected 2021 Plan Year expenses and adjusted for anticipated increases due to inflation.
  
7. Payment Form Election: Based on the Plan's most recent experience study.
  
8. New Entrant Profile: Based on the Plan's most recent experience study.

## Version Updates

v20220701p

| Version    | Date updated |
|------------|--------------|
| V20220701p | 07/01/2022   |

**This document goes into effect August 8, 2022. Any applications filed before then would be under the interim final rule.**

**TEMPLATE 3**

**Historical Plan Information**

File name: *Template 3 Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

v20220701p

For additional submission due to merger under § 4262.4(f)(1)(ii): *Template 3 Plan Name Merged*, where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

Provide historical plan information for the 2010 plan year through the plan year immediately preceding the date the plan's initial application was filed that separately identifies: total contributions, total contribution base units (including identification of the base unit used (i.e., hourly, weekly)), average contribution rates, and number of active participants at the beginning of each plan year. Also show separately for each of the plan years in the same period all other sources of non-investment income, including, if applicable, withdrawal liability payments collected, reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if any), and other identifiable contribution streams.

If the sum of all contributions and withdrawal liabilities shown on this table does not equal the amount shown as contributions credited to the funding standard account on the plan year Schedule MB of Form 5500, include an explanation as a footnote to this table.

**PLAN INFORMATION**

|                        |            |
|------------------------|------------|
| Abbreviated Plan Name: | Roofers 42 |
| EIN:                   | 31-6127285 |
| PN:                    | 001        |

|                            |        |
|----------------------------|--------|
| Unit (e.g. hourly, weekly) | HOURLY |
|----------------------------|--------|

All Other Sources of Non-Investment Income

| Plan Year (in order from oldest to most recent) | Plan Year Start Date | Plan Year End Date | All Other Sources of Non-Investment Income |                               |                           |   |   |                               |   | Number of Active Participants at Beginning of Plan Year |
|---|----------------------|--------------------|--|-------------------------------|---------------------------|---|---|-------------------------------|---|---|
|   |                      |                    | Total Contributions*                       | Total Contribution Base Units | Average Contribution Rate | Reciprocity Contributions (if applicable) | Additional Rehab Plan Contributions (if applicable) | Other - Explain if Applicable | Withdrawal Liability Payments Collected |   |
| 2010  | 01/01/2010           | 12/31/2010         | \$779,323                                  | 227,922                       | \$3.42                    |   |   |                               |   | 208   |
| 2011  | 01/01/2011           | 12/31/2011         | \$739,693                                  | 213,183                       | \$3.47                    |   |   |                               |   | 201   |
| 2012  | 01/01/2012           | 12/31/2012         | \$840,874                                  | 218,407                       | \$3.85                    |   |   | \$4,929.00                    |   | 179   |
| 2013  | 01/01/2013           | 12/31/2013         | \$858,064                                  | 214,121                       | \$4.01                    |   |   | \$19,716.00                   |   | 181   |
| 2014  | 01/01/2014           | 12/31/2014         | \$895,300                                  | 222,413                       | \$4.03                    |   |   | \$19,716.00                   |   | 171   |
| 2015  | 01/01/2015           | 12/31/2015         | \$965,222                                  | 231,931                       | \$4.16                    |   |   | \$19,716.00                   |   | 170   |
| 2016  | 01/01/2016           | 12/31/2016         | \$1,060,950                                | 245,741                       | \$4.32                    |   |   | \$19,716.00                   |   | 178   |
| 2017  | 01/01/2017           | 12/31/2017         | \$1,132,719                                | 259,028                       | \$4.37                    |   |   | \$19,716.00                   |   | 175   |
| 2018  | 01/01/2018           | 12/31/2018         | \$1,133,418                                | 244,909                       | \$4.63                    |   |   | \$19,716.00                   |   | 173   |
| 2019  | 01/01/2019           | 12/31/2019         | \$1,247,982                                | 259,420                       | \$4.81                    |   |   | \$19,716.00                   |   | 175   |
| 2020  | 01/01/2020           | 12/31/2020         | \$1,122,904                                | 220,702                       | \$5.09                    |   |   | \$19,716.00                   |   | 175   |
| 2021  | 01/01/2021           | 12/31/2021         | \$1,049,969                                | 199,006                       | \$5.28                    |   |   | \$19,716.00                   |   | 175   |

\* Total contributions shown here should be contributions based upon CBU's and should not include items separately shown in any columns under "All Other Sources of Non-Investment Income."

Footnote: The "Withdrawal Liability Payments Collected" shown are for a single withdrawal, and were booked in their entirety as a receivable contribution in the audit for Plan Year ending 2012, and reflected thus in the 2012 Schedule MB and Funding Standard Account Balance.

**This document goes into effect August 8, 2022. Any applications filed before then would be under**

## **TEMPLATE 4A**

v20220701p

**SFA Determination - under the "basic method" for all plans, and under the "increasing assets method" for MPRA plans**

File name: *Template 4A Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

If submitting additional information due to a merger under § 4262.4(f)(1)(ii): *Template 4A Plan Name Merged*, where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

If submitting additional information due to certain events with limitations under § 4262.4(f)(1)(i): *Template 4A Plan Name Add*, where "Plan Name" is an abbreviated version of the plan name.

If submitting a supplemented application under § 4262.4(g)(6): *Template 4A Supp Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (4) of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

IFR filers submitting a supplemented application should see Addendum C for more information.

MPRA plans using the "increasing assets method" should see Addendum D for more information.

For all plans, provide information used to determine the amount of SFA under the "basic method" described in § 4262.4(a)(1).

For MPRA plans, also provide information used to determine the amount of SFA under the "increasing assets method" described in § 4262.4(a)(2)(i).

The information to be provided is:

***NOTE: All items below are provided on Sheet '4A-4 SFA Details .4(a)(1)' unless otherwise indicated.***

- a. The amount of SFA calculated using the "basic method", determined as a lump sum as of the SFA measurement date.
- b. Non-SFA interest rate required under § 4262.4(e)(1) of PBGC's SFA regulation, including supporting details on how it was determined.  
*[Sheet: 4A-1 Interest Rates]*
- c. SFA interest rate required under § 4262.4(e)(2) of PBGC's SFA regulation, including supporting details on how it was determined.  
*[Sheet: 4A-1 Interest Rates]*
- d. Fair market value of assets as of the SFA measurement date. This amount should include any assets at the SFA measurement date attributable to financial assistance received by the plan under section 4261 of ERISA, but should not reflect a payable for amounts owed to PBGC for all amounts of such financial assistance received by the plan.

e. For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"):

i. Separately identify the projected amount of contributions, projected withdrawal liability payments reflecting a reasonable allowance for amounts considered uncollectible, and other payments expected to be made to the plan (excluding the amount of financial assistance under section 4261 of ERISA and SFA to be received by the plan).

ii. Identify the benefit payments described in § 4262.4(b)(1) (including any benefits that were restored under 26 CFR 1.432(e)(9)-(1)(e)(3) and excluding the payments in e.iii. below), separately for current retirees and beneficiaries, current terminated vested participants not yet in pay status, current active participants, and new entrants.

*[Sheet: 4A-2 SFA Ben Pmts]*

Identify total benefit payments paid and expected to be paid from projected SFA assets separately from total benefit payments paid and expected to be paid from non-SFA assets after the projected SFA assets are fully exhausted.

iii. Separately identify the make-up payments described in § 4262.4(b)(1) attributable to the reinstatement of benefits under § 4262.15 that were previously suspended through the SFA measurement date.

*[Also see applicable examples in Section C, Item (4)e.iii. of the SFA instructions.]*

iv. Separately identify administrative expenses paid and expected to be paid (excluding the amount owed PBGC under section 4261 of ERISA) for premiums to PBGC and for all other administrative expenses.

*[Sheet: 4A-3 SFA Pcount and Admin Exp]*

Identify total administrative expenses paid and expected to be paid from projected SFA assets separately from total administrative expenses paid and expected to be paid from non-SFA assets after the projected SFA assets are fully exhausted.

v. Provide the projected total participant count at the beginning of each year.

*[Sheet: 4A-3 SFA Pcount and Admin Exp]*

vi. Provide the projected investment income earned by assets not attributable to SFA based on the non-SFA interest rate in b. above and the projected fair market value of non-SFA assets at the end of each plan year.

vii. Provide the projected investment income earned by assets attributable to SFA based on the SFA interest rate in c. above (excluding investment returns for the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets) and the projected fair market value of SFA assets at the end of each plan year.

f. The projected SFA exhaustion year. This is the first day of the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets. Note this date is only required for the calculation method under which the requested amount of SFA is determined.

Additional instructions for each individual worksheet:

Sheet

**4A-1 SFA Determination - non-SFA Interest Rate and SFA Interest Rate**

See instructions on 4A-1 Interest Rates.

**4A-2 SFA Determination - Benefit Payments for the "basic method" for all plans, and for the "increasing assets method" for MRPA plans**

*This sheet is not required for an IFR filer submitting a supplemented application under § 4262.4(g)(6) if the total projected benefit payments are the same as those used in the application approved under the interim final rule.*

On this sheet, you will provide:

- Basic plan information (plan name, EIN/PN, SFA measurement date), and
- Year-by-year deterministic projection of benefit payments.

For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"), identify benefit payments described in § 4262.4(b)(1) for current retirees and beneficiaries, current terminated vested participants not yet in pay status, currently active participants, and new entrants. On this Sheet 4A-2, show all benefit payments as positive amounts.

If the plan has suspended benefit payments under sections 305(e)(9) or 4245(a) of ERISA, the benefit payments in this Sheet 4A-2 projection should reflect prospective reinstatement of benefits assuming such reinstatements commence as of the SFA measurement date. If the plan restored or partially restored benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date, the benefit payments in this Sheet 4A-2 should reflect fully restored prospective benefits.

Make-up payments to be paid to restore previously suspended benefits should not be included in this Sheet 4A-2, and are separately shown in Sheet 4A-4.

Except for the first row in the projection exhibit, each row must include the full plan year of the indicated information up to the plan year ending in 2051. The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date, so the first row may contain less than a full plan year of information. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

**4A-3 SFA Determination - Participant Count and Administrative Expenses for the "basic method" for all plans, and for the "increasing assets method" for MPRA plans**

*This sheet is not required for an IFR filer submitting a supplemented application under § 4262.4(g)(6).*

On this sheet, you will provide:

- Basic plan information (plan name, EIN/PN, SFA measurement date), and
- Year-by-year deterministic projection of participant count and administrative expenses.

For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"), identify the projected total participant count at the beginning of each year, as well as administrative expenses, separately for premiums to PBGC and for all other administrative expenses. On this Sheet 4A-3, show all administrative expenses as positive amounts.

Any amounts owed to PBGC for financial assistance under section 4261 of ERISA should not be included in this Sheet 4A-3.

Except for the first row in the projection exhibit, each row must include the full plan year of the indicated information up to the plan year ending in 2051. The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date, so the first row may contain less than a full plan year of information. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

#### 4A-4 SFA Determination - Details for the "basic method" under § 4262.4(a)(1) for all plans

On this sheet, you will provide:

- Basic plan information (plan name, EIN/PN, SFA measurement date, non-SFA interest rate, SFA interest rate),
- MPRA plan status and, if applicable, certain MPRA information,
- Fair Market Value of Assets as of the SFA measurement date,
- SFA Amount as of the SFA measurement date calculated under the "basic method",
- Projected SFA exhaustion year (only if the requested amount of SFA is determined under the "basic method"), and
- Year-by-year deterministic projection.

For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"), provide each of the items requested in Columns (1) through (12). Show payments INTO the plan as positive amounts and payments OUT of the plan as negative amounts.

If the plan has suspended benefit payments under sections 305(e)(9) or 4245(a) of ERISA, Column (5) should show the make-up payments to be paid to restore the previously suspended benefits. These amounts should be determined as if such make-up payments are paid beginning as of the SFA measurement date. If the plan sponsor elects to pay these amounts as a lump sum, then the lump sum amount is assumed paid as of the SFA measurement date. If the plan sponsor elects to pay equal installments over 60 months, the first monthly payment is assumed paid on the first regular payment date on or after the SFA measurement date. See the examples in the SFA Instructions. If the make-up payments are paid over 60 months, each row in the projection should reflect the monthly payments for that period. The prospective reinstatement of suspended benefits is included in Column (4); Column (5) is only for make-up payments for past benefits that were suspended.

Except for the first row in the projection exhibit, each row must include the full plan year of the indicated information up to the plan year ending in 2051. The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date, so the first row may contain less than a full plan year of information. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

#### **4A-5 SFA Determination - Details for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans**

This sheet is to only be used by MPRA plans. For such plans, this sheet should be completed in addition to Sheet 4A-4.

On this sheet, you will provide:

- Basic plan information (plan name, EIN/PN, SFA measurement date, non-SFA interest rate, SFA interest rate),
- MPRA plan status, and if applicable, certain MPRA information,
- Fair Market Value of Assets as of the SFA measurement date,
- SFA Amount as of the SFA measurement date calculated under the "increasing assets method",
- Projected SFA exhaustion year (only if the requested amount of SFA is determined under the "increasing assets method"), and
- Year-by-year deterministic projection.

This sheet is identical to Sheet 4A-4, and the information in Columns (1) through (6) should be the same as that used in the "basic method" calculation in Sheet 4A-4. The SFA Amount as of the SFA Measurement Date will differ from that calculated in Sheet 4A-4, as it will be calculated in accordance with § 4262.4(a)(2)(i) as the lowest whole dollar amount (not less than \$0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero, and, as of the last day of the SFA coverage period, the sum of projected SFA assets and projected non-SFA assets is greater than the amount of such sum as of the last day of the immediately preceding plan year.

#### **Version Updates (newest version at top)**

| Version    | Date updated |
|------------|--------------|
| v20220701p | 07/01/2022   |

TEMPLATE 4A - Sheet 4A-1

SFA Determination - non-SFA Interest Rate and SFA Interest Rate

Provide the non-SFA interest rate and SFA interest rate used, including supporting details on how they were determined.

**PLAN INFORMATION**

|  |            |
|--|------------|
| Abbreviated Plan Name:   | Roofers 42 |
| EIN:   | 31-6127285 |
| PN:  | 001        |
| Initial Application Date:                                      | N/A        |
| SFA Measurement Date:  | 06/30/2022 |
| Last day of first plan year ending after the measurement date: | 12/31/2022 |

For a plan other than a plan described in § 4262.4(g) (i.e., for a plan that has not filed an initial application under PBGC's interim final rule), the last day of the third calendar month immediately preceding the plan's initial application date.  
 For a plan described in § 4262.4(g) (i.e., for a plan that filed an initial application prior to publication of the final rule), the last day of the calendar quarter immediately preceding the plan's initial application date.

|                             |       |
|-----------------------------|-------|
| Non-SFA Interest Rate Used: | 5.38% |
| SFA Interest Rate Used:     | 3.07% |

Rate used in projection of non-SFA assets.  
 Rate used in projection of SFA assets.

**Development of non-SFA interest rate and SFA interest rate:**

|                     |       |
|---------------------|-------|
| Plan Interest Rate: | 6.50% |
|---------------------|-------|

Interest rate used for the funding standard account projections in the plan's most recently completed certification of plan status before 1/1/2021.

Corresponding ERISA Section 303(h)(2)(C)(i), (ii), and (iii) rates disregarding modifications made under clause (iv) of such section.

| Month in which plan's initial application is filed, and corresponding segment rates (leave (i), (ii), and (iii) blank if the IRS Notice for this month has not yet been issued): | Month Year     | Corresponding ERISA Section 303(h)(2)(C)(i), (ii), and (iii) rates disregarding modifications made under clause (iv) of such section. |       |       |
|--|----------------|---|-------|-------|
|  |                | (i)   | (ii)  | (iii) |
| Month in which plan's initial application is filed, and corresponding segment rates (leave (i), (ii), and (iii) blank if the IRS Notice for this month has not yet been issued): | September 2022 | 1.41%   | 3.09% | 3.58% |
| 1 month preceding month in which plan's initial application is filed, and corresponding segment rates:   | August 2022    | 1.27%   | 2.99% | 3.51% |
| 2 months preceding month in which plan's initial application is filed, and corresponding segment rates:  | July 2022      | 1.14%   | 2.89% | 3.44% |
| 3 months preceding month in which plan's initial application is filed, and corresponding segment rates:  | June 2022      | 1.02%   | 2.80% | 3.38% |

24-month average segment rates without regard to interest rate stabilization rules. These rates are issued by IRS each month. For example, the applicable segment rates for August 2021 are 1.13%, 2.70%, and 3.38%. Those rates were issued in [IRS Notice 21-50](#) on August 16, 2021 (see page 2 of notice under the heading "24-Month Average Segment Rates Without 25-Year Average Adjustment").  
 They are also available on IRS' [Funding Yield Curve Segment Rate Tables](#) web page (See Funding Table 3 under the heading "24-Month Average Segment Rates Not Adjusted").

|   |       |   |
|---|-------|---|
| Non-SFA Interest Rate Limit (lowest 3rd segment rate plus 200 basis points):                      | 5.38% | This amount is calculated based on the other information entered above.   |
| Non-SFA Interest Rate Calculation (lesser of Plan Interest Rate and Non-SFA Interest Rate Limit): | 5.38% | This amount is calculated based on the other information entered above.   |
| Non-SFA Interest Rate Match Check:  | Match | If the non-SFA Interest Rate Calculation is not equal to the non-SFA Interest Rate Used, provide explanation below. |

|   |       |   |
|---|-------|---|
| SFA Interest Rate Limit (lowest average of the 3 segment rates plus 67 basis points):     | 3.07% | This amount is calculated based on the other information entered.   |
| SFA Interest Rate Calculation (lesser of Plan Interest Rate and SFA Interest Rate Limit): | 3.07% | This amount is calculated based on the other information entered above.                                     |
| SFA Interest Rate Match Check:  | Match | If the SFA Interest Rate Calculation is not equal to the SFA Interest Rate Used, provide explanation below. |

**TEMPLATE 4A - Sheet 4A-2**

v20220701p

**SFA Determination - Benefit Payments for the "basic method" for all plans, and for the "increasing assets method" for MRPA plans**

See Template 4A Instructions for Additional Instructions for Sheet 4A-2.

**PLAN INFORMATION**

|                        |            |
|------------------------|------------|
| Abbreviated Plan Name: | Roofers 42 |
| EIN:                   | 31-6127285 |
| PN:                    | 001        |
| SFA Measurement Date:  | 06/30/2022 |

On this Sheet, show all benefit payment amounts as positive amounts.

**PROJECTED BENEFIT PAYMENTS for:**

| SFA Measurement Date   |                    | Current Retirees and Beneficiaries in Pay | Current Terminated Vested Participants | Current Active Participants | New Entrants | Total       |
|------------------------|--------------------|---|--|-----------------------------|--------------|-------------|
| / Plan Year Start Date | Plan Year End Date | Status                                    |  |                             |              |             |
| 06/30/2022             | 12/31/2022         | \$1,723,173                               | \$68,081                               | \$52,118                    | \$0          | \$1,843,372 |
| 01/01/2023             | 12/31/2023         | \$3,387,688                               | \$170,011                              | \$225,479                   | \$0          | \$3,783,178 |
| 01/01/2024             | 12/31/2024         | \$3,324,878                               | \$249,801                              | \$287,333                   | \$0          | \$3,862,012 |
| 01/01/2025             | 12/31/2025         | \$3,257,678                               | \$272,775                              | \$408,755                   | \$169        | \$3,939,377 |
| 01/01/2026             | 12/31/2026         | \$3,185,870                               | \$307,560                              | \$546,815                   | \$355        | \$4,040,600 |
| 01/01/2027             | 12/31/2027         | \$3,109,262                               | \$356,814                              | \$583,157                   | \$578        | \$4,049,811 |
| 01/01/2028             | 12/31/2028         | \$3,027,729                               | \$402,581                              | \$675,960                   | \$894        | \$4,107,164 |
| 01/01/2029             | 12/31/2029         | \$2,941,222                               | \$429,391                              | \$764,822                   | \$1,403      | \$4,136,838 |
| 01/01/2030             | 12/31/2030         | \$2,849,792                               | \$463,971                              | \$849,784                   | \$2,652      | \$4,166,199 |
| 01/01/2031             | 12/31/2031         | \$2,753,583                               | \$481,209                              | \$915,544                   | \$5,051      | \$4,155,387 |
| 01/01/2032             | 12/31/2032         | \$2,652,820                               | \$493,495                              | \$948,059                   | \$8,475      | \$4,102,849 |
| 01/01/2033             | 12/31/2033         | \$2,547,773                               | \$516,631                              | \$993,463                   | \$12,228     | \$4,070,095 |
| 01/01/2034             | 12/31/2034         | \$2,438,783                               | \$532,193                              | \$1,025,342                 | \$16,180     | \$4,012,498 |
| 01/01/2035             | 12/31/2035         | \$2,326,228                               | \$557,461                              | \$1,060,343                 | \$20,307     | \$3,964,339 |
| 01/01/2036             | 12/31/2036         | \$2,210,529                               | \$571,400                              | \$1,090,496                 | \$24,628     | \$3,897,053 |
| 01/01/2037             | 12/31/2037         | \$2,092,182                               | \$589,917                              | \$1,135,100                 | \$29,229     | \$3,846,428 |
| 01/01/2038             | 12/31/2038         | \$1,971,738                               | \$596,387                              | \$1,144,016                 | \$38,271     | \$3,750,412 |
| 01/01/2039             | 12/31/2039         | \$1,849,782                               | \$601,082                              | \$1,150,087                 | \$48,631     | \$3,649,582 |
| 01/01/2040             | 12/31/2040         | \$1,726,960                               | \$604,302                              | \$1,161,792                 | \$61,870     | \$3,554,924 |
| 01/01/2041             | 12/31/2041         | \$1,603,964                               | \$606,295                              | \$1,161,843                 | \$76,717     | \$3,448,819 |
| 01/01/2042             | 12/31/2042         | \$1,481,541                               | \$609,879                              | \$1,185,307                 | \$92,341     | \$3,369,068 |
| 01/01/2043             | 12/31/2043         | \$1,360,486                               | \$618,695                              | \$1,201,064                 | \$108,482    | \$3,288,727 |
| 01/01/2044             | 12/31/2044         | \$1,241,598                               | \$612,809                              | \$1,203,912                 | \$124,508    | \$3,182,827 |
| 01/01/2045             | 12/31/2045         | \$1,125,648                               | \$605,467                              | \$1,192,082                 | \$140,835    | \$3,064,032 |
| 01/01/2046             | 12/31/2046         | \$1,013,388                               | \$596,456                              | \$1,174,470                 | \$157,303    | \$2,941,617 |
| 01/01/2047             | 12/31/2047         | \$905,555                                 | \$581,557                              | \$1,155,226                 | \$180,238    | \$2,822,576 |
| 01/01/2048             | 12/31/2048         | \$802,847                                 | \$566,461                              | \$1,146,462                 | \$203,072    | \$2,718,842 |
| 01/01/2049             | 12/31/2049         | \$705,935                                 | \$551,074                              | \$1,138,884                 | \$227,997    | \$2,623,890 |
| 01/01/2050             | 12/31/2050         | \$615,413                                 | \$534,751                              | \$1,122,559                 | \$257,486    | \$2,530,209 |
| 01/01/2051             | 12/31/2051         | \$531,787                                 | \$515,348                              | \$1,102,540                 | \$290,559    | \$2,440,234 |

**TEMPLATE 4A - Sheet 4A-3**

v20220701p

**SFA Determination - Participant Count and Administrative Expenses for the "basic method" for all plans, and for the "increasing assets method" for MPRA plans**

See Template 4A Instructions for Additional Instructions for Sheet 4A-3.

**PLAN INFORMATION**

|                        |            |
|------------------------|------------|
| Abbreviated Plan Name: | Roofers 42 |
| EIN:                   | 31-6127285 |
| PN:                    | 001        |
| SFA Measurement Date:  | 06/30/2022 |

**On this Sheet, show all administrative expense amounts as positive amounts.**

| SFA Measurement Date   |                    | Total Participant Count<br>at Beginning of Plan<br>Year | PROJECTED ADMINISTRATIVE EXPENSES for: |           |           |
|------------------------|--------------------|---|--|-----------|-----------|
| / Plan Year Start Date | Plan Year End Date |   | PBGC Premiums                          | Other     | Total     |
| 06/30/2022             | 12/31/2022         | N/A   | \$16,128                               | \$52,461  | \$68,589  |
| 01/01/2023             | 12/31/2023         | 513   | \$16,929                               | \$133,390 | \$150,319 |
| 01/01/2024             | 12/31/2024         | 522   | \$17,748                               | \$137,392 | \$155,140 |
| 01/01/2025             | 12/31/2025         | 530   | \$18,550                               | \$141,514 | \$160,064 |
| 01/01/2026             | 12/31/2026         | 536   | \$19,296                               | \$145,759 | \$165,055 |
| 01/01/2027             | 12/31/2027         | 544   | \$20,128                               | \$150,132 | \$170,260 |
| 01/01/2028             | 12/31/2028         | 549   | \$20,862                               | \$154,636 | \$175,498 |
| 01/01/2029             | 12/31/2029         | 555   | \$21,645                               | \$159,275 | \$180,920 |
| 01/01/2030             | 12/31/2030         | 561   | \$23,001                               | \$164,053 | \$187,054 |
| 01/01/2031             | 12/31/2031         | 567   | \$29,484                               | \$168,975 | \$198,459 |
| 01/01/2032             | 12/31/2032         | 572   | \$30,888                               | \$174,044 | \$204,932 |
| 01/01/2033             | 12/31/2033         | 576   | \$31,680                               | \$179,265 | \$210,945 |
| 01/01/2034             | 12/31/2034         | 581   | \$33,117                               | \$184,643 | \$217,760 |
| 01/01/2035             | 12/31/2035         | 585   | \$34,515                               | \$190,182 | \$224,697 |
| 01/01/2036             | 12/31/2036         | 588   | \$35,280                               | \$195,887 | \$231,167 |
| 01/01/2037             | 12/31/2037         | 592   | \$36,704                               | \$201,764 | \$238,468 |
| 01/01/2038             | 12/31/2038         | 595   | \$38,080                               | \$207,817 | \$245,897 |
| 01/01/2039             | 12/31/2039         | 597   | \$39,402                               | \$214,052 | \$253,454 |
| 01/01/2040             | 12/31/2040         | 600   | \$40,800                               | \$220,474 | \$261,274 |
| 01/01/2041             | 12/31/2041         | 603   | \$42,210                               | \$227,088 | \$269,298 |
| 01/01/2042             | 12/31/2042         | 605   | \$43,560                               | \$233,901 | \$277,461 |
| 01/01/2043             | 12/31/2043         | 608   | \$44,992                               | \$240,918 | \$285,910 |
| 01/01/2044             | 12/31/2044         | 610   | \$46,360                               | \$248,146 | \$294,506 |
| 01/01/2045             | 12/31/2045         | 612   | \$48,348                               | \$255,590 | \$303,938 |
| 01/01/2046             | 12/31/2046         | 613   | \$49,653                               | \$263,258 | \$312,911 |
| 01/01/2047             | 12/31/2047         | 614   | \$50,962                               | \$271,156 | \$322,118 |
| 01/01/2048             | 12/31/2048         | 616   | \$52,976                               | \$279,291 | \$332,267 |
| 01/01/2049             | 12/31/2049         | 618   | \$55,002                               | \$287,670 | \$342,672 |
| 01/01/2050             | 12/31/2050         | 621   | \$56,511                               | \$296,300 | \$352,811 |
| 01/01/2051             | 12/31/2051         | 623   | \$58,562                               | \$305,189 | \$363,751 |

TEMPLATE 4A - Sheet 4A-4

SFA Determination - Details for the "basic method" under § 4262.4(a)(1) for all plans

See Template 4A Instructions for Additional Instructions for Sheet 4A-4.

PLAN INFORMATION

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$25,464,724             |
| Projected SFA exhaustion year:   | 01/01/2028               |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

Meets the definition of a MPRA plan described in § 4262.4(a)(3)?

MPRA increasing assets method described in § 4262.4(a)(2)(i).  
MPRA present value method described in § 4262.4(a)(2)(ii).

Per § 4262.4(a)(1), the lowest whole dollar amount (not less than \$0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero.

Only required on this sheet if the requested amount of SFA is based on the "basic method".  
Plan Year Start Date of the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets.

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date | Plan Year End Date | (1)           | (2)                           | (3)   | (4)   | (5)   | (6)  | (7)   | (8)  | (9)  | (10)  | (11)   | (12)   |
|---|--------------------|---------------|-------------------------------|---|---|---|--|---|--|--|---|--|--|
|   |                    | Contributions | Withdrawal Liability Payments | Other Payments to Plan (excluding financial assistance and SFA) | Benefit Payments (should match total from Sheet 4A-2) | Make-up Payments Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date | Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA; should match total from Sheet 4A-3) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets | SFA Investment Income Based on SFA Interest Rate | Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | Non-SFA Investment Income Based on Non-SFA Interest Rate | Projected Non-SFA Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
| 06/30/2022                                  | 12/31/2022         | \$538,438     | \$9,858                       | \$0   | -\$1,843,372  | -\$219,241  | -\$68,589  | -\$2,131,202  | \$371,757  | \$23,705,279   | \$0   | \$577,627  | \$22,611,721   |
| 01/01/2023                                  | 12/31/2023         | \$1,076,875   | \$19,716                      | \$0   | -\$3,783,178  | -\$438,482  | -\$150,319   | -\$4,371,979  | \$661,149  | \$19,994,449   | \$0   | \$1,245,622  | \$24,953,934   |
| 01/01/2024                                  | 12/31/2024         | \$1,076,875   | \$19,716                      | \$0   | -\$3,862,012  | -\$438,482  | -\$155,140   | -\$4,455,634  | \$545,953  | \$16,084,768   | \$0   | \$1,371,634  | \$27,422,159   |
| 01/01/2025                                  | 12/31/2025         | \$1,076,875   | \$19,716                      | \$0   | -\$3,939,377  | -\$438,482  | -\$160,064   | -\$4,537,923  | \$424,672  | \$11,971,517   | \$0   | \$1,504,424  | \$30,023,174   |
| 01/01/2026                                  | 12/31/2026         | \$1,076,875   | \$19,716                      | \$0   | -\$4,040,600  | -\$438,482  | -\$165,055   | -\$4,644,137  | \$296,777  | \$7,624,157  | \$0   | \$1,644,359  | \$32,764,124   |
| 01/01/2027                                  | 12/31/2027         | \$1,076,875   | \$13,991                      | \$0   | -\$4,049,811  | -\$219,241  | -\$170,260   | -\$4,439,312  | \$166,433  | \$3,351,278  | \$0   | \$1,791,670  | \$35,646,660   |
| 01/01/2028                                  | 12/31/2028         | \$1,076,875   | \$0                           | \$0   | -\$4,107,164  | \$0   | -\$175,498   | -\$3,351,278  | \$0  | \$0  | -\$931,384  | \$1,921,653  | \$37,713,804   |
| 01/01/2029                                  | 12/31/2029         | \$1,076,875   | \$0                           | \$0   | -\$4,136,838  | \$0   | -\$180,920   | \$0   | \$0  | \$0  | -\$4,317,758  | \$1,942,965  | \$36,415,886   |
| 01/01/2030                                  | 12/31/2030         | \$1,076,875   | \$0                           | \$0   | -\$4,166,199  | \$0   | -\$187,054   | \$0   | \$0  | \$0  | -\$4,353,253  | \$1,872,195  | \$35,011,703   |
| 01/01/2031                                  | 12/31/2031         | \$1,076,875   | \$0                           | \$0   | -\$4,155,387  | \$0   | -\$198,459   | \$0   | \$0  | \$0  | -\$4,353,846  | \$1,796,634  | \$33,531,366   |
| 01/01/2032                                  | 12/31/2032         | \$1,076,875   | \$0                           | \$0   | -\$4,102,849  | \$0   | -\$204,932   | \$0   | \$0  | \$0  | -\$4,307,781  | \$1,718,215  | \$32,018,675   |
| 01/01/2033                                  | 12/31/2033         | \$1,076,875   | \$0                           | \$0   | -\$4,070,095  | \$0   | -\$210,945   | \$0   | \$0  | \$0  | -\$4,281,040  | \$1,637,542  | \$30,452,052   |
| 01/01/2034                                  | 12/31/2034         | \$1,076,875   | \$0                           | \$0   | -\$4,012,498  | \$0   | -\$217,760   | \$0   | \$0  | \$0  | -\$4,230,258  | \$1,554,606  | \$28,853,275   |
| 01/01/2035                                  | 12/31/2035         | \$1,076,875   | \$0                           | \$0   | -\$3,964,339  | \$0   | -\$224,697   | \$0   | \$0  | \$0  | -\$4,189,036  | \$1,469,686  | \$27,210,800   |
| 01/01/2036                                  | 12/31/2036         | \$1,076,875   | \$0                           | \$0   | -\$3,897,053  | \$0   | -\$231,167   | \$0   | \$0  | \$0  | -\$4,128,220  | \$1,382,935  | \$25,542,390   |
| 01/01/2037                                  | 12/31/2037         | \$1,076,875   | \$0                           | \$0   | -\$3,846,428  | \$0   | -\$238,468   | \$0   | \$0  | \$0  | -\$4,084,896  | \$1,294,325  | \$23,828,694   |
| 01/01/2038                                  | 12/31/2038         | \$1,076,875   | \$0                           | \$0   | -\$3,750,412  | \$0   | -\$245,897   | \$0   | \$0  | \$0  | -\$3,996,309  | \$1,204,480  | \$22,113,740   |
| 01/01/2039                                  | 12/31/2039         | \$1,076,875   | \$0                           | \$0   | -\$3,649,582  | \$0   | -\$253,454   | \$0   | \$0  | \$0  | -\$3,903,036  | \$1,114,691  | \$20,402,270   |
| 01/01/2040                                  | 12/31/2040         | \$1,076,875   | \$0                           | \$0   | -\$3,554,924  | \$0   | -\$261,274   | \$0   | \$0  | \$0  | -\$3,816,198  | \$1,024,920  | \$18,687,867   |
| 01/01/2041                                  | 12/31/2041         | \$1,076,875   | \$0                           | \$0   | -\$3,448,819  | \$0   | -\$269,298   | \$0   | \$0  | \$0  | -\$3,718,117  | \$935,289  | \$16,981,914   |
| 01/01/2042                                  | 12/31/2042         | \$1,076,875   | \$0                           | \$0   | -\$3,369,068  | \$0   | -\$277,461   | \$0   | \$0  | \$0  | -\$3,646,529  | \$845,409  | \$15,257,669   |
| 01/01/2043                                  | 12/31/2043         | \$1,076,875   | \$0                           | \$0   | -\$3,288,727  | \$0   | -\$285,910   | \$0   | \$0  | \$0  | -\$3,574,637  | \$754,553  | \$13,514,460   |
| 01/01/2044                                  | 12/31/2044         | \$1,076,875   | \$0                           | \$0   | -\$3,182,827  | \$0   | -\$294,506   | \$0   | \$0  | \$0  | -\$3,477,333  | \$663,352  | \$11,777,354   |
| 01/01/2045                                  | 12/31/2045         | \$1,076,875   | \$0                           | \$0   | -\$3,064,032  | \$0   | -\$303,938   | \$0   | \$0  | \$0  | -\$3,367,970  | \$572,799  | \$10,059,058   |
| 01/01/2046                                  | 12/31/2046         | \$1,076,875   | \$0                           | \$0   | -\$2,941,617  | \$0   | -\$312,911   | \$0   | \$0  | \$0  | -\$3,254,528  | \$483,366  | \$8,364,771  |
| 01/01/2047                                  | 12/31/2047         | \$1,076,875   | \$0                           | \$0   | -\$2,822,576  | \$0   | -\$322,118   | \$0   | \$0  | \$0  | -\$3,144,694  | \$395,129  | \$6,692,081  |
| 01/01/2048                                  | 12/31/2048         | \$1,076,875   | \$0                           | \$0   | -\$2,718,842  | \$0   | -\$332,267   | \$0   | \$0  | \$0  | -\$3,051,109  | \$307,623  | \$5,025,470  |
| 01/01/2049                                  | 12/31/2049         | \$1,076,875   | \$0                           | \$0   | -\$2,623,890  | \$0   | -\$342,672   | \$0   | \$0  | \$0  | -\$2,966,562  | \$220,204  | \$3,355,987  |
| 01/01/2050                                  | 12/31/2050         | \$1,076,875   | \$0                           | \$0   | -\$2,530,209  | \$0   | -\$352,811   | \$0   | \$0  | \$0  | -\$2,883,020  | \$132,603  | \$1,682,445  |
| 01/01/2051                                  | 12/31/2051         | \$1,076,875   | \$0                           | \$0   | -\$2,440,234  | \$0   | -\$363,751   | \$0   | \$0  | \$0  | -\$2,803,985  | \$44,665   | \$0  |

TEMPLATE 4A - Sheet 4A-5

SFA Determination - Details for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans

See Template 4A Instructions for Additional Instructions for Sheet 4A-5.

PLAN INFORMATION

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$33,737,543             |
| Projected SFA exhaustion year:   | 01/01/2031               |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

Meets the definition of a MPRA plan described in § 4262.4(a)(3)?

MPRA increasing assets method described in § 4262.4(a)(2)(i).  
MPRA present value method described in § 4262.4(a)(2)(ii).

Per § 4262.4(a)(2)(i), the lowest whole dollar amount (not less than \$0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero, and, as of the last day of the SFA coverage period, the sum of projected SFA assets and projected non-SFA assets is greater than the amount of such sum as of the last day of the immediately preceding plan year.

Only required on this sheet if the requested amount of SFA is based on the "increasing assets method".  
Plan Year Start Date of the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets.

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date | Plan Year End Date | (1)           | (2)                           | (3)   | (4)   | (5)  | (6)  | (7)   | (8)  | (9)  | (10)  | (11)   | (12)   |
|---|--------------------|---------------|-------------------------------|---|---|--|--|---|--|--|---|--|--|
|   |                    | Contributions | Withdrawal Liability Payments | Other Payments to Plan (excluding financial assistance and SFA) | Benefit Payments (should match total from Sheet 4A-2) | Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date | Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA; should match total from Sheet 4A-3) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets | SFA Investment Income Based on SFA Interest Rate | Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | Non-SFA Investment Income Based on Non-SFA Interest Rate | Projected Non-SFA Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
| 06/30/2022                                  | 12/31/2022         | \$538,000     | \$9,858                       | \$0   | -\$1,843,372  | -\$219,241   | -\$68,589  | -\$2,131,202  | \$497,785  | \$32,104,126   | \$0   | \$577,621  | \$22,611,277   |
| 01/01/2023                                  | 12/31/2023         | \$1,076,000   | \$19,716                      | \$0   | -\$3,783,178  | -\$438,482   | -\$150,319   | -\$4,371,979  | \$918,994  | \$28,651,141   | \$0   | \$1,245,575  | \$24,952,568   |
| 01/01/2024                                  | 12/31/2024         | \$1,076,000   | \$19,716                      | \$0   | -\$3,862,012  | -\$438,482   | -\$155,140   | -\$4,455,634  | \$811,713  | \$25,007,220   | \$0   | \$1,371,537  | \$27,419,821   |
| 01/01/2025                                  | 12/31/2025         | \$1,076,000   | \$19,716                      | \$0   | -\$3,939,377  | -\$438,482   | -\$160,064   | -\$4,537,923  | \$698,591  | \$21,167,888   | \$0   | \$1,504,275  | \$30,019,812   |
| 01/01/2026                                  | 12/31/2026         | \$1,076,000   | \$19,716                      | \$0   | -\$4,040,600  | -\$438,482   | -\$165,055   | -\$4,644,137  | \$579,106  | \$17,102,857   | \$0   | \$1,644,155  | \$32,759,683   |
| 01/01/2027                                  | 12/31/2027         | \$1,076,000   | \$13,991                      | \$0   | -\$4,049,811  | -\$219,241   | -\$170,260   | -\$4,439,312  | \$457,429  | \$13,120,974   | \$0   | \$1,791,408  | \$35,641,082   |
| 01/01/2028                                  | 12/31/2028         | \$1,076,000   | \$0                           | \$0   | -\$4,107,164  | \$0  | -\$175,498   | -\$4,282,662  | \$337,572  | \$9,175,884  | \$0   | \$1,946,055  | \$38,663,137   |
| 01/01/2029                                  | 12/31/2029         | \$1,076,000   | \$0                           | \$0   | -\$4,136,838  | \$0  | -\$180,920   | -\$4,317,758  | \$215,923  | \$5,074,049  | \$0   | \$2,108,642  | \$41,847,779   |
| 01/01/2030                                  | 12/31/2030         | \$1,076,000   | \$0                           | \$0   | -\$4,166,199  | \$0  | -\$187,054   | -\$4,353,253  | \$89,456   | \$810,252  | \$0   | \$2,279,976  | \$45,203,755   |
| 01/01/2031                                  | 12/31/2031         | \$1,076,000   | \$0                           | \$0   | -\$4,155,387  | \$0  | -\$198,459   | -\$810,252  | \$0  | \$0  | -\$3,543,594  | \$2,366,453  | \$45,102,614   |
| 01/01/2032                                  | 12/31/2032         | \$1,076,000   | \$0                           | \$0   | -\$4,102,849  | \$0  | -\$204,932   | \$0   | \$0  | \$0  | -\$4,307,781  | \$2,340,725  | \$44,211,558   |
| 01/01/2033                                  | 12/31/2033         | \$1,076,000   | \$0                           | \$0   | -\$4,070,095  | \$0  | -\$210,945   | \$0   | \$0  | \$0  | -\$4,281,040  | \$2,293,496  | \$43,300,014   |
| 01/01/2034                                  | 12/31/2034         | \$1,076,000   | \$0                           | \$0   | -\$4,012,498  | \$0  | -\$217,760   | \$0   | \$0  | \$0  | -\$4,230,258  | \$2,245,803  | \$42,391,559   |
| 01/01/2035                                  | 12/31/2035         | \$1,076,000   | \$0                           | \$0   | -\$3,964,339  | \$0  | -\$224,697   | \$0   | \$0  | \$0  | -\$4,189,036  | \$2,198,022  | \$41,476,545   |
| 01/01/2036                                  | 12/31/2036         | \$1,076,000   | \$0                           | \$0   | -\$3,897,053  | \$0  | -\$231,167   | \$0   | \$0  | \$0  | -\$4,128,220  | \$2,150,409  | \$40,574,734   |
| 01/01/2037                                  | 12/31/2037         | \$1,076,000   | \$0                           | \$0   | -\$3,846,428  | \$0  | -\$238,468   | \$0   | \$0  | \$0  | -\$4,084,896  | \$2,103,042  | \$39,668,880   |
| 01/01/2038                                  | 12/31/2038         | \$1,076,000   | \$0                           | \$0   | -\$3,750,412  | \$0  | -\$245,897   | \$0   | \$0  | \$0  | -\$3,996,309  | \$2,056,659  | \$38,805,230   |
| 01/01/2039                                  | 12/31/2039         | \$1,076,000   | \$0                           | \$0   | -\$3,649,582  | \$0  | -\$253,454   | \$0   | \$0  | \$0  | -\$3,903,036  | \$2,012,670  | \$37,990,864   |
| 01/01/2040                                  | 12/31/2040         | \$1,076,000   | \$0                           | \$0   | -\$3,554,924  | \$0  | -\$261,274   | \$0   | \$0  | \$0  | -\$3,816,198  | \$1,971,163  | \$37,221,829   |
| 01/01/2041                                  | 12/31/2041         | \$1,076,000   | \$0                           | \$0   | -\$3,448,819  | \$0  | -\$269,298   | \$0   | \$0  | \$0  | -\$3,718,117  | \$1,932,393  | \$36,512,105   |
| 01/01/2042                                  | 12/31/2042         | \$1,076,000   | \$0                           | \$0   | -\$3,369,068  | \$0  | -\$277,461   | \$0   | \$0  | \$0  | -\$3,646,529  | \$1,896,110  | \$35,837,686   |
| 01/01/2043                                  | 12/31/2043         | \$1,076,000   | \$0                           | \$0   | -\$3,288,727  | \$0  | -\$285,910   | \$0   | \$0  | \$0  | -\$3,574,637  | \$1,861,735  | \$35,200,784   |
| 01/01/2044                                  | 12/31/2044         | \$1,076,000   | \$0                           | \$0   | -\$3,182,827  | \$0  | -\$294,506   | \$0   | \$0  | \$0  | -\$3,477,333  | \$1,830,053  | \$34,629,504   |
| 01/01/2045                                  | 12/31/2045         | \$1,076,000   | \$0                           | \$0   | -\$3,064,032  | \$0  | -\$303,938   | \$0   | \$0  | \$0  | -\$3,367,970  | \$1,802,221  | \$34,139,755   |
| 01/01/2046                                  | 12/31/2046         | \$1,076,000   | \$0                           | \$0   | -\$2,941,617  | \$0  | -\$312,911   | \$0   | \$0  | \$0  | -\$3,254,528  | \$1,778,884  | \$33,740,111   |
| 01/01/2047                                  | 12/31/2047         | \$1,076,000   | \$0                           | \$0   | -\$2,822,576  | \$0  | -\$322,118   | \$0   | \$0  | \$0  | -\$3,144,694  | \$1,760,299  | \$33,431,716   |
| 01/01/2048                                  | 12/31/2048         | \$1,076,000   | \$0                           | \$0   | -\$2,718,842  | \$0  | -\$332,267   | \$0   | \$0  | \$0  | -\$3,051,109  | \$1,746,192  | \$33,202,799   |
| 01/01/2049                                  | 12/31/2049         | \$1,076,000   | \$0                           | \$0   | -\$2,623,890  | \$0  | -\$342,672   | \$0   | \$0  | \$0  | -\$2,966,562  | \$1,736,121  | \$33,048,358   |
| 01/01/2050                                  | 12/31/2050         | \$1,076,000   | \$0                           | \$0   | -\$2,530,209  | \$0  | -\$352,811   | \$0   | \$0  | \$0  | -\$2,883,020  | \$1,730,030  | \$32,971,368   |
| 01/01/2051                                  | 12/31/2051         | \$1,076,000   | \$0                           | \$0   | -\$2,440,234  | \$0  | -\$363,751   | \$0   | \$0  | \$0  | -\$2,803,985  | \$1,727,986  | \$32,971,369   |

**This document goes into effect August 8, 2022. Any applications filed before then would be under  
TEMPLATE 5A**

v20220701p

**Baseline - for non-MPRA plans using the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

File name: *Template 5A Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (5) of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

*This Template 5A is not required if all assumptions and methods used to determine the requested SFA amount are identical to those used in the most recent actuarial certification of plan status completed before 1/1/2021 ("pre-2021 certification of plan status"), except the non-SFA and SFA interest rates, and except any assumptions that were changed in accordance with Section III, Acceptable Assumption Changes in PBGC's SFA assumptions guidance (other than the acceptable assumption change for "missing" terminated vested participants described in Section III.E. of PBGC's SFA assumptions guidance).*

Provide a separate deterministic projection ("Baseline") using the same calculation methodology used to determine the requested SFA amount, in the same format as Template 4A (Sheets 4A-2, 4A-3, and either 4A-4 or 4A-5) that shows the amount of SFA that would be determined if all underlying assumptions and methods used in the projection were the same as those used in the pre-2021 certification of plan status, except the plan's non-SFA interest rate and SFA interest rate, which should be the same as used in Template 4A (Sheet 4A-1).

For purposes of this Template 5A, any assumption change made in accordance with Section III, Acceptable Assumption Changes, in PBGC's SFA assumptions guidance should be reflected in this Baseline calculation of the SFA amount and supporting projection information, except that an assumption change for "missing" terminated vested participants described in Section III.E of PBGC's SFA assumptions guidance should not be reflected in the Baseline projections. See examples in the SFA instructions for Section C. Item (5).

Additional instructions for each individual worksheet:

Sheet

**5A-1 Baseline - Benefit Payments for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

See Template 4A instructions for Sheet 4A-2, except provide the benefit payment projection used to determine the Baseline SFA amount.

**5A-2 Baseline - Participant Count and Administrative Expenses for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

See Template 4A instructions for Sheet 4A-3, except provide the projected total participant count and administrative expense projection used to determine the Baseline SFA amount.

**5A-3 Baseline - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method**

For non-MPRA plans, see Template 4A instructions for Sheet 4A-4, except provide the projection used to determine the Baseline SFA amount under the "basic method" described in § 4262.4(a)(1). Unlike Sheet 4A-4, it is not necessary to explicitly identify the projected SFA exhaustion year in Sheet 5A-3.

For MPRA plans for which the requested amount of SFA is determined under the "increasing assets method", see Template 4A instructions for Sheet 4A-5, except provide the projection used to determine the Baseline SFA amount under the "increasing assets method" described in § 4262.4(a)(2)(i). Unlike Sheet 4A-5, it is not necessary to identify the projected SFA exhaustion year in Sheet 5A-3.

**Version Updates (newest version at top)**

| Version    | Date updated |
|------------|--------------|
| v20220701p | 07/01/2022   |

**TEMPLATE 5A - Sheet 5A-1**

v20220701p

**Baseline - Benefit Payments for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

See Template 4A instructions for Sheet 4A-2, except provide the benefit payment projection used to determine the Baseline SFA amount.

**PLAN INFORMATION**

|                        |            |
|------------------------|------------|
| Abbreviated Plan Name: | Roofers 42 |
| EIN:                   | 31-6127285 |
| PN:                    | 001        |
| SFA Measurement Date:  | 06/30/2022 |

On this Sheet, show all benefit payment amounts as positive amounts.

| SFA Measurement Date<br>/ Plan Year Start Date      Plan Year End Date |            | PROJECTED BENEFIT PAYMENTS for:                        |   |                                |              |             | Total |
|--|------------|--|---|--------------------------------|--------------|-------------|-------|
|  |            | Current Retirees and<br>Beneficiaries in Pay<br>Status | Current Terminated<br>Vested Participants | Current Active<br>Participants | New Entrants |             |       |
| 06/30/2022   | 12/31/2022 | \$1,723,173  | \$54,926                                  | \$144,498                      | \$0          | \$1,922,597 |       |
| 01/01/2023   | 12/31/2023 | \$3,387,688  | \$169,459                                 | \$405,131                      | \$0          | \$3,962,278 |       |
| 01/01/2024   | 12/31/2024 | \$3,324,879  | \$215,577                                 | \$463,256                      | \$0          | \$4,003,712 |       |
| 01/01/2025   | 12/31/2025 | \$3,257,679  | \$262,946                                 | \$536,995                      | \$207        | \$4,057,827 |       |
| 01/01/2026   | 12/31/2026 | \$3,185,869  | \$321,736                                 | \$603,798                      | \$439        | \$4,111,842 |       |
| 01/01/2027   | 12/31/2027 | \$3,109,263  | \$372,867                                 | \$662,133                      | \$735        | \$4,144,998 |       |
| 01/01/2028   | 12/31/2028 | \$3,027,728  | \$411,383                                 | \$707,829                      | \$1,342      | \$4,148,282 |       |
| 01/01/2029   | 12/31/2029 | \$2,941,224  | \$446,162                                 | \$741,056                      | \$2,611      | \$4,131,053 |       |
| 01/01/2030   | 12/31/2030 | \$2,849,792  | \$468,955                                 | \$781,621                      | \$4,608      | \$4,104,976 |       |
| 01/01/2031   | 12/31/2031 | \$2,753,584  | \$491,398                                 | \$814,471                      | \$7,847      | \$4,067,300 |       |
| 01/01/2032   | 12/31/2032 | \$2,652,819  | \$511,997                                 | \$844,161                      | \$12,033     | \$4,021,010 |       |
| 01/01/2033   | 12/31/2033 | \$2,547,773  | \$533,620                                 | \$874,346                      | \$16,686     | \$3,972,425 |       |
| 01/01/2034   | 12/31/2034 | \$2,438,782  | \$552,622                                 | \$909,287                      | \$22,047     | \$3,922,738 |       |
| 01/01/2035   | 12/31/2035 | \$2,326,229  | \$571,163                                 | \$934,256                      | \$29,608     | \$3,861,256 |       |
| 01/01/2036   | 12/31/2036 | \$2,210,529  | \$589,027                                 | \$959,824                      | \$36,869     | \$3,796,249 |       |
| 01/01/2037   | 12/31/2037 | \$2,092,182  | \$599,968                                 | \$980,668                      | \$44,556     | \$3,717,374 |       |
| 01/01/2038   | 12/31/2038 | \$1,971,738  | \$606,955                                 | \$989,664                      | \$53,287     | \$3,621,644 |       |
| 01/01/2039   | 12/31/2039 | \$1,849,782  | \$613,619                                 | \$1,004,808                    | \$63,735     | \$3,531,944 |       |
| 01/01/2040   | 12/31/2040 | \$1,726,959  | \$619,164                                 | \$1,019,136                    | \$77,440     | \$3,442,699 |       |
| 01/01/2041   | 12/31/2041 | \$1,603,963  | \$622,939                                 | \$1,032,796                    | \$93,438     | \$3,353,136 |       |
| 01/01/2042   | 12/31/2042 | \$1,481,542  | \$626,871                                 | \$1,045,045                    | \$110,172    | \$3,263,630 |       |
| 01/01/2043   | 12/31/2043 | \$1,360,486  | \$626,199                                 | \$1,053,140                    | \$128,193    | \$3,168,018 |       |
| 01/01/2044   | 12/31/2044 | \$1,241,599  | \$621,956                                 | \$1,059,494                    | \$150,439    | \$3,073,488 |       |
| 01/01/2045   | 12/31/2045 | \$1,125,647  | \$613,597                                 | \$1,068,120                    | \$172,588    | \$2,979,952 |       |
| 01/01/2046   | 12/31/2046 | \$1,013,389  | \$602,067                                 | \$1,072,743                    | \$194,533    | \$2,882,732 |       |
| 01/01/2047   | 12/31/2047 | \$905,556  | \$589,105                                 | \$1,074,838                    | \$217,327    | \$2,786,826 |       |
| 01/01/2048   | 12/31/2048 | \$802,848  | \$575,846                                 | \$1,078,283                    | \$241,953    | \$2,698,930 |       |
| 01/01/2049   | 12/31/2049 | \$705,936  | \$559,627                                 | \$1,079,608                    | \$269,597    | \$2,614,768 |       |
| 01/01/2050   | 12/31/2050 | \$615,413  | \$541,164                                 | \$1,075,932                    | \$303,451    | \$2,535,960 |       |
| 01/01/2051   | 12/31/2051 | \$531,787  | \$520,703                                 | \$1,063,523                    | \$341,291    | \$2,457,304 |       |

TEMPLATE 5A - Sheet 5A-2

v20220701p

Baseline - Participant Count and Administrative Expenses for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"

See Template 4A instructions for Sheet 4A-3, except provide the projected total participant count and administrative expense projection used to determine the Baseline SFA amount.

**PLAN INFORMATION**

|                        |            |  |
|------------------------|------------|--|
| Abbreviated Plan Name: | Roofers 42 |  |
| EIN:                   | 31-6127285 |  |
| PN:                    | 001        |  |
| SFA Measurement Date:  | 06/30/2022 |  |

On this Sheet, show all administrative expense amounts as positive amounts.

| SFA Measurement Date   |                    | Total Participant Count<br>at Beginning of Plan<br>Year | PROJECTED ADMINISTRATIVE EXPENSES for: |           |           |
|------------------------|--------------------|---|--|-----------|-----------|
| / Plan Year Start Date | Plan Year End Date |   | PBGC Premiums                          | Other     | Total     |
| 06/30/2022             | 12/31/2022         | N/A   | \$16,192                               | \$0       | \$16,192  |
| 01/01/2023             | 12/31/2023         | 514   | \$16,448                               | \$128,260 | \$144,708 |
| 01/01/2024             | 12/31/2024         | 520   | \$17,160                               | \$129,543 | \$146,703 |
| 01/01/2025             | 12/31/2025         | 526   | \$17,358                               | \$130,838 | \$148,196 |
| 01/01/2026             | 12/31/2026         | 531   | \$17,523                               | \$132,146 | \$149,669 |
| 01/01/2027             | 12/31/2027         | 536   | \$18,224                               | \$133,467 | \$151,691 |
| 01/01/2028             | 12/31/2028         | 541   | \$18,394                               | \$134,802 | \$153,196 |
| 01/01/2029             | 12/31/2029         | 545   | \$18,530                               | \$136,150 | \$154,680 |
| 01/01/2030             | 12/31/2030         | 548   | \$19,180                               | \$137,512 | \$156,692 |
| 01/01/2031             | 12/31/2031         | 552   | \$28,704                               | \$138,887 | \$167,591 |
| 01/01/2032             | 12/31/2032         | 555   | \$29,415                               | \$140,276 | \$169,691 |
| 01/01/2033             | 12/31/2033         | 558   | \$29,574                               | \$141,679 | \$171,253 |
| 01/01/2034             | 12/31/2034         | 561   | \$30,294                               | \$143,096 | \$173,390 |
| 01/01/2035             | 12/31/2035         | 564   | \$30,456                               | \$144,527 | \$174,983 |
| 01/01/2036             | 12/31/2036         | 566   | \$31,130                               | \$145,972 | \$177,102 |
| 01/01/2037             | 12/31/2037         | 567   | \$31,185                               | \$147,432 | \$178,617 |
| 01/01/2038             | 12/31/2038         | 568   | \$31,808                               | \$148,906 | \$180,714 |
| 01/01/2039             | 12/31/2039         | 569   | \$31,864                               | \$150,395 | \$182,259 |
| 01/01/2040             | 12/31/2040         | 570   | \$32,490                               | \$151,899 | \$184,389 |
| 01/01/2041             | 12/31/2041         | 572   | \$32,604                               | \$153,418 | \$186,022 |
| 01/01/2042             | 12/31/2042         | 572   | \$33,176                               | \$154,952 | \$188,128 |
| 01/01/2043             | 12/31/2043         | 573   | \$33,807                               | \$156,502 | \$190,309 |
| 01/01/2044             | 12/31/2044         | 574   | \$33,866                               | \$158,067 | \$191,933 |
| 01/01/2045             | 12/31/2045         | 574   | \$34,440                               | \$159,648 | \$194,088 |
| 01/01/2046             | 12/31/2046         | 575   | \$34,500                               | \$161,244 | \$195,744 |
| 01/01/2047             | 12/31/2047         | 576   | \$35,136                               | \$162,856 | \$197,992 |
| 01/01/2048             | 12/31/2048         | 576   | \$35,712                               | \$164,485 | \$200,197 |
| 01/01/2049             | 12/31/2049         | 577   | \$35,774                               | \$166,130 | \$201,904 |
| 01/01/2050             | 12/31/2050         | 577   | \$36,351                               | \$167,791 | \$204,142 |
| 01/01/2051             | 12/31/2051         | 578   | \$36,414                               | \$169,469 | \$205,883 |

TEMPLATE 5A - Sheet 5A-3

Baseline - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used to determine the Baseline SFA amount.

PLAN INFORMATION

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$25,464,240             |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date |            | (1)           | (2)                           | (3)   | (4)   | (5)  | (6)  | (7)  | (8)  | (9)  | (10)  | (11)   | (12)   |
|---|------------|---------------|-------------------------------|---|---|--|--|--|--|--|---|--|--|
| Plan Year End Date                          |            | Contributions | Withdrawal Liability Payments | Other Payments to Plan (excluding financial assistance and SFA) | Benefit Payments (should match total from Sheet 5A-1) | Reinstatement of Benefits Suspended through the SFA Measurement Date | Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA; should match total from Sheet 5A-2) | Benefit Payments (from (4) and (5)) and Administrative Expenses Paid from SFA Assets | SFA Investment Income Based on SFA Interest Rate | Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | Non-SFA Investment Income Based on Non-SFA Interest Rate | Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
| 06/30/2022                                  | 12/31/2022 | \$669,531     | \$9,858                       | \$0   | -\$1,922,597  | -\$219,241   | -\$16,192  | -\$2,158,030   | \$371,546  | \$23,677,756   | \$0   | \$579,356  | \$22,744,543   |
| 01/01/2023                                  | 12/31/2023 | \$1,366,550   | \$19,716                      | \$0   | -\$3,962,278  | -\$438,482   | -\$144,708   | -\$4,545,468   | \$657,662  | \$19,789,950   | \$0   | \$1,260,458  | \$25,391,267   |
| 01/01/2024                                  | 12/31/2024 | \$1,366,550   | \$19,716                      | \$0   | -\$4,003,712  | -\$438,482   | -\$146,703   | -\$4,588,897   | \$537,644  | \$15,738,697   | \$0   | \$1,402,852  | \$28,180,385   |
| 01/01/2025                                  | 12/31/2025 | \$1,366,550   | \$19,716                      | \$0   | -\$4,057,827  | -\$438,482   | -\$148,196   | -\$4,644,505   | \$412,424  | \$11,506,616   | \$0   | \$1,552,907  | \$31,119,558   |
| 01/01/2026                                  | 12/31/2026 | \$1,366,550   | \$19,716                      | \$0   | -\$4,111,842  | -\$438,482   | -\$149,669   | -\$4,699,993   | \$281,654  | \$7,088,277  | \$0   | \$1,711,034  | \$34,216,858   |
| 01/01/2027                                  | 12/31/2027 | \$1,366,550   | \$13,991                      | \$0   | -\$4,144,998  | -\$219,241   | -\$151,691   | -\$4,515,930   | \$148,815  | \$2,721,162  | \$0   | \$1,877,517  | \$37,474,916   |
| 01/01/2028                                  | 12/31/2028 | \$1,366,550   | \$0                           | \$0   | -\$4,148,282  | \$0  | -\$153,196   | -\$2,721,162   | \$0  | \$0  | -\$1,580,316  | \$2,010,476  | \$39,271,626   |
| 01/01/2029                                  | 12/31/2029 | \$1,366,550   | \$0                           | \$0   | -\$4,131,053  | \$0  | -\$154,680   | \$0  | \$0  | \$0  | -\$4,285,733  | \$2,035,316  | \$38,387,759   |
| 01/01/2030                                  | 12/31/2030 | \$1,366,550   | \$0                           | \$0   | -\$4,104,976  | \$0  | -\$156,692   | \$0  | \$0  | \$0  | -\$4,261,668  | \$1,988,403  | \$37,481,044   |
| 01/01/2031                                  | 12/31/2031 | \$1,366,550   | \$0                           | \$0   | -\$4,067,300  | \$0  | -\$167,591   | \$0  | \$0  | \$0  | -\$4,234,891  | \$1,940,333  | \$36,553,036   |
| 01/01/2032                                  | 12/31/2032 | \$1,366,550   | \$0                           | \$0   | -\$4,021,010  | \$0  | -\$169,691   | \$0  | \$0  | \$0  | -\$4,190,701  | \$1,891,579  | \$35,620,464   |
| 01/01/2033                                  | 12/31/2033 | \$1,366,550   | \$0                           | \$0   | -\$3,972,425  | \$0  | -\$171,253   | \$0  | \$0  | \$0  | -\$4,143,678  | \$1,842,655  | \$34,685,991   |
| 01/01/2034                                  | 12/31/2034 | \$1,366,550   | \$0                           | \$0   | -\$3,922,738  | \$0  | -\$173,390   | \$0  | \$0  | \$0  | -\$4,096,128  | \$1,793,643  | \$33,750,056   |
| 01/01/2035                                  | 12/31/2035 | \$1,366,550   | \$0                           | \$0   | -\$3,861,256  | \$0  | -\$174,983   | \$0  | \$0  | \$0  | -\$4,036,239  | \$1,744,879  | \$32,825,246   |
| 01/01/2036                                  | 12/31/2036 | \$1,366,550   | \$0                           | \$0   | -\$3,796,249  | \$0  | -\$177,102   | \$0  | \$0  | \$0  | -\$3,973,351  | \$1,696,794  | \$31,915,239   |
| 01/01/2037                                  | 12/31/2037 | \$1,366,550   | \$0                           | \$0   | -\$3,717,374  | \$0  | -\$178,617   | \$0  | \$0  | \$0  | -\$3,895,991  | \$1,649,889  | \$31,035,687   |
| 01/01/2038                                  | 12/31/2038 | \$1,366,550   | \$0                           | \$0   | -\$3,621,644  | \$0  | -\$180,714   | \$0  | \$0  | \$0  | -\$3,802,358  | \$1,605,055  | \$30,204,934   |
| 01/01/2039                                  | 12/31/2039 | \$1,366,550   | \$0                           | \$0   | -\$3,531,944  | \$0  | -\$182,259   | \$0  | \$0  | \$0  | -\$3,714,203  | \$1,562,701  | \$29,419,982   |
| 01/01/2040                                  | 12/31/2040 | \$1,366,550   | \$0                           | \$0   | -\$3,442,699  | \$0  | -\$184,389   | \$0  | \$0  | \$0  | -\$3,627,088  | \$1,522,783  | \$28,682,227   |
| 01/01/2041                                  | 12/31/2041 | \$1,366,550   | \$0                           | \$0   | -\$3,353,136  | \$0  | -\$186,022   | \$0  | \$0  | \$0  | -\$3,539,158  | \$1,485,426  | \$27,995,045   |
| 01/01/2042                                  | 12/31/2042 | \$1,366,550   | \$0                           | \$0   | -\$3,263,630  | \$0  | -\$188,128   | \$0  | \$0  | \$0  | -\$3,451,758  | \$1,450,776  | \$27,360,613   |
| 01/01/2043                                  | 12/31/2043 | \$1,366,550   | \$0                           | \$0   | -\$3,168,018  | \$0  | -\$190,309   | \$0  | \$0  | \$0  | -\$3,358,327  | \$1,419,124  | \$26,787,960   |
| 01/01/2044                                  | 12/31/2044 | \$1,366,550   | \$0                           | \$0   | -\$3,073,488  | \$0  | -\$191,933   | \$0  | \$0  | \$0  | -\$3,265,421  | \$1,390,782  | \$26,279,871   |
| 01/01/2045                                  | 12/31/2045 | \$1,366,550   | \$0                           | \$0   | -\$2,979,952  | \$0  | -\$194,088   | \$0  | \$0  | \$0  | -\$3,174,040  | \$1,365,873  | \$25,838,254   |
| 01/01/2046                                  | 12/31/2046 | \$1,366,550   | \$0                           | \$0   | -\$2,882,732  | \$0  | -\$195,744   | \$0  | \$0  | \$0  | -\$3,078,476  | \$1,344,651  | \$25,470,979   |
| 01/01/2047                                  | 12/31/2047 | \$1,366,550   | \$0                           | \$0   | -\$2,786,826  | \$0  | -\$197,992   | \$0  | \$0  | \$0  | -\$2,984,818  | \$1,327,378  | \$25,180,089   |
| 01/01/2048                                  | 12/31/2048 | \$1,366,550   | \$0                           | \$0   | -\$2,698,930  | \$0  | -\$200,197   | \$0  | \$0  | \$0  | -\$2,899,127  | \$1,314,003  | \$24,961,515   |
| 01/01/2049                                  | 12/31/2049 | \$1,366,550   | \$0                           | \$0   | -\$2,614,768  | \$0  | -\$201,904   | \$0  | \$0  | \$0  | -\$2,816,672  | \$1,304,432  | \$24,815,825   |
| 01/01/2050                                  | 12/31/2050 | \$1,366,550   | \$0                           | \$0   | -\$2,535,960  | \$0  | -\$204,142   | \$0  | \$0  | \$0  | -\$2,740,102  | \$1,298,627  | \$24,740,900   |
| 01/01/2051                                  | 12/31/2051 | \$1,366,550   | \$0                           | \$0   | -\$2,457,304  | \$0  | -\$205,883   | \$0  | \$0  | \$0  | -\$2,663,187  | \$1,296,638  | \$24,740,901   |

**This document goes into effect August 8, 2022. Any applications filed before then would be under**  
**TEMPLATE 6A**

v20220701p

**Reconciliation - for non-MPRA plans using the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

File name: *Template 6A Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

**Instructions for Section C, Item (6) of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:**

*This Template 6A is not required if all assumptions and methods used to determine the requested SFA amount are identical to those used in the most recent actuarial certification of plan status completed before 1/1/2021 ("pre-2021 certification of plan status"), except the non-SFA and SFA interest rates, and except any assumptions changed in accordance with Section III, Acceptable Assumption Changes, in PBGC's SFA assumptions guidance (other than the acceptable assumption change for "missing" terminated vested participants described in Section III.E of PBGC's SFA assumptions guidance).*

*This Template 6A is also not required if the requested SFA amount from Template 4A is the same as the SFA amount shown in Template 5A (Baseline)*

If the assumptions/methods used to determine the requested SFA amount differ from those in the "Baseline" projection in Template 5A, then provide a reconciliation of the change in the total amount of SFA due to each change in assumption/method from the Baseline to the requested SFA as shown in Template 4A.

For each assumption/method change from the Baseline through the requested SFA amount, provide a deterministic projection using the same calculation methodology used to determine the requested SFA amount, in the same format as Template 4A (either Sheet 4A-4 or Sheet 4A-5).

**Additional instructions for each individual worksheet:**

Sheet

**6A-1 Reconciliation - Summary for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

For Item number 1, show the SFA amount determined in Template 5A using the "Baseline" assumptions and methods. If there is only one change in assumptions/methods between the Baseline (Template 5A) and the requested SFA amount (Template 4A), then show on Item number 2 the requested SFA amount, and briefly identify the change in assumptions from the Baseline.

If there is more than one change in assumptions/methods from the Baseline, show each individual change as a separate Item number. Each Item number should reflect all changes already measured in the prior Item number. For example, the difference between the SFA amount shown for Item number 4 and Item number 5 should be the incremental change due to changing the identified single assumption/method. The Item numbers should show assumption/method changes in the order that they were incrementally measured.

**6A-2 Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method**

For non-MPRA plans, see Template 4A instructions for Sheet 4A-4, except provide the projection used to determine the intermediate Item number 2 SFA amount from Sheet 6A-1 under the "basic method" described in § 4262.4(a)(1). Unlike Sheet 4A-4, it is not necessary to explicitly identify the projected SFA exhaustion year in Sheet 6A-2.

For MPRA plans for which the requested amount of SFA is determined under the "increasing assets method", see Template 4A instructions for Sheet 4A-5, except provide the projection used to determine each intermediate SFA amount from Sheet 6A-1 under the "increasing assets method" described in § 4262.4(a)(2)(i). Unlike Sheet 4A-5, it is not necessary to explicitly identify the projected SFA exhaustion year in Sheet 6A-2.

A Reconciliation Details sheet is not needed for the last Item number shown in the Sheet 6A-1 Reconciliation, since the information should be the same as shown in Template 4A. For example, if there is only one assumption change from the Baseline, then Item number 2 should identify what assumption changed between the Baseline and Item number 2, where Item number 2 is the requested SFA amount. Since details on the determination of the requested SFA amount are shown in Template 4A, a separate Sheet 6A-2 Reconciliation Details is not required here.

**6A-3 Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method**

See instructions for 6A-2 Reconciliation Details, except for the intermediate Item number 3 SFA amount from Sheet 6A-1.

**6A-4 Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method**

See instructions for 6A-2 Reconciliation Details, except for the intermediate Item number 4 SFA amount from Sheet 6A-1.

**6A-5 Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method**

See instructions for 6A-2 Reconciliation Details, except for the intermediate Item number 5 SFA amount from Sheet 6A-1.

**Version Updates (newest version at top)**

| Version    | Date updated |
|------------|--------------|
| v20220701p | 07/01/2022   |



**TEMPLATE 6A - Sheet 6A-1**

**Reconciliation - Summary for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"**

See Template 6A Instructions for Additional Instructions for Sheet 6A-1.

**PLAN INFORMATION**

|   |                          |
|---|--------------------------|
| Abbreviated Plan Name:  | Roofers 42               |
| EIN:  | 31-6127285               |
| PN:   | 001                      |
| MPRA Plan?  | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA? | Increasing Assets Method |

| Item number | Basis for Assumptions/Methods. For each Item, briefly describe the incremental change reflected in the SFA amount. | Change in SFA Amount (from prior Item number) | SFA Amount   |  |
|-------------|--|---|--------------|--|
| 1           | Baseline   | N/A   | \$25,464,240 | NOTE: A sheet with Recon Details is not required for the last Item number provided, since that information should be the same as provided in Template 4A.<br>From Template 5A. |
| 2           | Update to Assumed Retirement Rates   | \$1,476,013                                   | \$26,940,253 | Show details supporting the SFA amount on Sheet 6A-2.  |
| 3           | Update to Assumed Termination Rates  | (\$517,575)                                   | \$26,422,678 | Show details supporting the SFA amount on Sheet 6A-3.  |
| 4           | Update to Assumed Disability Rates   | \$41,649                                      | \$26,464,327 | Show details supporting the SFA amount on Sheet 6A-4.  |
| 5           | Update to Payment Form Election Assumption   | \$39,790                                      | \$26,504,117 | Show details supporting the SFA amount on Sheet 6A-5.  |
| 6           | Update to Assumed Future Administrative Expenses   | \$1,659,535                                   | \$28,163,652 | Show details supporting the SFA amount on Sheet 6A-6.  |
| 7           | Update to Future Contribution Base Units (CBUs)  | \$5,573,891                                   | \$33,737,543 |  |

Create additional rows as needed, and create additional detailed sheets by copying Sheet 6A-5 and re-labeling the header and the sheet name to be 6A-6, 6A-7, etc.

Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used to determine the intermediate SFA amount.

**PLAN INFORMATION**

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$26,940,253             |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date |            | (1)           | (2)                           | (3)   | (4)              | (5)  | (6)  | (7)   | (8)  | (9)  | (10)  | (11)   | (12)   |
|---|------------|---------------|-------------------------------|---|------------------|--|--|---|--|--|---|--|--|
| Plan Year End Date                          |            | Contributions | Withdrawal Liability Payments | Other Payments to Plan (excluding financial assistance and SFA) | Benefit Payments | Reinstatement of Benefits Suspended through the SFA Measurement Date | Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets | SFA Investment Income Based on SFA Interest Rate | Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | Non-SFA Investment Income Based on Non-SFA Interest Rate | Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
| 06/30/2022                                  | 12/31/2022 | \$669,531     | \$9,858                       | \$0   | -\$1,842,715     | -\$219,241   | -\$16,192  | -\$2,078,148  | \$394,637  | \$25,256,742   | \$0   | \$579,356  | \$22,744,543   |
| 01/01/2023                                  | 12/31/2023 | \$1,366,550   | \$19,716                      | \$0   | -\$3,781,411     | -\$438,482   | -\$144,708   | -\$4,364,601  | \$708,892  | \$21,601,033   | \$0   | \$1,260,458  | \$25,391,267   |
| 01/01/2024                                  | 12/31/2024 | \$1,366,550   | \$19,716                      | \$0   | -\$3,860,193     | -\$438,482   | -\$146,703   | -\$4,445,378  | \$595,431  | \$17,751,086   | \$0   | \$1,402,852  | \$28,180,385   |
| 01/01/2025                                  | 12/31/2025 | \$1,366,550   | \$19,716                      | \$0   | -\$3,937,433     | -\$438,482   | -\$148,196   | -\$4,524,111  | \$476,038  | \$13,703,013   | \$0   | \$1,552,907  | \$31,119,558   |
| 01/01/2026                                  | 12/31/2026 | \$1,366,550   | \$19,716                      | \$0   | -\$4,038,213     | -\$438,482   | -\$149,669   | -\$4,626,364  | \$350,205  | \$9,426,854  | \$0   | \$1,711,034  | \$34,216,858   |
| 01/01/2027                                  | 12/31/2027 | \$1,366,550   | \$13,991                      | \$0   | -\$4,047,843     | -\$219,241   | -\$151,691   | -\$4,418,775  | \$222,089  | \$5,230,168  | \$0   | \$1,877,517  | \$37,474,916   |
| 01/01/2028                                  | 12/31/2028 | \$1,366,550   | \$0                           | \$0   | -\$4,105,165     | \$0  | -\$153,196   | -\$4,258,361  | \$95,694   | \$1,067,501  | \$0   | \$2,052,429  | \$40,893,895   |
| 01/01/2029                                  | 12/31/2029 | \$1,366,550   | \$0                           | \$0   | -\$4,135,433     | \$0  | -\$154,680   | -\$1,067,501  | \$0  | \$0  | -\$3,222,612  | \$2,150,818  | \$41,188,651   |
| 01/01/2030                                  | 12/31/2030 | \$1,366,550   | \$0                           | \$0   | -\$4,165,540     | \$0  | -\$156,692   | \$0   | \$0  | \$0  | -\$4,322,232  | \$2,137,483  | \$40,370,452   |
| 01/01/2031                                  | 12/31/2031 | \$1,366,550   | \$0                           | \$0   | -\$4,155,394     | \$0  | -\$167,591   | \$0   | \$0  | \$0  | -\$4,322,985  | \$2,093,444  | \$39,507,461   |
| 01/01/2032                                  | 12/31/2032 | \$1,366,550   | \$0                           | \$0   | -\$4,104,386     | \$0  | -\$169,691   | \$0   | \$0  | \$0  | -\$4,274,077  | \$2,048,314  | \$38,648,248   |
| 01/01/2033                                  | 12/31/2033 | \$1,366,550   | \$0                           | \$0   | -\$4,074,865     | \$0  | -\$171,253   | \$0   | \$0  | \$0  | -\$4,246,118  | \$2,002,830  | \$37,771,510   |
| 01/01/2034                                  | 12/31/2034 | \$1,366,550   | \$0                           | \$0   | -\$4,021,726     | \$0  | -\$173,390   | \$0   | \$0  | \$0  | -\$4,195,116  | \$1,957,016  | \$36,899,960   |
| 01/01/2035                                  | 12/31/2035 | \$1,366,550   | \$0                           | \$0   | -\$3,978,380     | \$0  | -\$174,983   | \$0   | \$0  | \$0  | -\$4,153,363  | \$1,911,235  | \$36,024,382   |
| 01/01/2036                                  | 12/31/2036 | \$1,366,550   | \$0                           | \$0   | -\$3,915,521     | \$0  | -\$177,102   | \$0   | \$0  | \$0  | -\$4,092,623  | \$1,865,741  | \$35,164,050   |
| 01/01/2037                                  | 12/31/2037 | \$1,366,550   | \$0                           | \$0   | -\$3,872,250     | \$0  | -\$178,617   | \$0   | \$0  | \$0  | -\$4,050,867  | \$1,820,564  | \$34,300,297   |
| 01/01/2038                                  | 12/31/2038 | \$1,366,550   | \$0                           | \$0   | -\$3,780,554     | \$0  | -\$180,714   | \$0   | \$0  | \$0  | -\$3,961,268  | \$1,776,472  | \$33,482,051   |
| 01/01/2039                                  | 12/31/2039 | \$1,366,550   | \$0                           | \$0   | -\$3,686,126     | \$0  | -\$182,259   | \$0   | \$0  | \$0  | -\$3,868,385  | \$1,734,917  | \$32,715,133   |
| 01/01/2040                                  | 12/31/2040 | \$1,366,550   | \$0                           | \$0   | -\$3,602,656     | \$0  | -\$184,389   | \$0   | \$0  | \$0  | -\$3,787,045  | \$1,695,816  | \$31,990,454   |
| 01/01/2041                                  | 12/31/2041 | \$1,366,550   | \$0                           | \$0   | -\$3,504,063     | \$0  | -\$186,022   | \$0   | \$0  | \$0  | -\$3,690,085  | \$1,659,402  | \$31,326,321   |
| 01/01/2042                                  | 12/31/2042 | \$1,366,550   | \$0                           | \$0   | -\$3,438,636     | \$0  | -\$188,128   | \$0   | \$0  | \$0  | -\$3,626,764  | \$1,625,353  | \$30,691,460   |
| 01/01/2043                                  | 12/31/2043 | \$1,366,550   | \$0                           | \$0   | -\$3,370,593     | \$0  | -\$190,309   | \$0   | \$0  | \$0  | -\$3,560,902  | \$1,592,946  | \$30,090,054   |
| 01/01/2044                                  | 12/31/2044 | \$1,366,550   | \$0                           | \$0   | -\$3,273,063     | \$0  | -\$191,933   | \$0   | \$0  | \$0  | -\$3,464,996  | \$1,563,136  | \$29,554,744   |
| 01/01/2045                                  | 12/31/2045 | \$1,366,550   | \$0                           | \$0   | -\$3,159,996     | \$0  | -\$194,088   | \$0   | \$0  | \$0  | -\$3,354,084  | \$1,537,281  | \$29,104,491   |
| 01/01/2046                                  | 12/31/2046 | \$1,366,550   | \$0                           | \$0   | -\$3,043,920     | \$0  | -\$195,744   | \$0   | \$0  | \$0  | -\$3,239,664  | \$1,516,095  | \$28,747,472   |
| 01/01/2047                                  | 12/31/2047 | \$1,366,550   | \$0                           | \$0   | -\$2,936,528     | \$0  | -\$197,992   | \$0   | \$0  | \$0  | -\$3,134,520  | \$1,499,679  | \$28,479,181   |
| 01/01/2048                                  | 12/31/2048 | \$1,366,550   | \$0                           | \$0   | -\$2,853,194     | \$0  | -\$200,197   | \$0   | \$0  | \$0  | -\$3,053,391  | \$1,487,378  | \$28,279,738   |
| 01/01/2049                                  | 12/31/2049 | \$1,366,550   | \$0                           | \$0   | -\$2,777,987     | \$0  | -\$201,904   | \$0   | \$0  | \$0  | -\$2,979,891  | \$1,478,620  | \$28,145,017   |
| 01/01/2050                                  | 12/31/2050 | \$1,366,550   | \$0                           | \$0   | -\$2,702,904     | \$0  | -\$204,142   | \$0   | \$0  | \$0  | -\$2,907,046  | \$1,473,305  | \$28,077,826   |
| 01/01/2051                                  | 12/31/2051 | \$1,366,550   | \$0                           | \$0   | -\$2,632,188     | \$0  | -\$205,883   | \$0   | \$0  | \$0  | -\$2,838,071  | \$1,471,522  | \$28,077,827   |

Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used to determine the intermediate SFA amount.

**PLAN INFORMATION**

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$26,422,678             |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date |                    | (1)           | (2)                           | (3)   | (4)              | (5)  | (6)  | (7)   | (8)  | (9)  | (10)  | (11)   | (12)   |
|---|--------------------|---------------|-------------------------------|---|------------------|--|--|---|--|--|---|--|--|
| Plan Year End Date                          | Plan Year End Date | Contributions | Withdrawal Liability Payments | Other Payments to Plan (excluding financial assistance and SFA) | Benefit Payments | Reinstatement of Benefits Suspended through the SFA Measurement Date | Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets | SFA Investment Income Based on SFA Interest Rate | Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | Non-SFA Investment Income Based on Non-SFA Interest Rate | Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
| 06/30/2022                                  | 12/31/2022         | \$669,531     | \$9,858                       | \$0   | -\$1,842,687     | -\$219,241   | -\$16,192  | -\$2,078,120  | \$386,753  | \$24,731,311   | \$0   | \$579,356  | \$22,744,543   |
| 01/01/2023                                  | 12/31/2023         | \$1,366,550   | \$19,716                      | \$0   | -\$3,781,210     | -\$438,482   | -\$144,708   | -\$4,364,400  | \$692,764  | \$21,059,675   | \$0   | \$1,260,458  | \$25,391,267   |
| 01/01/2024                                  | 12/31/2024         | \$1,366,550   | \$19,716                      | \$0   | -\$3,859,675     | -\$438,482   | -\$146,703   | -\$4,444,860  | \$578,819  | \$17,193,634   | \$0   | \$1,402,852  | \$28,180,385   |
| 01/01/2025                                  | 12/31/2025         | \$1,366,550   | \$19,716                      | \$0   | -\$3,936,667     | -\$438,482   | -\$148,196   | -\$4,523,345  | \$458,936  | \$13,129,225   | \$0   | \$1,552,907  | \$31,119,558   |
| 01/01/2026                                  | 12/31/2026         | \$1,366,550   | \$19,716                      | \$0   | -\$4,037,433     | -\$438,482   | -\$149,669   | -\$4,625,584  | \$332,601  | \$8,836,242  | \$0   | \$1,711,034  | \$34,216,858   |
| 01/01/2027                                  | 12/31/2027         | \$1,366,550   | \$13,991                      | \$0   | -\$4,047,178     | -\$219,241   | -\$151,691   | -\$4,418,110  | \$203,967  | \$4,622,099  | \$0   | \$1,877,517  | \$37,474,916   |
| 01/01/2028                                  | 12/31/2028         | \$1,366,550   | \$0                           | \$0   | -\$4,104,653     | \$0  | -\$153,196   | -\$4,257,849  | \$77,035   | \$441,285  | \$0   | \$2,052,429  | \$40,893,895   |
| 01/01/2029                                  | 12/31/2029         | \$1,366,550   | \$0                           | \$0   | -\$4,135,150     | \$0  | -\$154,680   | -\$441,285  | \$0  | \$0  | -\$3,848,545  | \$2,134,201  | \$40,546,101   |
| 01/01/2030                                  | 12/31/2030         | \$1,366,550   | \$0                           | \$0   | -\$4,166,111     | \$0  | -\$156,692   | \$0   | \$0  | \$0  | -\$4,322,803  | \$2,102,899  | \$39,692,747   |
| 01/01/2031                                  | 12/31/2031         | \$1,366,550   | \$0                           | \$0   | -\$4,157,276     | \$0  | -\$167,591   | \$0   | \$0  | \$0  | -\$4,324,867  | \$2,056,934  | \$38,791,364   |
| 01/01/2032                                  | 12/31/2032         | \$1,366,550   | \$0                           | \$0   | -\$4,106,951     | \$0  | -\$169,691   | \$0   | \$0  | \$0  | -\$4,276,642  | \$2,009,719  | \$37,890,991   |
| 01/01/2033                                  | 12/31/2033         | \$1,366,550   | \$0                           | \$0   | -\$4,077,010     | \$0  | -\$171,253   | \$0   | \$0  | \$0  | -\$4,248,263  | \$1,962,033  | \$36,971,311   |
| 01/01/2034                                  | 12/31/2034         | \$1,366,550   | \$0                           | \$0   | -\$4,022,530     | \$0  | -\$173,390   | \$0   | \$0  | \$0  | -\$4,195,920  | \$1,913,944  | \$36,055,885   |
| 01/01/2035                                  | 12/31/2035         | \$1,366,550   | \$0                           | \$0   | -\$3,977,588     | \$0  | -\$174,983   | \$0   | \$0  | \$0  | -\$4,152,571  | \$1,865,844  | \$35,135,708   |
| 01/01/2036                                  | 12/31/2036         | \$1,366,550   | \$0                           | \$0   | -\$3,914,067     | \$0  | -\$177,102   | \$0   | \$0  | \$0  | -\$4,091,169  | \$1,817,969  | \$34,229,058   |
| 01/01/2037                                  | 12/31/2037         | \$1,366,550   | \$0                           | \$0   | -\$3,867,212     | \$0  | -\$178,617   | \$0   | \$0  | \$0  | -\$4,045,829  | \$1,770,395  | \$33,320,174   |
| 01/01/2038                                  | 12/31/2038         | \$1,366,550   | \$0                           | \$0   | -\$3,774,800     | \$0  | -\$180,714   | \$0   | \$0  | \$0  | -\$3,955,514  | \$1,723,895  | \$32,455,105   |
| 01/01/2039                                  | 12/31/2039         | \$1,366,550   | \$0                           | \$0   | -\$3,677,825     | \$0  | -\$182,259   | \$0   | \$0  | \$0  | -\$3,860,084  | \$1,679,887  | \$31,641,458   |
| 01/01/2040                                  | 12/31/2040         | \$1,366,550   | \$0                           | \$0   | -\$3,588,982     | \$0  | -\$184,389   | \$0   | \$0  | \$0  | -\$3,773,371  | \$1,638,415  | \$30,873,052   |
| 01/01/2041                                  | 12/31/2041         | \$1,366,550   | \$0                           | \$0   | -\$3,488,715     | \$0  | -\$186,022   | \$0   | \$0  | \$0  | -\$3,674,737  | \$1,599,693  | \$30,164,558   |
| 01/01/2042                                  | 12/31/2042         | \$1,366,550   | \$0                           | \$0   | -\$3,416,401     | \$0  | -\$188,128   | \$0   | \$0  | \$0  | -\$3,604,529  | \$1,563,440  | \$29,490,019   |
| 01/01/2043                                  | 12/31/2043         | \$1,366,550   | \$0                           | \$0   | -\$3,342,914     | \$0  | -\$190,309   | \$0   | \$0  | \$0  | -\$3,533,223  | \$1,529,043  | \$28,852,389   |
| 01/01/2044                                  | 12/31/2044         | \$1,366,550   | \$0                           | \$0   | -\$3,243,171     | \$0  | -\$191,933   | \$0   | \$0  | \$0  | -\$3,435,104  | \$1,497,343  | \$28,281,178   |
| 01/01/2045                                  | 12/31/2045         | \$1,366,550   | \$0                           | \$0   | -\$3,130,299     | \$0  | -\$194,088   | \$0   | \$0  | \$0  | -\$3,324,387  | \$1,469,551  | \$27,792,892   |
| 01/01/2046                                  | 12/31/2046         | \$1,366,550   | \$0                           | \$0   | -\$3,013,646     | \$0  | -\$195,744   | \$0   | \$0  | \$0  | -\$3,209,390  | \$1,446,335  | \$27,396,387   |
| 01/01/2047                                  | 12/31/2047         | \$1,366,550   | \$0                           | \$0   | -\$2,901,852     | \$0  | -\$197,992   | \$0   | \$0  | \$0  | -\$3,099,844  | \$1,427,911  | \$27,091,004   |
| 01/01/2048                                  | 12/31/2048         | \$1,366,550   | \$0                           | \$0   | -\$2,806,956     | \$0  | -\$200,197   | \$0   | \$0  | \$0  | -\$3,007,153  | \$1,413,942  | \$26,864,343   |
| 01/01/2049                                  | 12/31/2049         | \$1,366,550   | \$0                           | \$0   | -\$2,720,798     | \$0  | -\$201,904   | \$0   | \$0  | \$0  | -\$2,922,702  | \$1,403,990  | \$26,712,181   |
| 01/01/2050                                  | 12/31/2050         | \$1,366,550   | \$0                           | \$0   | -\$2,636,618     | \$0  | -\$204,142   | \$0   | \$0  | \$0  | -\$2,840,760  | \$1,397,979  | \$26,635,950   |
| 01/01/2051                                  | 12/31/2051         | \$1,366,550   | \$0                           | \$0   | -\$2,556,621     | \$0  | -\$205,883   | \$0   | \$0  | \$0  | -\$2,762,504  | \$1,395,955  | \$26,635,951   |

Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used to determine the intermediate SFA amount.

PLAN INFORMATION

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$26,464,327             |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date |            | (1) Contributions | (2) Withdrawal Liability Payments | (3) Other Payments to Plan (excluding financial assistance and SFA) | (4) Benefit Payments | (5) Administrative Expenses Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date | (6) Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA) | (7) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets | (8) SFA Investment Income Based on SFA Interest Rate | (9) Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | (10) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | (11) Non-SFA Investment Income Based on Non-SFA Interest Rate | (12) Projected SFA Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
|---|------------|-------------------|-----------------------------------|---|----------------------|--|--|---|--|--|--|---|---|
| 06/30/2022                                  | 12/31/2022 | \$669,531         | \$9,858                           | \$0   | -\$1,842,482         | -\$219,241   | -\$16,192  | -\$2,077,915  | \$387,389  | \$24,773,801   | \$0  | \$579,356   | \$22,744,543  |
| 01/01/2023                                  | 12/31/2023 | \$1,366,550       | \$19,716                          | \$0   | -\$3,780,558         | -\$438,482   | -\$144,708   | -\$4,363,748  | \$694,079  | \$21,104,132   | \$0  | \$1,260,458   | \$25,391,267  |
| 01/01/2024                                  | 12/31/2024 | \$1,366,550       | \$19,716                          | \$0   | -\$3,858,825         | -\$438,482   | -\$146,703   | -\$4,444,010  | \$580,197  | \$17,240,319   | \$0  | \$1,402,852   | \$28,180,385  |
| 01/01/2025                                  | 12/31/2025 | \$1,366,550       | \$19,716                          | \$0   | -\$3,935,667         | -\$438,482   | -\$148,196   | -\$4,522,345  | \$460,385  | \$13,178,359   | \$0  | \$1,552,907   | \$31,119,558  |
| 01/01/2026                                  | 12/31/2026 | \$1,366,550       | \$19,716                          | \$0   | -\$4,036,326         | -\$438,482   | -\$149,669   | -\$4,624,477  | \$334,127  | \$8,888,009  | \$0  | \$1,711,034   | \$34,216,858  |
| 01/01/2027                                  | 12/31/2027 | \$1,366,550       | \$13,991                          | \$0   | -\$4,046,020         | -\$219,241   | -\$151,691   | -\$4,416,952  | \$205,574  | \$4,676,631  | \$0  | \$1,877,517   | \$37,474,916  |
| 01/01/2028                                  | 12/31/2028 | \$1,366,550       | \$0                               | \$0   | -\$4,103,494         | \$0  | -\$153,196   | -\$4,256,690  | \$78,726   | \$498,667  | \$0  | \$2,052,429   | \$40,893,895  |
| 01/01/2029                                  | 12/31/2029 | \$1,366,550       | \$0                               | \$0   | -\$4,134,044         | \$0  | -\$154,680   | -\$4,986,667  | \$0  | \$0  | -\$3,790,057   | \$2,135,753   | \$40,606,141  |
| 01/01/2030                                  | 12/31/2030 | \$1,366,550       | \$0                               | \$0   | -\$4,165,134         | \$0  | -\$156,692   | \$0   | \$0  | \$0  | -\$4,321,826   | \$2,106,155   | \$39,757,020  |
| 01/01/2031                                  | 12/31/2031 | \$1,366,550       | \$0                               | \$0   | -\$4,156,407         | \$0  | -\$167,591   | \$0   | \$0  | \$0  | -\$4,323,998   | \$2,060,414   | \$38,859,986  |
| 01/01/2032                                  | 12/31/2032 | \$1,366,550       | \$0                               | \$0   | -\$4,106,257         | \$0  | -\$169,691   | \$0   | \$0  | \$0  | -\$4,275,948   | \$2,013,430   | \$37,964,018  |
| 01/01/2033                                  | 12/31/2033 | \$1,366,550       | \$0                               | \$0   | -\$4,076,627         | \$0  | -\$171,253   | \$0   | \$0  | \$0  | -\$4,247,880   | \$1,965,972   | \$37,048,660  |
| 01/01/2034                                  | 12/31/2034 | \$1,366,550       | \$0                               | \$0   | -\$4,022,465         | \$0  | -\$173,390   | \$0   | \$0  | \$0  | -\$4,195,855   | \$1,918,107   | \$36,137,462  |
| 01/01/2035                                  | 12/31/2035 | \$1,366,550       | \$0                               | \$0   | -\$3,977,912         | \$0  | -\$174,983   | \$0   | \$0  | \$0  | -\$4,152,895   | \$1,870,225   | \$35,221,342  |
| 01/01/2036                                  | 12/31/2036 | \$1,366,550       | \$0                               | \$0   | -\$3,914,751         | \$0  | -\$177,102   | \$0   | \$0  | \$0  | -\$4,091,853   | \$1,822,558   | \$34,318,597  |
| 01/01/2037                                  | 12/31/2037 | \$1,366,550       | \$0                               | \$0   | -\$3,868,433         | \$0  | -\$178,617   | \$0   | \$0  | \$0  | -\$4,047,050   | \$1,775,180   | \$33,413,277  |
| 01/01/2038                                  | 12/31/2038 | \$1,366,550       | \$0                               | \$0   | -\$3,776,256         | \$0  | -\$180,714   | \$0   | \$0  | \$0  | -\$3,956,970   | \$1,728,865   | \$32,551,722  |
| 01/01/2039                                  | 12/31/2039 | \$1,366,550       | \$0                               | \$0   | -\$3,679,554         | \$0  | -\$182,259   | \$0   | \$0  | \$0  | -\$3,861,813   | \$1,685,039   | \$31,741,498  |
| 01/01/2040                                  | 12/31/2040 | \$1,366,550       | \$0                               | \$0   | -\$3,591,144         | \$0  | -\$184,389   | \$0   | \$0  | \$0  | -\$3,775,533   | \$1,643,740   | \$30,976,255  |
| 01/01/2041                                  | 12/31/2041 | \$1,366,550       | \$0                               | \$0   | -\$3,491,162         | \$0  | -\$186,022   | -\$3,491,162  | \$0  | \$0  | -\$3,677,184   | \$1,605,181   | \$30,270,802  |
| 01/01/2042                                  | 12/31/2042 | \$1,366,550       | \$0                               | \$0   | -\$3,419,460         | \$0  | -\$188,128   | \$0   | \$0  | \$0  | -\$3,607,588   | \$1,569,075   | \$29,598,839  |
| 01/01/2043                                  | 12/31/2043 | \$1,366,550       | \$0                               | \$0   | -\$3,346,492         | \$0  | -\$190,309   | \$0   | \$0  | \$0  | -\$3,536,801   | \$1,534,803   | \$28,963,391  |
| 01/01/2044                                  | 12/31/2044 | \$1,366,550       | \$0                               | \$0   | -\$3,247,091         | \$0  | -\$191,933   | \$0   | \$0  | \$0  | -\$3,439,024   | \$1,503,211   | \$28,394,128  |
| 01/01/2045                                  | 12/31/2045 | \$1,366,550       | \$0                               | \$0   | -\$3,134,407         | \$0  | -\$194,088   | \$0   | \$0  | \$0  | -\$3,328,495   | \$1,475,519   | \$27,907,702  |
| 01/01/2046                                  | 12/31/2046 | \$1,366,550       | \$0                               | \$0   | -\$3,017,921         | \$0  | -\$195,744   | \$0   | \$0  | \$0  | -\$3,213,665   | \$1,452,398   | \$27,512,985  |
| 01/01/2047                                  | 12/31/2047 | \$1,366,550       | \$0                               | \$0   | -\$2,906,428         | \$0  | -\$197,992   | \$0   | \$0  | \$0  | -\$3,104,420   | \$1,434,062   | \$27,209,177  |
| 01/01/2048                                  | 12/31/2048 | \$1,366,550       | \$0                               | \$0   | -\$2,812,007         | \$0  | -\$200,197   | \$0   | \$0  | \$0  | -\$3,012,204   | \$1,420,166   | \$26,983,689  |
| 01/01/2049                                  | 12/31/2049 | \$1,366,550       | \$0                               | \$0   | -\$2,726,315         | \$0  | -\$201,904   | \$0   | \$0  | \$0  | -\$2,928,219   | \$1,410,264   | \$26,832,284  |
| 01/01/2050                                  | 12/31/2050 | \$1,366,550       | \$0                               | \$0   | -\$2,642,533         | \$0  | -\$204,142   | \$0   | \$0  | \$0  | -\$2,846,675   | \$1,404,283   | \$26,756,442  |
| 01/01/2051                                  | 12/31/2051 | \$1,366,550       | \$0                               | \$0   | -\$2,562,936         | \$0  | -\$205,883   | \$0   | \$0  | \$0  | -\$2,768,819   | \$1,402,270   | \$26,756,443  |

Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used to determine the intermediate SFA amount.

**PLAN INFORMATION**

|  |                          |
|--|--------------------------|
| Abbreviated Plan Name:   | Roofers 42               |
| EIN:   | 31-6127285               |
| PN:  | 001                      |
| MPRA Plan?   | Yes                      |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |
| SFA Measurement Date:  | 06/30/2022               |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$26,504,117             |
| Non-SFA Interest Rate:   | 5.38%                    |
| SFA Interest Rate:   | 3.07%                    |

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

| SFA Measurement Date / Plan Year Start Date |            | (1)           | (2)                           | (3)   | (4)              | (5)  | (6)  | (7)   | (8)  | (9)  | (10)  | (11)   | (12)   |
|---|------------|---------------|-------------------------------|---|------------------|--|--|---|--|--|---|--|--|
| Plan Year End Date                          |            | Contributions | Withdrawal Liability Payments | Other Payments to Plan (excluding financial assistance and SFA) | Benefit Payments | Reinstatement of Benefits Suspended through the SFA Measurement Date | Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets | SFA Investment Income Based on SFA Interest Rate | Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8)) | Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets | Non-SFA Investment Income Based on Non-SFA Interest Rate | Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11)) |
| 06/30/2022                                  | 12/31/2022 | \$669,531     | \$9,858                       | \$0   | -\$1,843,479     | -\$219,241   | -\$16,192  | -\$2,078,912  | \$387,988  | \$24,813,193   | \$0   | \$579,356  | \$22,744,543   |
| 01/01/2023                                  | 12/31/2023 | \$1,366,550   | \$19,716                      | \$0   | -\$3,783,663     | -\$438,482   | -\$144,708   | -\$4,366,853  | \$695,241  | \$21,141,581   | \$0   | \$1,260,458  | \$25,391,267   |
| 01/01/2024                                  | 12/31/2024 | \$1,366,550   | \$19,716                      | \$0   | -\$3,862,977     | -\$438,482   | -\$146,703   | -\$4,448,162  | \$581,283  | \$17,274,702   | \$0   | \$1,402,852  | \$28,180,385   |
| 01/01/2025                                  | 12/31/2025 | \$1,366,550   | \$19,716                      | \$0   | -\$3,940,839     | -\$438,482   | -\$148,196   | -\$4,527,517  | \$461,361  | \$13,208,546   | \$0   | \$1,552,907  | \$31,119,558   |
| 01/01/2026                                  | 12/31/2026 | \$1,366,550   | \$19,716                      | \$0   | -\$4,042,703     | -\$438,482   | -\$149,669   | -\$4,630,854  | \$334,956  | \$8,912,648  | \$0   | \$1,711,034  | \$34,216,858   |
| 01/01/2027                                  | 12/31/2027 | \$1,366,550   | \$13,991                      | \$0   | -\$4,052,667     | -\$219,241   | -\$151,691   | -\$4,423,599  | \$206,229  | \$4,695,278  | \$0   | \$1,877,517  | \$37,474,916   |
| 01/01/2028                                  | 12/31/2028 | \$1,366,550   | \$0                           | \$0   | -\$4,110,885     | \$0  | -\$153,196   | -\$4,264,081  | \$79,186   | \$510,383  | \$0   | \$2,052,429  | \$40,893,895   |
| 01/01/2029                                  | 12/31/2029 | \$1,366,550   | \$0                           | \$0   | -\$4,141,898     | \$0  | -\$154,680   | -\$510,383  | \$0  | \$0  | -\$3,786,195  | \$2,135,856  | \$40,610,106   |
| 01/01/2030                                  | 12/31/2030 | \$1,366,550   | \$0                           | \$0   | -\$4,173,429     | \$0  | -\$156,692   | \$0   | \$0  | \$0  | -\$4,330,121  | \$2,106,148  | \$39,752,683   |
| 01/01/2031                                  | 12/31/2031 | \$1,366,550   | \$0                           | \$0   | -\$4,164,746     | \$0  | -\$167,591   | \$0   | \$0  | \$0  | -\$4,332,337  | \$2,059,960  | \$38,846,856   |
| 01/01/2032                                  | 12/31/2032 | \$1,366,550   | \$0                           | \$0   | -\$4,114,231     | \$0  | -\$169,691   | \$0   | \$0  | \$0  | -\$4,283,922  | \$2,012,512  | \$37,941,996   |
| 01/01/2033                                  | 12/31/2033 | \$1,366,550   | \$0                           | \$0   | -\$4,084,433     | \$0  | -\$171,253   | \$0   | \$0  | \$0  | -\$4,255,686  | \$1,964,580  | \$37,017,444   |
| 01/01/2034                                  | 12/31/2034 | \$1,366,550   | \$0                           | \$0   | -\$4,029,847     | \$0  | -\$173,390   | \$0   | \$0  | \$0  | -\$4,203,237  | \$1,916,231  | \$36,096,984   |
| 01/01/2035                                  | 12/31/2035 | \$1,366,550   | \$0                           | \$0   | -\$3,984,927     | \$0  | -\$174,983   | \$0   | \$0  | \$0  | -\$4,159,910  | \$1,867,861  | \$35,171,485   |
| 01/01/2036                                  | 12/31/2036 | \$1,366,550   | \$0                           | \$0   | -\$3,921,185     | \$0  | -\$177,102   | \$0   | \$0  | \$0  | -\$4,098,287  | \$1,819,705  | \$34,259,453   |
| 01/01/2037                                  | 12/31/2037 | \$1,366,550   | \$0                           | \$0   | -\$3,874,466     | \$0  | -\$178,617   | \$0   | \$0  | \$0  | -\$4,053,083  | \$1,771,838  | \$33,344,758   |
| 01/01/2038                                  | 12/31/2038 | \$1,366,550   | \$0                           | \$0   | -\$3,781,434     | \$0  | -\$180,714   | \$0   | \$0  | \$0  | -\$3,962,148  | \$1,725,041  | \$32,474,201   |
| 01/01/2039                                  | 12/31/2039 | \$1,366,550   | \$0                           | \$0   | -\$3,683,821     | \$0  | -\$182,259   | \$0   | \$0  | \$0  | -\$3,866,080  | \$1,680,755  | \$31,655,426   |
| 01/01/2040                                  | 12/31/2040 | \$1,366,550   | \$0                           | \$0   | -\$3,594,551     | \$0  | -\$184,389   | \$0   | \$0  | \$0  | -\$3,778,940  | \$1,639,019  | \$30,882,055   |
| 01/01/2041                                  | 12/31/2041 | \$1,366,550   | \$0                           | \$0   | -\$3,493,557     | \$0  | -\$186,022   | \$0   | \$0  | \$0  | -\$3,679,579  | \$1,600,049  | \$30,169,075   |
| 01/01/2042                                  | 12/31/2042 | \$1,366,550   | \$0                           | \$0   | -\$3,421,090     | \$0  | -\$188,128   | \$0   | \$0  | \$0  | -\$3,609,218  | \$1,563,559  | \$29,489,966   |
| 01/01/2043                                  | 12/31/2043 | \$1,366,550   | \$0                           | \$0   | -\$3,347,320     | \$0  | -\$190,309   | \$0   | \$0  | \$0  | -\$3,537,629  | \$1,528,923  | \$28,847,810   |
| 01/01/2044                                  | 12/31/2044 | \$1,366,550   | \$0                           | \$0   | -\$3,246,826     | \$0  | -\$191,933   | \$0   | \$0  | \$0  | -\$3,438,759  | \$1,497,000  | \$28,272,601   |
| 01/01/2045                                  | 12/31/2045 | \$1,366,550   | \$0                           | \$0   | -\$3,132,942     | \$0  | -\$194,088   | \$0   | \$0  | \$0  | -\$3,327,030  | \$1,469,020  | \$27,781,141   |
| 01/01/2046                                  | 12/31/2046 | \$1,366,550   | \$0                           | \$0   | -\$3,015,238     | \$0  | -\$195,744   | \$0   | \$0  | \$0  | -\$3,210,982  | \$1,445,660  | \$27,382,369   |
| 01/01/2047                                  | 12/31/2047 | \$1,366,550   | \$0                           | \$0   | -\$2,902,594     | \$0  | -\$197,992   | \$0   | \$0  | \$0  | -\$3,100,586  | \$1,427,137  | \$27,075,470   |
| 01/01/2048                                  | 12/31/2048 | \$1,366,550   | \$0                           | \$0   | -\$2,807,200     | \$0  | -\$200,197   | \$0   | \$0  | \$0  | -\$3,007,397  | \$1,413,100  | \$26,847,723   |
| 01/01/2049                                  | 12/31/2049 | \$1,366,550   | \$0                           | \$0   | -\$2,720,636     | \$0  | -\$201,904   | \$0   | \$0  | \$0  | -\$2,922,540  | \$1,403,100  | \$26,694,833   |
| 01/01/2050                                  | 12/31/2050 | \$1,366,550   | \$0                           | \$0   | -\$2,636,026     | \$0  | -\$204,142   | \$0   | \$0  | \$0  | -\$2,840,168  | \$1,397,061  | \$26,618,276   |
| 01/01/2051                                  | 12/31/2051 | \$1,366,550   | \$0                           | \$0   | -\$2,555,695     | \$0  | -\$205,883   | \$0   | \$0  | \$0  | -\$2,761,578  | \$1,395,029  | \$26,618,277   |

**TEMPLATE 6A - Sheet 6A-6**

**Reconciliation - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plan:**

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used

**PLAN INFORMATION**

|  |                          |  |
|--|--------------------------|--|
| Abbreviated Plan Name:   | Roofers 42               |  |
| EIN:   | 31-6127285               |  |
| PN:  | 001                      |  |
| MPRA Plan?   | Yes                      |  |
| If a MPRA Plan, which method yields the greatest amount of SFA?                      | Increasing Assets Method |  |
| SFA Measurement Date:  | 06/30/2022               |  |
| Fair Market Value of Assets as of the SFA Measurement Date:                          | \$21,485,798             |  |
| SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet: | \$28,163,652             |  |
| Non-SFA Interest Rate:   | 5.38%                    |  |
| SFA Interest Rate:   | 3.07%                    |  |

|   |                    | (1)           | (2)                           |
|---|--------------------|---------------|-------------------------------|
| SFA Measurement Date / Plan Year Start Date | Plan Year End Date | Contributions | Withdrawal Liability Payments |
| 06/30/2022                                  | 12/31/2022         | \$669,531     | \$9,858                       |
| 01/01/2023                                  | 12/31/2023         | \$1,366,550   | \$19,716                      |
| 01/01/2024                                  | 12/31/2024         | \$1,366,550   | \$19,716                      |
| 01/01/2025                                  | 12/31/2025         | \$1,366,550   | \$19,716                      |
| 01/01/2026                                  | 12/31/2026         | \$1,366,550   | \$19,716                      |
| 01/01/2027                                  | 12/31/2027         | \$1,366,550   | \$13,991                      |
| 01/01/2028                                  | 12/31/2028         | \$1,366,550   | \$0                           |
| 01/01/2029                                  | 12/31/2029         | \$1,366,550   | \$0                           |
| 01/01/2030                                  | 12/31/2030         | \$1,366,550   | \$0                           |
| 01/01/2031                                  | 12/31/2031         | \$1,366,550   | \$0                           |

|            |            |             |     |
|------------|------------|-------------|-----|
| 01/01/2032 | 12/31/2032 | \$1,366,550 | \$0 |
| 01/01/2033 | 12/31/2033 | \$1,366,550 | \$0 |
| 01/01/2034 | 12/31/2034 | \$1,366,550 | \$0 |
| 01/01/2035 | 12/31/2035 | \$1,366,550 | \$0 |
| 01/01/2036 | 12/31/2036 | \$1,366,550 | \$0 |
| 01/01/2037 | 12/31/2037 | \$1,366,550 | \$0 |
| 01/01/2038 | 12/31/2038 | \$1,366,550 | \$0 |
| 01/01/2039 | 12/31/2039 | \$1,366,550 | \$0 |
| 01/01/2040 | 12/31/2040 | \$1,366,550 | \$0 |
| 01/01/2041 | 12/31/2041 | \$1,366,550 | \$0 |
| 01/01/2042 | 12/31/2042 | \$1,366,550 | \$0 |
| 01/01/2043 | 12/31/2043 | \$1,366,550 | \$0 |
| 01/01/2044 | 12/31/2044 | \$1,366,550 | \$0 |
| 01/01/2045 | 12/31/2045 | \$1,366,550 | \$0 |
| 01/01/2046 | 12/31/2046 | \$1,366,550 | \$0 |
| 01/01/2047 | 12/31/2047 | \$1,366,550 | \$0 |
| 01/01/2048 | 12/31/2048 | \$1,366,550 | \$0 |
| 01/01/2049 | 12/31/2049 | \$1,366,550 | \$0 |
| 01/01/2050 | 12/31/2050 | \$1,366,550 | \$0 |
| 01/01/2051 | 12/31/2051 | \$1,366,550 | \$0 |

|                               |               |
|-------------------------------|---------------|
| Item Description (from 6A-1): | Update to Ass |
|-------------------------------|---------------|

s, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which

to determine the intermediate SFA amount.

On this Sheet, show payments INTO the plan as positive an

| (3)<br>Other Payments to Plan<br>(excluding financial<br>assistance and SFA) | (4)<br>Benefit Payments | (5)<br>make-up payments<br>Attributable to<br>Reinstatement of<br>Benefits Suspended<br>through the SFA<br>Measurement Date | (6)<br>Administrative<br>Expenses (excluding<br>amount owed PBGC<br>under 4261 of ERISA) |
|--|-------------------------|---|--|
| \$0  | -\$1,843,479            | -\$219,241  | -\$68,589  |
| \$0  | -\$3,783,663            | -\$438,482  | -\$150,319   |
| \$0  | -\$3,862,977            | -\$438,482  | -\$155,140   |
| \$0  | -\$3,940,839            | -\$438,482  | -\$160,064   |
| \$0  | -\$4,042,703            | -\$438,482  | -\$165,055   |
| \$0  | -\$4,052,667            | -\$219,241  | -\$170,260   |
| \$0  | -\$4,110,885            | \$0   | -\$175,498   |
| \$0  | -\$4,141,898            | \$0   | -\$180,920   |
| \$0  | -\$4,173,429            | \$0   | -\$187,054   |
| \$0  | -\$4,164,746            | \$0   | -\$198,459   |

|     |              |     |            |
|-----|--------------|-----|------------|
| \$0 | -\$4,114,231 | \$0 | -\$204,932 |
| \$0 | -\$4,084,433 | \$0 | -\$210,945 |
| \$0 | -\$4,029,847 | \$0 | -\$217,760 |
| \$0 | -\$3,984,927 | \$0 | -\$224,697 |
| \$0 | -\$3,921,185 | \$0 | -\$231,167 |
| \$0 | -\$3,874,466 | \$0 | -\$238,468 |
| \$0 | -\$3,781,434 | \$0 | -\$245,897 |
| \$0 | -\$3,683,821 | \$0 | -\$253,454 |
| \$0 | -\$3,594,551 | \$0 | -\$261,274 |
| \$0 | -\$3,493,557 | \$0 | -\$269,298 |
| \$0 | -\$3,421,090 | \$0 | -\$277,461 |
| \$0 | -\$3,347,320 | \$0 | -\$285,910 |
| \$0 | -\$3,246,826 | \$0 | -\$294,506 |
| \$0 | -\$3,132,942 | \$0 | -\$303,938 |
| \$0 | -\$3,015,238 | \$0 | -\$312,911 |
| \$0 | -\$2,902,594 | \$0 | -\$322,118 |
| \$0 | -\$2,807,200 | \$0 | -\$332,267 |
| \$0 | -\$2,720,636 | \$0 | -\$342,672 |
| \$0 | -\$2,636,026 | \$0 | -\$352,811 |
| \$0 | -\$2,555,695 | \$0 | -\$363,751 |

sumed Future Administrative Expenses

the requested amount of SFA is determined under that method

ounts, and payments OUT of the plan as negative amounts.

| (7)<br>Benefit Payments (from<br>(4) and (5)) and<br>Administrative<br>Expenses (from (6))<br>Paid from SFA Assets | (8)<br>SFA Investment Income<br>Based on SFA Interest<br>Rate | (9)<br>Projected SFA Assets at<br>End of Plan Year<br>(prior year assets +<br>(7) + (8)) | (10)<br>Benefit Payments (from<br>(4) and (5)) and<br>Administrative<br>Expenses (from (6))<br>Paid from Non-SFA<br>Assets |
|--|---|--|--|
| -\$2,131,309   | \$412,871   | \$26,445,214   | \$0  |
| -\$4,372,464   | \$745,258   | \$22,818,008   | \$0  |
| -\$4,456,599   | \$632,621   | \$18,994,030   | \$0  |
| -\$4,539,385   | \$513,964   | \$14,968,609   | \$0  |
| -\$4,646,240   | \$388,756   | \$10,711,125   | \$0  |
| -\$4,442,168   | \$261,160   | \$6,530,117  | \$0  |
| -\$4,286,383   | \$135,176   | \$2,378,910  | \$0  |
| -\$2,378,910   | \$0   | \$0  | -\$1,943,908   |
| \$0  | \$0   | \$0  | -\$4,360,483   |
| \$0  | \$0   | \$0  | -\$4,363,205   |

|     |     |     |              |
|-----|-----|-----|--------------|
| \$0 | \$0 | \$0 | -\$4,319,163 |
| \$0 | \$0 | \$0 | -\$4,295,378 |
| \$0 | \$0 | \$0 | -\$4,247,607 |
| \$0 | \$0 | \$0 | -\$4,209,624 |
| \$0 | \$0 | \$0 | -\$4,152,352 |
| \$0 | \$0 | \$0 | -\$4,112,934 |
| \$0 | \$0 | \$0 | -\$4,027,331 |
| \$0 | \$0 | \$0 | -\$3,937,275 |
| \$0 | \$0 | \$0 | -\$3,855,825 |
| \$0 | \$0 | \$0 | -\$3,762,855 |
| \$0 | \$0 | \$0 | -\$3,698,551 |
| \$0 | \$0 | \$0 | -\$3,633,230 |
| \$0 | \$0 | \$0 | -\$3,541,332 |
| \$0 | \$0 | \$0 | -\$3,436,880 |
| \$0 | \$0 | \$0 | -\$3,328,149 |
| \$0 | \$0 | \$0 | -\$3,224,712 |
| \$0 | \$0 | \$0 | -\$3,139,467 |
| \$0 | \$0 | \$0 | -\$3,063,308 |
| \$0 | \$0 | \$0 | -\$2,988,837 |
| \$0 | \$0 | \$0 | -\$2,919,446 |

| (11)  | (12)<br>PROJECTED NON-SFA<br>Assets at End of Plan<br>Year |
|---|--|
| Non-SFA Investment<br>Income Based on Non-<br>SFA Interest Rate | (prior year assets +<br>(1) + (2) + (3) +<br>(10) + (11))  |
| \$579,356   | \$22,744,543   |
| \$1,260,458   | \$25,391,267   |
| \$1,402,852   | \$28,180,385   |
| \$1,552,907   | \$31,119,558   |
| \$1,711,034   | \$34,216,858   |
| \$1,877,517   | \$37,474,916   |
| \$2,052,429   | \$40,893,895   |
| \$2,184,764   | \$42,501,301   |
| \$2,207,088   | \$41,714,456   |
| \$2,164,684   | \$40,882,485   |

|             |              |
|-------------|--------------|
| \$2,121,093 | \$40,050,965 |
| \$2,076,989 | \$39,199,126 |
| \$2,032,428 | \$38,350,497 |
| \$1,987,780 | \$37,495,203 |
| \$1,943,286 | \$36,652,687 |
| \$1,899,005 | \$35,805,308 |
| \$1,855,688 | \$35,000,215 |
| \$1,814,765 | \$34,244,255 |
| \$1,776,257 | \$33,531,237 |
| \$1,740,364 | \$32,875,296 |
| \$1,706,782 | \$32,250,077 |
| \$1,674,879 | \$31,658,276 |
| \$1,645,480 | \$31,128,974 |
| \$1,619,776 | \$30,678,420 |
| \$1,598,423 | \$30,315,244 |
| \$1,581,630 | \$30,038,712 |
| \$1,569,016 | \$29,834,811 |
| \$1,560,068 | \$29,698,121 |
| \$1,554,691 | \$29,630,525 |
| \$1,552,897 | \$29,630,526 |

## Version Updates

v20220701p

| Version    | Date updated |
|------------|--------------|
| v20220701p | 07/01/2022   |

**This document goes into effect August 8, 2022. Any applications filed before then would be under the interim final rule.**

**TEMPLATE 7**

v20220701p

**7a - Assumption/Method Changes for SFA Eligibility**

File name: *Template 7 Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (7)a. of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

*Sheet 7a of Template 7 is not required if the plan is eligible for SFA under § 4262.3(a)(2) (MPRA suspensions) or § 4262.3(a)(4) (certain insolvent plans) of PBGC's special financial assistance regulation.*

*Sheet 7a of Template 7 is not required if the plan is eligible based on a certification of plan status completed before January 1, 2021.*

*Sheet 7a of Template 7 is not required if the plan is eligible based on a certification of plan status completed after December 31, 2020 but reflects the same assumptions as those in the pre-2021 certification of plan status.*

Provide a table identifying which assumptions/methods used in determining the plan's eligibility for SFA differ from those used in the pre-2021 certification of plan status and brief explanations as to why using those assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable.

This table should identify all changed assumptions/methods (including those that are reflected in the Baseline provided in Template 5A or Template 5B) and should be an abbreviated version of information provided in Section D, Item (6)a. of the SFA filing instructions.

For example, if the mortality assumption used in the pre-2021 certification of plan status is the RP-2000 mortality table, and the plan proposes to change to the Pri-2012(BC) table, complete one line of the table as follows:

|  | (A)   | (B)  | (C)  |
|--|---|--|--|
| Assumption/Method That Has Changed From Assumption/Method Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021 | Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021 | Brief description of assumption/method used in showing the plan's eligibility for SFA (if different) | Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable |
| Base Mortality Assumption  | RP-2000 mortality table   | Pri-2012(BC) mortality table   | Prior assumption is outdated. New assumption reflects more recently published experience for blue collar workers.                |

Add one line for each assumption/method that has changed from that used in the most recent certification of plan status completed prior to 1/1/2021.

Since this Template 7a is intended as an abbreviated version of more detailed information provided in Section D, Item (6)a. of the SFA filing instructions, it is not necessary to include full tables of rates at every age (e.g., for retirement, turnover, etc.). Instead, a high level description that focuses on what aspect of the assumption/method has changed is preferred.



This document goes into effect August 8, 2022. Any applications filed before then would be under the interim final rule.

## TEMPLATE 7

v20220701p

### 7b - Assumption/Method Changes for SFA Amount

File name: *Template 7 Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (7)b. of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

Provide a table identifying which assumptions/methods used in determining the amount of SFA differ from those used in the pre-2021 certification of plan status (except the non-SFA and SFA interest rates) and brief explanations as to why using those original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable.

Please state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's guidance on Special Financial Assistance Assumptions.

This table should identify all changed assumptions/methods except for the interest rates (including those that are reflected in the Baseline provided in Template 5A or Template 5B) and should be an abbreviated version of information provided in Section D, Item (6)b. of the SFA filing instructions.

For example, if the mortality assumption used in the pre-2021 certification of plan status is the RP-2000 mortality table, and the plan proposes to change to the Pri-2012(BC) table, complete one line of the table as follows:

|   | (A)   | (B)  | (C)  |
|---|---|--|--|
| Assumption/Method That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021 | Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021 | Brief description of assumption/method used to determine the requested SFA amount (if different) | Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable |
| Base Mortality Assumption   | RP-2000 mortality table   | Pri-2012(BC) mortality table   | Original assumption is outdated. New assumption reflects more recently published experience for blue collar workers.             |

For example, assume the plan is projected to be insolvent in 2029 in the pre-2021 certification of plan status. The plan changes its CBU assumption by extending the assumption to the later projection years as described in Paragraph A, "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's guidance on Special Financial Assistance Assumptions. Complete one line of the table as follows:

|   | (A)   | (B)  | (C)  |
|---|---|--|--|
| Assumption/Method That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021 | Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021 | Brief description of assumption/method used to determine the requested SFA amount (if different)                   | Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable                   |
| CBU Assumption  | Decrease from most recent plan year's actual number of CBUs by 2% per year to 2028                                      | Same number of CBUs for each projection year to 2028 as shown in (A), then constant CBUs for all years after 2028. | Original assumption does not address years after original projected insolvency in 2029. Proposed assumption uses acceptable extension methodology. |

Add one line for each assumption/method that has changed from that used in the most recent certification of plan status completed prior to 1/1/2021.

Since this Template 7b is intended as an abbreviated version of more detailed information provided in Section D, Item (6)b. of the SFA filing instructions, it is not necessary to include full tables of rates at every age (e.g., for retirement, turnover, etc.). Instead, a high level description that focuses on what aspect of the assumption/method has changed is preferred.

**Template 7 - Sheet 7b**  
**Assumption/Method Changes - SFA Amount**

v20220701p

**PLAN INFORMATION**

|                        |            |
|------------------------|------------|
| Abbreviated Plan Name: | Roofers 42 |
| EIN:                   | 31-6127285 |
| PN:                    | 001        |

|   | (A)  | (B)   | (C)   |
|---|--|---|---|
| Assumption/Method That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021 | Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021  | Brief description of assumption/method used to determine the requested SFA amount (if different)  | Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable  |
| Mortality   | RP-2014 (BC) Mortality Tables projected generationally using Mortality Projection Scale MP-2018.   | Pri-2012 Blue Collar Mortality Tables projected generationally using Mortality Projection Scale MP-2021.  | The prior assumption is no longer reasonable because it is based on older tables constructed without material multiemployer plan experience. The updated assumption is based on the most recently published tables and improvement scales, and follows the "Acceptable" change in PBGC's SFA assumption guidance under the Final Rule.  |
| New Entrants Profile  | A simplified assumption based on the average of the prior year's new entrants.   | Based on characteristics of the new entrants over the last five years with age bands of 10 years.   | The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience and follows the "Acceptable" change in PBGC's SFA assumption guidance under the Final Rule.   |
| Contribution Rate Increases   | Journeyman contribution rate increasing \$0.20 annually on August 1 through 2023; ultimate contribution rate of \$6.20 per hour being reached on August 1, 2023. | No contribution rate increases after the one that occurred on August 1, 2021 to \$5.80 per hour.  | The prior assumption is no longer reasonable because it reflected anticipated contribution rate increases that had not yet been bargained. The updated assumption includes the current rates in effect and future contribution rate increases that have been bargained prior to July 9, 2021, consistent with 42CFR 4012.4(a)(2) of the PBGC's Final Rule.  |
| Retirement Rates  | Various Rates from age 55 to 70.   | Various Rates from age 55 to 65.  | The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience.  |
| Termination Rates   | Less than two years of service - 20%, 2 or more years of service - Sarason T-7 Table.  | Less than two years of service - 25%, 2 to 3 years of service - 20%, 3 or more years of service - Sarason T-10 Table.   | The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience.  |
| Disability Rates  | 75% of the 1980 City of Cincinnati Rate of Disability.   | 50% of the 1980 City of Cincinnati Rate of Disability.  | The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience. The updated assumption is consistent with the past five years of Plan experience.  |
| Payment Form Election   | Election probabilities for various optional forms of payment available, based on the past five years of Plan experience.   | Election probabilities for various optional forms of payment available, based on the past five years of Plan experience.  | The prior assumption is no longer reasonable because it did not reflect the most recent Plan experience, and available optional forms were changed pursuant to an amendment executed with the filing of the Plan's MPRA application. The updated assumption is consistent with the available forms of payment and the past five years of Plan experience.   |
| Administrative Expenses   | Based on most recently audited amount with 1.0% annual increases to 2032.  | Based on most recently audited amount with 3.0% annual increases to 2051. Also accounts for scheduled PBGC premium increase in 2031 and expected cost (\$50,000) of SFA application preparation & filing. | The prior assumption is no longer reasonable because it did not address years after original projected insolvency or the increase in PBGC premiums in 2031, and uses outdated inflation expectations. The updated assumption is based on most recently available data, and accounts for expenses incurred past the original date of insolvency, the scheduled PBGC premium increase in 2031, the cost of preparation & filing of this SFA application, and reasonable expectations of current and expected inflationary trends. |
| CBU Assumption  | 250,000 CBUs per year to 2032.   | 200,000 CBUs per year to 2051.  | The prior assumption is no longer reasonable because it did not address years after original projected insolvency or the long-term & likely permanent impact of recent economic downturns and inflationary pressure on available workers and extant companies contributing to the Pension Plan. New assumption is based on information provided by the Plan Sponsor, including the impact of the recent economic  |

## Version Updates

v20220701p

| Version    | Date updated |
|------------|--------------|
| v20220701p | 07/01/2022   |

**This document goes into effect August 8, 2022. Any applications filed before then would be under the interim final rule.**

**TEMPLATE 8**  
**Contribution and Withdrawal Liability Details**

File name: *Template 8 Plan Name*, where "Plan Name" is an abbreviated version of the plan name.

v20220701p

Provide details of the projected contributions and withdrawal liability payments used to calculate the requested SFA amount. This should include total contributions, contribution base units (including identification of the base unit used (i.e., hourly, weekly)), average contribution rate(s), reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and any other identifiable contribution streams. For withdrawal liability, separately show amounts for currently withdrawn employers and for future assumed withdrawals. Also provide the projected number of active participants at the beginning of each plan year.

The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

**PLAN INFORMATION**

|                        |            |
|------------------------|------------|
| Abbreviated Plan Name: | Roofers 42 |
| EIN:                   | 31-6127285 |
| PN:                    | 001        |

|                            |        |
|----------------------------|--------|
| Unit (e.g. hourly, weekly) | HOURLY |
|----------------------------|--------|

All Other Sources of Non-Investment Income

| SFA Measurement Date / Plan Year Start Date | Plan Year End Date | Total Contributions* | Total Contribution Base Units | Average Contribution Rate | Reciprocity Contributions (if applicable) | Additional Rehab Plan Contributions (if applicable) | Other - Explain if Applicable | Withdrawal Liability Payments for Currently Withdrawn Employers | Withdrawal Liability Payments for Projected Future Withdrawals | Projected Number of Active Participants (Including New Entrants) at the Beginning of the Plan Year |
|---|--------------------|----------------------|-------------------------------|---------------------------|---|---|-------------------------------|---|--|--|
|   |                    |                      |                               |                           |   |   |                               |   |  |  |
| 06/30/2022                                  | 12/31/2022         | \$538,000            | 100,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$9,858   | \$0  | 175  |
| 01/01/2023                                  | 12/31/2023         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$19,716  | \$0  | 175  |
| 01/01/2024                                  | 12/31/2024         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$19,716  | \$0  | 175  |
| 01/01/2025                                  | 12/31/2025         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$19,716  | \$0  | 175  |
| 01/01/2026                                  | 12/31/2026         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$19,716  | \$0  | 175  |
| 01/01/2027                                  | 12/31/2027         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$13,991  | \$0  | 175  |
| 01/01/2028                                  | 12/31/2028         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2029                                  | 12/31/2029         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2030                                  | 12/31/2030         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2031                                  | 12/31/2031         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2032                                  | 12/31/2032         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2033                                  | 12/31/2033         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2034                                  | 12/31/2034         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2035                                  | 12/31/2035         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2036                                  | 12/31/2036         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2037                                  | 12/31/2037         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2038                                  | 12/31/2038         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2039                                  | 12/31/2039         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2040                                  | 12/31/2040         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2041                                  | 12/31/2041         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2042                                  | 12/31/2042         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2043                                  | 12/31/2043         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2044                                  | 12/31/2044         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2045                                  | 12/31/2045         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2046                                  | 12/31/2046         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2047                                  | 12/31/2047         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2048                                  | 12/31/2048         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2049                                  | 12/31/2049         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2050                                  | 12/31/2050         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |
| 01/01/2051                                  | 12/31/2051         | \$1,076,000          | 200,000                       | \$5.38                    | \$0                                       | \$0   | \$0                           | \$0   | \$0  | 175  |

\* Total contributions shown here should be contributions based upon CBUs and should not include items separately shown in any columns under "All Other Sources of Non-Investment Income."

**SECOND AMENDMENT TO THE  
COMPOSITION ROOFERS LOCAL 42 PENSION FUND  
AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST**

The Board of Trustees has the authority to modify and amend the Pension Fund Trust Agreement, as entered into September 1, 2018 (hereinafter “Trust Agreement”), as needed to better serve the interests of all Participants and Beneficiaries. The Board of Trustees, after consultation with its administrator and professional advisors, finds it necessary to amend the Trust Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, effective September 15, 2020, Article VI, Section 8 of the Restated Agreement and Declaration of Trust is amended to read as follows:

\* \* \* \* \*

Section 8 – Meetings

Regular meetings of the Board of Trustees shall be held quarterly. The Board shall determine the time and place of its regular periodic meetings, and the Secretary shall give written notice of each such meeting to all other Trustees at least five (5) days prior to the date of such meeting. Either the Chairman or the Secretary, or a majority of the members of the Board of Trustees may call a special meeting of the Board of Trustees by giving written notice to the other Trustees of the time and place of such meeting at least ten (10) days before the date set for the meeting. Any notice of meetings shall be sufficient if sent by regular mail addressed to the Trustee at his address as shown in records of the Board or by electronic mail. The Board may take any action at a special meeting that it may take at a regular meeting. Any meeting at which all Trustees are present, or which all Trustees waive notice in writing, shall be a valid meeting without the giving of any notice. The Board of Trustees and this Trust shall have their principal office in the City of Cincinnati at such place as the Board may from time to time designate. All official meetings of the Trustees shall be attended only by the Trustees and shall not be open to the public, except such other persons may attend as may be designated by the Trustees or when invited to do so, and as may otherwise be required by law. The Secretary or such other person as the Trustees may designate shall keep minutes and records of all meetings, proceedings and acts of the Trustees and shall, with reasonable promptness, send copies of such minutes and records to all Trustees, and legal counsel.

Meetings may be held in person or, if necessary in the discretion of the Trustees, by telephone or videoconference. For meetings held in person, a Trustee may attend by telephone or videoconference if he is unable to attend due to illness, unavoidable conflict, or other reasonable cause.

\* \* \* \* \*

IN WITNESS WHEREOF, Board of Trustees, having affixed their signatures, have approved this Amendment this 15<sup>th</sup> day of September, 2020.

EMPLOYER TRUSTEES

/s/ Tom Dalton

/s/ Daniel Imbus

/s/ Steve Kramer

UNION TRUSTEES

/s/ Rodney Toole

/s/ Brandon Burke

\_\_\_\_\_

**FIRST AMENDMENT TO THE  
COMPOSITION ROOFERS LOCAL 42 PENSION FUND  
AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST**

The Board of Trustees has the authority to modify and amend the Pension Fund Trust Agreement, as entered into September 1, 2018 (hereinafter “Trust Agreement”), as needed to better serve the interests of all Participants and Beneficiaries. The Board of Trustees, after consultation with its administrator and professional advisors, finds it necessary to amend the Trust Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, effective September 15, 2020, Article IV, Section 1(f) of the Restated Agreement and Declaration of Trust is amended to read as follows:

\* \* \* \* \*

Section 1 – Powers and Duties of Trustees

In addition to those conferred elsewhere in this Agreement, or by law, the Trustees shall have the following powers and duties:

f) To cause to be paid or to provide for the payment of all reasonable and necessary expenses, costs and fees incurred in connection with the creation of the Pension Plan and Trust, and the establishment and maintenance of the Trust Fund, including the employment of such auditing, accounting, administrative, actuarial, legal, investment counseling, export and clerical assistance, as the Trustees in their discretion deem necessary or appropriate in the performance of their duties or in carrying out this Trust. **This includes the payment of reasonable expenses for professional services performed at the request of Trustees for work that would otherwise be considered settlor in nature, including plan design, merger, amendment, and termination.**

IN WITNESS WHEREOF, Board of Trustees, having affixed their signatures, have approved this Amendment this 15<sup>th</sup> day of September, 2020.

EMPLOYER TRUSTEES

UNION TRUSTEES

/s/ Tom Dalton

/s/ Rodney Toole

/s/ Daniel Imbus

/s/ Brandon Burke

/s/ Steve Kramer

\_\_\_\_\_

**Composition Roofers Local 42 Pension Fund  
Amended and Restated Agreement and  
Declaration of Trust**

**(As Amended and Restated September 1, 2018)**

**This Document Prepared By:  
Ledbetter Parisi LLC  
5078 Wooster Road, Suite 400  
Cincinnati, OH 45226**

AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST  
COMPOSITION ROOFERS LOCAL 42 PENSION FUND

WHEREAS, Article V of the Declaration of Trust of the Composition Roofers Local 42 Pension Fund provides that this Trust Agreement may be amended at any time by an instrument in writing executed by the Trustees; and

WHEREAS, it is the desire of the Trustees to modify this Trust Agreement;

THEREFORE, the Agreement and Declaration of Trust of the Composition Roofers Local 42 Pension Fund shall be amended and restated in its entirety as follows:

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## PREAMBLE

This Amended Agreement and Declaration of Trust made and entered into by and between the Local Union No. 42, United Union of Roofers, Waterproofers and Allied Workers, hereinafter called the "Union," and the Greater Cincinnati Roofing Contractors Association, hereinafter called the "Association," together with such other employers as hereinafter defined and collectively called the "Employers."

WITNESSETH:

WHEREAS, the Union and the Association have or hereafter will have Collective Bargaining Agreements or supplements thereto requiring the Employers to make periodic payments to the trust for the purpose of providing pension benefits for eligible Employees.

NOW, THEREFORE, in consideration of the promises and of the mutual benefits inuring to the parties hereto and in order to create said trust, to be known as the "Composition Roofers Local 42 Pension Fund," the parties hereto covenant and agree as follows:

## ARTICLE I – DEFINITIONS

### Section 1 – Collective Bargaining Agreement

The term “Collective Bargaining Agreement” shall mean any written contract by and between the Employer, as defined in Section 2 of this Article, and the Union, as defined in Section 1 of this Article, and shall include any National Agreement to which the United Union of Roofers, Waterproofers and Allied Workers, AFL-CIO, is a party. It shall also include any and all extension or extensions thereof, renewal or renewals thereof, amendments or addendums or any new Collective Bargaining Agreement entered into by the Union and the Employer hereunder which provide for pension contributions to be made to this Plan, Trust and Fund, as presently existing or as hereinafter amended.

### Section 2 – Employee

Subject to the limitations set forth under Section 302 of the Labor Management Relations Act of 1947, the term “Employee” shall include any person employed under or in accordance with the terms of a Collective Bargaining Agreement with the Union, as defined in Section 1 or under a Collective Bargaining Agreement to which the United Union of Roofers, Waterproofers and Allied Workers, AFL-CIO, is a party, and on whose account the Employer is making contributions into the Pension Trust Fund and shall also include employees of the Union, as defined in Section 1 of this Article, as well as others for whom contributions are required pursuant to the terms of a participation agreement.

### Section 3 – Employer

The term “Employer” shall mean the Greater Cincinnati Roofing Contractors Association and the members thereof and any other association, individual, partnership, corporation or other entity which employs Employees who fall within the definition of Employees, as set forth in Section 3 of this Article, and who are a party to or have agreed to be bound by the terms of a Collective Bargaining Agreement with the Union, as defined in Section 1 of this Article, or a party to a National Agreement to which the United Union of Roofers, Waterproofers and Allied Workers, AFL-CIO, is signatory, and shall also mean the Union, as defined in Section 1 of this Article.

### Section 4 – Employer Contributions

The term “Employer Contributions” shall mean payments made to or required to be made to the Trust Fund by an Employer under the provisions of a Collective Bargaining Agreement as defined in Section 9 of this Article.

#### Section 5 – ERISA

The term “ERISA” as used herein shall mean the Employee Retirement Income Security Act of 1974 and any amendments as may from time to time be made thereto, any regulations promulgated pursuant to the provisions of ERISA, and any binding decisions or rulings by any court or agency interpreting or construing said law.

#### Section 6 – Named Fiduciary

The term “Named Fiduciary” as used herein shall mean the Trustees as defined in Section 4 herein.

#### Section 7 – Party-in-Interest

The term “Party-in-Interest” shall mean such persons as are described in ERISA.

#### Section 8 – Pension Plan

The term “Pension Plan” shall mean the pension plan created pursuant to the Collective Bargaining Agreements and this Trust Agreement including all amendments to any of the foregoing.

#### Section 9 – Trust Agreement

The term “Trust Agreement” shall mean this agreement under which this Trust is created and maintained and shall include any properly executed amendments thereto.

#### Section 10 – Trust Fund

The term “Trust Fund” shall mean Composition Roofers Local 42 Pension Fund, which is created and established pursuant to the terms of this Trust Agreement. It shall encompass the entire trust estate and include, but not be limited to, all funds received in the form of contributions, together with all contracts, including dividends, interest, refunds, transfers of funds under reciprocity and any other sums payable to the Trustees on account of such contracts, all investments made and held by the Trustees, all income, increments, earnings and profits therefrom, and any and all other property or funds received and held by the Trustees by reason of their acceptance of this Agreement and Declaration of Trust.

#### Section 11 – Trustee

The term “Trustee” shall mean any natural person designated as Trustee pursuant to Article II hereof. Such Trustee appointed by Union pursuant to Article II shall be referred to as “Union Trustee” and such Trustee as is designated by the Employers pursuant to Article II shall be referred to as “Employer Trustee”.

**Section 12 – Union**

Except as otherwise set forth or limited by this Trust Agreement, the term “Union” shall mean Local Union No. 42, United Union of Roofers, Waterproofers and Allied Workers.

## ARTICLE II – APPOINTMENT, RESIGNATION AND REMOVAL OF TRUSTEES

### Section 1 – Board of Trustees

The administration of the Trust Fund shall be vested in a Board of Trustees consisting of 6 persons, 3 of whom shall be Employer Trustees appointed by the Employer Association and 3 of whom shall be Union Trustees appointed by the Union.

### Section 2 – Acceptance of Trust Duties

Any Trustee, named or referred to in the foregoing section, upon the signing of this Agreement or upon written acceptance filed with the other Trustees in the case of any successor Trustee, shall be deemed to accept the duties, responsibilities and obligations of the Trustees as created and established by this Agreement.

### Section 3 – Term of Office of Trustees

Each Trustee shall continue to serve during the existence of this Trust until his death, incapacity, inability or refusal to act, resignation or removal as provided herein.

### Section 4 – Resignation of Trustees

A Trustee may resign and become and remain fully discharged from all further duty or responsibility hereunder (except that this shall not relieve the Trustee as to any liability already existing prior to the effective date of such resignation) by giving thirty (30) days' notice in writing sent by registered mail to the remaining Trustees, which notice shall state the date such resignation shall take effect and such resignation shall take effect on said date, unless a successor Trustee shall have been appointed at an earlier date, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee.

### Section 5 – Removal of Trustees

The Employer Association or Employer appointing the respective Employer Trustee shall have the right at any time to remove any Trustee it appointed and to appoint any successor Employer Trustee in the event of death, incapacity, inability or refusal to act, resignation, or removal. The Union Trustees may be removed at any time by the Union, and the Union shall have the right to appoint successor Trustees in the event of death, incapacity, inability or refusal to act, resignation or removal. The Board of Trustees shall not be required to investigate the decision from the Union or Association to remove a Trustee and may presume any removal is correct unless and until a court or administrative proceeding determines otherwise.

The Board of Trustees may act to remove any fellow Trustee who may be serving as a Trustee in violation of ERISA, or who habitually fails to fulfill his obligations to the Trust. Removal may occur only by unanimous consent of the remaining Trustees.

#### Section 6 – Successor Trustees

In case of a vacancy caused by the death, incapacity, inability or refusal to act, resignation or removal of an Employer's Trustee, and the person or organization authorized to appoint this successor fails to do so within thirty (30) days after such death, incapacity, inability or refusal to act, resignation or removal, the remaining Employer Trustees shall forthwith appoint an Employer successor Trustee by an instrument in writing. Written notice of said appointment shall forthwith be served on the person or organization authorized to appoint the successor but which has failed to do so. In the case of a vacancy caused by the death, incapacity, inability or refusal to act, resignation or removal of a Union Trustee and the Union fails to appoint his successor within thirty (30) days after such death, incapacity, inability or refusal to act, resignation or removal, the remaining Union Trustees shall forthwith appoint the successor Union Trustee by an instrument in writing. Written notice of said appointment shall be forthwith served on the Union.

Any successor Trustee appointed in the manner as provided in this section may be removed by the person or organization authorized to appoint the successor, but who has failed to do so, only if, concurrently with such removal, he or it appoints a successor Trustee, and concurrently with such instrument of removal, there is a written acceptance by the successor Trustee. Such concurrent removal and appointment shall be made by an instrument in writing signed by the person or duly authorized officer of the organization authorized to appoint the successor and delivered to all of the Trustees, one executed copy of which shall also be delivered to the Chairman who shall file the same with the records of this Trust.

#### Section 7 – Compensation of Trustees

The Trustees shall serve without compensation from the Trust Fund, but shall be reimbursed for all reasonable expenses incurred and for time lost from regular employment in conducting the business of the Trust Fund, including, without limitation, attendance at meetings and other functions of the Board of Trustees, and attendance at institutes, seminars, conferences or workshops for or on behalf of the Trust Fund. A Trustee may be paid directly from the Fund by way of reimbursement for the amount of actual wages that he has lost by reason of his performance of duties for the Trust Fund in accordance with any reasonable schedule for reimbursement which may be established by the Board of Trustees.

## Section 8 – Title of Assets

Title to all of the monies paid into or owed to the Trust Fund and all of the property of the Trust Fund shall be vested in and remain exclusively in the Trustees and neither the Employers, the Union nor any Employee or Beneficiary under the benefits Plan shall have any right, title or interest in any of the monies or property of the Trust Fund.

## ARTICLE III – TRUST FUND

### Section 1 – Purpose of Trust Fund

The Trust Fund created herein shall be for the purpose of providing pension, retirement and/or annuity payments to Employees, their spouses and dependent minor children, to the extent determined by the Trustees as hereinafter provided.

### Section 2 – Creation of Trust Fund

The Trust Fund shall consist of assets derived from Employer Contributions, all investments made by and for the Trust Fund, all income therefrom and any other property received and held by reason of this Trust, including any property to which the Trust may be entitled. Except as specifically provided herein, neither the Union, Employees, Employers, nor any other person, association or corporation shall have any right, title or interest in or to the Trust Fund or in or to any Employers contribution thereto.

## ARTICLE IV – ADMINISTRATION OF TRUST FUND

### Section 1 – Powers and Duties of Trustees

In addition to those conferred elsewhere in this Agreement, or by law, the Trustees shall have the following powers and duties:

- a) To establish a Pension Plan to provide the type and amount of pension, retirement and/or annuity benefits for Employees, their spouses and/or dependent children, to determine the eligibility of Employees for such benefits, and such other rules and regulations which, in the opinion of the Trustees, will effectuate the purposes of this trust. The Trustees shall have further power to amend the Pension Plan to increase or decrease benefits, change eligibility requirements or other rules and regulations, giving due consideration to the financial condition and purposes for which this trust is created.
- b) To cause to be paid to, received and held by the Trust Fund, all Employer Contributions which are payable to the Trust Fund and to take such legal action in the name of the Trust Fund, or in the name of any one or more of the Trustees or otherwise, as the Trustees in their discretion deem necessary to effectuate any collection.
- c) To invest and reinvest any moneys at any time forming a part of the Trust Fund in any property, real or personal, or part interest therein, wherever located, as the Trustees deem advisable, without regard to the proportion such property or properties of a similar character held in the Trust Fund may bear to the entire amount so held, including, but not limited to, stocks, bonds and other securities, personal, corporate or governmental obligations, leaseholds, mortgages and other interests in realty, trust and participation certificates, oil, mineral or gas properties, royalty interests or rights, including equipment pertaining thereto, notes and other evidences of indebtedness or ownership, secured or unsecured, contracts and choses in action. The Trustees shall not be limited or restricted in the making of investments to those of the character or size authorized by the laws of the State of Ohio, or of any other state, or by the rules of any court governing the investments of Trustees.
- d) To cause to be sold, exchanged, leased, conveyed or disposed of, any property at any time forming a part of the Trust Fund upon such terms as they may deem proper and to cause to be executed and delivered, any and all instruments of conveyance and transfer in connection therewith.
- e) To enter into and to cause to be entered into, any and all contracts and agreements for carrying out the terms of this Trust Agreement and for the administration of the Trust Fund and to do all acts as they in their discretion may deem necessary or advisable.

- f) To cause to be paid or to provide for the payment of all reasonable and necessary expenses, costs and fees incurred in connection with the creation of the Pension Plan and Trust, and the establishment and maintenance of the Trust Fund, including the employment of such auditing, accounting, administrative, actuarial, legal, investment counseling, expert and clerical assistance, as the Trustees in their discretion deem necessary or appropriate in the performance of their duties or in carrying out this Trust.
- g) To maintain and cause to be maintained accurate books of account and records of all transactions relating to this Trust, to cause such books and records and accounts to be audited annually, or more often if the Trustees so determine, by a certified public accountant. The results of any such audits and such books and records shall be available for inspection of all persons who are entitled to make such inspection, at reasonable times and upon proper notice, at such place or places as may be designated by the Trustees. This Trust may be represented by counsel or co-counsel as designated and employed by the Trustees.
- h) To cause to be paid or to provide for the payments of all real and personal property taxes and other taxes or assessments of any kind and all kinds levied or assessed under existing or future laws upon or in respect to the Trust Fund or any money or property forming a part thereof.
- i) To prepare and cause to be prepared such reports concerning the affairs of the Trust, as the Trustees in their discretion may deem necessary or advisable, and to furnish such reports to such parties, as the Trustees in their discretion may deem appropriate and advisable.
- j) To provide and procure, at the expense of the Trust, fidelity bonds for each of the Trustees and for all other persons whom they may authorize to handle, deal with or draw upon the moneys of the Trust Fund for any purpose whatsoever. Said bonds shall be maintained in such reasonable amounts and shall be obtained from such companies as the Trustees shall determine. The Trustees shall, from time to time, review the amounts of such bonds and require such adjustments in their amounts as are appropriate.
- k) To cause to be maintained such bank account or bank accounts as may be necessary in the carrying out of the Trust and the administration of the Trust Fund, and to authorize withdrawal of moneys from accounts of the Pension Fund but only by orders or checks signed by at least one Employer Trustee and one Union Trustee.
- l) To adopt and prescribe rules and procedures, which shall not be inconsistent with the provisions of this Agreement or of the Collective Bargaining Agreement, to be followed by the Employer in reporting contributions to be followed in determining entitlement of Employees and beneficiaries for pension benefits and the method of applying for pension benefits.

- m) To make determinations not inconsistent with this Agreement, the Pension Plan or the Collective Bargaining Agreement, which shall be final and binding upon all parties as to the rights of any Employee to retirement benefits, including the right of any beneficiary, and the amount thereof.
- n) To cause to be established and maintained a reserve fund for expected administrative expenses.
- o) In the event that any action or proceedings against any Employer are necessary to enforce the payment of any contributions to the Pension Fund, the Trustees shall additionally be entitled to recover in their own name or names, or otherwise, from such Employer all costs, interest and liquidated damages incurred in connection therewith, together with all reasonable attorneys' fees necessarily incurred in connection therewith.
- p) To appoint a bank or banks or trust company or trust companies to be designated as "Corporate Trustee", and to enter into and execute a trust agreement or agreements with such bank or banks or trust company or trust companies, to provide for the investment and reinvestment of the assets of the Trust Fund with such other provisions incorporated therein as may be deemed desirable in the Trustees' sole discretion for the proper management of the Trust Fund and upon such execution to convey and transfer to such Corporate Trustee any of the assets of the Trust Fund. The Trustees or Corporate Trustee may cause any or all funds of this trust to be invested and reinvested through the medium of any common, collective or commingled trust fund now or hereafter established and maintained by a bank or trust company including, but not limited to, any such common, collective or commingled trust fund which is qualified under Section 401(a) of the Internal Revenue Code. To the extent of the participation of this trust in any of such common, collective or commingled trust funds, such common, collective or commingled trust fund is hereby adopted and made a part of the plan of which this trust is a part, and any funds of this trust invested in any of such common, collective or commingled trust funds shall be subject to all the provisions thereof, as the same may be amended from time to time.
- q) To delegate any fiduciary or ministerial functions conferred upon them hereunder, including ERISA 3(21) or 3(38) fiduciary investment consultants.
- r) To have full discretionary authority to interpret the Plan; this discretionary authority shall include, but shall not be limited to, the power to construe terms of the Trust, Plan, Policies, Procedures, Resolutions or Directives, as amended from time to time, and such determination shall be final and binding on all parties.
- s) To employ such executive, consultant, actuarial, administrative, clerical, secretarial and legal personnel and other employees and assistants as may be necessary in connection with the administration of the Fund and the Pension Plan and to pay or cause to be paid out of the Fund the compensation and any expenses of such

personnel and assistants and the cost of office space, furnishings, supplies and other essentials required in such administration.

#### Section 2 – Party-in-Interest Transactions

Notwithstanding any action being taken by the Trustees as provided in this Article, no transaction shall be authorized between the Trust Fund and any Party-in-Interest, except to the extent that such transactions are permissible under ERISA.

#### Section 3 – Reciprocal Agreements

The Trustees shall have the power to enter into reciprocal agreements with other Pension Funds covering Employees of other Local Unions who are members of the same International or National Organization as the Union, so as to provide coverage for eligible Employees of both Funds, upon such terms and conditions as shall be established by the Trustees. To the extent that the Trustees shall enter into such reciprocal agreements with other Local Unions, the Trustees are authorized and empowered to transfer and exchange with the Trustees or Corporate Trustees of such reciprocating Funds money or credits for Employees not members of the Union or domiciled in the geographical jurisdiction of the Union for whom contributions were made by Employers; and to receive and accept money or credit from other reciprocity Funds for Employees who are members of the Union and/or are domiciled in the geographical jurisdiction of the Union for whom contributions were made in reciprocating Funds.

#### Section 4 – Claims and Appeals Procedure

The Trustees shall establish and maintain reasonable procedures governing the filing of benefit claims, notification of benefit determinations, and appeal of adverse benefit determinations as required by ERISA. Such procedures shall be included in the Plan document and communicated to interested parties in the Summary Plan Description. Following final determination on appeal, the Participant or Beneficiary may file an action under Section 502(a) of ERISA.

In any controversy, claim, demand, suit at law or other proceeding between any Employee, Beneficiary or any other person and the Trustees, the Trustees shall be entitled to rely upon any facts appearing in the records of the Trustees, any instruments on file with the Trustees, the Union or the Employer, any facts which are of public record and any other evidence pertinent to the issue involved. In the event of a discrepancy between the records maintained by the Plan and documents submitted by a Participant, an Employee or a retiree, the Trustees shall rely upon the Plan records unless shown to their satisfaction that the additional records are valid.

Any legal action against the Plan, Trustees or Plan Administrator must be filed in court within three years of the date the Board provides written notice of a decision on an appeal of an adverse benefit determination or any other alleged failure by said Plan or persons.

#### Section 6 – Investment Manager

The Trustees have exclusive authority and discretion to manage and control Fund assets in accordance with this Trust Document and applicable law, except to the extent that such authority to manage, acquire, invest or dispose of the assets is delegated to one or more investment managers as follows:

The Trustees may appoint one or more investment managers (within the meaning of Section 3(38) of ERISA) to invest, reinvest or otherwise manage some or all of the Plan's assets, including, but not limited to, the allocation of assets, the handling and voting of proxies, and the disposition of any chose in action. Subject to the terms of the Plan's agreement with the investment manager and all other applicable documents, any such investment manager shall have the same powers as the Trustees have with respect to the Plan assets managed by the investment manager, including, but not limited to, the appointment of sub-managers, advisors, consultants, and counsel (except that the investment manager remains liable for the acts or omissions of any submanager, advisor, etc.). Such Investment Manager shall report on a regular periodic basis, but no less often than quarterly, to the Trustees as to its activities, investments, holdings, acquisitions, performance and sale of assets.

#### Section 7 – Employer Contributions

The Trustees shall have the power to demand, collect and receive Employer's contributions to the Trust Fund, including the right to commence legal or administrative proceedings in the name of the Trust Fund, or in that of any participant, in a court of competent jurisdiction to collect the amount of said unpaid contributions, including interest and liquidated damages thereon and all costs incurred in effecting said collection, including reasonable attorneys' fees. Trustees are hereby given the power to add to the remittance of any Employer a reasonable late charge, liquidated damages, interest, punitive damages, attorney fees and costs, to be fixed by the Rules and Regulations promulgated by them as hereinafter provided, or as may be provided in the applicable Collective Bargaining Agreement, for failure to make prompt payments to the Trust Fund as provided for herein and in the Collective Bargaining Agreement, and are hereby given the power to collect such charges when assessed in the same manner as they are given power to collect the contributions. Failure by an Employer to pay the amounts due from him hereunder to the Trust Fund shall be deemed a breach of this Agreement by the Employer and of the underlying Collective Bargaining Agreement. The Trustees shall, on behalf of the Trust Fund, have the right to enforce the collection thereof against the Employer in the same

manner as wages directly due from him to his Employees. Employer Contributions become assets of the Fund as soon as they are owed.

Any Employer who contributes to this Trust shall, by the act of contributing, become a party to this Trust whether or not any such Employer has signed this Agreement or a counterpart thereof. Contribution remittance forms submitted by Employers shall be considered a “written agreement” as required by the Labor Management Relations Act as a condition of making and receiving Contributions.

## ARTICLE V – AMENDMENT AND TERMINATION OF TRUST AND LIMITATIONS ON TRUST FUND

### Section 1 – Rights to Amend

Subject to the provisions providing for termination of this Trust, it shall be irrevocable, and under no circumstance shall any moneys properly paid into the Trust Fund, or any part of the Trust Fund, be recoverable by or payable to any Employer, nor shall any of the same be used for or diverted to, purposes other than for the exclusive benefits of Employees, pensioners and beneficiaries. Subject to the limitations herein set forth, the Trustees shall have the power to amend this Trust Agreement and to make any amendment required to obtain and to retain the tax-exempt status of the Trust and the deductibility of the Employer Contributions thereto as business expenses for income tax purposes. The Trustees shall have the power to amend or cancel any amendments. Such amendments shall be furnished to the Union, the Trustees, and their principals, at the discretion of the Trustees, provided, however, that no amendment shall be adopted which:

- a) Alters the basic principles of this Trust or of the Pension Plan;
- b) Conflicts with any applicable law or government regulations;
- c) Causes the use or diversion of any part of the Trust Fund for purposes other than those authorized herein;
- d) Retroactively deprives anyone of a vested right or benefit, provided, however, that no rights shall vest in any Employee until he has completed all eligibility requirements as may be established from time to time by the Trustees.

### Section 2 – Limitations on Rights to Fund

No Employee, pensioner or beneficiary shall have any right, title or interest in and to the Fund, except such rights as are hereinafter provided in the Pension Plan. No money, property, equity or interest of any nature whatsoever in the Trust Fund or in any benefits or moneys payable therefrom shall be subject in any manner by an Employee, pensioner or beneficiary to anticipation, garnishment, alienation, sale, transfer, assignment, pledge, encumbrance, lien or charge, and any attempt to cause the same to be so subject shall be null and void.

### Section 3 – Limitation on Liability of Union and Employers

Neither the Employer, the Union nor any Employee shall be liable for any debts, liabilities or obligations of the Trust, or of the Trustees. Nothing contained herein shall be construed as making the Union or the Employer liable for the payments required to be made by any other Employer and liability of the Employer shall be limited solely to the payment of the amount designated in the presently existing Collective Bargaining Agreement and the Pension Plan, except as permitted by law. The Employer, by the payment of the amounts required to be contributed under the present effective Collective Bargaining Agreement,

shall be relieved of any further liability and shall not be required to make any further contributions to the cost of benefits in connection with the administration of the Trust or otherwise.

#### Section 4 – Merger

The Trust Fund shall not be merged into, acquired by or become part of any Trust Fund other than the Composition Roofers Local 42 Pension Fund (providing for selection of three Trustees by the Greater Cincinnati Roofing Contractors Association and three Trustees by the Local Union No. 42, United Union of Roofers, Waterproofers and Allied Workers) unless fifty-one percent (51%) of the combined total of Employees, participants and beneficiaries, as defined by ERISA, vote in favor of such action. Said vote shall not be considered proper unless written notification stating the purpose of such vote and the date, time and location of the vote is mailed to each person eligible to vote as stated above not less than ten (10) days prior to such secret ballot vote.

#### Section 5 – Termination of Trust

This Trust shall remain in effect so long as the Employer is obligated to make contributions to the Trust Fund. Upon any termination of this Trust, any moneys remaining in the Trust Fund, after the payment of all expenses and obligations of the Trust, shall be paid or used for the continuance of one or more pension benefits in accordance with the provisions of the Pension Plan, until such Fund is exhausted.

## ARTICLE VI – MISCELLANEOUS

### Section 1 – Method of Becoming a Party to this Trust

Any Employer who is party to a written participation agreement, who has a Collective Bargaining Agreement with the signatory Union or employs roofers within the jurisdiction of the Union in accordance with the terms of said Collective Bargaining Agreement or is a party to a National Agreement to which the United Union of Roofers, Waterproofers and Allied Workers, AFL-CIO, is signatory, and who has not signed an original of this Trust Agreement, may become a party to this trust by making contributions to the Fund and by agreeing to be bound by the terms of this Agreement and Declaration of Trust.

### Section 2 – Situs and Construction

Subject to any laws of the United States which may be applicable, this Trust is created by this instrument which has been executed in the State of Ohio, and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Ohio. The principal offices of the Trust Fund shall be located and maintained in Hamilton County in the State of Ohio or at such other locations as the Trustees may determine.

### Section 3 – Information to be Furnished by Employer

Each Employer shall furnish the Trustees such information as the Trustees may require or may need in connection with the administration of the Trust Fund. In the event of an alleged discrepancy in Employer Contributions to the Trust Fund, or in any other data required from the Employer by this Agreement or by the Pension Plan, the Trustees shall, in writing, notify the Employer of such alleged discrepancy and the period of time that the discrepancy is claimed to cover. On receipt of such written notice, the Employer shall promptly furnish to the Trustees any data requested that pertains to such alleged discrepancy.

The Trustees may employ an independent and qualified auditor to examine the pertinent employment records, payroll records and other records as considered necessary of each Employer at the Employer's place of business whenever such examination is deemed necessary or advisable to the Trustees in connection with the proper administration of the Trust Fund. The Union shall, upon request of the Trustees, promptly furnish information with respect to an Employee's employment status. An Employer shall, within 30 days after a written request from the Board of Trustees, furnish such information as the Board reasonably determines to be necessary to enable the Plan to monitor, assess and collect withdrawal liability.

#### Section 4 – Dealing with Trustees

No person, partnership, corporation, association, or other entity dealing with the Trustees shall be obligated to see to the application of any funds or property of the Trust Fund, unless such obligation is set forth in a written agreement, or to see that the terms of this Trust Agreement have been complied with, or be obligated to inquire into the necessity or expedience of any act of the Trustees. Every instrument executed by the Trustees (whether executed by all of them or in any manner as specified in this Agreement) shall be conclusive in favor of any person, partnership, corporation, association, or other entity, relying thereon that at the time of delivery of said instrument this Trust Agreement was in full force and effect that said instrument was executed and delivered in accordance with the terms of this Trust Agreement, and that the Trustees or Trustee were duly authorized and empowered to execute and deliver such instrument.

#### Section 5 – Giving of Notice and Delivery of Documents

Notice given to a Trustee, Union, Employer, Employee, or any other person shall, unless otherwise specified herein, be sufficient if in writing and delivered to or sent by postpaid first-class mail, or commercial courier to the last address as filed with the Trustee. Except as otherwise provided herein, the delivery of any statement or document required hereunder to be made to a Trustee, Union Employer, or Employee shall be sufficient if delivered in person or if set by postpaid first-class mail to his or its last address as filed with the Trustee.

#### Section 6 – Costs of Suit

The costs and expenses of any action, suit or proceeding relating to the Trust brought against the Trustees, or any of them, or by the Trustees or any of them, shall be paid from the Trust Fund, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Trustee, or Trustees, were acting in bad faith or were willfully negligent in the performance of his, their or its duties hereunder. Service of court action process upon any acting Trustee hereunder shall be deemed as service of such process upon the within Trust.

#### Section 7 – Deadlock

In the event that a majority of the Trustees are unable to agree upon any matter in connection with the administration of this Trust, they shall select a neutral person as an impartial umpire, who is willing to act in the determination of such dispute. In the event of a failure of a majority of the Trustees to agree upon an impartial umpire who is willing to act in the determination of such dispute any one or more of the said Trustees may petition the U. S. District Court, Southern District of Ohio, Western Division, for the appointment of an impartial umpire to decide such dispute, in accordance with the provisions of Section 302 of the Labor Management Relations Act of 1947. Any costs and attorneys' fees in

connection with the foregoing shall be paid out of the Trust Fund, including any reasonable compensation to such umpire. Differences arising as to the interpretation or application of the provisions of this Trust Agreement, and relating to pension benefits provided for hereunder, shall not be subject to the grievance or arbitration procedures established in any Collective Bargaining Agreement. All such differences shall be resolved in the manner as specified in this Trust Agreement. The impartial umpire shall have no power to alter, amend, add to or take away from any of the terms of this Trust Agreement or any Collective Bargaining Agreement. The decision of the impartial umpire shall be final and binding upon the parties, and the Trustees shall be bound by and give effect to any such decision.

#### Section 8 – Meetings

Regular meetings of the Board of Trustees shall be held quarterly. The Board shall determine the time and place of its regular periodic meetings, and the Secretary shall give written notice of each such meeting to all other Trustees at least five (5) days prior to the date of such meeting. Either the Chairman or the Secretary, or a majority of the members of the Board of Trustees may call a special meeting of the Board of Trustees by giving written notice to the other Trustees of the time and place of such meeting at least ten (10) days before the date set for the meeting. Any notice of meetings shall be sufficient if sent by regular mail addressed to the Trustee at his address as shown in records of the Board or by electronic mail. The Board may take any action at a special meeting that it may take at a regular meeting. Any meeting at which all Trustees are present, or which all Trustees waive notice in writing, shall be a valid meeting without the giving of any notice. The Board of Trustees and this Trust shall have their principal office in the City of Cincinnati at such place as the Board may from time to time designate. All official meetings of the Trustees shall be attended only by the Trustees and shall not be open to the public, except such other persons may attend as may be designated by the Trustees or when invited to do so, and as may otherwise be required by law. The Secretary or such other person as the Trustees may designate shall keep minutes and records of all meetings, proceedings and acts of the Trustees and shall, with reasonable promptness, send copies of such minutes and records to all Trustees, and legal counsel.

#### Section 9 – Chairman, Co-Chairman, and Secretary

The Board shall select one of their number to act as Chairman and one to act as Co-Chairman, and one to act as Secretary to serve terms of one year or for such period as the Trustees may determine. When the Chairman is selected from the Employer Trustees, the Co-Chairman and a Secretary shall be selected from the Union Trustees, and vice versa. The Chairmanship will alternate between the Employer Trustee and the Union Trustee. If an Employer Trustee held the Chairmanship during the prior year, then the Union Trustees will be given the option to assume the Chair the following year, and vice versa.

#### Section 10 – Protection of Trustees

The Trustees shall be free of any responsibility in acting upon any papers or documents considered by them to be genuine and to be made, executed or delivered by the proper party purporting to have made, executed or delivered same and they shall be entitled to rely upon the opinion of legal counsel, actuarial counsel or other expert counsel in connection with any matter pertaining to the administration or execution of this Trust, Fund or the Pension Plan.

#### Section 11 – Liability of Trustees

The Trustees, individually and/or collectively, shall not be personally liable for any error of judgment or for any loss arising out of any act or omission in the administration of the Trust Fund, nor shall they be personally liable for any liability or debt of the Trust Fund contracted or incurred by them, nor for the nonfulfillment of any contract, nor shall they be personally liable for the improper application or any part of the Trust Fund, nor for any other liability arising in connection with the administration or the existence of the Trust Fund; provided, however, nothing herein shall relieve the Trustees from any liability, obligation or debt arising out of their individual or collective acts or omissions done or suffered in bad faith or through willful misconduct.

#### Section 12 – Return of Records

Any Trustee who resigns or is removed shall forthwith turn over to the remaining Trustee at the office of the Trust any and all records, books, documents, moneys, and other property in his possession owned by the Trustees or incident to the fulfillment of this Trust and the administration of the Trust Fund.

#### Section 13 – Voting

A quorum shall consist of four Trustees. Any Union Trustee or Employer Trustee present at a meeting may, if duly authorized in writing by their respective co-Trustees, cast the vote on behalf of said absent Trustees. Four votes shall constitute a majority.

#### Section 14 – Separability

If any provision of this Trust Agreement or the Pension Plan is held to be illegal or invalid for any reason or to render contributions by the Employer into this Trust non-deductible for tax purposes or taxable to the Employees or to render the income received by such Trust non-exempt from taxation, the necessary steps to remedy such illegality, invalidity, non-deductible or taxability shall be taken immediately, but in no event shall the obligation of the Employers set forth in the Collective Bargaining Agreement be increased because of such remedial action. Any provision of this agreement or of the Trust Agreement which might be invalid or illegal and which does not affect the general purpose of the trust or

Pension Plan, shall not affect the remaining portion of the same, unless it prevents accomplishment of the objectives and purposes thereof.

The trust and the benefits to be provided from the Pension Trust Fund hereinabove referred to and all acts pursuant to this agreement and pursuant to such Trust Agreement and Pension Plan shall conform in all respects to the requirements of the Treasury Department, Bureau of Internal Revenue and to any other applicable State or Federal Laws and Regulations.

#### Section 15 – Insurance

The Trustees may in their discretion obtain and maintain policies of insurance, to the extent permitted by law, to insure themselves, the Trust Fund as such, as well as Employees or agents of the Trustees and of the Trust Fund, while engaged in business and related activities for and on behalf of the Trust Fund (1) with respect to liability to others as a result of acts, errors, or omissions of such Trustee or Trustees, Employees or agents, respectively, provided such insurance policy shall provide recourse by the insurer against Trustees as may be required by law and (2) with respect to injuries received or property damage suffered by them. The cost of the premiums for such policies of insurance shall be paid out of the Trust Fund.

#### Section 16 – Action Between Meetings

Action by the Trustees may be taken by them without a meeting via teleconference or electronic mail; provided, however, that in such cases there shall be unanimous written consent and concurrence by all of the Trustees. Such action should be recorded in the minutes of the next regularly scheduled meeting of the Board.

#### Section 17 – Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts, each of which shall be deemed an original.

#### Section 18 – Pronouns

Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year first above written.

ACCEPTED:

EMPLOYER TRUSTEES

[Signature]  
Thomas Dalto  
[Signature]

UNION TRUSTEES

[Signature]  
[Signature]

**PROMULGATION OF RULES AND REGULATIONS BY THE  
BOARD OF TRUSTEES OF THE COMPOSITION  
ROOFERS LOCAL 42 PENSION PLAN**

**Re: Determination and Payment of Employer Withdrawal Liability**

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**WHEREAS**, the undersigned are the duly authorized officers of the Board of Trustees (“Trustees”) for the Composition Roofers Local 42 Pension Plan (“Plan”); and

**WHEREAS**, the Plan’s Amended Agreement and Declaration of Trust (“Trust Agreement”) authorizes the Trustees to promulgate rules, regulations and resolutions for the Plan’s operation and administration; and

**WHEREAS**, the Trustees desire to update, revise and clarify the manner in which the determination and payment of employer withdrawal liability is made.

**NOW, THEREFORE**, the Trustees resolve as follows:

The following provisions are applicable to the determination and payment of Employer withdrawal liability pursuant to the Employee Income Security Act of 1974 (“ERISA”), as amended by the Multiemployer Pension Plan Amendments Act of 1980. These provisions apply to complete or partial withdrawals that occur after September 26, 1980 and shall supersede any provisions previously adopted that relate thereto. To the extent an issue relating to the withdrawal liability of an Employer is not addressed in these provisions, such issue shall be governed by the relevant provisions of ERISA. In the event a discrepancy exists between these provisions and the provisions of ERISA or related legislation and guidance thereto, the provisions of ERISA or the Multiemployer Reform Act of 2014 and related guidance shall govern.

**I. COMPLETE WITHDRAWAL DEFINED**

- (a) A complete withdrawal occurs if
  - (1) an Employer ceases to have an obligation to contribute to the Plan, and
  - (2) the Employer
    - (A) continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required or
    - (B) resumes such work within five years after the date on which the obligation to contribute to the Plan ceased, and does not renew the obligation at the time of such resumption.
- (b) For this purpose, an Employer’s obligation to contribute is not considered to have ceased solely because

- (1) the Employer is not, at the particular time, engaged in activity for which it has a contractual obligation to contribute,
  - (2) the Employer ceases to exist by reason of (i) a change in corporate structure described in section 4069(b) of ERISA or (ii) a change to an unincorporated form of business enterprise, provided (in either case) the change causes no interruption in Employer contributions or obligation to contribute to the Plan, or
  - (3) the Employer suspends contributions during a labor dispute involving its employees.
- (c) The date of a complete withdrawal is the date the Employer's obligation to contribute ceased.

## II. PARTIAL WITHDRAWAL DEFINED

- (a) A partial withdrawal occurs on the last day of the Plan Year in which the Employer's work mix within the craft and area jurisdiction of a collective bargaining agreement under which the Employer is obligated to contribute to the Plan changes, with the result being a 70% contribution decline.
- (1) A partial withdrawal shall be determined on the basis of the Employer's work mix within a period of three consecutive Plan Years ("Test Period") compared to its work mix within the five Plan Years ("Base Period") preceding the Test Period. A partial withdrawal shall be deemed to have occurred if the hours of work on the basis of which the Employer has been obligated to contribute to the Plan are, for each of the three years in the Test Period, less than 30 percent of what they had been, on average, in the two Base Period years in which such hours had been highest.
- (b) A partial withdrawal may also occur, in some cases, on the last day of the Plan Year if, for such Plan Year, there is a partial cessation of the employer's contribution obligation. There is a partial cessation of the employer's contribution obligation for the plan year if, during such year,
- (1) The employer permanently ceases to have an obligation to contribute under one or more but fewer than all collective bargaining agreements under which the employer has been obligated to contribute under the plan but continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required or transfers such work to another location or to an entity or entities owned or controlled by the employer, or
  - (2) An employer permanently ceases to have an obligation to contribute under the Plan with respect to work performed at one or more but fewer than all of its facilities, but continues to perform work at the facility of the type for which the obligation to contribute ceased.

### III. CALCULATION OF WITHDRAWAL LIABILITY

An Employer's withdrawal liability shall be equal to the sum of (a), (b), and (c) below, but shall be subject to (d).

(a) **Withdrawal liability for Plan Years ending after September 25, 1980.**

This amount is equal to the sum of the Employer's withdrawal liability for each of the Plan Years ending after September 25, 1980 and before the Plan Year of withdrawal. The Employer's withdrawal liability for any Plan Year shall be equal to (1) reduced by (2), and multiplied by (3) below.

- (1) **The change in unfunded vested benefits for the given Plan Year.** The change in unfunded vested benefits is equal to the unfunded vested benefits as of the end of the given Plan Year, less the sum of (A) and (B) below.
  - (A) The unfunded vested benefits on the last day of the last Plan Year ending before September 26, 1980, reduced by 5 percent for each Plan Year ending after September 25, 1980 and before the given Plan Year.
  - (B) The sum of the changes in the unfunded vested benefits for each Plan Year ending after September 25, 1980 and ending before the given Plan Year (each such change reduced by 5 percent for each Plan Year ending after the Plan Year for which the change is being determined and before the given Plan Year).
- (2) Five percent for each Plan Year ending after the given Plan Year and before the Plan Year of withdrawal.
- (3) A fraction, the numerator of which is the total amount required to be contributed under the Plan by the Employer for the last five Plan Years ending with the given Plan Year, and the denominator of which is the total amount contributed under the Plan by all Employers for the five Plan Years ending with the given Plan Year, reduced by contributions made in such years by Employers who withdrew from the Plan during such years.

However, notwithstanding the provisions of (a)(3), contributions of all Employers that permanently cease to have an obligation to contribute to the Plan or permanently cease covered operations before the end of the period of Plan Years used to determine the fractions for allocating unfunded vested benefits (and contributions of all Employers that withdrew from the Plan prior to September 26, 1980) shall be excluded from the denominators of the fractions.

**(b) The Employer's withdrawal liability for Plan Years ending before September 26, 1980.**

The Employer's pre-September 26, 1980 withdrawal liability shall be equal to (1) reduced by (2), and multiplied by (3) below.

- (1) The unfunded vested benefits on the last day of the last Plan Year ending before September 26, 1980.
- (2) Five percent for each Plan Year ending after September 25, 1980 and before the Plan Year of withdrawal.
- (3) A fraction, the numerator of which is the total amount required to be contributed under the Plan by the Employer for the last five Plan Years ending before September 26, 1980, and the denominator of which is the total contributions for the same five Plan Years made by all Employers that
  - (A) were required to contribute for the first Plan Year ending on or after September 25, 1980 and
  - (B) had not withdrawn from the Plan before September 26, 1980.

However, notwithstanding the provisions of (b)(3), contributions of all Employers that permanently cease to have an obligation to contribute to the Plan or permanently cease covered operations before the end of the period of Plan Years used to determine the fractions for allocating unfunded vested benefits (and contributions of all Employers that withdrew from the Plan prior to September 26, 1980) shall be excluded from the denominators of the fractions.

**(c) The Employer's withdrawal liability for reallocated unfunded vested benefits.**

This amount is equal to the sum of the Employer's withdrawal liability for reallocated unfunded vested benefits for each Plan Year ending before the Plan Year in which the Employer withdraws from the Plan. The Employer's withdrawal liability for reallocated unfunded vested benefits for any Plan Year shall be equal to (1) reduced by (2), and multiplied by (3) below.

- (1) **The reallocated unfunded vested benefits for the given Plan Year.** The reallocated unfunded vested benefits are equal to the sum of the following amounts that the Trustees determine in that year
  - (A) to be uncollectible from an Employer because of bankruptcy or similar proceedings,
  - (B) will not be assessed because of the de minimis rules, the sale of assets rules, the 20-year payment cap, or the dollar limitations on liability, and
  - (C) to be uncollectible or unassessable for other reasons that are not

inconsistent with regulations issued by the Pension Benefit Guaranty Corporation ("PBGC").

- (2) Five percent of the reallocated unfunded vested benefits for each Plan Year ending after the given Plan Year and before the Plan Year of withdrawal.
- (3) A fraction, the numerator of which is the total amount required to be contributed under the Plan by the Employer for the last five Plan Years ending with the given Plan Year, and the denominator of which is the total amount contributed under the Plan by all Employers for the five Plan Years ending with the given Plan Year, reduced by contributions made in such years by Employers who withdrew from the Plan during such years.

However, notwithstanding the provisions of (c)(3), contributions of all Employers that permanently cease to have an obligation to contribute to the Plan or permanently cease covered operations before the end of the period of Plan Years used to determine the fractions for allocating unfunded vested benefits (and contributions of all Employers that withdrew from the Plan prior to September 26, 1980) shall be excluded from the denominators of the fractions.

(d) **Liability for a Partial Withdrawal.**

The Employer's liability for a partial withdrawal shall be the amount determined pursuant to (a)-(c) above, multiplied by one minus the following fraction:

- (1) the numerator is the total hours for which the Employer was obligated to contribute for the Plan Year following the Test Period of the partial withdrawal, and
- (2) the denominator is the average of the annual total hours for which the Employer was obligated to contribute for each year in the five Plan Years prior to the Plan Year of the partial withdrawal.

If there is a partial withdrawal as defined in (a) of Section II (**Partial Withdrawal Defined**), the Plan Year of the partial withdrawal is the last day of the first Plan Year in the Test Period.

If there is a partial withdrawal as defined in (b) of Section II (**Partial Withdrawal Defined**), the Plan Year of the partial withdrawal is the Plan Year in which the employer permanently ceases to have an obligation to contribute under one or more but fewer than all collective bargaining agreements.

#### IV. DE MINIMIS REDUCTION OF WITHDRAWAL LIABILITY

The unfunded vested benefits allocable to an Employer who withdraws from the Plan shall be reduced (but not below zero) by the lesser of (a) or (b), reduced by (c) below.

- (a) ¼ of 1 percent of the Plan's unfunded vested benefits (determined as of the end of the Plan Year ending before the date of withdrawal).
- (b) \$50,000.
- (c) Any amount by which the unfunded vested benefits allocable to the Employer exceeds \$100,000.

The de minimis reduction does not apply in the event of a withdrawal of all or substantially all Employers that contribute to the Plan, as more fully described in section 4209(c) of ERISA.

## V. ACTUARIAL ASSUMPTIONS

Withdrawal liability shall be determined based on the actuarial assumptions and methods that are used in the employer withdrawal liability report prepared by the actuary for the Plan for the Plan Year in which the withdrawal occurred.

## VI. PAYMENT OF WITHDRAWAL LIABILITY

The unfunded vested benefits allocable to an Employer that withdraws from the Plan shall be paid as follows:

- (a) The amount of payment shall be calculated as follows:
  - (1) Except as provided in (2) and (4) below, and in (c) and (d) below, an Employer shall pay the amount determined under Section III (**Calculation of Withdrawal Liability**), reduced according to the provisions of Section IV (**De Minimis Reduction of Actuarial Liability**) and appropriately adjusted for partial withdrawal according to the provisions of ERISA. The Employer will make level annual payments in an amount determined under (3) below. The level annual payments will be paid over a period of years required to amortize the amount payable by the Employer. The amortization period will be calculated as if the first payment were made on the first day of the Plan Year following the Plan Year in which withdrawal occurs and as if each subsequent payment were made on the first day of each subsequent Plan Year. The amortization period shall be based on the interest rate used for the actuarial valuation of the Plan for the Plan Year in which the withdrawal occurred.
  - (2) If the amortization period described in (1) above exceeds 20 years, the liability of the Employer shall be limited to the first 20 annual payments determined in (3) below.
  - (3) Except as provided in (5) below, the amount of each annual payment shall be the product of (A) and (B) below:
    - (A) The average annual number of contribution hours for the three consecutive Plan Years, during the 10 consecutive Plan Years ending before the Plan Year in which withdrawal occurs, in which the number of contribution

hours for which the Employer has an obligation to contribute to the Plan is highest, and

- (B) The highest contribution rate at which the Employer had an obligation to contribute to the Plan during the 10 Plan Years ending with the Plan Year in which the withdrawal occurs.
- (4) In the event of withdrawal of all or substantially all Employers that contribute to the Plan, (2) above shall not apply, and total unfunded vested benefits shall be allocated among all such Employers according to regulations issued by the PBGC.
- (5) In the event of a partial withdrawal, the amount of annual payment will be adjusted according to the provisions of ERISA.
- (b) Withdrawal liability shall be payable in equal monthly installments. Payment of withdrawal liability shall begin on the first day of the month that begins at least 10 days after the date of notice of, and demand for, payment is sent to the Employer, notwithstanding the pendency of any review, arbitration or other proceedings.
- (c) An Employer shall be entitled to prepay its withdrawal liability and accrued interest without penalty.
- (d) The Trustees may require that an Employer post a bond or provide the Plan other security for its payment of withdrawal liability if:
  - (1) The Employer is the subject of a petition under the Bankruptcy Code or similar proceedings under State or Federal law, or
  - (2) Substantially all of the Employer's assets are sold, distributed or transferred out of the jurisdiction of the court of the United States, or
  - (3) The credit rating of the Employer becomes impaired to the extent that the Trustees, in their discretion, determine that the likelihood of collecting withdrawal liability from the Employer is substantially diminished.
- (e) In the event an Employer fails to make any payment when due, interest shall accrue on the payment from the due date until the date the payment is made. An Employer shall be considered in default if such Employer fails to make any payments when due, the Plan has notified the employer of its failure to pay the liability when it was due, and the Employer has failed to pay the post-due installment within 60 days after the Employer receives notice from the Plan of such failure. An Employer may also be considered in default upon business shutdown, asset default, indication by said employer of refusal or inability to make any payment or payments due, or any other circumstance reasonably deemed by the Board of Trustees that indicates that the Employer will be unable to pay the withdrawal liability. In the event of a default, the Trustees may require immediate payment of some or all the outstanding withdrawal liability payments that would otherwise be due in the future. For purposes of the foregoing, interest shall be charged from the date the payment was due to the date it is paid at an annual rate equal to the rate

described in section VI(a)(1).

- (f) In any suit by the Plan to collect withdrawal liability, including a suit to enforce an arbitrator's award and a claim asserted by the Plan in an action brought by an Employer or other party, if judgment is awarded in favor of the Plan, the Employer shall pay to the Plan, in addition to the unpaid liability and interest thereon as determined under subparagraph (d), liquidated damages to the greater of
  - (1) the amount of interest charged on the unpaid balance, or
  - (2) 20 percent of the unpaid amount awarded.

The Employer shall also pay attorneys' fees and all costs incurred in the action, as awarded by the court. Nothing in the foregoing shall be construed as a waiver or limitation of the Plan's right to any other legal or equitable relief.

## **VII. RESOLUTION OF DISPUTES**

A dispute between the Employer and the Plan concerning a determination of withdrawal liability or withdrawal liability payments shall be resolved through arbitration. Either party can initiate the arbitration proceeding within a 60-day period following the earlier of (a) or (b) below.

- (a) The date the Plan notifies the Employer of its decision after a reasonable review of any matter raised.
- (b) 120 days after the date the Employer requests a review of the Plan's determination of withdrawal liability.

The parties may jointly initiate arbitration within the 180-day period following the date of the Plan's initial notice and demand.

Such arbitration proceedings shall be subject to and conducted in accordance with the provisions of section 4221 of ERISA and the regulations promulgated thereunder. Notwithstanding the foregoing, any arbitration proceedings initiated that involve the Plan shall be conducted according to the Multiemployer Pension Plan Arbitration Rules for Withdrawal Liability Disputes, as issued by the American Arbitration Association and the International Foundation for Employee Benefit Plans.

## **VIII. FURNISHING INFORMATION TO EMPLOYERS**

The Plan will provide the following withdrawal liability information to an Employer upon written request at no charge:

- (a) A withdrawal liability worksheet containing the general information necessary for the Employer to calculate their potential withdrawal liability. This worksheet does not contain information that is unique to the Employer.
- (b) An estimate of the Employer's potential withdrawal liability. This estimate does not include the supporting details of the Employer's withdrawal liability calculation.

If an Employer requests in writing for the Plan to provide an estimate of their potential withdrawal liability that includes information unique to the Employer along with the supporting details of the Employer's withdrawal liability calculation, then the Plan will require the Employer to pay the reasonable cost of preparing their potential withdrawal liability estimate. The Plan's fee to provide such an estimate is \$1,000.00.

## IX. MISCELLANEOUS

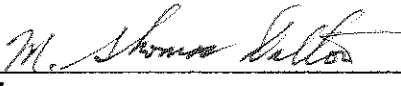
- (a) Notwithstanding any other provisions hereof, if all or substantially all contributing Employers withdraw from the Plan pursuant to an agreement or arrangement, as determined under section 4209 and section 4219(c)(1)(D) of ERISA, the withdrawal liability of each such Employer shall be adjusted in accordance with those sections of ERISA.
- (b) With the exception of Article II, section B and the portion of Article III, section D that deals with partial cessation, Article I (**Complete Withdrawal Defined**) and Article II (**Partial Withdrawal Defined**) of these provisions do not apply to an Employer that is not a construction trades employer. For this purpose, an Employer is a construction trades employer if substantially all the Employees with respect to whom the Employer has an obligation to contribute to the Plan perform work in the building and construction industry, as defined by the PBGC. In the case an Employer that is not a construction trades employer, whether a complete withdrawal or partial withdrawal has occurred, and the liability and payments for a partial withdrawal, will be determined in accordance with the applicable provisions of section 4203, section 4205, section 4208 and section 4219 of ERISA, provided, however, the method used to determine withdrawal liability for such Employer shall be that described in section 4211(b) of ERISA ("presumptive method").
- (c) For purposes of these provisions, all corporations, trades or businesses that are under common control (as defined in regulations issued by the PBGC), shall be considered a single Employer.
- (d) If, after a partial withdrawal, an Employer again incurs liability for a complete or partial withdrawal, the liability incurred as a result of the later withdrawal(s) shall be adjusted to the extent necessary to avoid duplication of liability. In addition, if an Employer that has withdrawn from the Plan later renews the obligation to contribute, or if an Employer that has partially withdrawn later increases the share of its work in the craft and area jurisdiction of the collective bargaining agreement under which the Employer is obligated to contribute to the Plan with the result being that the portion of such work that is covered under the Plan is determined by the Trustees of the Plan to be more than insubstantial, the unpaid balance of the Employer's liability incurred on account of the earlier withdrawal or partial withdrawal shall be reduced in accordance with regulations issued by the PBGC.
- (e) If, following review, arbitration or other proceedings, the amount of the Employer's withdrawal liability is determined to be different from the amount in the notice and demand to the Employer, adjustment shall be made by reducing or increasing the number of installment payments due. If the Employer has paid more than the amount ultimately


determined to be its withdrawal liability, the Plan shall refund the excess with interest at the rate used to determine the amortization period.

- (f) Employers are required by statute to comply with all information requests made by the Plan, pursuant to section 4219 of ERISA. If an Employer should fail to satisfy an information request from the Plan, the Plan expressly reserves the right to presume that the information then held by the Plan is true and correct, to include but not limited to a presumption that the Employer does not dispute the assessment of withdrawal liability against said Employer.
- (g) Notwithstanding any other provisions, Employer contributions transferred to another plan pursuant to a reciprocal agreement between the Plan and such other plan shall not be considered contributions to this Plan for the purpose of determining whether an Employer has withdrawn or for the purpose of determining the total or annual amount of withdrawal liability. Amounts retained by the Plan as the administrative expense for handling such transferred contributions shall likewise be disregarded. However, if the Plan's records do not reveal which contributions by a withdrawn Employer are to be so disregarded, they shall be disregarded only if an Employer provided the necessary data for the Trustees to make that determination. Contributions transferred to the Plan pursuant to such a reciprocal agreement shall also be disregarded in any determination of withdrawal liability.

Dated at Cincinnati, Ohio this 9<sup>th</sup> day of August, 2017.

**BOARD OF TRUSTEES FOR THE COMPOSITION ROOFERS LOCAL 42 PENSION PLAN**

By:   
Chairman

By:   
Secretary