

Central States, Southeast and Southwest Areas Pension Plan

Item #26

The plan's experience with certain critical assumptions including a disclosure for each of the 10 plan years immediately preceding the application that separately identifies:

- total contributions,
- total contribution base units,
- average contribution rates,
- withdrawal liability payments, and
- the rate of return on plan assets.

See section 6.03.

The information is provided in document number 26.1 (Application under ERISA Section 305(e)(9) and IRC Section 432(e)(9) – Additional Information) – see Exhibit I on page 26.1.7.

Central States, Southeast and Southwest Areas Pension Plan

**Application under ERISA Section 305(e)(9) and IRC
Section 432(e)(9) – Additional Information**





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September 18, 2015

*Board of Trustees
Central States, Southeast and Southwest Areas Pension Plan
9377 West Higgins Road
Rosemont, Illinois 60018-4938*

Dear Trustees:

As requested by the Trustees and required by ERISA Section 305(e)(9) and Internal Revenue Code (IRC) Section 432(e)(9) (taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34), we have performed additional projections required as part of the application for proposed benefit suspensions permitted under ERISA Section 305 and IRC Section 432 because of the Plan's critical and declining status. These projections are in addition to our certification that the proposed suspensions of benefits are reasonably estimated to enable the Plan to avoid insolvency within the meaning of ERISA Section 4245 and IRC Section 418E, assuming the suspensions of benefits continue indefinitely and both the benefit accrual reductions and other plan changes become effective upon the proposed July 1, 2016 suspension effective date.

These projections were performed in accordance with the Multiemployer Pension Reform Act of 2014 (MPRA). The attached exhibits outline the projections performed in accordance with the proposed regulations. These projections have been prepared based on the Actuarial Valuation as of January 1, 2015, the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432, and the Actuarial Certification of Plan Solvency under ERISA Section 305(e)(9)(c)(i) and IRC Section 432(e)(9)(C)(i) of Proposed Benefit Suspensions as of July 1, 2016 dated September 18, 2015 in accordance with generally accepted actuarial principles and practices and a current understanding of the law. The actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, EA.

Segal Consulting (“Segal”) does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal’s understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Sincerely,

Segal Consulting, a Member of the Segal Group

By:

Redacted by U.S. Department of the Treasury

Redacted by U.S. Department of the Treasury

*cc: Mr. Thomas Nyhan
Mr. Mark Angerame
Gary Ford, Esq.*

5528431v3/10346.001

September 18, 2015

APPLICATION UNDER ERISA SECTION 305(E)(9) AND IRC SECTION 432(E)(9) – ADDITIONAL INFORMATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. (“Segal”), has performed actuarial projections under ERISA Section 305(e)(9) and Internal Revenue Code Section 432(e)(9), taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34, for the Central States, Southeast and Southwest Areas Pension Plan based on participant data as of December 31, 2014 and asset values as of June 30, 2015 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in meeting filing and compliance requirements under federal law, in particular the application requirements for a benefit suspension. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification are not applicable for other purposes. 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; differences in statutory interpretation; differences in methodology, changes in plan provisions and changes in applicable law. Due to the legal requirements for this certification, it does not include an analysis of such future measurements.

This certification is based on the January 1, 2015 actuarial valuation, dated August 14, 2015, the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432, and the Actuarial Certification of Plan Solvency under ERISA Section 305(e)(9)(C)(i) and IRC Section 432(e)(9)(C)(i) of Proposed Benefit Suspensions as of July 1, 2016, dated September 18, 2015. The information described in Exhibit I is based on information provided by the Fund Office. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA), taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34. Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VII. A summary of the proposed benefit suspensions is included in the Actuarial Certification of Plan Solvency referenced above.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect Segal’s understanding as an actuarial firm. Based on discussions with legal counsel, it is our understanding that the proposed benefit suspensions satisfy the requirements for such as set forth in MPRA.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. The assumptions and methodology used, with the exception of those specifically identified and described in the certifications referenced above, are prescribed by law in proposed regulation 1.432(e)(9)-1 (Exhibits II, III, IV and V for the required sensitivity analyses).

Redacted by U.S. Department of the Treasury

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Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT I

Past Experience for Certain Critical Assumptions (Dollar Amounts, Other Than Contribution Rates, in Thousands)

Year	Total Contributions (\$ thousands)	Total Contribution Base Units (Weeks)	Average Weekly Contribution Rate	Withdrawal Liability Payments (\$ thousands)	Rate of Return on Plan Assets
2005	\$1,279,175	7,943,640	\$161.03	\$82,833	10.30%
2006	1,358,334	7,722,988	175.88	47,343	14.50%
2007*	1,440,300	7,548,736	190.80	6,187,750	6.22%
2008*	849,544	4,828,876	175.93	88,358	-29.82%
2009**	588,569	3,687,164	159.63	86,584	27.49%
2010**	502,886	3,029,520	166.00	119,415	14.42%
2011**	545,533	3,369,263	161.91	173,227	-0.28%
2012	568,878	3,386,344	167.99	188,828	13.56%
2013	571,104	3,231,436	176.73	153,928	19.04%
2014	582,359	3,182,920	182.96	232,836	6.86%
Average Trend From 2005 to 2014		-9.7%	+1.4%		7.06%
Average Trend From 2011 to 2014		-1.9%	+4.2%		

*Reflects the withdrawal of UPS effective December 31, 2007.

**Reflects the cessation and resumption of contributions from YRCW.

Based on the total contribution base units for each year, as shown above, the average annual rate of decrease in total contribution base units during the 2005-2014 period is 9.7%. The average annual rate of decrease in total contribution base units during the period from 2011-2014 (following resumption of YRCW contributions) is 1.9%.

If the significant decline in total contribution base units due to the withdrawal of UPS as of December 31, 2007 were disregarded by excluding UPS from the data, the average annual rate of decrease in total contribution base units during the 2005-2014 period is 6.4%. If YRCW were also removed from the data, the average annual rate of decrease in total contribution base units for the 2005-2014 period is 6.2%.

For 2007, UPS contributed \$563.2 million for 2.3 million base units (average of \$245 per week). Excluding UPS, the average contribution rate increase over the 2005-2014 period would be 2.5%, instead of 1.4%. If YRCW were also excluded, the average contribution rate increase over the 2005-2014 period would be 6.1%. YRCW contributed \$288.1 million for 1.4 million base units (average of \$204 per week) in 2005 and \$52.1 million for 0.7 million base units (average of \$70 per week) in 2014.

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT II

Projections of Plan’s Solvency Ratio Assuming the Annual Rate of Return is 1% Lower than Used in the Actuarial Solvency Certification (6.50% Per Year): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(B)(1) and Revenue Procedure 2015-34 6.04(1)

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2015 through 2039.

	Year Beginning January 1				
	2015	2016	2017	2018	2019
1. Market Value at beginning of year	\$17,863,105,558	\$16,846,053,122	\$16,085,091,939	\$15,719,343,595	\$15,331,859,223
2. Contributions	585,689,791	571,437,939	565,171,453	563,691,836	562,913,672
3. Withdrawal liability payments	398,700,000	128,698,507	137,397,014	137,397,014	137,397,014
4. Benefit payments	2,834,729,254	2,452,281,202	2,023,127,151	2,018,748,103	2,017,650,584
5. Administrative expenses	49,100,000	45,390,000	46,297,800	47,223,756	48,168,231
6. Investment earnings	<u>882,387,027</u>	<u>1,036,573,573</u>	<u>1,001,108,140</u>	<u>977,398,637</u>	<u>952,191,836</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$16,846,053,122	\$16,085,091,939	\$15,719,343,595	\$15,331,859,223	\$14,918,542,930
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$19,680,782,376	\$18,537,373,141	\$17,742,470,746	\$17,350,607,326	\$16,936,193,513
9. Solvency ratio: (8) ÷ (4)	6.943	7.559	8.770	8.595	8.394
	2020	2021	2022	2023	2024
1. Market Value at beginning of year	\$14,918,542,930	\$14,433,717,090	\$13,912,474,813	\$13,355,501,174	\$12,759,281,138
2. Contributions	562,173,001	560,315,592	559,816,067	559,425,993	557,791,789
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,019,185,277	2,021,093,670	2,021,384,223	2,022,919,141	2,024,141,778
5. Administrative expenses	49,131,596	50,114,228	51,116,512	52,138,842	53,181,619
6. Investment earnings	<u>923,921,018</u>	<u>892,253,015</u>	<u>858,314,015</u>	<u>822,014,940</u>	<u>783,133,899</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$14,433,717,090	\$13,912,474,813	\$13,355,501,174	\$12,759,281,138	\$12,120,280,443
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$16,452,902,367	\$15,933,568,483	\$15,376,885,396	\$14,782,200,278	\$14,144,422,221
9. Solvency ratio: (8) ÷ (4)	8.148	7.884	7.607	7.307	6.988

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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EXHIBIT II (continued)

Projections of Plan’s Solvency Ratio Assuming the Annual Rate of Return is 1% Lower than Used in the Actuarial Solvency Certification (6.50%): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(B)(1) and Revenue Procedure 2015-34 6.04(1)

	Year Beginning January 1				
	2025	2026	2027	2028	2029
1. Market Value at beginning of year	\$12,120,280,443	\$11,439,458,228	\$10,723,260,401	\$9,975,587,344	\$9,195,536,451
2. Contributions	556,662,107	560,977,991	566,689,834	572,714,953	578,724,941
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,022,225,922	2,016,858,517	2,006,860,725	1,996,046,783	1,981,376,735
5. Administrative expenses	54,245,252	55,330,157	56,436,760	57,565,495	58,716,805
6. Investment earnings	<u>741,589,838</u>	<u>697,615,842</u>	<u>651,537,580</u>	<u>603,449,418</u>	<u>553,380,793</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$11,439,458,228	\$10,723,260,401	\$9,975,587,344	\$9,195,536,451	\$8,384,945,659
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$13,461,684,150	\$12,740,118,917	\$11,982,448,069	\$11,191,583,234	\$10,366,322,394
9. Solvency ratio: (8) ÷ (4)	6.657	6.317	5.971	5.607	5.232
	2030	2031	2032	2033	2034
1. Market Value at beginning of year	\$8,384,945,659	\$7,547,051,126	\$6,687,823,327	\$5,809,199,426	\$4,911,503,494
2. Contributions	585,172,624	592,330,713	600,343,200	607,995,601	615,677,379
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	1,962,064,454	1,935,937,672	1,907,422,127	1,876,987,130	1,843,082,255
5. Administrative expenses	59,891,141	61,088,964	62,310,743	63,556,958	64,828,097
6. Investment earnings	<u>501,491,424</u>	<u>448,071,110</u>	<u>393,368,755</u>	<u>337,455,541</u>	<u>280,415,558</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$7,547,051,126	\$6,687,823,327	\$5,809,199,426	\$4,911,503,494	\$3,997,083,093
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$9,509,115,580	\$8,623,760,998	\$7,716,621,553	\$6,788,490,624	\$5,840,165,348
9. Solvency ratio: (8) ÷ (4)	4.846	4.455	4.046	3.617	3.169

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT II (continued)

Projections of Plan’s Solvency Ratio Assuming the Annual Rate of Return is 1% Lower than Used in the Actuarial Solvency Certification (6.50%): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(B)(1) and Revenue Procedure 2015-34 6.04(1)

	Year Beginning January 1				
	2035	2036	2037	2038	2039
1. Market Value at beginning of year	\$3,997,083,093	\$3,068,953,202	\$2,123,793,822	\$1,160,060,805	\$189,910,594
2. Contributions	623,612,529	632,595,337	642,113,530	651,299,231	661,149,369
3. Withdrawal liability payments	97,397,014	88,698,507	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,805,432,382	1,762,458,157	1,720,416,336	1,673,770,471	1,624,745,406
5. Administrative expenses	66,124,659	67,447,152	68,796,095	70,172,017	71,575,458
6. Investment earnings	<u>222,417,607</u>	<u>163,452,085</u>	<u>103,365,884</u>	<u>42,493,046</u>	--
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$3,068,953,202	\$2,123,793,822	\$1,160,060,805	\$189,910,594	\$0
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$4,874,385,584	\$3,886,251,980	\$2,880,477,141	\$1,863,681,066	\$859,484,505
9. Solvency ratio: (8) ÷ (4)	2.700	2.205	1.674	1.113	0.529

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT III

Projections of Plan’s Solvency Ratio Assuming the Annual Rate of Return is 2% Lower than Used in the Actuarial Solvency Certification (5.50%): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(B)(2) and Revenue Procedure 2015-34 6.04(2)

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2015 through 2034.

	Year Beginning January 1				
	2015	2016	2017	2018	2019
1. Market Value at beginning of year	\$17,863,105,558	\$16,764,370,309	\$15,839,443,714	\$15,306,168,081	\$14,745,590,035
2. Contributions	585,689,791	571,437,939	565,171,453	563,691,836	562,913,672
3. Withdrawal liability payments	398,700,000	128,698,507	137,397,014	137,397,014	137,397,014
4. Benefit payments	2,834,729,254	2,452,281,202	2,023,127,151	2,018,748,103	2,017,650,584
5. Administrative expenses	49,100,000	45,390,000	46,297,800	47,223,756	48,168,231
6. Investment earnings	<u>800,704,214</u>	<u>872,608,161</u>	<u>833,580,851</u>	<u>804,304,963</u>	<u>773,455,979</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$16,764,370,309	\$15,839,443,714	\$15,306,168,081	\$14,745,590,035	\$14,153,537,885
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$19,599,099,563	\$18,291,724,916	\$17,329,295,232	\$16,764,338,137	\$16,171,188,468
9. Solvency ratio: (8) ÷ (4)	6.914	7.459	8.566	8.304	8.015
	2020	2021	2022	2023	2024
1. Market Value at beginning of year	\$14,153,537,885	\$13,484,495,073	\$12,773,775,890	\$12,022,125,500	\$11,226,105,965
2. Contributions	562,173,001	560,315,592	559,816,067	559,425,993	557,791,789
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,019,185,277	2,021,093,670	2,021,384,223	2,022,919,141	2,024,141,778
5. Administrative expenses	49,131,596	50,114,228	51,116,512	52,138,842	53,181,619
6. Investment earnings	<u>739,704,046</u>	<u>702,776,109</u>	<u>663,637,264</u>	<u>622,215,441</u>	<u>578,327,127</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$13,484,495,073	\$12,773,775,890	\$12,022,125,500	\$11,226,105,965	\$10,382,298,498
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$15,503,680,349	\$14,794,869,560	\$14,043,509,723	\$13,249,025,105	\$12,406,440,276
9. Solvency ratio: (8) ÷ (4)	7.678	7.320	6.947	6.549	6.129

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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EXHIBIT III (continued)

Projections of Plan’s Solvency Ratio Assuming the Annual Rate of Return is 2% Lower than Used in the Actuarial Solvency Certification (5.50%): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(B)(2) and Revenue Procedure 2015-34 6.04(2)

	Year Beginning January 1				
	2025	2026	2027	2028	2029
1. Market Value at beginning of year	\$10,382,298,498	\$9,491,796,531	\$8,561,151,797	\$7,594,326,216	\$6,590,467,589
2. Contributions	556,662,107	560,977,991	566,689,834	572,714,953	578,724,941
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,022,225,922	2,016,858,517	2,006,860,725	1,996,046,783	1,981,376,735
5. Administrative expenses	54,245,252	55,330,157	56,436,760	57,565,495	58,716,805
6. Investment earnings	<u>531,910,086</u>	<u>483,168,935</u>	<u>432,385,056</u>	<u>379,641,684</u>	<u>324,966,499</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$9,491,796,531	\$8,561,151,797	\$7,594,326,216	\$6,590,467,589	\$5,551,462,503
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$11,514,022,453	\$10,578,010,313	\$9,601,186,941	\$8,586,514,372	\$7,532,839,238
9. Solvency ratio: (8) ÷ (4)	5.694	5.245	4.784	4.302	3.802
	2030	2031	2032	2033	2034
1. Market Value at beginning of year	\$5,551,462,503	\$4,480,573,870	\$3,383,755,805	\$2,262,889,921	\$1,118,230,728
2. Contributions	585,172,624	592,330,713	600,343,200	607,995,601	615,677,379
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	1,962,064,454	1,935,937,672	1,907,422,127	1,876,987,130	1,843,082,255
5. Administrative expenses	59,891,141	61,088,964	62,310,743	63,556,958	64,828,097
6. Investment earnings	<u>268,497,324</u>	<u>210,480,844</u>	<u>151,126,772</u>	<u>90,492,280</u>	--
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$4,480,573,870	\$3,383,755,805	\$2,262,889,921	\$1,118,230,728	\$0
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$6,442,638,324	\$5,319,693,476	\$4,170,312,047	\$2,995,217,858	\$1,766,477,024
9. Solvency ratio: (8) ÷ (4)	3.284	2.748	2.186	1.596	0.958

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT IV

Projections of Plan’s Solvency Ratio Assuming the Industry Level Assumption Continues Under the Same Trend (-9.7% -- See Exhibit I) as the Plan Experienced Over the Past 10 Years: Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(C)(1) and Revenue Procedure 2015-34 6.04(3)

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2015 through 2035.

	Year Beginning January 1				
	2015	2016	2017	2018	2019
1. Market Value at beginning of year	\$17,863,105,558	\$16,927,353,339	\$16,301,860,201	\$16,046,895,667	\$15,741,368,163
2. Contributions	585,689,791	541,436,183	505,481,660	471,199,641	439,846,656
3. Withdrawal liability payments	398,700,000	128,698,507	137,397,014	137,397,014	137,397,014
4. Benefit payments	2,834,729,254	2,451,293,739	2,020,777,548	2,015,873,796	2,014,126,357
5. Administrative expenses	49,100,000	45,390,000	46,297,800	47,223,756	48,168,231
6. Investment earnings	<u>963,687,244</u>	<u>1,201,055,911</u>	<u>1,169,232,140</u>	<u>1,148,973,393</u>	<u>1,124,913,203</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$16,927,353,339	\$16,301,860,201	\$16,046,895,667	\$15,741,368,163	\$15,381,230,448
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$19,762,082,593	\$18,753,153,940	\$18,067,673,215	\$17,757,241,958	\$17,395,356,805
9. Solvency ratio: (8) ÷ (4)	6.971	7.650	8.941	8.809	8.637
	2020	2021	2022	2023	2024
1. Market Value at beginning of year	\$15,381,230,448	\$14,920,395,607	\$14,393,357,117	\$13,800,014,334	\$13,136,078,438
2. Contributions	410,496,032	381,928,894	356,299,146	332,319,373	308,554,255
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,014,835,787	2,015,783,402	2,014,959,953	2,015,107,155	2,014,616,069
5. Administrative expenses	49,131,596	50,114,228	51,116,512	52,138,842	53,181,619
6. Investment earnings	<u>1,095,239,496</u>	<u>1,059,533,232</u>	<u>1,019,037,522</u>	<u>973,593,714</u>	<u>922,886,643</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$14,920,395,607	\$14,393,357,117	\$13,800,014,334	\$13,136,078,438	\$12,397,118,662
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$16,935,231,394	\$16,409,140,519	\$15,814,974,287	\$15,151,185,593	\$14,411,734,730
9. Solvency ratio: (8) ÷ (4)	8.405	8.140	7.849	7.519	7.154

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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EXHIBIT IV (continued)

Projections of Plan’s Solvency Ratio Assuming the Industry Level Assumption Continues Under the Same Trend (-9.7% -- See Exhibit I) as the Plan Experienced Over the Past 10 Years: Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(C)(1) and Revenue Procedure 2015-34 6.04(3)

	Year Beginning January 1				
	2025	2026	2027	2028	2029
1. Market Value at beginning of year	\$12,397,118,662	\$11,583,324,011	\$10,692,391,289	\$9,725,769,519	\$8,680,116,313
2. Contributions	286,596,578	265,936,519	247,592,025	230,237,290	213,722,928
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,010,305,980	2,004,082,434	1,993,179,862	1,980,994,997	1,962,969,646
5. Administrative expenses	54,245,252	55,330,157	56,436,760	57,565,495	58,716,805
6. Investment earnings	<u>866,762,989</u>	<u>805,146,336</u>	<u>738,005,813</u>	<u>665,272,982</u>	<u>586,862,480</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$11,583,324,011	\$10,692,391,289	\$9,725,769,519	\$8,680,116,313	\$7,556,412,284
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$13,593,629,990	\$12,696,473,723	\$11,718,949,381	\$10,661,111,311	\$9,519,381,930
9. Solvency ratio: (8) ÷ (4)	6.762	6.335	5.880	5.382	4.849
	2030	2031	2032	2033	2034
1. Market Value at beginning of year	\$7,556,412,284	\$6,355,019,970	\$5,078,028,444	\$3,723,320,143	\$2,289,524,639
2. Contributions	198,643,985	184,944,630	172,572,408	160,487,281	149,107,237
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	1,940,365,024	1,911,486,921	1,880,488,013	1,845,454,581	1,804,607,706
5. Administrative expenses	59,891,141	61,088,964	62,310,743	63,556,958	64,828,097
6. Investment earnings	<u>502,822,852</u>	<u>413,242,715</u>	<u>318,121,033</u>	<u>217,331,740</u>	<u>110,854,415</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$6,355,019,970	\$5,078,028,444	\$3,723,320,143	\$2,289,524,639	\$777,447,502
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$8,295,384,995	\$6,989,515,364	\$5,603,808,156	\$4,134,979,220	\$2,582,055,208
9. Solvency ratio: (8) ÷ (4)	4.275	3.657	2.980	2.241	1.431

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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EXHIBIT IV (continued)

Projections of Plan’s Solvency Ratio Assuming the Industry Level Assumption Continues Under the Same Trend (-9.7% -- See Exhibit I) as the Plan Experienced Over the Past 10 Years: Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(C)(1) and Revenue Procedure 2015-34 6.04(3)

Year Beginning January 1	
	2035
1. Market Value at beginning of year	\$777,447,502
2. Contributions	138,828,012
3. Withdrawal liability payments	97,397,014
4. Benefit payments	1,759,248,287
5. Administrative expenses	66,124,659
6. Investment earnings	=
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$0
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$947,547,869
9. Solvency ratio: (8) ÷ (4)	0.539

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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EXHIBIT V

Projections of Plan’s Solvency Ratio Assuming the Industry Level Assumption Continues Under the Same Trend (-9.7% -- See Exhibit I) as the Plan Experienced Over the Past 10 Years Reduced By 1% (-10.7%): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(C)(2) and Revenue Procedure 2015-34 6.04(4)

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2015 through 2034.

	Year Beginning January 1				
	2015	2016	2017	2018	2019
1. Market Value at beginning of year	\$17,863,105,558	\$16,927,353,339	\$16,296,491,076	\$16,031,224,381	\$15,710,725,860
2. Contributions	585,689,791	536,218,284	495,837,115	457,778,971	423,184,996
3. Withdrawal liability payments	398,700,000	128,698,507	137,397,014	137,397,014	137,397,014
4. Benefit payments	2,834,729,254	2,451,250,900	2,020,674,667	2,015,750,157	2,013,978,735
5. Administrative expenses	49,100,000	45,390,000	46,297,800	47,223,756	48,168,231
6. Investment earnings	<u>963,687,244</u>	<u>1,200,861,846</u>	<u>1,168,471,643</u>	<u>1,147,299,407</u>	<u>1,121,995,754</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$16,927,353,339	\$16,296,491,076	\$16,031,224,381	\$15,710,725,860	\$15,331,156,658
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$19,762,082,593	\$18,747,741,976	\$18,051,899,048	\$17,726,476,017	\$17,345,135,393
9. Solvency ratio: (8) ÷ (4)	6.971	7.648	8.934	8.794	8.612
	2020	2021	2022	2023	2024
1. Market Value at beginning of year	\$15,331,156,658	\$14,846,597,515	\$14,291,701,977	\$13,666,491,511	\$12,966,760,464
2. Contributions	391,072,823	360,202,261	332,677,774	307,165,812	282,189,852
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,014,659,584	2,015,572,134	2,014,705,857	2,014,802,693	2,014,251,159
5. Administrative expenses	49,131,596	50,114,228	51,116,512	52,138,842	53,181,619
6. Investment earnings	<u>1,090,762,200</u>	<u>1,053,191,549</u>	<u>1,010,537,115</u>	<u>962,647,662</u>	<u>909,212,813</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$14,846,597,515	\$14,291,701,977	\$13,666,491,511	\$12,966,760,464	\$12,188,127,365
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$16,861,257,099	\$16,307,274,111	\$15,681,197,368	\$14,981,563,156	\$14,202,378,524
9. Solvency ratio: (8) ÷ (4)	8.369	8.091	7.783	7.436	7.051

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT V (continued)

Projections of Plan’s Solvency Ratio Assuming the Industry Level Assumption Continues Under the Same Trend (-9.7% -- See Exhibit I) as the Plan Experienced Over the Past 10 Years Reduced By 1% (-10.7%): Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(C)(2) and Revenue Procedure 2015-34 6.04(4)

	Year Beginning January 1				
	2025	2026	2027	2028	2029
1. Market Value at beginning of year	\$12,188,127,365	\$11,330,794,605	\$10,392,357,376	\$9,374,195,270	\$8,272,851,965
2. Contributions	259,305,939	237,970,089	219,170,162	201,541,893	184,944,192
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,009,871,978	2,003,648,344	1,992,746,232	1,980,561,798	1,962,537,155
5. Administrative expenses	54,245,252	55,330,157	56,436,760	57,565,495	58,716,805
6. Investment earnings	<u>850,081,517</u>	<u>785,174,169</u>	<u>714,453,710</u>	<u>637,845,081</u>	<u>555,254,670</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$11,330,794,605	\$10,392,357,376	\$9,374,195,270	\$8,272,851,965	\$7,089,193,881
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$13,340,666,583	\$12,396,005,720	\$11,366,941,502	\$10,253,413,763	\$9,051,731,036
9. Solvency ratio: (8) ÷ (4)	6.638	6.187	5.704	5.177	4.612
	2030	2031	2032	2033	2034
1. Market Value at beginning of year	\$7,089,193,881	\$5,823,344,865	\$4,477,200,729	\$3,048,413,898	\$1,535,351,093
2. Contributions	169,930,680	156,423,939	144,353,298	132,662,645	121,755,681
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	1,940,003,837	1,911,185,002	1,880,236,568	1,845,243,760	1,804,430,640
5. Administrative expenses	59,891,141	61,088,964	62,310,743	63,556,958	64,828,097
6. Investment earnings	<u>466,718,268</u>	<u>372,308,877</u>	<u>272,010,168</u>	<u>165,678,254</u>	--
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$5,823,344,865	\$4,477,200,729	\$3,048,413,898	\$1,535,351,093	\$0
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$7,763,348,702	\$6,388,385,731	\$4,928,650,466	\$3,380,594,852	\$1,689,675,691
9. Solvency ratio: (8) ÷ (4)	4.002	3.343	2.621	1.832	0.936

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

**EXHIBIT VI - (Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(D) and Revenue Procedure 2015-34 6.05)
Projection of Funded Percentage**

The projected Market Value of Assets and Funded Percentage for the Plan Years beginning January 1, 2016 through 2065.

	Year Beginning January 1				
	2016	2017	2018	2019	2020
1. Value of Plan assets	\$16,927,353,339	\$16,331,962,529	\$16,138,746,117	\$15,933,085,955	\$15,711,352,718
2. Unit credit accrued liability	34,858,735,477	23,181,620,534	23,005,931,960	22,826,613,124	22,633,377,265
3. Funded Percentage: (1) ÷ (2)	48.6%	70.5%	70.2%	69.8%	69.4%
	2021	2022	2023	2024	2025
1. Value of Plan assets	\$15,428,129,308	\$15,118,737,641	\$14,784,282,024	\$14,421,684,389	\$14,027,846,076
2. Unit credit accrued liability	22,411,038,799	22,174,581,197	21,897,845,014	21,612,235,561	21,261,935,800
3. Funded Percentage: (1) ÷ (2)	68.8%	68.2%	67.5%	66.7%	66.0%
	2026	2027	2028	2029	2030
1. Value of Plan assets	\$13,604,182,028	\$13,157,663,999	\$12,692,807,764	\$12,209,386,774	\$11,709,970,263
2. Unit credit accrued liability	20,911,043,256	20,536,341,546	20,140,796,121	19,720,581,810	19,278,515,888
3. Funded Percentage: (1) ÷ (2)	65.1%	64.1%	63.0%	61.9%	60.7%
	2031	2032	2033	2034	2035
1. Value of Plan assets	\$11,198,605,102	\$10,682,177,868	\$10,163,648,828	\$9,644,452,837	\$9,128,144,492
2. Unit credit accrued liability	18,821,051,634	18,356,001,094	17,883,687,956	17,404,599,683	16,923,021,529
3. Funded Percentage: (1) ÷ (2)	59.5%	58.2%	56.8%	55.4%	53.9%
	2036	2037	2038	2039	2040
1. Value of Plan assets	\$8,619,062,300	\$8,115,307,577	\$7,616,840,535	\$7,137,486,196	\$6,681,807,235
2. Unit credit accrued liability	16,444,964,116	15,979,281,676	15,523,545,884	15,085,199,657	14,669,078,726
3. Funded Percentage: (1) ÷ (2)	52.4%	50.8%	49.1%	47.3%	45.6%
	2041	2042	2043	2044	2045
1. Value of Plan assets	\$6,251,402,724	\$5,850,571,350	\$5,478,891,145	\$5,140,185,357	\$4,835,488,999
2. Unit credit accrued liability	14,278,517,660	13,917,200,148	13,583,921,304	13,284,866,901	13,020,052,159
3. Funded Percentage: (1) ÷ (2)	43.8%	42.0%	40.3%	38.7%	37.1%

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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**EXHIBIT VI - (Proposed Regulation 1.432(e)(9)-1 (d)(5)(vi)(D) and Revenue Procedure 2015-34 6.05) (continued)
Projection of Funded Percentage**

	Year Beginning January 1				
	2046	2047	2048	2049	2050
1. Value of Plan assets	\$4,565,894,435	\$4,331,679,178	\$4,129,688,434	\$3,960,359,402	\$3,822,617,442
2. Unit credit accrued liability	12,791,085,586	12,597,895,564	12,435,097,767	12,303,246,809	12,199,694,364
3. Funded Percentage: (1) ÷ (2)	35.7%	34.4%	33.2%	32.2%	31.3%
	2051	2052	2053	2054	2055
1. Value of Plan assets	\$3,716,360,712	\$3,642,421,797	\$3,598,517,304	\$3,585,797,683	\$3,601,857,826
2. Unit credit accrued liability	12,124,407,115	12,077,643,571	12,056,086,260	12,060,705,537	12,087,909,082
3. Funded Percentage: (1) ÷ (2)	30.7%	30.2%	29.8%	29.7%	29.8%
	2056	2057	2058	2059	2060
1. Value of Plan assets	\$3,647,790,190	\$3,723,719,932	\$3,826,809,562	\$3,956,640,066	\$4,113,558,209
2. Unit credit accrued liability	12,138,315,048	12,211,517,894	12,303,136,116	12,411,859,908	12,537,215,515
3. Funded Percentage: (1) ÷ (2)	30.1%	30.5%	31.1%	31.9%	32.8%
	2061	2062	2063	2064	2065
1. Value of Plan assets	\$4,297,299,627	\$4,507,477,246	\$4,741,320,139	\$4,998,438,596	\$5,278,340,662
2. Unit credit accrued liability	12,677,899,763	12,832,504,070	12,997,298,592	13,171,656,050	13,354,185,383
3. Funded Percentage: (1) ÷ (2)	33.9%	35.1%	36.5%	37.9%	39.5%

Application Under ERISA Section 305(e)(9) and IRC Section 432(e)(9) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

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EXHIBIT VII

Actuarial Basis

Unless noted otherwise, the projections in this report are based on the data, assets and assumptions described in the Actuarial Certification of Plan Solvency under ERISA Section 305(e)(9)(C)(i) and IRC Section 432(e)(9)(C)(i) of Proposed Benefit Suspensions as of July 1, 2016, dated September 18, 2015.

Historical information shown in Exhibit I was provided by the Fund Office.

For purposes of the deterministic solvency projections in Exhibit IV and Exhibit V, the assumed rates of withdrawal prior to retirement, as described in the January 1, 2015 actuarial valuation, were increased by 10%.

For purposes of the projection of assets and liabilities for calculation of funded percentages: projected assets are the values used for the deterministic solvency projection for the proposed suspension in the Actuarial Certification of Plan Solvency under ERISA Section 305(e)(9)(C)(i) and IRC Section 432(e)(9)(C)(i), projected liabilities following the proposed benefit suspension are estimated by discounting the projected future benefit payments at each year.

Segal Consulting (“Segal”) does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal’s understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

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