

BRICKLAYERS AND ALLIED CRAFTSMEN LOCAL 7 PENSION FUND
APPLICATION TO THE PENSION BENEFIT GUARANTY CORPORATION
FOR A PARTITION ORDER

EXHIBIT 7A(3)

**BRICKLAYERS AND ALLIED CRAFTSMEN
LOCAL NO. 7 PENSION PLAN**

***Actuarial Valuation Report
For Plan Year Commencing
May 1, 2019***



**United Actuarial
Services, Inc.**
Actuaries and Consultants

November 26, 2019

Board of Trustees
Bricklayers and Allied Craftsmen Local No. 7 Pension Plan

Dear Trustees:

We have been retained by the Board of Trustees of the Bricklayers and Allied Craftsmen Local No. 7 Pension Plan to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning May 1, 2019. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Yurchyk & Davis CPA's, Inc. Participant data was provided by Benesys, Inc.. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

This report has been prepared in order to (1) assist the Trustees in evaluating the current actuarial position of the plan, (2) determine the minimum required and maximum deductible contribution amounts under Internal Revenue Code §431 and §404, (3) provide the fund's auditor with information necessary to comply with Accounting Standards Codification 960, and (4) document the plan's certified status under Internal Revenue Code §432 for the current year and provide the basis to certify such status for the subsequent year. In addition, information contained in this report will be used to prepare Schedule MB of Form 5500 that is filed annually with the IRS and could be used to calculate employer withdrawal liability. We are not responsible for the use of, or reliance upon, this report for any other purpose.

We have prepared this report in accordance with generally accepted actuarial principles and practices and have performed such tests as we considered necessary to assure the accuracy of the results. The results have been determined on the basis of actuarial assumptions that, in my opinion, are appropriate for the purposes of this report, are individually reasonable and in combination represent my best estimate of anticipated experience under the plan. Actuarial assumptions may be changed from previous valuations due to changes in mandated requirements, plan experience resulting in changes in expectations about the future, and/or other factors. An assumption change does not indicate that prior assumptions were unreasonable when made. For purposes of current liability calculations, assumptions are prescribed by regulation or statute. By relying on this valuation report, the Trustees confirm they have accepted the assumptions contained in the report.

The results are based on my best interpretation of existing laws and regulations and are subject to revision based on future regulatory or other guidance.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an

amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

United Actuarial Services, Inc. does not provide, nor charge for, investment, tax or legal advice. None of the comments made herein should be construed as constituting such advice. We are not aware of any direct or material indirect financial interest or relationship that could create a conflict of interest that would impair the objectivity of our work.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

We are available to respond to any questions you may have about this report.

UNITED ACTUARIAL SERVICES, INC.

Enrolled Actuary



Kathryn A. Garrity, FSA, EA, MAAA
Chief Actuary

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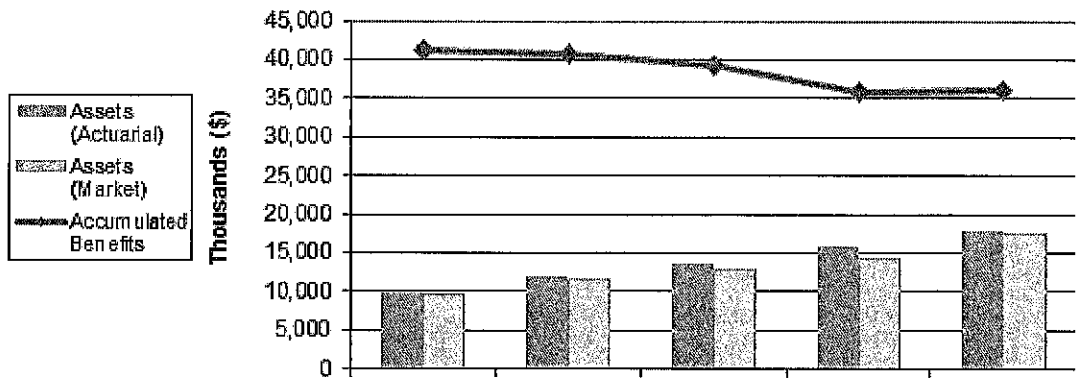
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PART I: SUMMARY OF RESULTS

Summary of Results
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

5 - YEAR SUMMARY OF VALUATION RESULTS

Actuarial Study as of May 1,	2019	2018	2017	2016	2015
PPA funded status	Crit. and Decl.	Crit. and Decl.	Crit. and Decl.	Crit. and Decl.	Crit. and Decl.
Progress under FIP/RP Improvements restricted*	Yes	Yes	Yes	Yes	Yes
Funded ratio					
PPA certification	24.4%	30.3%	37.9%	46.7%	50.6%
Valuation report (AVA)	24.0%	29.3%	34.8%	43.9%	49.4%
Valuation report (MVA)	23.1%	28.4%	32.8%	39.6%	48.3%
Proj. year of insolvency	2022	2022	2022	2024	2025
Credit Balance (\$ 000)	(20,211)	(17,248)	(14,196)	(11,263)	(8,667)
Date of first projected funding deficiency					
PPA certification	4/30/20	4/30/19	4/30/18	4/30/17	4/30/16
Valuation report	4/30/20	4/30/19	4/30/18	4/30/17	4/30/16
Net investment return					
On market value	4.02%	8.60%	10.94%	-3.48%	6.72%
On actuarial value	3.45%	4.76%	4.73%	3.50%	7.51%
Asset values (\$ 000)					
Market	9,534	11,529	12,894	14,220	17,412
Actuarial	9,887	11,928	13,704	15,755	17,810
Accum. ben. (\$ 000)	41,259	40,643	39,331	35,892	36,032



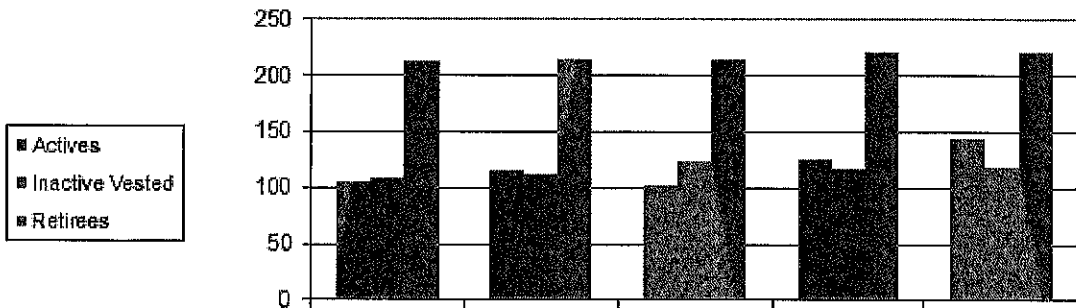
* Benefit improvement restrictions due to fund being in critical status.

Summary of Results
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

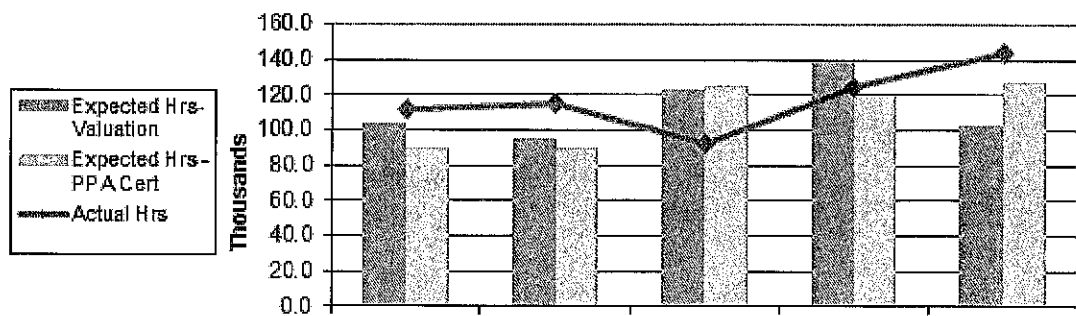
5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of May 1,	2019	2018	2017	2016	2015
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Participant counts					
<i>Active</i>	106	115	102	126	144
<i>Inactive vested</i>	109	112	123	117	118
<i>Receiving benefits</i>	213	214	214	221	221
<i>Total</i>	428	441	439	464	483
Average entry age					
	31.4	30.4	30.9	32.4	31.4
Average attained age					
	46.8	45.1	46.4	45.2	44.4



Hours worked in prior plan year (thousands)					
<i>Expected hours valuation</i>	103	95	123	139	102
<i>Expected hours PPA cert</i>	90	90	125	120	128
<i>Actual hours worked</i>	111	114	92	125	144



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

The plan provisions underlying this valuation are the same as those valued last year.

Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- The ERISA rate of return assumption used to value liabilities was changed from 7.00% to 6.75% to provide our best estimate of the future rate of net investment return based on the Plan's current investment policy and asset allocation.
- The mortality projection scale was updated from MP-2017 to MP-2018 but the mortality rate multiplier remained 100%. These changes were made in order to reflect the latest mortality improvement data available and to better match the standard tables to specific plan experience.
- The assumed future hours worked were increased from 1,100 hours to 1,200 hours per future year for vested active lives. This represents our best estimate of future hours based on recent plan experience.
- The assumed operational expenses were increased/decreased from \$120,000 to \$175,000 to reflect our best estimate of future expenses based on recent plan experience, and expectation of average expenses over next five years including special projects.
- The expense load on ASC 960 liabilities was changed from 7.50% to 6.50% based on recent experience.
- The current liability interest rate was changed from 2.99% to 3.09%. The new rate is within established statutory guidelines.
- The assumed date of retirement for inactive vested was changed from the later of normal retirement age or age on valuation date if terminated prior to May 1, 1999 and later of age 59 or age on valuation date if terminated after May 1, 1999 to being the later of normal retirement age or age on the valuation date if terminated prior to May 1, 1997 and later of age 59 or age on valuation date if terminated after May 1, 1997.
- The percent married assumption was changed from 100% married to 75% married.

Summary of Results
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of May 1,				
	2019	2018	2017	2016	2015
Future rate of net investment return	6.75%	7.00%	7.50%	7.50%	7.75%
Mortality table	RP-2006	RP-2006	RP-2006	RP-2006	RP-2000
<i>Adjustment</i>	100%	100%	100%	140%	1 yr sf
<i>Projection scale</i>	MP-2018	MP-2017	MP-2016	MP-2015	AA
Future expenses	\$175,000	\$120,000	\$120,000	\$120,000	\$120,000
Average future hourly contribution rate*					
<i>Credited</i>	\$6.80	\$6.80	\$6.80	\$6.80	\$2.00
<i>Non-credited</i>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.66</u>
<i>Total</i>	\$6.80	\$6.80	\$6.80	\$6.80	\$6.66
Average future annual hours					
<i>Vested</i>	1,200	1,100	1,100	1,100	1,100
<i>Non-vested</i>	650	650	650	800	800

* Actual average derived from application of assumptions specified in Appendix B.

Summary of Results
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

EXPERIENCE VS. ASSUMPTIONS

Comparing the prior year's experience to assumptions provides indications as to why overall results may differ from those expected

Actuarial assumptions are used to project certain future events related to the pension plan (e.g. deaths, withdrawals, investment income, expenses, etc.). While actual results for a single plan year will rarely match expected experience, it is intended that the assumptions will provide a reasonable long term estimate of developing experience.

The following table provides a comparison of expected outcomes for the prior plan year with the actual experience observed during the same period. This display may provide insight as to why the plan's overall actuarial position may be different from expected.

Plan Year Ending April 30, 2019	Expected	Actual
Decrements		
Terminations		22
less: Rehires		8
Terminations (net of rehires)	9.5	14
Active retirements	6.3	2
Active disabilities	0.0	-
Pre-retirement deaths	1.0	2
Post-retirement deaths	10.1	11
Monthly benefits of deceased retirees	\$ 9,671	\$ 13,045
Financial assumptions		
Rate of net investment return on actuarial value	7.00%	3.45%
Administrative expenses	\$ 120,000	\$ 130,777
Other demographic assumptions		
Average retirement age from active (new retirees)	61.5	62.1
Average retirement age from inactive (new retirees)*	61.7	61.7
Average entry age (new entrants)	30.4	42.1
Hours worked per vested active	1,100	1,206
Hours worked per non-vested active	650	517
Total hours worked (valuation assumption)	103,400	111,464
Total hours worked (PPA certification assumption)	90,000	111,464
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience	\$	381,105
(Gain)/loss due to liability experience		120,513
Total (gain)/loss	\$	501,618

* Expected average based on the average for the total group of participants.

PLAN MATURITY

Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

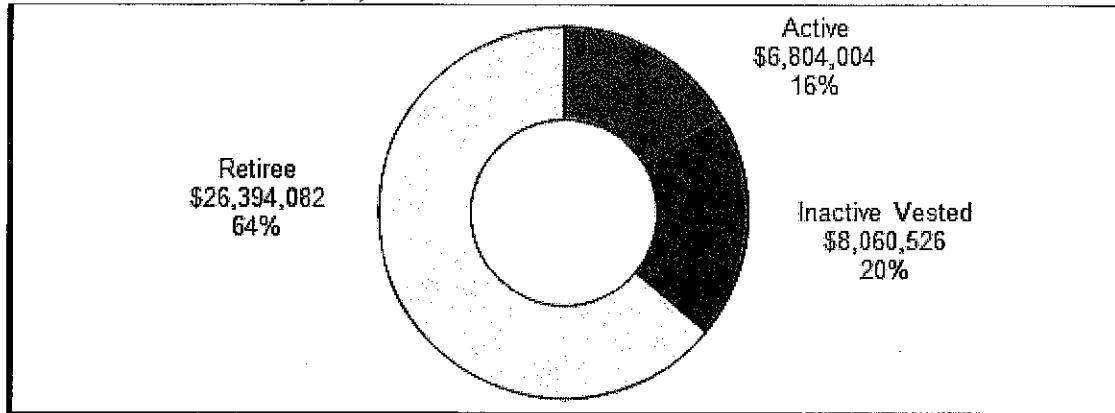
When a new pension plan is first established, its liabilities are typically limited to active plan participants. However, as people become vested and retire, a plan begins to develop liabilities attributable to nonactive participants (retirees and inactive vested participants). The process of adding nonactive liabilities (often referred to as "maturing")

is a natural outgrowth of the operation of the plan. As a plan matures, its liabilities tend to balloon in relation to its contribution base, making it more difficult to correct for adverse outcomes by increasing contribution rates or reducing future benefit accruals.

Headcount ratios show the number of retiree or inactive participants supported by each active participant. While there is no hard and fast rule, we generally consider a plan to be mature if each active is supporting more than 1 retiree or more than 2 nonactives. A negative net cash flow (benefits payments and expenses greater than contributions) can also be an indicator of a mature plan. A negative cash flow, when expressed as a percentage of assets, in excess of the assumed rate of return on fund assets may not be sustainable in the long term.

Actuarial Study as of May 1,	2019	2018	2017	2016	2015
Retiree/active headcount ratio	2.01	1.86	2.10	1.75	1.53
Nonactive/active headcount ratio	3.04	2.83	3.30	2.68	2.35
Cash flow					
<i>Contr.-ben.-exp. (\$000)</i>	(2,410)	(2,372)	(2,732)	(2,632)	(2,092)
<i>Percent of assets</i>	-25.28%	-20.57%	-21.19%	-18.51%	-12.02%

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: \$41,258,612



UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

An employer withdrawing during the coming year may have withdrawal liability

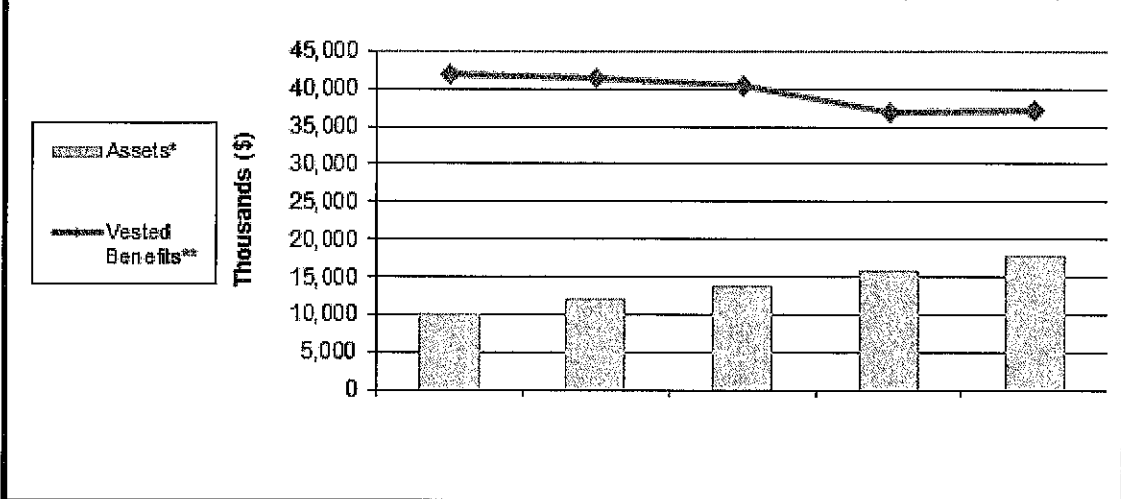
The following table shows a history of the plan's unfunded vested benefits (UVB) required to compute a specific employer withdrawal liability under the presumptive method. If all unfunded vested benefits since the inception of the

Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) are zero (\$0) or less, there will be no withdrawal liability assessed to a withdrawing employer. Otherwise, an employer may be assessed withdrawal liability payments pursuant to MPPAA. The display does not reflect adjustments for prior employer withdrawals.

In accordance with IRC Section 432(e)(9)(A) and PBGC Technical Update 10-3, the impact of reducing adjustable benefits is reflected by adding the unamortized portion of the value of affected benefits (VAB) to the most recent year's unfunded vested benefits pool. An employer who is assessed withdrawal liability will be assessed a portion of the UVB and the VAB.

Presumptive Method (\$ 000)

April 30,	2019	2018	2017	2016	2015
Vested benefits interest	6.75%	7.00%	7.50%	7.50%	7.75%
Vested benefits	41,121	40,610	39,295	35,861	35,983
less: Asset value*	9,887	11,928	13,704	15,755	17,810
UVB	31,234	28,682	25,591	20,106	18,173
Unamortized VAB	803	930	1,047	1,156	1,257
UVB + VAB	32,037	29,612	26,638	21,262	19,430



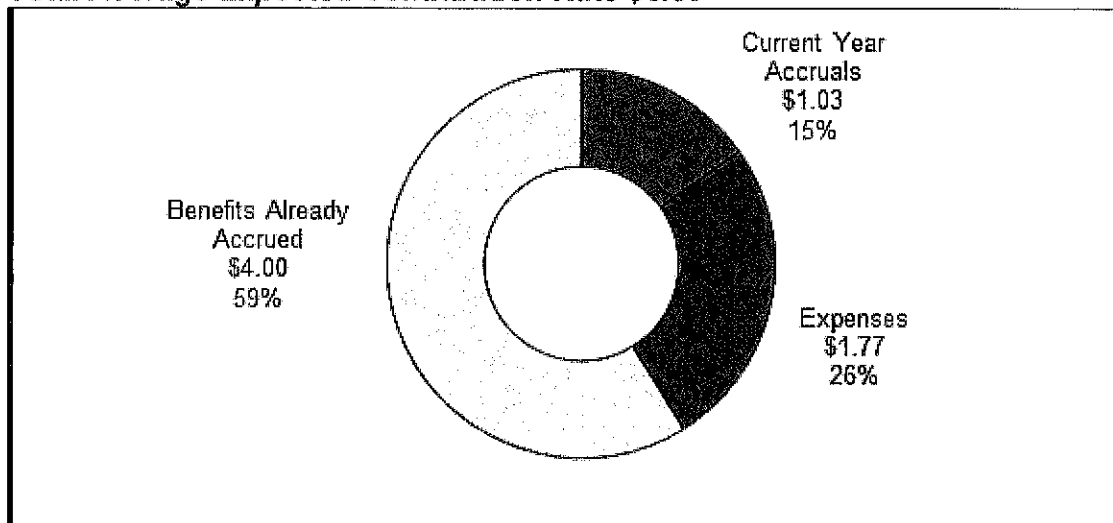
* Actuarial Value
** Includes VAB

CONTRIBUTION ALLOCATION

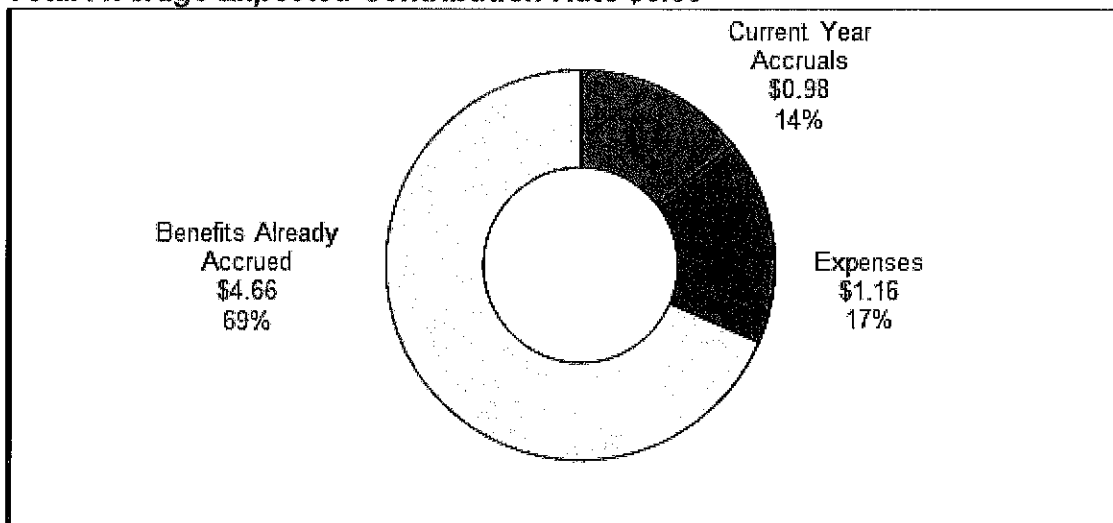
These graphs show how the contributions are being spent

The following allocation charts illustrate how the expected contribution rate for the coming plan year will be "spent" to pay for benefits being earned in the current year, plan expenses, and funding of past unfunded liabilities.

Contribution Allocation as of May 1, 2019
Total Average Expected Contribution Rate \$6.80



Contribution Allocation as of May 1, 2018
Total Average Expected Contribution Rate \$6.80



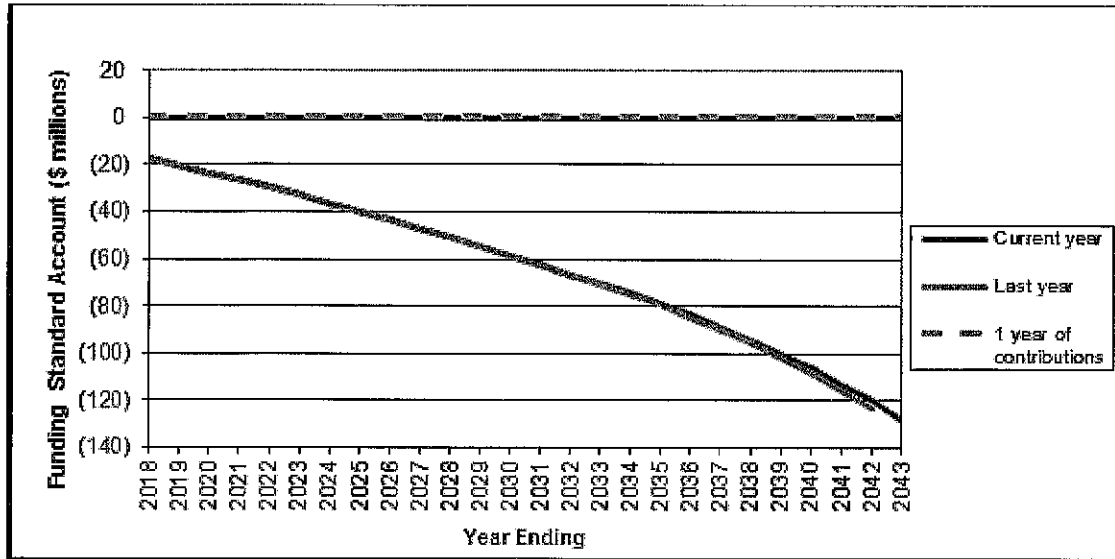
FUNDING STANDARD ACCOUNT PROJECTION

The funding standard account projection is a major driver of PPA status

The funding standard account (FSA) was established by ERISA as a means of determining compliance with minimum funding standards. The FSA is hypothetical in the sense that it does not represent actual assets held by a custodian.

Rather, a positive FSA balance (called a "credit balance") means that the plan has exceeded minimum funding standards on a cumulative basis, while a negative balance (called a "funding deficiency") means that the plan has fallen short of such standards.

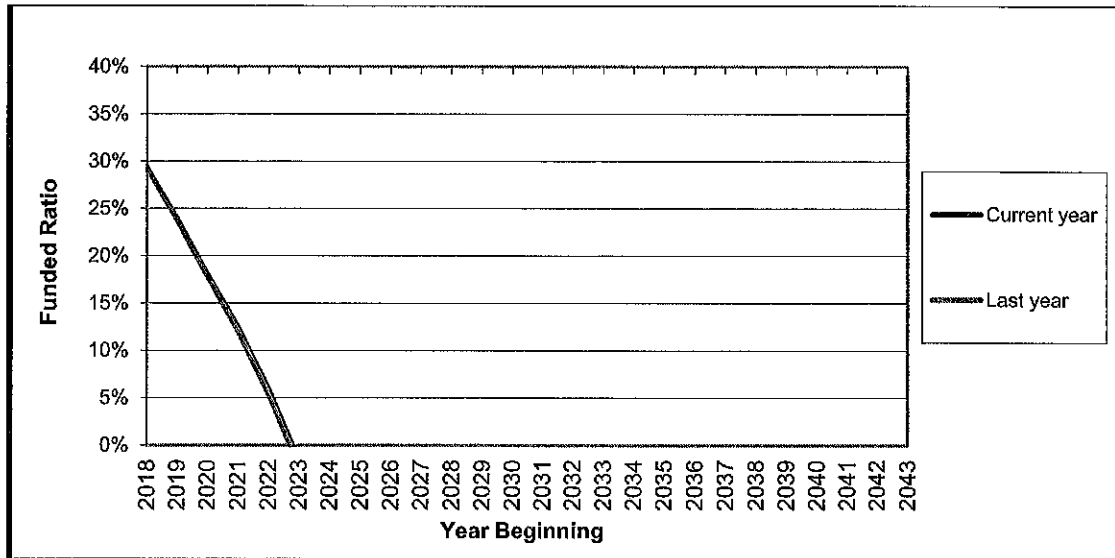
Actuaries must project the plan's FSA each year in order to determine PPA status. If a funding deficiency is projected in a future year, the plan could be forced into yellow (endangered) or red (critical) status depending how far into the future the first projected funding deficiency is. The plan's FSA projection appears below. These projections are based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B.



FUNDED RATIO PROJECTION

The plan's funded ratio is a major driver of PPA status

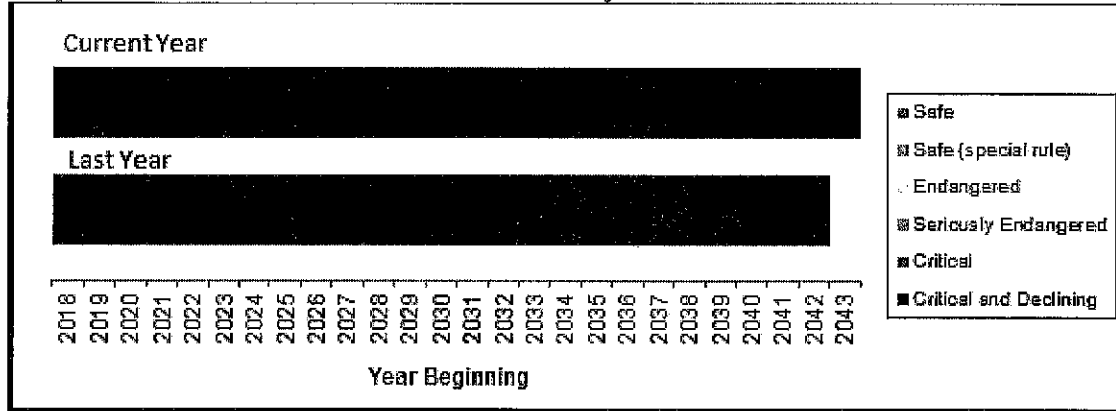
The funded ratio is defined as the actuarial value of plan assets divided by the plan's liabilities for accrued benefits. Along with the funding standard account projection, funded ratio is one of the two major drivers of PPA funded status. In order for a plan to enter the green zone (also called "safe" or "not endangered or critical") the funded ratio must be at least 80%. An insolvency, which is the plan year when the plan would run out of money, occurs if the funded ratio is projected to be 0%. In order for a plan to enter critical and declining status, an insolvency needs to be projected within 20 plan years of the PPA certification (it may need to be within 15 years under certain conditions). The projection of the funded ratio appears below. These projections are based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B.



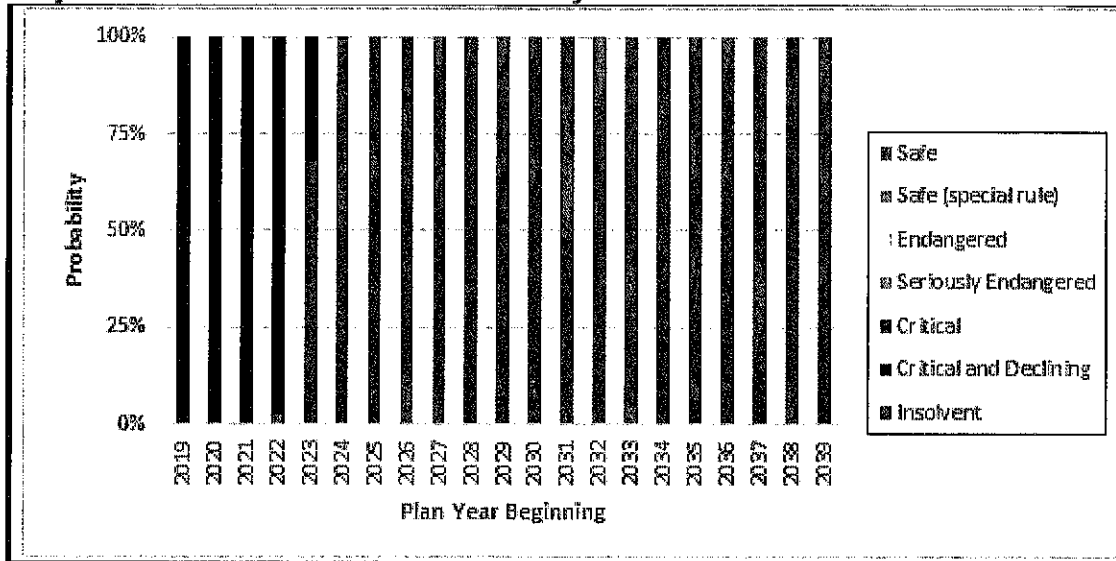
PPA STATUS PROJECTIONS

The Pension Protection Act of 2006 (PPA), as amended by the Multiemployer Pension Reform Act of 2014 ("MPRA"), requires all multiemployer pension plans to obtain an annual status certification. The possible statuses are: "Safe", "Endangered", "Seriously Endangered", "Critical" or "Critical and Declining". The criteria for these determinations are outlined in Appendix D. The following graph shows PPA status *deterministic* projections based on the assumptions summarized in the "Actuarial Assumptions used for Projections" section of Appendix B. The second following graph shows the probability of the Plan being in each status for the next 20 years using a *stochastic* projection based on the mean and standard deviation of the Plan's investment portfolio. The zone projections are based on the current plan and do not include any further action if the plan moves to a worse PPA zone.

Projected PPA Status – Deterministic Projection



Projected PPA Status – Stochastic Projection

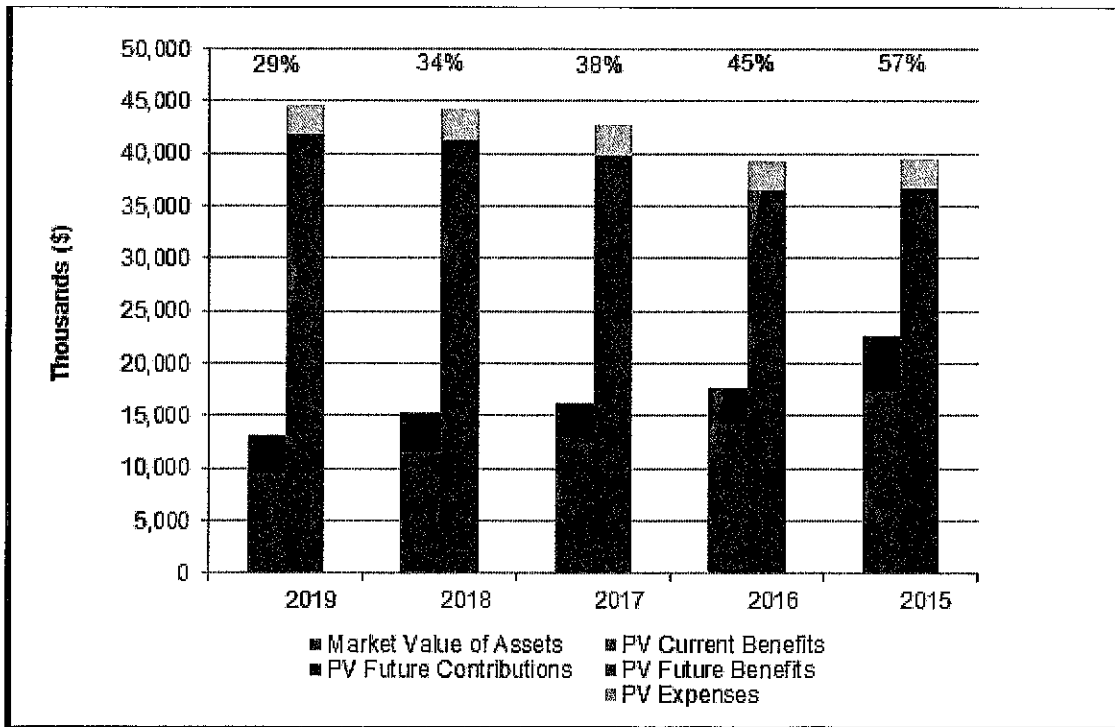


ULTIMATE FUNDED STATUS

Ultimate funded status is an indicator of the ability of current participants to pay for their own benefits

An actuarial valuation deals primarily with the ability of the plan to meet Internal Revenue Code requirements now and in the near future. As such, it is heavily focused on current plan assets and liabilities. But it is also important to keep in mind the true purpose of the plan funding—that is, to accumulate sufficient assets to pay the benefits that the plan has promised to its participants. The chart below looks at this long-term funding adequacy. To the current plan assets, we add the present value of all future contributions expected to be made for the current plan participants. To the value of the plan's liabilities for benefits that have been previously earned, we add the present value of future benefits the current plan participants are expected to earn and the present value of future administrative expenses the plan is expected to pay. Ideally these ultimate asset and liability values will be approximately equal.

An ultimate funded status of less than 100% could be an indication of generational shifting (i.e. the need for one generation of participants to fund the benefits of the preceding generation) and/or a reliance on the continued addition of new participants in order to fund benefits.



Summary of Results
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

STRESS TESTING AND SENSITIVITY ANALYSIS

The table below illustrates the impact on the plan when experience varies from key assumptions

Currently the plan is projected to be insolvent in 2023. Considering that experience rarely matches our assumptions exactly, we developed the table below to demonstrate the impact that variations in certain key assumptions would have on the contribution rate increase schedule. We examined future hours assumptions equal to the baseline, 10% lower, and 10% higher. We examined asset returns for the 2019-2020 plan year of 10.00%, 7.00%, 3.50%, and 0.00%. We also examined the impact of a lower asset return of 5.75% for the next 10 years. Stochastic modeling is also available for a more detailed analysis of sensitivity to asset returns.

10% lower, and 10% higher. We examined asset returns for the 2019-2020 plan year of 10.00%, 7.00%, 3.50%, and 0.00%. We also examined the impact of a lower asset return of 5.75% for the next 10 years. Stochastic modeling is also available for a more detailed analysis of sensitivity to asset returns.

Assumptions	Funding Stats	Return for 2018-19 PY (6.75% Thereafter)			
		10.00%	6.75%	3.50%	0.00%
<u>10% Lower Hours</u> 89,190 per year	2022 Funded %: Year insolvent:	5.9% 2023	5.5% 2023	5.0% 2023	4.4% 2023
<u>Baseline Hours</u> 99,100 per year	2022 Funded %: Year insolvent:	6.5% 2023	6.0% 2023	5.5% 2023	5.0% 2023
<u>10% Higher Hours</u> 109,010 per year	2022 Funded %: Year insolvent:	7.1% 2024	6.6% 2023	6.1% 2023	5.5% 2023

Assumptions	Funding Stats	Return for 2018-19 PY (5.75% next 10 years and 6.75% Thereafter)			
		10.00%	5.75%	3.50%	0.00%
<u>10% Lower Hours</u> 89,190 per year	2022 Funded %: Year insolvent:	5.9% 2023	5.2% 2023	4.9% 2023	4.2% 2023
<u>Baseline Hours</u> 99,100 per year	2022 Funded %: Year insolvent:	6.4% 2023	5.8% 2023	5.4% 2023	4.9% 2023
<u>10% Higher Hours</u> 109,010 per year	2022 Funded %: Year insolvent:	7.0% 2023	6.3% 2023	6.0% 2023	5.5% 2023

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

The participant data reconciliation table below provides information as to how the plan's covered population changed since the prior actuarial study. Such factors as the number of participants retiring, withdrawing and returning to work have an impact on the actuarial position of the pension fund.

<i>Participants Valued As</i>	<i>Active</i>	<i>Inactive Vested</i>	<i>Receiving Benefits</i>	<i>Total Valued</i>
May 1, 2018	115	112	214	441
Change due to:				
<i>New hire</i>	8	-	-	8
<i>Rehire</i>	8	(4)	-	4
<i>Termination</i>	(22)	7	-	(15)
<i>Disablement</i>	-	-	-	-
<i>Retirement</i>	(2)	(5)	7	-
<i>Death</i>	-	(2)	(11)	(13)
<i>Cash out</i>	-	-	-	-
<i>New beneficiary</i>	-	1	3	4
<i>Certain pd. expired</i>	-	-	-	-
<i>Data adjustment *</i>	(1)	-	-	(1)
Net change	(9)	(3)	(1)	(13)
May 1, 2019	106	109	213	428

* Comprised of someone previously active, but is now determined to not be an eligible participant.

HOURS WORKED DURING PLAN YEAR

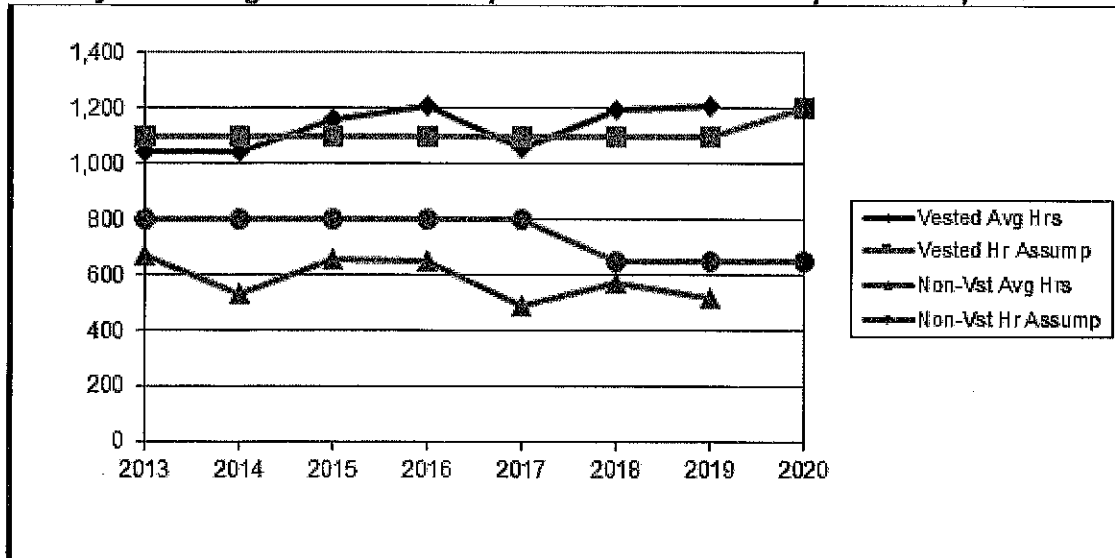
Hours Worked Per Participant

Plan Year Ending April 30, 2019	Number	Hours Worked	Average Hours Worked
Actives			
Vested	68	82,020	1,206
Non-vested, continuing	30	13,599	453
Non-vested, new entrant	8	6,062	758
Total active	106	101,681	959
Others	62	9,783	158
Total for plan year	168	111,464	663

History of Total Actual and Expected Hours Worked (Thousands)

Plan Year Ending April 30,	2020	2019	2018	2017	2016
Expected hours valuation	99	103	95	123	139
Expected hours PPA cert	90	90	90	125	120
Actual hours worked	n/a	111	114	92	125

History of Average Actual and Expected Hours Worked per Participant



CONTRIBUTIONS MADE DURING PLAN YEAR

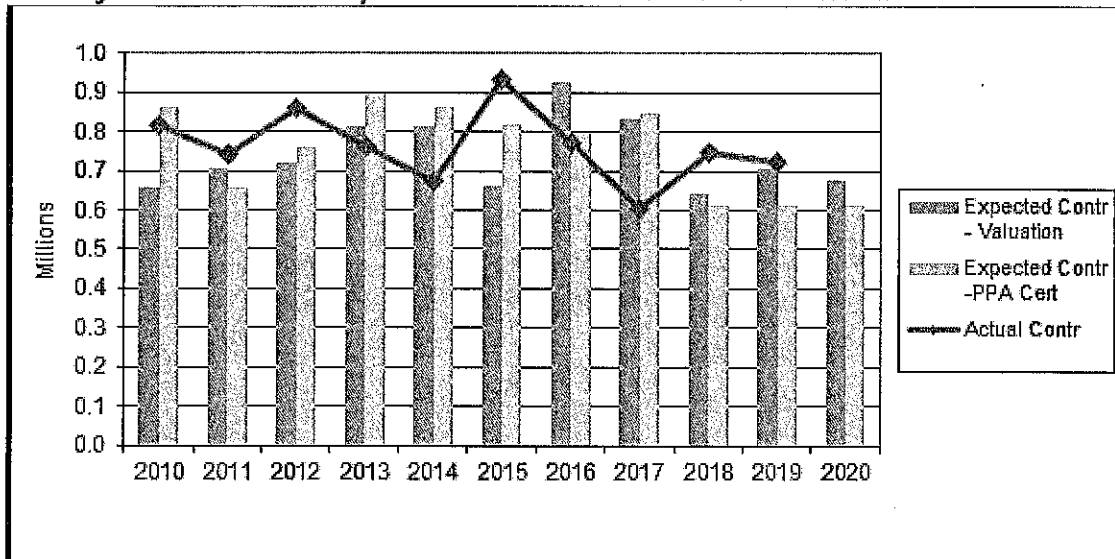
Employer Contributions Reported in Employee Data

Plan Year Ending April 30, 2019	Number	Contributions Reported
Actives		
Vested	68	\$ 555,822
Non-vested, continuing	30	90,606
Non-vested, new entrant	8	36,029
Total valued as active	106	682,457
Others		
	62	65,753
Total for plan year	168	\$ 748,210
Average hourly contribution rate		\$ 6.71

Comparison with Audited Employer Contributions

Employer contributions reported in data	\$ 748,210
Total audited employer contributions	\$ 723,439
Percent reported	103%

History of Actual and Expected Total Contributions Received



Supplemental Statistics
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

ACTIVE INFORMATION

Active Participants by Age and Service as of May 1, 2019

Age	Years of Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
< 25	-	5	-	-	-	-	-	-	-	-	5
25-29	-	2	1	1	-	-	-	-	-	-	4
30-34	-	10	-	-	-	-	-	-	-	-	10
35-39	-	5	4	-	2	-	-	-	-	-	11
40-44	-	2	5	6	1	-	-	-	-	-	14
45-49	-	6	6	1	3	2	1	-	-	-	19
50-54	-	2	1	4	1	3	1	-	-	-	12
55-59	-	3	1	-	3	5	5	1	1	-	19
60-64	-	1	-	2	1	1	1	1	1	-	8
65-69	-	2	2	-	-	-	-	-	-	-	4
70+	-	-	-	-	-	-	-	-	-	-	-
Totals	-	38	20	14	11	11	8	2	2	-	106
Unrecorded DOB	-	-	-	-	-	-	-	-	-	-	-
Total Active Lives	-	38	20	14	11	11	8	2	2	-	106

Supplemental Statistics
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of May 1, 2019

<i>Age Group</i>	<i>Number</i>	<i>Estimated Monthly Deferred Vested Benefits*</i>
< 30	1	\$ 88
30-34	2	374
35-39	4	801
40-44	19	14,334
45-49	18	19,904
50-54	27	27,819
55-59	20	25,702
60-64	12	7,537
65-69	5	2,055
70+	1	33
Totals	109	98,647
Unrecorded birth date	-	-
Total inactive vested lives	109	\$ 98,647

* Amount payable at assumed retirement age as used in the valuation process.

Supplemental Statistics
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of May 1, 2019

Form of Payment	Number	Monthly Benefits Being Paid			
		Total	Average	Smallest	Largest
Life only*	97	\$ 121,184	\$ 1,249	\$ 49	\$ 3,949
Joint & survivor	69	103,029	1,493	40	5,665
Disability	-	-	-	-	-
Beneficiaries	47	24,923	530	17	2,196
Totals	213	\$ 249,136	\$ 1,170	\$ 17	\$ 5,665

Retirees by Age and Form of Payment as of May 1, 2019

Age Group	Form of Benefits Being Paid				
	Life Only*	Joint & Survivor	Disability	Beneficiaries	Total
< 40	-	-	-	-	-
40-44	-	-	-	-	-
45-49	-	-	-	-	-
50-54	-	-	-	-	-
55-59	5	-	-	-	5
60-64	14	5	-	2	21
65-69	22	15	-	4	41
70-74	15	14	-	7	36
75-79	14	13	-	8	35
80-84	13	16	-	12	41
85-89	10	4	-	11	25
90-94	3	2	-	2	7
95+	1	-	-	1	2
Totals	97	69	-	47	213

* Includes retirees receiving life and certain benefits.

Supplemental Statistics
 Bricklayers Local No. 7 Pension Plan
 May 1, 2019 Actuarial Valuation

RETIREE INFORMATION (CONT.)

**Age of Participants Retired During Last 5 Plan Years
 (excludes beneficiaries and disability retirements)**

Age at Retirement	Plan Year Ending April 30,				
	2019	2018	2017	2016	2015

< 55	-	-	-	-	-
55	-	1	-	2	-
56	1	1	-	-	-
57	-	-	1	1	-
58	-	2	-	-	-
59	-	-	1	1	-
60	1	-	-	-	-
61	1	1	-	-	-
62	1	1	1	-	1
63	1	1	-	-	-
64	-	-	-	-	-
65	2	1	1	2	-
66+	-	2	-	1	4
Totals	7	10	4	7	5

Average retirement age	61.8	61.7	60.9	60.8	67.5
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PART III: ASSET INFORMATION

Asset Information
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

MARKET AND ACTUARIAL FUND VALUES

Asset information extracted from the fund's financial statements audited by Yurchyk & Davis CPA's, Inc.

Market/Actuarial Value of Fund Investments as of April 30,	2019	2018	2017
Invested assets			
<i>Common stocks</i>	\$ 3,283,768	\$ 3,705,181	\$ 4,138,998
<i>Exchange traded funds</i>	2,511,280	3,021,055	3,644,936
<i>Preferred Stocks</i>	2,047		
<i>Mutual Funds</i>	2,174,167	2,892,040	3,396,334
<i>Corporate bonds</i>	344,632	416,039	269,992
<i>US government securities</i>	607,574	683,844	299,408
<i>Money market funds</i>	86,452	98,335	131,556
<i>Cash</i>	404,871	583,413	946,881
<i>Prepaid assets</i>	10,052	12,192	1,666
	9,424,843	11,412,099	12,829,771
Net receivables*	108,813	116,740	64,052
Market value	\$ 9,533,656	\$ 11,528,839	\$ 12,893,823
Fund assets - Actuarial value			
<i>Market value</i>	\$ 9,533,656	\$ 11,528,839	\$ 12,893,823
<i>less: Deferred investment gains and (losses)</i>	(353,767)	(398,972)	(809,729)
Actuarial value	\$ 9,887,423	\$ 11,927,811	\$ 13,703,552
Actuarial value as a percentage of market value	103.71%	103.46%	106.28%

* Equals receivables, less any liabilities

Asset Information
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

FLOW OF FUNDS

Asset information extracted from the fund's financial statements audited by Yurchyk & Davis CPA's, Inc.

Plan Year Ending April 30,	2019	2018	2017
Market value at beginning of plan year	\$ 11,528,839	\$ 12,893,823	\$ 14,219,652
Additions			
<i>Employer contributions</i>	723,439	749,475	604,875
<i>Net investment income*</i>	414,701	1,006,939	1,406,103
<i>Other income</i>	-	-	-
	1,138,140	1,756,414	2,010,978
Deductions			
<i>Benefits paid</i>	3,002,546	3,012,873	2,995,691
<i>Net expenses*</i>	130,777	108,525	341,116
	3,133,323	3,121,398	3,336,807
Net increase (decrease)	(1,995,183)	(1,364,984)	(1,325,829)
Adjustment	-	-	-
Market value at end of plan year	\$ 9,533,656	\$ 11,528,839	\$ 12,893,823
Cash flow			
<i>Contr.-ben.-exp.</i>	(2,409,884)	(2,371,923)	(2,731,932)
<i>Percent of assets</i>	-25.28%	-20.57%	-21.19%
Estimated net investment return			
<i>On market value</i>	4.02%	8.60%	10.94%
<i>On actuarial value</i>	3.45%	4.76%	4.73%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

**Investment Gain or Loss
Plan Year Ending April 30, 2019**

Expected market value at end of plan year		
Market value at beginning of plan year	\$	11,528,839
Employer contributions and non-investment income		723,439
Benefits and expenses paid		(3,133,323)
Expected investment income (at 7.00% rate of return)		722,673
		9,841,628
Actual market value at end of plan year		9,533,656
less: Expected market value		9,841,628
Investment gain or (loss)	\$	(307,972)

History of Gains and (Losses)

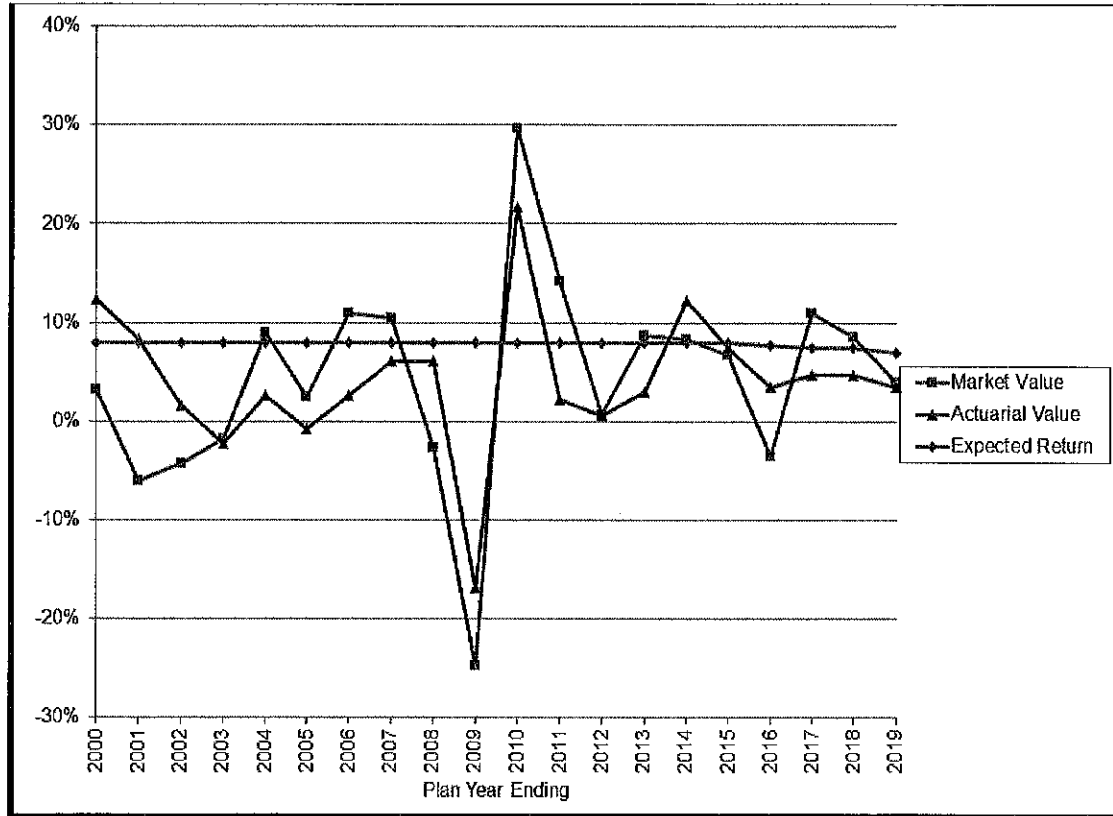
Plan Year Ending April 30,	Investment Gain or (Loss)	Amount Recognized This Year
2019	\$ (307,972)	\$ (61,594)
2018	128,849	25,770
2017	442,077	88,415
2016	(1,807,647)	(361,529)
2015	(221,192)	(44,238)
Total	\$ (1,765,885)	\$ (353,176)

Deferred Investment Gains and (Losses)

Plan Year Ending April 30,	Amount of Gain or (Loss) Deferred as of April 30,			
	2019	2020	2021	2022
2019	\$ (246,378)	\$ (184,783)	\$ (123,189)	\$ (61,594)
2018	77,309	51,540	25,770	-
2017	176,831	88,415	-	-
2016	(361,529)	-	-	-
Totals	\$ (353,767)	\$ (44,828)	\$ (97,419)	\$ (61,594)

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



The following table shows average rates of return over various periods calculated on a geometric average basis. These statistics may not be appropriate for evaluating a Plan's rate of return assumption as such assumption is forward-looking whereas the statistics are historical. Furthermore, these statistics do not reflect the internal rate of return actually experienced by the Fund over these periods.

Average Rates of Net Investment Return (geometric average)

Period	Return on Market Value		Return on Actuarial Value	
	Period Ending April 30,		Period Ending April 30,	
	2019	2018	2019	2018
One year	4.02%	8.60%	3.45%	4.76%
5 years	5.24%	6.09%	4.78%	6.49%
10 years	8.51%	5.07%	6.20%	3.91%
15 years	5.01%	5.34%	3.76%	3.70%
20 years	3.70%	3.77%	3.91%	4.45%

PART IV: ENROLLED ACTUARY'S REPORT

*Enrolled Actuary's Report
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation*

NORMAL COST/ACTUARIAL LIABILITY

<i>Normal Cost as of May 1,</i>	<i>2019</i>	<i>2018</i>
Active participants	\$ 98,557	\$ 98,361
Anticipated administrative expenses (beg. of year)	169,287	115,942
Total normal cost	\$ 267,844	\$ 214,303
<i>Unfunded Actuarial Liability as of May 1,</i>	<i>2019</i>	<i>2018</i>
Actuarial liability		
<i>Participants currently receiving benefits</i>	\$ 26,394,082	\$ 25,785,852
<i>Inactive vested participants</i>	8,060,526	8,094,647
<i>Active participants</i>	6,804,004	6,762,349
	41,258,612	40,642,848
<i>less: Fund assets (actuarial value)</i>	9,887,423	11,927,811
Unfunded actuarial liability (not less than 0)	\$ 31,371,189	\$ 28,715,037

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of April 30, 2019	
<i>Unfunded actuarial liability as of May 1, 2018</i>	\$ 28,715,037
<i>Normal cost (including expenses)</i>	214,303
<i>Actual contributions</i>	(723,439)
<i>Interest to end of plan year</i>	1,999,735
	30,205,636
Increase (decrease) due to:	
<i>Experience (gain) or loss</i>	501,618
<i>Plan amendment</i>	-
<i>Change in actuarial assumptions</i>	663,935
<i>Change in actuarial method</i>	-
Net increase (decrease)	1,165,553
Unfunded actuarial liability as of May 1, 2019	\$ 31,371,189

Projection of Actuarial Liability to Year End

Actuarial liability as of May 1, 2019	\$ 41,258,612
Expected increase (decrease) due to:	
<i>Normal cost (excluding expenses)</i>	98,557
<i>Benefits paid</i>	(3,263,199)
<i>Interest on above</i>	(103,480)
<i>Interest on actuarial liability</i>	2,784,956
Net expected increase (decrease)	(483,166)
Expected actuarial liability as of April 30, 2020	\$ 40,775,446

**Enrolled Actuary's Report
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation**

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of May 1,	2019	2018
Present value of vested accumulated benefits		
<i>Participants currently receiving benefits</i>	\$ 26,394,082	\$ 25,785,852
<i>Inactive vested participants</i>	7,993,744	8,094,647
<i>Active participants</i>	6,733,593	6,729,304
Total	41,121,419	40,609,803
Nonvested accumulated benefits	137,193	33,045
Present value of all accumulated benefits	\$ 41,258,612	\$ 40,642,848
Market value of assets	\$ 9,533,656	\$ 11,528,839
Funded ratios (Market value)		
<i>Vested benefits</i>	23.2%	28.4%
<i>All accumulated benefits</i>	23.1%	28.4%
Actuarial value of assets	\$ 9,887,423	\$ 11,927,811
Funded ratios (Actuarial value used for PPA)		
<i>Vested benefits</i>	24.0%	29.4%
<i>All accumulated benefits</i>	24.0%	29.3%
Interest rate used to value benefits	6.75%	7.00%

FUNDING PERIOD

The funding period is the approximate number of years that would be required to completely fund the unfunded entry age normal actuarial liability if future plan experience occurs according to the assumptions. The funding period is an indicator of the long term financial soundness of the plan. Historically, funds often targeted a maximum funding period of up to 20 years. Today, asset losses are being paid off over a maximum of 15 years and are the primary driver for ERISA minimum funding. An ultimate target of no more than 10 years is recommended. A lower, more conservative funding period target can be chosen. As the funding period drops, the risk of having future funding issues also diminishes.

<i>Funding Period Calculation</i>		
<i>Actuarial Study as of May 1,</i>	<i>2019</i>	<i>2018</i>
Unfunded actuarial liability		
<i>Actuarial liability</i>	\$ 41,676,914	\$ 41,007,942
<i>less: Fund assets (actuarial value)</i>	9,887,423	11,927,811
	31,789,491	29,080,131
Funds available to amortize unfunded		
<i>Anticipated contributions (beg. of yr.)</i>	651,879	679,343
<i>less: Normal cost (including expenses)</i>	215,895	169,050
	\$ 435,984	\$ 510,293
Funding period (years)	*	*

* Anticipated contributions are insufficient to pay normal cost and amortize unfunded liability.

CURRENT LIABILITY

Current Liability is determined in a manner similar to the value of accrued benefits, but using an interest rate assumption within an acceptable range determined by the IRS. For this report we used an interest rate assumption of 3.09%. The current liability is used only in the determination of the maximum deductible employer contribution and full funding limit under the Internal Revenue Code, and is not used for any other purpose.

Current Liability as of May 1, 2019

Vested current liability	
<i>Participants currently receiving benefits</i>	\$ 36,308,801
<i>Inactive vested participants</i>	14,866,888
<i>Active participants</i>	11,636,386
	62,812,075
Nonvested current liability	
<i>Inactive vested participants</i>	77,939
<i>Active participants</i>	117,096
	195,035
Total current liability	\$ 63,007,110

Projection of Current Liability to Year End

Current liability as of May 1, 2019	\$ 63,007,110
Expected increase (decrease) due to:	
<i>Benefits accruing</i>	201,728
<i>Benefits paid</i>	(3,263,199)
<i>Interest on above</i>	(44,183)
<i>Interest on current liability</i>	1,946,920
Net expected increase (decrease)	(1,158,734)
Expected current liability as of April 30, 2020	\$ 61,848,376

*Enrolled Actuary's Report
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation*

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending April 30,	2020 (Projected)	2019 (Final)
Charges		
<i>Prior year funding deficiency</i>	\$ 20,210,711	\$ 17,247,928
<i>Normal cost (including expenses)</i>	267,844	214,303
<i>Amortization charges (see Appendix C)</i>	3,214,415	3,336,101
<i>Interest on above</i>	1,599,275	1,455,884
Total charges	25,292,245	22,254,216
Credits		
<i>Prior year credit balance</i>	-	-
<i>Employer contributions</i>	673,880	723,439
<i>Amortization credits (see Appendix C)</i>	1,173,177	1,210,045
<i>Interest on above</i>	101,933	110,021
<i>ERISA full funding credit</i>	-	-
Total credits	1,948,990	2,043,505
Credit balance (credits less charges)	\$ (23,343,255)	\$ (20,210,711)

**Enrolled Actuary's Report
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation**

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit	Market Value	Actuarial Value
Asset value as of May 1, 2019	\$ 9,533,656	\$ 9,887,423
Expected increase (decrease) due to:		
<i>Investment income</i>	527,483	551,362
<i>Benefits paid</i>	(3,263,199)	(3,263,199)
<i>Expenses</i>	(175,000)	(175,000)
Net expected increase (decrease)	(2,910,716)	(2,886,837)
Expected value as of April 30, 2020*	\$ 6,622,940	\$ 7,000,586

* Ignoring expected employer contributions (as required by regulation).

Full Funding Limit as of April 30, 2020	For Minimum Required	For Maximum Deductible
ERISA full funding limit (not less than 0)		
<i>Actuarial liability</i>	\$ 40,775,446	\$ 40,775,446
less: <i>Assets (lesser of market or actuarial)</i>	6,622,940	6,622,940
plus: <i>Credit balance (w/interest to year end)</i>	-	n/a
	34,152,506	34,152,506
Full funding limit override (not less than 0)		
<i>90% of current liability</i>	55,663,538	55,663,538
less: <i>Assets (actuarial value)</i>	7,000,586	7,000,586
	48,662,952	48,662,952
Full funding limit (greater of ERISA limit and full funding override)	\$ 48,662,952	\$ 48,662,952

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

**Minimum Required Contribution
 Plan Year Beginning May 1, 2019**

Minimum funding cost		
Normal cost (including expenses)	\$	267,844
Net amortization of unfunded liabilities		2,041,238
Interest to end of plan year		155,862
		2,464,944
 Full funding limit		 48,662,952
Net charge to funding std. acct. (lesser of above)		2,464,944
less: Credit balance with interest to year end		(21,574,934)
		(21,574,934)
 Minimum Required Contribution (not less than 0)*	 \$	 24,039,878

**Full Funding Credit to Funding Standard
 Account Plan Year Ending April 30, 2020**

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	\$	2,464,944
less: full funding limit		48,662,952
		(46,198,008)
	 \$	 -

* For plans in critical status, the excise tax for failure to meet minimum funding requirements is waived assuming the provisions of the rehabilitation plan continue to be met.

MAXIMUM DEDUCTIBLE CONTRIBUTION

The maximum amount of tax-deductible employer contributions made to a pension plan is determined in accordance with Section 404(a) of the Internal Revenue Code. For a multiemployer pension plan, Section 413(b)(7) of the Internal Revenue Code and IRS Announcement 98-1 provide that, if anticipated employer contributions are less than the deductible limit for a plan year, then all employer contributions paid during the year are guaranteed to be deductible. If anticipated employer contributions exceed the deductible limit, the Trustees have two years from the close of the plan year in question to retroactively improve benefits to alleviate the problem.

***Maximum Deductible Contribution
Plan Year Beginning May 1, 2019***

Preliminary deductible limit		
<i>Normal cost (including expenses)</i>	\$	267,844
<i>10-year limit adjustment (using "fresh start" alternative)</i>		4,135,902
<i>Interest to end of plan year</i>		297,252
		4,700,998
 Full funding limit		 48,662,952
 Maximum deductible contribution override		
<i>140% of vested current liability projected to April 30, 2020</i>		86,319,699
<i>less: Actuarial value of assets projected to April 30, 2020</i>		7,000,586
		79,319,113
 Maximum deductible contribution*	 \$	 79,319,113
 Anticipated employer contributions	 \$	 673,880

* Equals the lesser of the preliminary deductible limit and the full funding limit, but not less than the maximum deductible contribution override.

HISTORY OF UNFUNDED VESTED BENEFITS

Presumptive Method

<i>April 30,</i>	<i>Vested Benefits Interest Rate</i>	<i>Value of Vested Benefits</i>	<i>Asset Value*</i>	<i>Unfunded Vested Benefits</i>	<i>Unamortized Portion of VAB</i>
1999	8.00%	21,320,239	26,730,714	(5,410,475)	
2000	8.00%	24,445,204	29,343,521	(4,898,317)	
2001	8.00%	26,000,291	31,034,213	(5,033,922)	
2002	8.00%	27,902,578	30,715,460	(2,812,882)	
2003	8.00%	30,036,998	29,281,868	755,130	
2004	8.00%	30,928,911	29,168,067	1,760,844	
2005	8.00%	32,289,274	27,881,442	4,407,832	
2006	8.00%	33,853,627	27,199,546	6,654,081	
2007	8.00%	33,998,097	27,255,918	6,742,179	
2008	8.00%	34,672,083	27,249,628	7,422,455	
2009	8.00%	35,484,548	21,019,994	14,464,554	1,722,031
2010	8.00%	34,484,817	23,588,308	10,896,509	1,658,609
2011	8.00%	34,740,407	22,054,814	12,685,593	1,590,114
2012	8.00%	35,419,483	20,236,556	15,182,927	1,516,139
2013	8.00%	35,456,723	18,693,990	16,762,733	1,436,246
2014	8.00%	35,571,497	18,584,838	16,986,659	1,349,962
2015	7.75%	35,983,111	17,809,726	18,173,385	1,256,775
2016	7.50%	35,861,466	15,755,085	20,106,381	1,156,132
2017	7.50%	39,294,510	13,703,552	25,590,958	1,047,439
2018	7.00%	40,609,803	11,927,811	28,681,992	930,050
2019	6.75%	41,121,419	9,887,423	31,233,996	803,270

* Actuarial Value

TERMINATION BY MASS WITHDRAWAL

If all employers were to cease to have an obligation to contribute to the plan, the plan would be considered "terminated due to mass withdrawal." In this event, the Trustees would have the option of distributing plan assets in satisfaction of all plan liabilities through the purchase of annuities from insurance carriers or payment of lump sums. If assets are insufficient to cover liabilities, a special actuarial valuation pursuant to Section 4281 of ERISA would be performed as of the end of the plan year in which the mass withdrawal occurred. If the Section 4281 valuation indicates the value of nonforfeitable benefits exceeds the value of plan assets, employer withdrawal liability would be assessed.

The ERISA Section 4281 valuation described above uses required actuarial assumptions that are typically more conservative than those used for valuing an on-going plan. In order to illustrate the impact of the mass withdrawal assumptions, we performed an illustrative Section 4281 valuation as if mass withdrawal had occurred during the prior plan year. The value of assets used below is market value without any adjustments for outstanding employer withdrawal liability claims.

As required by regulation, interest rates of 3.07% for the first 20 years and 3.05% for each year thereafter and the GAM 94 Basic Mortality Table projected to 2029 were used.

***Illustrative Section 4281 Valuation
as of April 30, 2019***

Value of nonforfeitable benefits			
<i>Participants currently receiving benefits</i>	\$		35,971,251
<i>Inactive vested participants</i>			14,773,055
<i>Active participants</i>			11,528,407
<i>Expenses (per Section 4281 of ERISA)</i>			433,745
			62,706,458
<i>less: Fund assets (market value)</i>			9,533,656
Value of nonforfeitable benefits in excess of (less than) fund assets	\$		53,172,802

ASC 960 INFORMATION

The following displays are intended to assist the fund's auditor in complying with Accounting Standards Codification 960. The results shown are not necessarily indicative of the plan's potential liability upon termination.

Present Value of Accumulated Benefits Actuarial Study as of May 1,	2019	2018
Present value of vested accumulated benefits		
<i>Participants currently receiving benefits</i>	\$ 26,394,082	\$ 25,785,852
<i>Expenses on parts. currently rec. benefits</i>	1,715,615	1,933,939
<i>Other participants</i>	14,727,337	14,823,951
<i>Expenses on other participants</i>	957,277	1,111,796
	43,794,311	43,655,538
Present value of nonvested accumulated benefits		
<i>Nonvested accumulated benefits</i>	137,193	33,045
<i>Expenses on nonvested benefits</i>	8,918	2,478
	146,111	35,523
Present value of all accumulated benefits	\$ 43,940,422	\$ 43,691,061
Market value of plan assets	\$ 9,533,656	\$ 11,528,839
Interest rate used to value benefits	6.75%	7.00%

Changes in Present Value of Accumulated Benefits

Present value of accumulated benefits as of May 1, 2018	\$ 43,691,061
Increase (decrease) due to:	
<i>Plan amendment</i>	-
<i>Change in actuarial assumptions</i>	301,144
<i>Benefits accumulated and experience gain or loss</i>	23,166
<i>Interest due to decrease in discount period</i>	3,058,374
<i>Benefits paid</i>	(3,002,546)
<i>Operational expenses paid</i>	(130,777)
Net increase (decrease)	249,361
Present value of accumulated benefits as of May 1, 2019	\$ 43,940,422

APPENDICES

PLAN HISTORY

Origins/Purpose

The Bricklayers and Masons Local Union No. 7 Pension Plan was established effective February 1, 1968 as a result of a Collective Bargaining Agreement between the Associated General Contractors of America, Akron Chapter, the General Contractors Association of Akron and Akron Masons Contractors Association and the Bricklayers' and Masons' Local No. 7, Ohio of Bricklayers, Masons and Plasterers International Union of America. The Bricklayers' and Masons Local No. 23 became a Participating Union under the Plan as of July 1, 1969 and the Bricklayers' and Masons' Local No. 13 became a Participating Union under the Plan as of April 22, 1970. Both Locals have since merged into Local No. 7.

The Pension Plan is managed under the provisions of the Labor Management Relations Act by a Board of Trustees consisting of an equal number of representatives from Labor and from Management.

The purpose of the pension plan is to provide Normal and Early Retirement Benefits, Joint and Survivor Benefits, Deferred Vested Benefits and Death benefits. Benefits first became payable on February 1, 1968.

Employer Contributions

The Pension Plan is financed entirely by contributions from the employers as specified in the Collective Bargaining Agreements. The history of recent hourly contribution rates is shown in the following table:

<i>Effective Date</i>	<i>Hourly Contribution Rate *</i>
May 1, 1979	\$ 0.80
June 1, 1981	1.05
June 19, 1982	1.25
June 1, 1983	2.00
June 1, 1984	3.00
June 1, 1990	3.27
June 1, 1996	3.30
June 1, 2006	3.55
June 1, 2007	4.01
Sept. 1, 2008	4.41
June 1, 2009	4.81
June 1, 2010	5.21
June 1, 2011	5.61
June 1, 2012	6.01
June 1, 2013	6.41
June 1, 2014	6.46
June 1, 2015	6.66
June 1, 2016	6.80

* Effective May 1, 2006 to April 30, 2016, \$2.00 of the hourly rate will be used to calculate benefits.

Reciprocity

The Trustees have entered into various money follows the man reciprocity agreements whereby a participant who transfers employment between signatories to such agreements will not lose pension credits.

SUMMARY OF PLAN PROVISIONS

Participation	May 1 following completion of 435 hours during a twelve consecutive month period, or prior November 1, if earlier.
Year of service	Plan year with at least 435 hours.
Break in service	Plan year with less than 435 hours.
Forfeited service	A non-vested participant with a number of consecutive breaks in service equaling the greater of 5 or his years of service. A vested participant cannot forfeit his years of service.
Normal retirement benefit	
<i>Eligibility</i>	Age 62 and 5 years of service or, if earlier, age 65 and 5 years of participation.
<i>Monthly amount</i>	\$1.00 per year of past service plus 4.10% of employer contributions made on and after February 1, 1968 and before May 1, 2003; plus 3.00% of employer contributions made on and after May 1, 2003 and before May 1, 2005; plus 1.00% of employer contributions made on and after May 1, 2005 and before May 1, 2006; plus 1.00% of \$2.00 of employer contributions made on and after May 1, 2006 and before May 1, 2016; plus 0.30% of the first \$6.66 and 1.0% of contributions over \$6.66 for employer contributions made on and after May 1, 2016. Payable for life.
Early retirement benefit	
<i>Eligibility</i>	Age 55 and 10 years of service.
<i>Monthly amount</i>	Normal, reduced by .5833% for each month under age 62. Payable for life. * Normal, reduced by 1/3 of 1% for each month under age 62 for benefits of participants who were at least age 55 and had at least 10 years of service on May 1, 2009.
Optional forms of payment	<ul style="list-style-type: none"> • 60 month certain and life • Joint and 50% survivor* • Joint and 75% survivor* • Joint and 100% survivor* <p>* If spouse pre-deceases participant, amount in pay status pops-up to amount that would have been payable if the participant had not elected the joint and survivor. The pop-up feature is not subsidized.</p>

SUMMARY OF PLAN PROVISIONS (CONTINUED)

<p>Total and permanent disability benefit <i>Eligibility</i></p>	<p>No longer available as of May 1, 2009.</p>
<p>Deferred vested benefit <i>Eligibility</i></p>	<p>5 years of service, termination of covered employment.</p>
<p><i>Monthly amount</i></p>	<p>100% of normal, payable at normal or at early with reduction. Payable for life.</p>
<p>Pre-retirement surviving spouse benefit * <i>Eligibility</i></p>	<p>Death of participant with eligible spouse after becoming eligible for, but prior to, retirement.</p>
<p><i>Monthly amount</i></p>	<p>50% of participant's joint and 50% survivor annuity payable to spouse for life commencing the first day of the month following participant's death.</p>
<p><i>Eligibility</i></p>	<p>Death of participant with eligible spouse prior to earliest retirement age.</p>
<p><i>Monthly amount</i></p>	<p>50% of participant's joint and 50% survivor annuity payable to spouse for life commencing at participant's earliest retirement date.</p>
	<p>* The cost of the pre-retirement surviving spouse benefit is paid by the participant.</p>
<p>Pre-retirement 5 year certain death benefit <i>Eligibility</i></p>	<p>Benefit eliminated for deaths on or after May 1, 2009, effective May 1, 2009.</p>

RECENT PLAN MODIFICATIONS

Future service benefit	
<i>Effective date</i>	May 1, 1996
<i>Adoption date</i>	December 6, 1996
<i>Provisions</i>	The future service benefit accrual rate was increased from 3.20% to 3.30% of employer contributions for participants who retire or become disabled on or after May 1, 1996. The increase applies to active participants as well as inactive vested participants.
Thirteenth check	
<i>Effective date</i>	January 1, 1997
<i>Adoption date</i>	December 11, 1997
<i>Provisions</i>	Participants receiving benefits received a one-time 13 th check equal to the full amount of the monthly benefit or \$100, whichever is greater.
Vesting schedule	
<i>Effective date</i>	May 1, 1997
<i>Adoption date</i>	June 4, 1997
<i>Provisions</i>	Vesting changed from a 5/10-year graded schedule to a 5-year cliff schedule for active participants who work one hour after the effective date.
Future service benefit	
<i>Effective date</i>	May 1, 1997
<i>Adoption date</i>	March 6, 1998
<i>Provisions</i>	The future service benefit accrual rate was increased from 3.3% to 3.85% of employer contributions for participants who retire or become disabled on or after May 1, 1997. The increase applies to active participants only.

RECENT PLAN MODIFICATIONS (CONTINUED)

Retiree increase	
<i>Effective date</i>	May 1, 1997
<i>Adoption date</i>	March 6, 1998
<i>Provisions</i>	The monthly benefits being paid to retirees who retired prior to May 1, 1997 were increased 5%.
Future service benefit	
<i>Effective date</i>	May 1, 1998
<i>Adoption date</i>	December 4, 1998
<i>Provisions</i>	The future service benefit accrual rate was increased from 3.85% to 4.05% of employer contributions for participants who retire or become disabled on or after May 1, 1998. The increase applies to active participants only.
Retiree increase	
<i>Effective date</i>	May 1, 1998
<i>Adoption date</i>	December 4, 1998
<i>Provisions</i>	The monthly benefits being paid to retirees who retired prior to May 1, 1998 were increased 4%, with a minimum of \$10.
Thirteenth check	
<i>Effective date</i>	December 1, 1998
<i>Adoption date</i>	December 4, 1998
<i>Provisions</i>	Participants receiving benefits received a one-time 13 th check equal to the full amount of the monthly benefit or \$50, whichever is greater.

RECENT PLAN MODIFICATIONS (CONTINUED)

Normal retirement age	
<i>Effective date</i>	May 1, 1997
<i>Adoption date</i>	March 5, 1999
<i>Provisions</i>	Normal retirement age was changed from age 62 and 10 years of service to age 62 and 5 years of service.
Future service benefit	
<i>Effective date</i>	May 1, 1999
<i>Adoption date</i>	February 24, 2000
<i>Provisions</i>	The future service benefit accrual rate was increased from 4.05% to 4.10% of employer contributions for participants who retire or become disabled on or after May 1, 1999. The increase applies to active participants only.
Retiree increase	
<i>Effective date</i>	May 1, 1999
<i>Adoption date</i>	February 24, 2000
<i>Provisions</i>	The monthly benefits being paid to retirees who retired prior to May 1, 1999 were increased 5%, with a minimum of \$10.
Early retirement factor	
<i>Effective date</i>	May 1, 1999
<i>Adoption date</i>	February 24, 2000
<i>Provisions</i>	The early retirement factor was changed from ½ of 1% to 1/3 of 1% for each month under age 62 for participants who earn at least one hour of service on or after May 1, 1999.

RECENT PLAN MODIFICATIONS (CONTINUED)

Thirteenth check	
<i>Effective date</i>	December 1, 1999
<i>Adoption date</i>	February 24, 2000
<i>Provisions</i>	Participants receiving benefits received a one-time 13 th check equal to one-half the amount of the monthly benefit or \$50, whichever is greater.
Joint and 100% Option	
<i>Effective date</i>	January 1, 2000
<i>Adoption date</i>	February 24, 2000
<i>Provisions</i>	A Joint and 100% survivor option was added.
Future service benefit	
<i>Effective date</i>	May 1, 2003
<i>Adoption date</i>	January 10, 2003
<i>Provisions</i>	The future service benefit accrual rate was decreased from 4.10% to 3.00% for employer contributions made after May 1, 2003 for participants who retire or become disabled on or after May 1, 2003. The decrease applies to active participants only.
Future service benefit	
<i>Effective date</i>	May 1, 2005
<i>Adoption date</i>	February 11, 2005
<i>Provisions</i>	The future service benefit accrual rate was decreased from 3.00% to 1.00% for employer contributions made after May 1, 2005 for participants who retire or become disabled on or after May 1, 2005. The decrease applies to active participants only.

RECENT PLAN MODIFICATIONS (CONTINUED)

Future service benefit	
<i>Effective date</i>	May 1, 2006
<i>Adoption date</i>	March 10, 2006
<i>Provisions</i>	The future service benefit accrual rate was increased from 1.00% to 1.50% for employer contributions made after May 1, 2006, but only \$3.00 of the hourly contribution rate will be used to calculate benefits. The decrease applies to active participants who retire or become disabled on or after May 1, 2006.
Future service benefit	
<i>Effective date</i>	May 1, 2006
<i>Adoption date</i>	April 7, 2006
<i>Provisions</i>	The future service benefit accrual rate was decreased from 1.50% of \$3.00 to 0.00% for employer contributions made after May 1, 2006 for participants who retire or become disabled on or after May 1, 2006. The decrease applies to active participants only.
Future service benefit	
<i>Effective date</i>	May 1, 2006
<i>Adoption date</i>	May 5, 2006
<i>Provisions</i>	The future service benefit accrual rate was increased from 0.00% to 1.00% of \$2.00 for employer contributions made after May 1, 2006 for participants who retire or become disabled on or after May 1, 2006. The increase applies to active participants only.
Optional form of benefit	
<i>Effective date</i>	January 1, 2008
<i>Adoption date</i>	September 7, 2007
<i>Provisions</i>	A qualified joint and 75% benefit option was added.

RECENT PLAN MODIFICATIONS (CONTINUED)

Early retirement factor	
<i>Effective date</i>	May 1, 2009
<i>Adoption date</i>	September 22, 2008
<i>Provisions</i>	The early retirement factor was changed from 1/3 of 1% to .5833% for each month under age 62. Participants who are at least age 55 and have at least 10 years of service on May 1, 2009 will use the 1/3 of 1% reduction.
60 month guarantee post-retirement death benefit	
<i>Effective date</i>	May 1, 2009
<i>Adoption date</i>	September 22, 2008
<i>Provisions</i>	The 60 month guarantee post-retirement death benefit is removed for participants not yet in pay status on May 1, 2009.
Pre-retirement 5 year certain death benefit	
<i>Effective date</i>	May 1, 2009
<i>Adoption date</i>	September 22, 2008
<i>Provisions</i>	The pre-retirement 5 year certain death benefit is removed for deaths after May 1, 2009.
Total and permanent disability benefit	
<i>Effective date</i>	May 1, 2009
<i>Adoption date</i>	September 22, 2008
<i>Provisions</i>	The total and permanent disability benefit is eliminated for disabilities after May 1, 2009.
Pre-retirement surviving spouse benefit	
<i>Effective date</i>	May 1, 2009
<i>Adoption date</i>	September 22, 2008
<i>Provisions</i>	The cost is paid by the participant.

RECENT PLAN MODIFICATIONS (CONTINUED)

Future service benefit

<i>Effective date</i>	May 1, 2016
<i>Adoption date</i>	March 10, 2016
<i>Provisions</i>	The future service benefit accrual rate was changed from 1.00% of first \$2.00 of employer contributions to 0.3% of the first \$6.66 of employer contributions plus 1% of any amount above \$6.66 for contributions made on and after May 1, 2016.

*Appendix B - Actuarial Assumptions and Methods
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation*

ACTUARIAL ASSUMPTIONS

The following assumptions are used throughout this report except as specifically noted herein.

Valuation date	May 1, 2019
Interest rates	
<i>ERISA rate of return used to value liabilities</i>	6.75% per year net of investment expenses.
<i>Unfunded vested benefits</i>	6.75% per year net of investment expenses
<i>Current liability</i>	3.09% (in accordance with Section 431(c)(6) of the Internal Revenue Code).
Operational expenses	
<i>Funding</i>	\$175,000 per year excluding investment expenses. This is an average for the period until insolvency.
<i>ASC 960</i>	A 6.50% load was applied to the accrued liabilities for 2019 (7.50% for 2018).
Mortality	
<i>Assumed plan mortality</i>	100% of the RP-2006 Blue Collar Mortality Tables (the RP-2014 table adjusted backward to 2006 with the MP-2014 projection scale) for employees and healthy annuitants projected forward using the MP-2018 projection scale.
<i>Current liability</i>	Separate annuitant and non-annuitant rates based on the RP-2000 Mortality Tables Report developed for males and females as required by Section 431(c)(6) of the Internal Revenue Code.

ACTUARIAL ASSUMPTIONS (CONTINUED)

Future retirement rates

Active lives

When eligible and according to the following schedule:

<u>Age</u>	<u>Retirement Rate</u>
55	.15
56-57	.05
58	.10
59	.20
60	.30
61	.40
62+	1.00

Resulting in an average expected retirement age of 60.5.

Inactive vested lives

If terminated prior to 5/1/97, or after 5/1/97 with less than 10 years vesting service, later of normal retirement age or age on valuation date. If terminated after 5/1/97 with 10 or more years vesting service, later of age 59 or age on valuation date.

Withdrawal

T-8 Turnover Table from The Actuary's Pension Handbook (less GAM 51) adjusted after age 49 - specimen rates shown below: Assumed rate during the first three years of employment is 35%*.

<u>Age</u>	<u>Withdrawal Rate</u>
25	.1162
30	.1121
35	.1055
40	.0940
45	.0754
50	.0531
55	.0190
60	.0100
62	.0100

* All newly reported participants are considered to have already worked their first year of employment.

Future annual work hours

Vested lives

Non-Vested lives

1,200 hours, 0 after assumed normal retirement age.

650 hours, 0 after assumed normal retirement age.

*Appendix B - Actuarial Assumptions and Methods
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation*

ACTUARIAL ASSUMPTIONS (CONTINUED)

Future hourly contribution rate	\$6.80
Age of participants with unrecorded birth dates	Based on average entry age of participants with recorded birth dates and same vesting status.
Spouse assumptions	75% assumed married with the male spouse 3 years older than his wife.
Optional form assumption	All non-retired participants assumed to elect the life only form of benefit.
Inactive vested lives over age 70	Continuing inactive vested participants over age 70 are assumed deceased and are not valued.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences.
Section 415 limit assumptions	
<i>Dollar limit</i>	\$225,000 per year.
<i>Assumed form of payment for those limited by Section 415</i>	Qualified joint and 100% survivor annuity.
Benefits not valued	None

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS

The non prescribed actuarial assumptions were selected to provide a reasonable long term estimate of developing experience. The assumptions are reviewed annually, including a comparison to actual experience. The following describes our rationale for the selection of each non-prescribed assumption that has a significant effect on the valuation results.

ERISA rate of return used to value liabilities	<p>Future rates of return were modeled based on the Plan's current investment policy asset allocation and composite, long-term capital market assumptions taken from Horizon Actuarial's 2018 survey of investment consultants.</p> <p>Based on this analysis, we selected a final assumed rate of 6.75%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.</p>
Mortality	<p>The RP-2006 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2018 projection scale was chosen as the base table for this population.</p> <p>The blue collar table was chosen based on the industry of plan participants</p>
Retirement	<p>Actual rates of retirement by age were studied for the period May 1, 2014 to April 30, 2019. The assumed future rates of retirement were selected based on the results of this study. No adjustments were deemed necessary at this time.</p>
Withdrawal	<p>Actual rates of withdrawal by age were studied for the period May 1, 2014 to April 30, 2019. The assumed future rates of withdrawal were selected based on the results of this study.</p>
Future work hours	<p>Based on review of recent plan experience adjusted for anticipated future changes in workforce.</p>

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

The assumptions used for the credit balance, funded ratio and PPA zone projections are the same as used throughout the report with the following exceptions.

Assumed return on fund assets	
<i>Current year projections</i>	6.75%
<i>Prior year projections</i>	7.00%
Expenses	
<i>Current year projections</i>	\$175,000 per year excluding investment expenses.
<i>Prior year projections</i>	\$120,000 per year excluding investment expenses.
Future total hours worked	
<i>Current year projections</i>	99,100 for the plan year ending 2020 and after.
<i>Prior year projections</i>	90,000 for the plan year ending 2019 and after.
Contribution rates	
<i>Current year projections</i>	\$6.80
<i>Prior year projections</i>	\$6.80
Plan changes	
<i>Current year projections</i>	None
<i>Prior year projections</i>	None
Stochastic modeling	500 trials. Future returns are modeled using an expected return of 6.38% for the first 10 years and 7.31% thereafter and a standard deviation of 11.06%, which is representative of the plan's investment portfolio. The expected return above is a one year value and is not representative of longer term geometric return as considered when setting the ERISA return assumption.

*Appendix B - Actuarial Assumptions and Methods
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation*

ACTUARIAL METHODS

Funding method <i>ERISA Funding</i>	Traditional unit credit cost method, effective May 1, 2007.
<i>Funding period</i>	Individual entry age normal with costs spread as a level dollar amount over service.
Population valued <i>Actives</i>	Employees who have satisfied the plan's eligibility requirements (435 hours worked in a plan year) and who had at least one hour during the preceding plan year.
<i>Inactive vested</i>	Vested participants with no hours during the preceding plan year.
<i>Retirees</i>	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method <i>Actuarial value</i>	Smoothed Market Value Method with phase in effective May 1, 1996. Each year's gain (or loss) is spread over a period of 5 years. The actuarial value is limited to not less than 80% and not more than 120% of the actual market value of assets in any plan year.
<i>Unfunded vested benefits</i>	For the presumptive method, actuarial value, as described above, is used.

Appendix C - Minimum Funding Amortization Bases
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		5/1/2019 Outstanding Balance	5/1/2019 Amortization Payment
				Years	Months		
Charges							
5/1/1990	Assumptions		30	1	0	20,751	20,751
5/1/1994	Assumptions	513,413	30	5	0	180,008	40,851
5/1/1996	Assumptions	475,139	30	7	0	217,717	37,514
5/1/1996	Plan Amendment	366,610	30	7	0	168,010	28,950
5/1/1997	Assumptions	302,027	30	8	0	152,944	23,762
5/1/1997	Plan Amendment	2,024,332	30	8	0	1,025,063	159,256
5/1/1998	Plan Amendment	1,046,114	30	9	0	575,986	81,937
5/1/1999	Plan Amendment	1,094,569	30	10	0	647,486	85,363
5/1/2000	Assumptions	481,195	30	11	0	302,926	37,373
5/1/2000	Plan Amendment	208,860	30	11	0	131,489	16,222
5/1/2002	Amendment	20,726	30	13	0	14,452	1,597
5/1/2002	Assumptions	685,458	30	13	0	477,961	52,816
5/1/2005	Experience Loss	2,241,650	15	1	0	240,124	240,124
5/1/2006	Experience Loss	1,908,358	15	2	0	393,803	203,330
5/1/2007	Assumptions	30,385	30	18	0	25,149	2,300
5/1/2008	Experience Loss	296,362	15	4	0	113,646	31,253
5/1/2009	Experience Loss	6,709,219	15	5	0	3,102,235	704,027
5/1/2011	Experience Loss	1,462,111	15	7	0	881,994	151,975
5/1/2012	Assumptions	532,014	15	8	0	354,321	55,048
5/1/2012	Experience Loss	1,652,462	15	8	0	1,100,535	170,981
5/1/2013	Experience Loss	923,614	15	9	0	668,831	95,145
5/1/2015	Assumptions	800,095	15	11	0	662,441	81,728
5/1/2016	Experience Loss	1,522,690	15	12	0	1,332,122	155,025
5/1/2017	Assumptions	2,901,933	15	13	0	2,667,067	294,717
5/1/2017	Experience Loss	1,474,632	15	13	0	1,355,283	149,762
5/1/2018	Assumption	1,567,670	15	14	0	1,505,286	158,829
5/1/2018	Experience Loss	155,801	15	14	0	149,601	15,785
5/1/2019	Assumptions	663,935	15	15	0	663,935	67,213
5/1/2019	Experience Loss	501,618	15	15	0	501,618	50,781
Total Charges:						19,632,784	3,214,415

Appendix C - Minimum Funding Amortization Bases
Bricklayers Local No. 7 Pension Plan
May 1, 2019 Actuarial Valuation

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		5/1/2019 Outstanding Balance	5/1/2019 Amortization Payment
				Years	Months		
Credits							
5/1/1992	Assumptions		30	3	0	1,998	710
5/1/1993	Assumptions		30	4	0	62,057	17,066
5/1/1995	Plan Amendment	158,607	30	6	0	64,465	12,572
5/1/2003	Assumption	113,096	30	14	0	82,276	8,681
5/1/2003	Plan Amendment	2,117,342	30	14	0	1,540,306	162,525
5/1/2005	Assumptions	41,563	30	16	0	32,488	3,168
5/1/2005	Plan Amendment	3,412,714	30	16	0	2,666,656	260,073
5/1/2006	Plan Amendment	652,500	30	17	0	525,540	49,555
5/1/2007	Experience Gain	382,876	15	3	0	114,212	40,583
5/1/2009	Plan Amendments	2,291,241	15	5	0	1,059,438	240,431
5/1/2010	Assumptions	68,862	15	6	0	36,876	7,191
5/1/2010	Experience Gain	2,238,307	15	6	0	1,198,605	233,747
5/1/2011	Assumptions	44,153	15	7	0	26,634	4,589
5/1/2014	Experience Gain	632,588	15	10	0	492,172	64,887
5/1/2015	Experience Gain	212,291	15	11	0	175,768	21,685
5/1/2016	Assumptions	449,009	15	12	0	392,815	45,714
Total Credits:						8,472,306	1,173,177
Net Charges:						11,160,478	2,041,238
Less Credit Balance:						-20,210,711	
Less Reconciliation Balance:						0	
Unfunded Actuarial Liability:						31,371,189	

RULES FOR ENDANGERED AND CRITICAL STATUS

Background

The Pension Protection Act of 2006 (“PPA”), enacted in August 2006, established special rules for plans in “Endangered” or “Critical” status. These rules become effective with the plan year beginning in 2008 and were originally scheduled to “sunset” in 2015.

The Multiemployer Pension Reform Act of 2014 (“MPRA”), enacted in December 2014, made the provisions contained in the PPA permanent. MPRA also made numerous changes to the PPA rules, including adding a new status for deeply troubled plans: Critical and Declining.

Informally, Critical Status is often referred to as “red zone” and Endangered Status as “yellow zone.” A plan that is neither Critical nor Endangered is said to be “green zone.”

Criteria for Endangered and Critical

The table below summarizes the criteria for these categorizations. Projected deficiencies are calculated as of the last day of each plan year and are based on contribution rates codified in bargaining agreements and, if applicable, wage allocations.

<i>Critical Status (“Red Zone”)</i>	<i>Endangered Status (“Yellow Zone”)</i>
GETTING IN:	
<p>Plan is Critical if it is described in one or more of the following:</p> <ul style="list-style-type: none"> • Funded percentage is less than 65%, <u>and</u>, inability to pay nonforfeitable benefits and expenses for next 7 years, or • Projected funding deficiency (<u>not</u> recognizing extensions) in the current year or next 3 years (next 4 years if funded at less than 65%), or • (1) Contributions are less than current year costs (i.e. “normal cost”) plus interest on any unfunded past liabilities, <u>and</u>, (2) value of vested benefits for non-actives is greater than for actives, <u>and</u>, (3) projected funding deficiency (<u>not</u> recognizing extensions) in the current year or next 4 years, or • Inability to pay all benefits and expenses for next 5 years. 	<p>Plan is Endangered if it is <u>not</u> Critical <u>and</u> it is described in one of the following:</p> <ul style="list-style-type: none"> • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years. <p>A non-critical plan that meets both of the preceding criteria is considered “<u>Seriously Endangered</u>”</p> <p>A plan that meets one of the two Endangered Status criteria above, but was not in Critical or Endangered for the preceding year, will remain not Critical or Endangered (i.e. it will be in “green zone”) provided it is not projected to meet either of the two Endangered Status criteria as of the end of the 10th plan year following the certification year</p>

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

<i>Critical Status (“Red Zone”)</i>	<i>Endangered Status (“Yellow Zone”)</i>
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<i>GETTING IN (cont.):</i>	
<p>A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from Critical Status in PYB 2015 or later will re-enter Critical Status <u>only</u> if it is described in one of the following:</p> <ul style="list-style-type: none"> • Projected funding deficiency in the current year or next 9 years (<u>including</u> amortization extensions), or, • Projected insolvency within the next 30 years 	

<i>GETTING OUT:</i>	
<p>Plan emerges from Critical Status when it meets all of the following:</p> <ul style="list-style-type: none"> • No longer meets any of the Critical Status tests, <u>and</u>, • No projected funding deficiencies in the current year or next 9 years (<u>including</u> amortization extensions), <u>and</u>, • No projected insolvencies in the next 30 years <p>A plan with a 5-year amortization extension under IRC Section 431(d) emerges from Critical Status when it meets all the following:</p> <ul style="list-style-type: none"> • No projected funding deficiencies in the current year or next 9 years (<u>including</u> amortization extensions), <u>and</u>, • No projected insolvencies in the next 30 years 	<p>Plan emerges from Endangered Status when it no longer meets the requirements to be classified as Endangered or when it enters Critical Status</p>

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Restrictions for Endangered and Critical Plans

The Trustees of a plan that is in Endangered or Critical status face a number of restrictions in plan improvements that can be adopted and bargaining agreements that can be accepted.

<i>Period</i>	<i>Endangered/Critical Restrictions</i>
Date of first certification through adoption of funding improvement/rehabilitation plan (“plan adoption period”)	<ul style="list-style-type: none"> • No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the <u>liabilities</u> of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	<ul style="list-style-type: none"> • Cannot be amended so as to be inconsistent with funding improvement/rehabilitation plan • No amendment that increases benefits, including future accruals, unless actuary certifies as being paid for with contributions not contemplated in funding improvement/rehabilitation plan and still expected to meet applicable benchmark after considering the amendment

Additionally, Critical status plans cannot pay benefits greater than the single life annuity once the initial red zone notice is sent unless the benefit is eligible for automatic cash-out.

Critical and Declining Plans

Beginning in 2015, plans that are in Critical Status and are projecting insolvency within the next 15 years (20 years in some circumstances) are certified by the actuary as being in “Critical and Declining.” These plans may have access to new tools that will allow them to reduce many previously-untouchable benefits, including benefits for participants in pay status. However, these expanded benefit reductions require government approval, must not be rejected by a majority of all participants through a vote, and are subject to a number of other requirements and limitations.

Selected Other MPRA Changes (effective with 2015 plan years)

- Plans projected to be Critical within the next 5 years can elect to be in Critical Status immediately
- New contribution rate increases required by a funding improvement or rehabilitation plan are not considered in calculating an employer’s withdrawal liability or payment schedule
- If, upon the expiration of a collective bargaining agreement under a funding improvement or rehabilitation plan, bargaining parties do not adopt a new agreement consistent with an updated schedule, the Trustees must implement the update to the schedule previously adopted.

GLOSSARY OF COMMON PENSION TERMS

Benefits

Accrued Benefit: A benefit that an employee has earned (or accrued) through past participation in the plan. It is the amount payable at normal retirement age.

Why it matters: Under the law, Accrued Benefits generally may not be reduced by plan amendment. The exception to this anti-cutback protection would be for “adjustable benefits” that come into play for critical status plans.

Actuarial Equivalence: Given a set of actuarial assumptions, when two different sets of payment scenarios have an equal present value.

Early Retirement Reduction Factor: A retirement benefit that begins before normal retirement age may be reduced. The plan document defines the amount of the reduction by formula or a table of factors. This reduction may or may not be actuarially equivalent, but its present value can be no less than actuarially equivalent to the benefit payable at normal retirement age.

Benefit Crediting (Accrual) Rate: A general reference to the calculation of the amount of monthly retirement benefit earned per dollar contributed or per year or hour worked.

Assets

Market Value of Assets: This is the fair value of all assets in the fund on an accrued, not cash basis. The market value of assets matches the value in the plan audit.

Actuarial Value of Assets: The amount of assets recognized for actuarial valuation purposes. Recent changes in market value may be partially recognized (there are variations allowed on the exact recognition). Generally the actuarial value is limited to not be less than 80% or more than 120% of the market value.

Why it matters: Many funding calculations use this “smoothed” asset value method to lessen the impact of volatility in the market value of plan assets.

Assumed Rate of Return: Long term assumption of the rate of return on assets based upon the diversification mix of invested assets.

Why it matters: This assumption is used in calculating the present values discussed in the Liabilities section below. The Assumed Rate of Return has an inverse relationship with plan liabilities. In other words, a lower Assumed Rate of Return increases liabilities, while a higher Assumed Rate of Return decreases plan Liabilities.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

Present Value of Accrued Benefits: The discounted value of benefit payments due in the future but based only on the current Accrued Benefits of each participant. The value is based on actuarial assumptions including an assumed rate of investment return.

Why it matters: This liability is one of the primary factors in determining a plan's annual PPA funded status (see Funded Ratio).

Present Value of Vested Benefits: The discounted value of Accrued Benefits that are considered vested (non-forfeitable). Benefits that are not vested include those of participants who have not satisfied the plan vesting requirement (usually five years of service). In addition under the law some death and temporary disability benefits are also considered non-vested regardless of service because they are not considered protected benefits.

Why it matters: This liability is the primary driver of a plan's Employer Withdrawal Liability.

Actuarial (Accrued) Liability: For inactive members this is the same as the Present Value of Accrued Benefits above. For active members this depends on the cost method selected by the actuary. Under the accrued benefit or traditional unit credit cost method this is also the same as the Present Value of Accrued Benefits. Under other cost methods (including most commonly entry age normal) this represents an alternate allocation of projected benefit cost over the working lifetime of active members. Under the entry age normal cost method, the active Actuarial Liability is larger than the Present Value of Accrued Benefits.

Unfunded Actuarial Liability: The Actuarial Liability less the Actuarial Value of Assets.

Current Liability: This is similar to the Present Value of Accrued Benefits, but uses a statutory, significantly lower, interest rate (equivalent to an expected rate of return on a bond only-type portfolio) and statutory mortality tables. The lower interest rate means that Current Liability tends to be significantly higher than the Present Value of Accrued Benefits. This number has very little impact on multiemployer plans.

Normal Cost: The present value of all benefits that are expected to accrue or to be earned under the plan during the plan year. The way in which a benefit is considered to be earned varies with the actuarial cost method.

Risk: The potential of future deviation of actual results from expectations derived from actuarial assumptions.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

Funded Ratio (Funded Percentage): Actuarial Value of Assets divided by the Present Value of Accrued Benefits. This is one of two key measures used to determine a plan's annual PPA funded status. This may also be referred to as PPA Funded Ratio. This must be greater than 80% to avoid endangered status.

Credit Balance: The accumulated excess of actual contributions over legally required minimum contributions as maintained in the funding standard account. The funding standard account is maintained by the actuary in the valuation process and reported annually in schedule MB to the Form 5500 filing. A negative credit balance is known as an accumulated funding deficiency. Prior to PPA, an accumulated funding deficiency caused an immediate excise tax (waiver under PPA if certain conditions are met). After PPA, a current or projected funding deficiency is one of the key measures used in determining the annual PPA status. It can eventually trigger an excise tax levied on contributing employers.

Withdrawal Liability

Unfunded Vested Benefits (UVB): Present Value of Vested Benefits less the value of plan assets determined on either an actuarial or market value basis. The selection of asset measurement is part of the withdrawal liability method of the Plan.

Employer Withdrawal Liability (EWL): An employer that withdraws from a multiemployer plan is liable for its proportionate share of Unfunded Vested Benefits, determined as of the date of withdrawal.

Why it matters: If a contributing employer leaves the plan while it has Unfunded Vested Benefits liability, that employer's allocated share of Employer Withdrawal Liability is either assessed, as applicable, or reallocated among the plan's remaining active employers if the presumptive method is used. A construction employer withdrawing from a construction industry plan will not be assessed unless they continue performing work within the jurisdiction of the CBA or restart such work within a period of 5 years. Small amounts (under \$150,000) are generally reduced or eliminated pursuant to the "de minimis rule."