Central States, Southeast and Southwest Areas Pension Plan

Item #5

Plan actuary's certification of critical and declining status and the supporting illustrations, including:

- the year-by-year projections demonstrating projected insolvency during the relevant period, and
- separately identifying the available resources (and the market value of assets and changes in cash flow) during each of those years.

See section 3.01.

The information is provided in document number 5.1 (Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432) and document number 5.2 (Supplemental Information to Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432).

Document number 5.3 (Actuarial Valuation and Review as of January 1, 2014) is the January 1, 2014 Actuarial Valuation Certificate document referenced in document number 5.1.

Central States, Southeast and Southwest Areas Pension Plan

Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432

Segal Consulting
333 WEST 34TH STREET, 3RD FLOOR NEW YORK, NY 10001
T 212.251.5000 www.segalco.com

March 31, 2015

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

Dear Trustees:

As required by ERISA Section 305 and Internal Revenue Code (IRC) Section 432, we have completed the Plan's actuarial status certification as of January 1, 2015 in accordance with the Multiemployer Pension Reform Act of 2014 (MEPRA). The attached exhibits outline the projections performed and the results of the various tests required by the statute. These projections have been prepared based on the Actuarial Valuation as of January 1, 2014 and 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, Senior Vice President and Actuary.

As of January 1, 2015, the Plan is in critical and declining status. This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on the annual standards in the rehabilitation plan. This certification is being filed with the Internal Revenue Service, pursuant to ERISA section 305(b)(3) and IRC section 432(b)(3).

This certification reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension. However, even if the conditions are changed so that the Plan meets any new revised conditions, the Plan will still be in critical and declining status as of January 1, 2015.

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.

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

Sincerely,

Segal Consulting, a Member of The Segal Group

By: [redacted]
Steven M. Rabinowitz, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

[redacted]
Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary

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

Segal Consulting

March 31, 2015

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
Room 1700 - 17th Floor
230 S. Dearborn Street
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2015 for the following plan:

Name of Plan:	*Central States, Southeast and Southwest Areas Pension Plan*
Plan number:	*EIN 36-6044243/PN 001*
Plan sponsor:	*Board of Trustees, Central States, Southeast and Southwest Areas Pension Plan*
Address:	*9377 West Higgins Road, Rosemont, Illinois 60018-4938*
Phone number:	*847.518.9800*

As of January 1, 2015, the Plan is in critical and declining status. This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on the annual standards of the rehabilitation plan.

If you have any questions on the attached certification, you may contact me at the following:

Segal Consulting
101 North Wacker Drive, Suite 500
Chicago, IL 60606
Phone number: 312.984.8500

Sincerely,

[redacted]

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No: 14-05773

EIN 36-6044243/ PN 001

March 31, 2015

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4a)

ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2015 UNDER IRC SECTION 432

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal"), has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Central States, Southeast and Southwest Areas Pension Plan as of January 1, 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 administering the Fund and meeting filing and compliance requirements under federal law. 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 may not be 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; 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2014 actuarial valuation, dated September 3, 2014. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MEPRA). Additional assumptions required for the projections (including those under MEPRA), and sources of financial information used are summarized in Exhibit VI.

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.

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

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. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

[redacted]

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No: 14-05773

EIN 36-6044243/ PN 001

Certificate Contents

EIN 36-6044243/ PN 001

EXHIBIT I
Status Determination as of January 1, 2015

Status	Condition	Test Component Result	Final Result
Critical Status:			
Determination of critical status:			
C1.	A funding deficiency is projected in four years (ignoring any amortization extensions)?	Yes	Yes
C2. (a)	A funding deficiency is projected in five years (ignoring any amortization extensions),	Yes	
(b)	AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
(c)	AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	Yes	Yes
C3. (a)	A funding deficiency is projected in five years (ignoring any amortization extensions),	Yes	
(b)	AND the funded percentage is less than 65%?	Yes	Yes
C4. (a)	The funded percentage is less than 65%,	Yes	
(b)	AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
C5.	The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
Regular emergence test:			
C6. (a)	Was in critical status for the immediately preceding plan year,	Yes	
(b)	AND EITHER a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under IRC section 431(d)(2) or IRC section 412(e) as in effect prior to PPA'06,	Yes	
(c)	OR is projected to become insolvent for the current year or any of the 30 succeeding plan years?	Yes	Yes
In Critical Status? (If any of (C1) through (C6) is Yes then Yes)			**Yes**

EIN 36-6044243/ PN 001

Determination of critical and declining status:				
C7.	(a)	Is in critical status because one of tests C1-C5 is YES,	Yes	
	(b)	AND insolvency is projected within 15 years using assumptions described in Exhibit VI.B?	Yes	Yes
C8.	(a)	Is in critical status because one of tests C1-C5 is YES,	Yes	
	(b)	AND the ratio of inactives to actives is at least 2 to 1,	Yes	
	(c)	AND insolvency is projected within 20 years using assumptions described in Exhibit VI.B?	Yes	Yes
C9.	(a)	Is in critical status because one of tests C1-C5 is YES,	Yes	
	(b)	AND the funded percentage is less than 80%,	Yes	
	(c)	AND insolvency is projected within 20 years using assumptions described in Exhibit VI.B?	Yes	Yes
In Critical and Declining Status? (If any of (C7) through (C9) is Yes, then Yes)				**Yes**
Endangered Status:				
E1.	(a)	Is not in critical status,	N/A	
	(b)	AND the funded percentage is less than 80%?	N/A	N/A
E2.	(a)	Is not in critical status,	N/A	
	(b)	AND a funding deficiency is projected in seven years?	N/A	N/A
In Endangered Status? (Yes when either (E1) or (E2) is Yes)				**No**
In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)				**No**
Neither Critical Status Nor Endangered Status:				
Neither Critical nor Endangered Status?				**No**

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on the annual standards of the rehabilitation plan.

The annual standard for meeting the requirements of the rehabilitation plan is that actuarial projections updated for each year show, based on reasonable assumptions, that under the rehabilitation plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency prior to 2023. The actuarial projection shown in Exhibit V indicates that the Fund is projected to remain solvent until 2026. The actuarial assumptions and methods used for this projection are as described in Exhibit VI.B.

EXHIBIT II

Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2015 (based on projections from the January 1, 2014 valuation certificate):

I. Financial Information			
1. Market value of assets			$17,863,105,558
2. Actuarial value of assets			16,781,283,666
3. Reasonably anticipated contributions			
a. Upcoming year			688,851,179
b. Present value for the next five years			2,825,563,790
c. Present value for the next seven years			3,534,636,719
4. Projected benefit payments			2,893,742,525
5. Projected administrative expenses			42,799,735
II. Liabilities			
1. Ratio of inactive participants to active participants			5.3
2. Present value of vested benefits for active participants			4,360,084,995
3. Present value of vested benefits for non-active participants			30,566,558,680
4. Total unit credit accrued liability			35,165,770,917
5. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
a. Next five years	$12,234,876,386	$193,193,111	$12,428,069,497
b. Next seven years	16,088,222,850	257,339,938	16,345,562,788
6. Unit credit normal cost plus expenses			273,750,718
III. Funded Percentage (I.2)/(II.4)			47.7%
IV. Funding Standard Account			
1. Credit balance/(funding deficiency) as of the end of prior year			-$6,623,445,113
2. Years to projected funding deficiency			0
V. Years to Projected Insolvency			11

EXHIBIT III
Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1, 2014 through 2021.

	Year Beginning January 1,							
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
1. Credit balance/(funding deficiency) at beginning of year	-$4,983,597,170	-$6,623,445,113	-$8,507,992,120	-$10,432,642,984	-$12,366,372,819	-$14,062,196,207	-$15,874,278,958	-$17,752,140,510
2. Interest on (1)	-373,769,788	-496,758,383	-638,099,409	-782,448,224	-927,477,961	-1,054,664,716	-1,190,570,922	-1,331,410,538
3. Normal cost	246,731,360	230,950,983	229,280,609	223,327,825	213,512,137	199,607,060	188,065,335	182,698,870
4. Administrative expenses adjusted to beginning of year	35,586,296	42,799,735	43,655,730	44,528,845	45,419,422	46,327,810	47,254,366	48,199,453
5. Net amortization charges	1,684,241,384	1,682,036,930	1,577,310,062	1,442,184,890	1,077,317,194	1,125,799,389	940,336,833	870,632,065
6. Interest on (3), (4) and (5)	147,491,928	146,684,074	138,768,480	128,253,117	100,218,656	102,880,069	88,174,239	82,614,780
7. Expected contributions	817,323,193	688,851,179	677,073,182	662,181,268	643,972,995	693,799,129	555,701,343	536,487,884
8. Interest on (7)	30,649,620	25,831,919	25,390,244	24,831,798	24,148,987	23,397,164	20,838,800	20,118,296
9. Credit balance/(funding deficiency) at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	-$6,623,445,113	-$8,507,992,120	-$10,432,642,984	-$12,366,372,819	-$14,062,196,207	-$15,874,278,958	-$17,752,140,510	-$19,711,090,036

The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension.

EXHIBIT IV

Funding Standard Account – Projected Bases Assumed Established After January 1, 2014

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Actuarial Gain	01/01/2015	-$594,482,832	15	-$62,648,667
Actuarial Gain	01/01/2016	-322,668,524	15	-34,003,931
Actuarial Gain	01/01/2017	-596,383,450	15	-62,848,961
Actuarial Gain	01/01/2018	-362,225,298	15	-38,172,561
Actuarial Loss	01/01/2019	34,698,162	15	3,656,613

EXHIBIT V
Solvency Projection

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2014 through 2026.

	Year Beginning January 1,							
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
1. Market Value at beginning of year	$18,740,758,554	$17,863,105,558	$16,881,126,867	$15,812,289,060	$14,658,047,472	$13,376,824,164	$12,035,769,499	$10,444,971,848
2. Contributions	582,358,731	574,805,811	571,165,233	563,502,681	554,280,189	612,705,066	522,132,459	510,127,262
3. Withdrawal liability payments	232,836,446	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	80,000,000	80,000,000
4. Benefit payments	2,822,248,295	2,888,100,132	2,896,302,772	2,892,783,934	2,921,588,354	2,941,593,387	2,956,355,431	2,952,535,449
5. Administrative expenses	38,077,564	44,500,000	45,390,000	46,297,800	47,223,756	48,168,231	49,131,596	50,114,228
6. Interest earnings	1,167,477,686	1,255,815,630	1,181,689,732	1,101,337,465	1,013,308,613	916,001,887	812,556,917	692,903,298
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$17,863,105,558	$16,881,126,867	$15,812,289,060	$14,658,047,472	$13,376,824,164	$12,035,769,499	$10,444,971,848	$8,725,352,731

	2022	**2023**	**2024**	**2025**	**2026**
1. Market Value at beginning of year	$8,725,352,731	$6,864,309,999	$4,835,063,809	$2,625,782,700	$253,043,389
2. Contributions	498,768,852	488,061,847	477,667,580	467,480,904	38,958,222
3. Withdrawal liability payments	80,000,000	87,000,000	94,000,000	101,000,000	8,750,000
4. Benefit payments	2,952,176,857	2,975,038,127	2,997,436,221	2,991,028,918	296,903,273
5. Administrative expenses	51,116,512	52,138,842	53,181,619	54,245,252	4,610,846
6. Interest earnings	563,481,785	422,868,932	269,669,151	104,053,955	762,508
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$6,864,309,999	$4,835,063,809	$2,625,782,700	$253,043,389	$0

The actuarial assumptions and methods used for the projection above are as described in Exhibit VI.B. All cash flow components (items 2-5 above) are assumed to occur in the middle of each year, except for the remaining balance of the YRCW Contribution Deferral Agreement, which is assumed to be paid December 31, 2019.

EXHIBIT VI
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2014 actuarial valuation certificate, dated September 3, 2014, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

A. Actuarial Assumptions and Plan Provisions, Except as Modified by Section B

Contribution Rates: The changes to contribution rates on and after January 1, 2014 were based on formal commitments by the collective bargaining parties settled before January 1, 2015 based on preliminary data as of December 31, 2014.

Asset Information: The financial information as of December 31, 2014 was based on an unaudited financial statement provided by the Fund's Financial Accounting Division Manager. Employer contributions were adjusted for changes in YRCW Contribution Deferral Agreement balances, based on information received from the plan sponsor.

For projections after that date, the assumed administrative expenses were projected to match the projected amount in the unaudited financial statement for 2015 and were increased by 2% per year after 2015 and the benefit payments were projected based on the January 1, 2014 actuarial valuation. The projected net investment return was assumed to be 7.5% of the average market value of assets beginning with the 2015 Plan Year. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, starting with the number of participants included in the January 1, 2014 actuarial valuation, the number of active participants is assumed to decline by 4% during the 2014 Plan Year followed by declines of 4% per year for 10 years and 2% per year thereafter. The number of employment units (weeks, days, and hours worked) are assumed to be in accordance with the assumptions used in the January 1, 2014 valuation. The decline is increased by 16% per year for the first 5 years following the year the Default Schedule applied to a group and 6% per year for the next 5 years for participants under the Default Schedule. On average, 2/3 of active participants on the Default Schedule are assumed to have become subject to that schedule as of December 31, 2008, and 1/3 as of December 31, 2011.

In addition to projections of industry activity directly linked to the level of ongoing employment, the Trustees also anticipate that 25% of the reduction in projected employer contributions due to the decline in the number of active participants will continue in the form of withdrawal liability payments for 20 years, with a minimum of $120 million per year for five years and $80 million per year thereafter.

Based on information from the plan sponsor, it is assumed that, as a result of an agreement with YRCW (Contribution Deferral Agreement), the Fund will receive $8.0 million in annual property sale and interest income during the Calendar years 2015-2019 and the December 31, 2014 balance of $81,488,707 will grow with 7.5% per year interest, paid monthly, reduced by the property sale income, and will be paid on December 31, 2019.

Future Normal Costs: Based on the assumed industry activity, normal cost and liabilities were determined based on an open group forecast with the number of active participants assumed to change as described above and the new entrants to have a demographic mix consistent with recent entrants.

B. Assumptions for Solvency Projection and Scheduled Progress

Assumptions for this purpose are the same as shown in Section A with the following exceptions:

- Unless noted otherwise in the data used for the 2014 actuarial valuation, Classes 15 and above (other than YRCW) are assumed to remain under the Primary Schedule, and make all future required contribution rate increases, and Classes 14 and below (other than YRCW) are assumed to have elected the Default Schedule, and make all future required contribution rate increases. YRCW is assumed to remain on the Distressed Employer Schedule with no contribution rate increases.
- 15% of the attrition for Classes 15 and above is attributable to voluntary employer withdrawal (Rehabilitation Plan Withdrawals).

C. Amortization Extension

This certification reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension. However, even if the conditions are changed so that the Plan meets any new revised conditions, the Plan will still be in critical and declining status as of January 1, 2015.

EIN 36-6044243/ PN 001

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.

5499852v3/10346.001

Central States, Southeast and Southwest Areas Pension Plan

Supplemental Information to Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432

EIN 36-6044243/PN 001

September 18, 2015

APPLICATION UNDER ERISA SECTION 305(E)(9) AND IRC SECTION 432(E)(9) – SUPPLEMENTAL INFORMATION TO ACTUARIAL CERTIFICATION OF PLAN STATUS AS OF JANUARY 1, 2015

As requested by the Trustees of the Central States, Southeast and Southwest Areas Pension Plan 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), Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared supplemental information 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. This information is based on, and is in addition to, our Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432, dated March 31, 2015. The purpose is to provide information required under Revenue Procedure 2015-34, Section 3.01 not explicitly shown in that certification.

This supplement 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 are not applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this supplement 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 information, it does not include an analysis of such future measurements.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which the information shown in this supplement are based reflect Segal's understanding as an actuarial firm.

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

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 supplement is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan [redacted] Redacted by the US Department of Treasury

Senior Vice President and Actuary
Enrolled Actuary No. 14-05773

EIN 36-6044243/PN 001

EXHIBIT I
Solvency Projection

The projected Market Value of Assets and Available Resources for the Plan Years beginning January 1, 2014 through 2026.

	Year Beginning January 1				
	2014	**2015**	**2016**	**2017**	**2018**
1. Market Value at beginning of year	$18,740,758,554	$17,863,105,558	$16,881,126,867	$15,812,289,060	$14,658,047,472
2. Contributions	582,358,731	574,805,811	571,165,233	563,502,681	554,280,189
3. Withdrawal liability payments	232,836,446	120,000,000	120,000,000	120,000,000	120,000,000
4. Benefit payments	2,822,248,295	2,888,100,132	2,896,302,772	2,892,783,934	2,921,588,354
5. Administrative expenses	38,077,564	44,500,000	45,390,000	46,297,800	47,223,756
6. Investment earnings	1,167,477,686	1,255,815,630	1,181,689,732	1,101,337,465	1,013,308,613
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$17,863,105,558	$16,881,126,867	$15,812,289,060	$14,658,047,472	$13,376,824,164
8. Available resources: (1)+(2)+(3)-(5)+(6)	$20,685,353,853	$19,769,226,999	$18,708,591,832	$17,550,831,406	$16,298,412,518

	2019	**2020**	**2021**	**2022**	**2023**
1. Market Value at beginning of year	$13,376,824,164	$12,035,769,499	$10,444,971,848	$8,725,352,731	$6,864,309,999
2. Contributions	612,705,066	522,132,459	510,127,262	498,768,852	488,061,847
3. Withdrawal liability payments	120,000,000	80,000,000	80,000,000	80,000,000	87,000,000
4. Benefit payments	2,941,593,387	2,956,355,431	2,952,535,449	2,952,176,857	2,975,038,127
5. Administrative expenses	48,168,231	49,131,596	50,114,228	51,116,512	52,138,842
6. Investment earnings	916,001,887	812,556,917	692,903,298	563,481,785	422,868,932
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$12,035,769,499	$10,444,971,848	$8,725,352,731	$6,864,309,999	$4,835,063,809
8. Available resources: (1)+(2)+(3)-(5)+(6)	$14,977,362,886	$13,401,327,280	$11,677,888,181	$9,816,486,857	$7,810,101,936

EXHIBIT I (continued)
Solvency Projection

	Year Beginning January 1		
	2024	**2025**	**2026**
1. Market Value at beginning of year	$4,835,063,809	$2,625,782,700	$253,043,389
2. Contributions	477,667,580	467,480,904	467,498,664
3. Withdrawal liability payments	94,000,000	101,000,000	105,000,000
4. Benefit payments	2,997,436,221	2,991,028,918	2,980,441,673
5. Administrative expenses	53,181,619	54,245,252	55,330,157
6. Investment earnings	269,669,151	104,053,955	--
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$2,625,782,700	$253,043,389	$0
8. Available resources: (1)+(2)+(3)-(5)+(6)	$5,623,218,921	$3,244,072,307	$770,211,896

EXHIBIT II

Projected Total Contribution Base Units and Average Contribution Rates

Year Beginning January 1*	Total Contribution Base Units (Equivalent Weeks)	Average Contribution Rate (Weekly)
2015	3,176,488	$178
2016	3,035,253	186
2017	2,901,553	191
2018	2,783,200	196
2019	2,669,718	200
2020	2,560,904	204
2021	2,456,565	208
2022	2,356,513	212
2023	2,262,252	216
2024	2,171,762	220
2025	2,084,892	224
2026	2,043,194	229

Note: Projections of contributions in Exhibit I were based on contribution rates for individuals contained in the participant data and applying the assumptions described in the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432. The above amounts are estimated total base units and estimated average rates that aggregate to the total projected contributions each year (excluding assumed additional contributions as a result of an agreement with YRCW).

* Contributions for the Plan year beginning January 1, 2014 were based on financial information provided by the Fund Office.

EIN 36-6044243/PN 001

The actuarial assumptions, methodology, and plan provisions are as used for the solvency projection in the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432, dated March 31, 2015. The calculations are based on a current understanding of the requirements of ERISA Section 305, IRC Section 432, temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34.

Segal Consulting (“Segal”) does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which these calculations are 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.

Actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, Enrolled Actuary.

5536888v3/10346.001

Central States, Southeast and Southwest Areas Pension Plan

Actuarial Valuation and Review
as of January 1, 2014

Segal Consulting

333 West 34th Street New York, NY 10001
T 212.251.5000 www.segalco.com

September 3, 2014

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

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2014. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, Enrolled Actuary.

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

Sincerely,

Segal Consulting, a Member of The Segal Group

By: [redacted]
Steven M. Rabinowitz, FSA, MAAA, EA, FCA
Senior Vice President and Actuary

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

INTRODUCTION

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

- **Cash Flow**

  Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and will need assistance from the Pension Benefit Guaranty Corporation (PBGC). .

- **PPA'06**

  The Pension Protection Act of 2006 (PPA'06) calls on plan sponsors to actively monitor the projected Funding Standard Account credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*).

  The "zone" rules created by PPA'06 are scheduled to expire ("sunset") for plan years beginning after December 31, 2014. However, if a pension plan is operating under a Funding Improvement Plan or a Rehabilitation Plan for the last plan year beginning in 2014, that Funding Improvement Plan or Rehabilitation Plan will remain in effect.

  We will keep you informed of regulatory guidance and legislative changes as they develop.

- **Funding Standard Account**

  The ERISA Funding Standard Account is charged with the normal cost and amortization of changes in the unfunded actuarial accrued liability measured as of each valuation date. The accumulation of actual contributions made in excess of the minimum required contributions is called the credit balance. If actual contributions fall short of the minimum required contribution on a cumulative basis, a funding deficiency has occurred.

- **Withdrawal Liability**

  ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

The current year's actuarial valuation results follow.

IMPORTANT INFORMATION ABOUT ACTUARIAL VALUATIONS

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, it is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

- **Plan of benefits** Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may require the award of a Social Security disability pension as a condition for receiving a disability pension from the plan. If so, changes in the Social Security law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
- **Participant data** An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible or desirable to take a snapshot of the actual work force on the valuation date. In any event, the actuarial valuation is based on a future work force that is presumed to be the same as the active population included in the valuation, but in fact, employment varies from year to year, sometimes quite considerably. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
- **Assets** Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. Some plans include assets, such as private equity holdings, real estate, or hedge funds, that are not subject to valuation by reference to transactions in the marketplace. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
- **Actuarial assumptions** In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results and will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

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

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial snapshot is a measurement at a specific date – it is not a prediction of a plan's future financial condition.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
- ERISA requires a plan's enrolled actuary to provide a statement for inclusion in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that we can evaluate it and take it into account.
- A certification of "zone" status under PPA'06 is a separate document from the actuarial valuation.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

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

The actuarial valuation report as of January 1, 2014 is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected and could affect future actuarial costs of the Plan. We are prepared to work with the Trustees to analyze the effects of any subsequent developments.

A. CHANGES SINCE LAST VALUATION

1. The number of active participants declined by 4.7% during 2013. As of this valuation, the ratio of non-active to active participants is 5.15 to 1.
2. The rate of return on the market value of plan assets was 18.6% for the 2013 plan year. The rate of return on the actuarial value of assets was 15.1% as a result of the asset valuation method. These rates are estimates, net of investment fees, based on a mid-year average cash flow assumption which is consistent with the calculation used for the Schedule MB. The current assumed long-term rate of return on investments is 7.50%. Given historically low interest rates, we will continue to monitor the Plan's investment returns.
3. The following assumption was changed effective January 1, 2014:
   - The annual administrative expense assumption was changed from $35,400,000 (payable monthly) to $37,000,000 payable monthly).
4. The following plan provision was changed and is reflected in this valuation:
   - During the plan year ended December 31, 2013, 1,013 active participants and 2,585 inactive vested participants were first reported to be covered under the Default Schedule, Distressed Employer Schedule, or were subject to the Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these schedules, their changes in benefits are treated as a plan change.
5. On June 26, 2013, the U.S. Supreme Court, in *United States v. Windsor*, decided that individuals in same-gender marriages were no longer prohibited from being treated as married under federal law. Generally, effective prospectively from that date, as a result of the *Windsor* decision and subsequent Internal Revenue Service guidance, defined benefit pension plans must treat all legally married spouses the same for purposes of applicable federal tax law requirements (including for example, Qualified Joint and Survivor options) regardless of the state in which the couple lives. Fund Counsel should be consulted as to what changes to the Plan's language or operation, if any, might be necessary or desirable.

B. CASH FLOW

The Plan is projected to be unable to pay benefits within 13 years, based on a projection shown in the 2014 actuarial status (zone) certification for purposes of reviewing the scheduled progress in meeting the requirements of the Rehabilitation Plan. This cash flow crisis requires continued monitoring by the Trustees. The actions already taken to address this issue include the adoption of and updates to the Rehabilitation Plan.

C. 2014 ACTUARIAL STATUS (ZONE) CERTIFICATION

1. The 2014 certification, previously issued, was based on the liabilities calculated in the 2013 actuarial valuation, projected to December 31, 2013, and estimated asset information as of December 31, 2013. This Plan was classified as critical (Red Zone) because there is a funding deficiency as of December 31, 2013 and projected deficiencies in all subsequent years (disregarding the Section 412(e) amortization extension).
2. The 2014 certification reflects a failure as of January 1, 2009 to meet the Section 412(e) amortization extension conditions due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since any condition relief has not yet been obtained, the projections in the certification were completed without recognition of the amortization extension. However, even if the conditions are changed so that the Plan meets any new revised conditions, the Plan would still be in critical status (Red Zone) as of January 1, 2014.
3. The Plan was certified to be making scheduled progress in meeting the requirements of the Rehabilitation Plan, based on a projection showing that the Fund will forestall possible insolvency prior to 2023.

D. FUNDED PERCENTAGE AND FUNDING STANDARD ACCOUNT

1. Based on this January 1, 2014 actuarial valuation, the funded percentage as of that date is 48.4%. This will be reported on the 2014 Annual Funding Notice to be provided within 120 days after the end of this plan year.
2. The funding deficiency in the Funding Standard Account as of December 31, 2013 was $4,983,597,170 (disregarding the 412(e) amortization extension), an increase of $1,783,709,520 from the prior year funding deficiency. PPA ’06 requires plan sponsors to monitor the projected credit balance.
3. The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The funding deficiency and 48.4% funded percentage require continued monitoring by the Trustees. The actions already taken to address this issue include the adoption of and updates to the Rehabilitation Plan.

SUMMARY OF KEY VALUATION RESULTS

	2014	2013
Certified Zone Status	***Critical***	***Critical***
Demographic Data:		
Number of active participants	65,324	68,544
Number of inactive participants with vested rights	129,700	130,926
Number of retired participants and beneficiaries	206,622	208,243
Assets:		
Market value of assets (MVA)	$18,740,758,554	$17,765,259,052
Actuarial value of assets (AVA)	17,028,061,298	16,795,637,412
AVA as a percent of MVA	90.9%	94.5%
Cash Flow:		
Projected employer contributions (excluding withdrawal liability payments)	$572,284,552	$577,252,674
Actual employer contributions (excluding withdrawal liability payments)	--	566,442,633
Withdrawal liability payments received	--	153,928,639
Statutory Funding Information:		
ERISA minimum required contribution	$7,471,417,926	$5,730,982,365
Maximum deductible contribution	59,325,966,067	59,015,586,428
Annual Funding Notice percentage	48.4%	47.6%
Funding Standard Account deficiency at the end of prior year	$4,983,597,170	$3,199,887,650
Actuarial Funded Status – IRC 412(e) Letter Basis:		
Funded ratio	62.8%	59.2%
Minimum required funded ratio per 412(e) condition	61.0%	60.0%

COMPARISON OF FUNDED PERCENTAGES

	2014		Funded Percentages as of January 1	
	Liability	Assets	2014	2013
1. Present Value of Future Benefits	$36,938,114,323	$17,028,061,298	46.1%	45.3%
2. PPA'06 Liability and Annual Funding Notice	35,189,411,452	17,028,061,298	48.4%	47.6%
3. Current Liability	53,728,073,336	18,740,758,554	34.9%	33.3%
4. 412(e) Funded Ratio	29,822,856,638	18,740,758,554	62.8%	59.2%

Notes:

1. Includes the value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants. Used to develop the actuarial accrued liability, based on long-term funding investment return assumption of 7.50% and the actuarial value of assets. The funded percentage using market value of assets is 50.7% for 2014 and 47.9% for 2013.
2. Measures present value of accrued benefits using the current participant census and financial data. As defined by the Pension Protection Act of 2006, based on long-term funding investment return assumption of 7.50% and the actuarial value of assets.
3. Used to determine maximum tax-deductible contributions and is reported on Schedule MB to Form 5500. Based on the present value of accrued benefits, using a prescribed mortality table and investment return assumption of 3.64% for 2014 and 3.78% for 2013, and the market value of assets. The funded percentage is also shown on the Schedule MB if it is less than 70%.
4. Used to determine compliance with the conditions of the 412(e) amortization extension. Based on the actuarial accrued liability, using the actuarial assumptions in effect on January 1, 2004, including the former investment return assumption of 8.00%, and the market value of assets.

Disclosure: These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including 65,324 active participants, 129,700 inactive vested participants, and 206,622 pensioners and beneficiaries as of December 31, 2013.

This section presents a summary of significant statistical data on these participant groups. The significant shift in participants from active to inactive vested status in 2007 is primarily due to the withdrawal of UPS.

More detailed information for this valuation year and preceding years can be found in Section 3, Exhibits A and B.

A historical perspective of how the participant population has changed over the past several years can be seen in these charts.

CHART 1

Participant Population as of December 31, 2004 – 2013

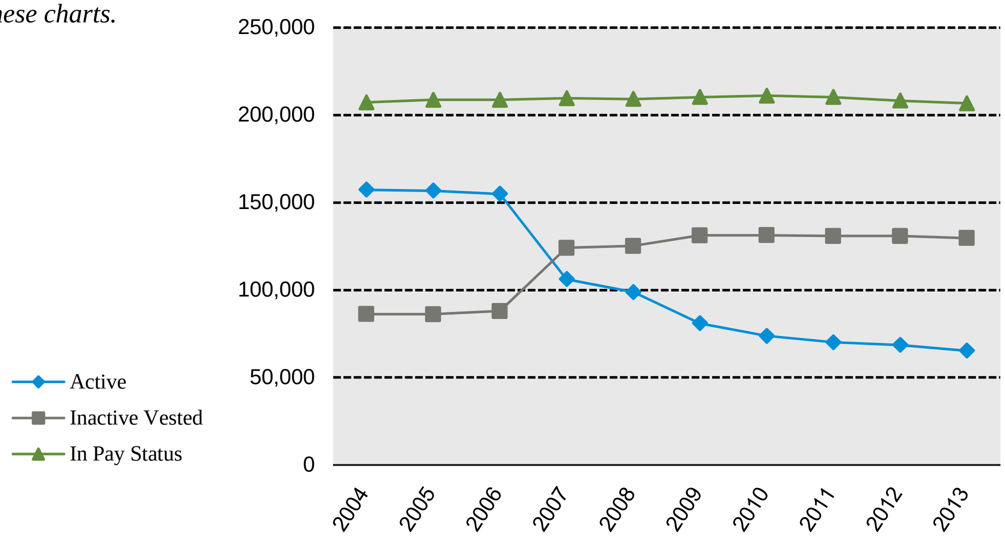
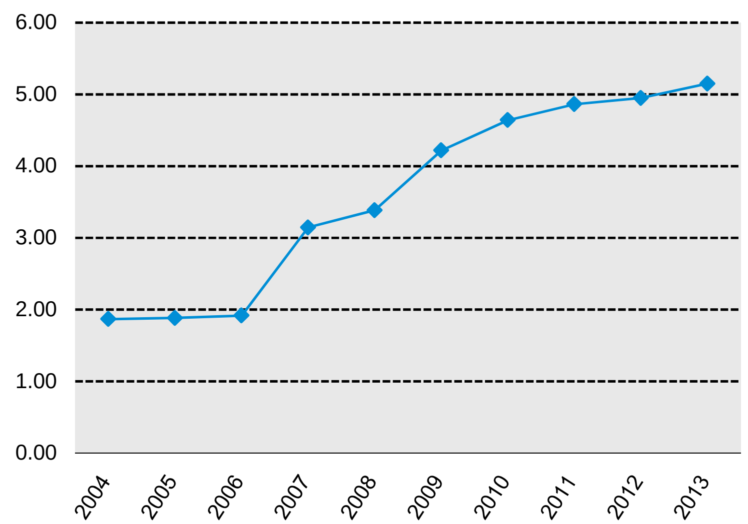


CHART 2

Ratio of Non-Actives to Actives as of December 31, 2004 – 2013



Active Participants
Pension plan costs are affected by the age and pension credits of active participants. In this year's valuation, there were 65,324 active participants with an average age of 48.4 and average pension credits of 14.0. This compares to 48.3 and 13.9, respectively, for the 68,544 active participants in the prior year.

Among active participants, there were 514 with unknown age. The Fund Office adjusted for missing birth dates by assuming that they were 30 years prior to the participation dates.

Inactive Vested Participants
Participants who leave the coverage of the Plan after satisfying the requirements for a deferred pension or an immediate pension but elect to defer commencement are considered "inactive vesteds" and are included in the pension plan cost. In this year's valuation, there were 129,700 inactive vesteds with an average age of 52.6. This compares to 130,926 in the prior valuation with an average age of 52.2. No cost is included for other inactive participants, even though some may return to active employment before incurring a permanent break in service.

These charts show a distribution of active participants by age and by pension credits.

CHART 3

Distribution of Active Participants by Age as of December 31, 2013

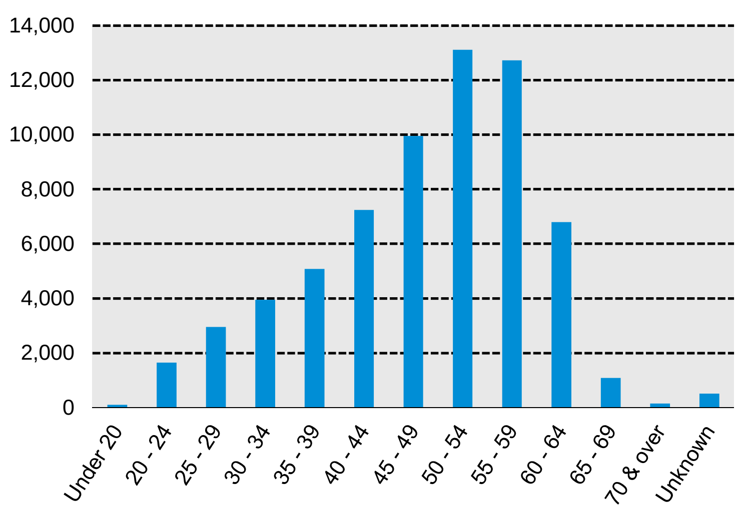
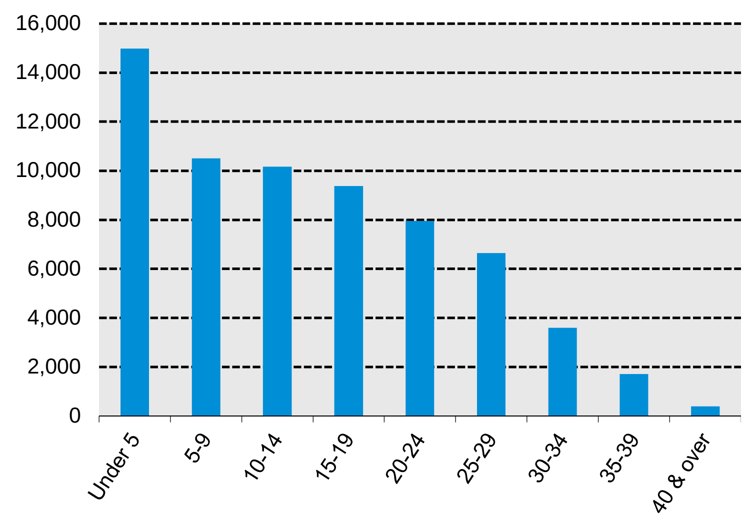


CHART 4

Distribution of Active Participants by Pension Credits as of December 31, 2013



Pensioners and Beneficiaries

During the fiscal year ended December 31, 2013, there were 6,029 pensions awarded, as detailed in this chart. The average monthly pension awarded, after adjustment for optional forms of payment, was $1,140. The chart below presents both the number and average monthly amount of pensions awarded in each of the years shown, by type and in total.

CHART 5

Pension Awards: 2004 – 2013

Year Ended December 31	Total		Regular		Disability	
	Number	Average Amount	Number	Average Amount	Number	Average Amount
2004	9,316	- -	9,068	- -	248	- -
2005	7,514	- -	7,289	- -	225	- -
2006	6,203	$1,404	6,148	$1,410	55	$695
2007	7,605	1,278	7,417	1,296	188	577
2008	7,269	1,216	7,123	1,230	146	552
2009	8,221	1,387	8,072	1,401	149	585
2010	8,253	1,207	8,026	1,224	227	619
2011	6,747	1,153	6,520	1,172	227	595
2012	5,540	1,142	5,407	1,156	133	542
2013	6,029	1,140	5,877	1,156	152	544

As of this year's valuation date, 172,834 pensioners and 32,980 beneficiaries were receiving total monthly benefits of $234,797,979. For comparison, in the previous year, there were 175,031 pensioners and 32,636 beneficiaries receiving monthly benefits of $234,911,902. There were 808 suspended pensioners and beneficiaries in this valuation compared with 576 in the prior year.

These charts show the distribution of the current pensioners based on their age and monthly amount, by type of pension.

CHART 6

Distribution of Pensioners by Type and by Age as of December 31, 2013

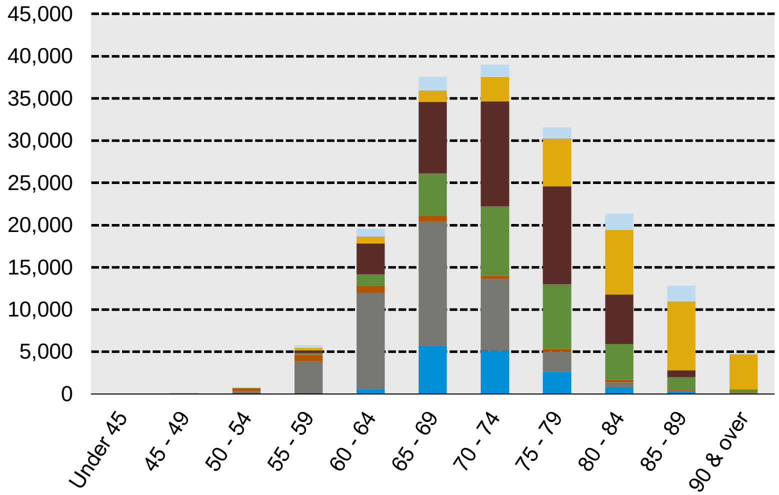
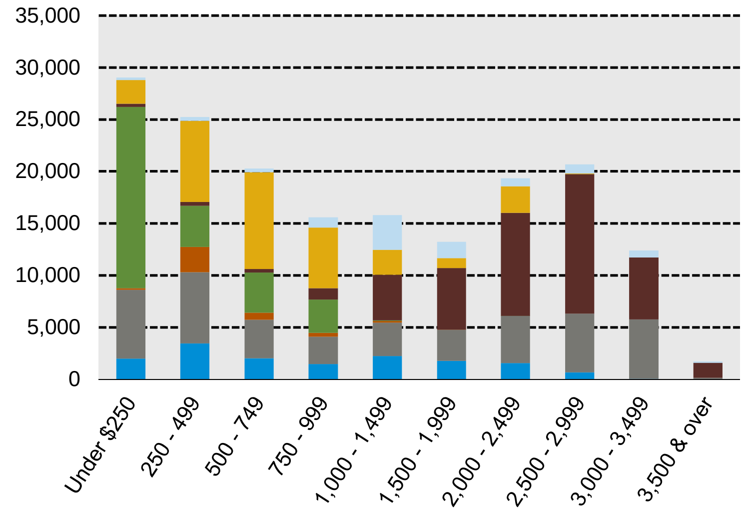


CHART 7

Distribution of Pensioners by Type and by Monthly Amount as of December 31, 2013



Other
Twenty-Year Service
Contributory
Vested
Disability
Early
Contribution-Based

In Chart 8, additions to the pension rolls include new pensions awarded. Terminations include pensioners who died plus net suspensions during the prior plan year. The change in average age and average amounts of pensioners in payment status is shown as the Fund matures over time.

This chart shows a year-by-year history of changes in the pensioner group.

CHART 8

Progress of Pension Rolls: 2004 – 2013

Year Ended			In Payment Status at Year End		
December 31	Additions	Terminations	Number	Average Age	Average Amount
2004	9,316	7,659	180,746	70.5	$1,100
2005	7,514	7,305	180,955	70.8	1,123
2006	6,203	6,924	180,234	71.0	1,148
2007	7,605	8,186	179,653	71.3	1,173
2008	7,269	8,510	178,412	71.6	1,197
2009	8,221	7,865	178,768	71.8	1,225
2010	8,253	8,108	178,913	72.0	1,242
2011	6,747	8,097	177,563	72.3	1,257
2012	5,540	8,072	175,031	72.7	1,271
2013	6,029	8,226	172,834	73.1	1,284

B. FINANCIAL INFORMATION

Pension plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Pension plan assets change as a result of the net impact of these income and expense components. A summary of these transactions for the valuation year is presented in Section 3, Exhibit C.

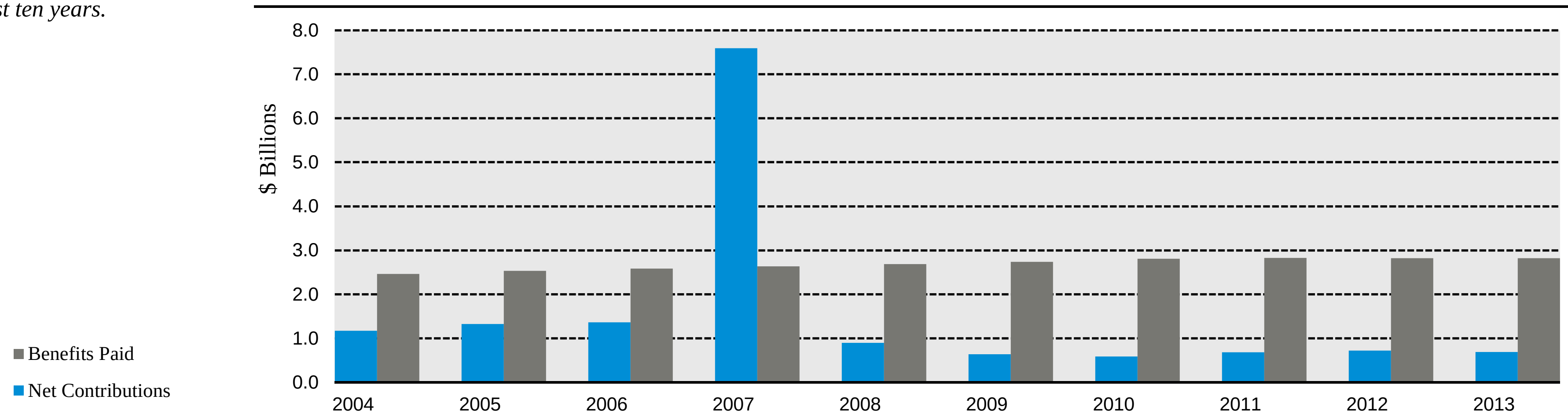
Contributions net of administrative expenses were $683,571,894 for the year. Benefit payments during the year totaled $2,822,507,812. To the extent that future contributions are projected to be less than benefit payments, investment earnings or fund assets will be needed to cover the shortfall.

Our projections show the Plan is expected to be insolvent in 2026. We will continue to monitor plan solvency.

This chart depicts the net employer contributions and benefits paid over the last ten years.

CHART 9

Comparison of Net Employer Contributions and Benefits Paid for Years Ended December 31, 2004 – 2013



Note: Net contributions include withdrawal liability payments.

Because the Plan is funded by negotiated contribution rates, it is desirable to have a level and predictable pension plan cost from one year to the next. For this reason, the Trustees have approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the pension plan cost are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized gains and losses and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

This chart shows the determination of the actuarial value of assets as of December 31, 2013.

CHART 10

Determination of Actuarial Value of Assets as of December 31, 2013

1	Market value of assets, December 31, 2013			$18,740,758,554
		Original	Unrecognized	
2	Calculation of unrecognized return	Amount*	Return**	
	(a) Year ended December 31, 2013	$1,857,415,173	$1,485,932,139	
	(b) Year ended December 31, 2012	970,780,120	582,468,072	
	(c) Year ended December 31, 2011	-1,459,149,077	-583,659,631	
	(d) Year ended December 31, 2010	1,139,783,380	227,956,676	
	(e) Year ended December 31, 2009	3,062,868,189	0	
	(f) Total unrecognized return			1,712,697,256
3	Preliminary actuarial value: (1) - (2f)			17,028,061,298
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2013: (3) + (4)			$17,028,061,298
6	Actuarial value as a percentage of market value: (5) ÷ (1)			90.9%
7	Amount deferred for future recognition: (1) - (5)			$1,712,697,256

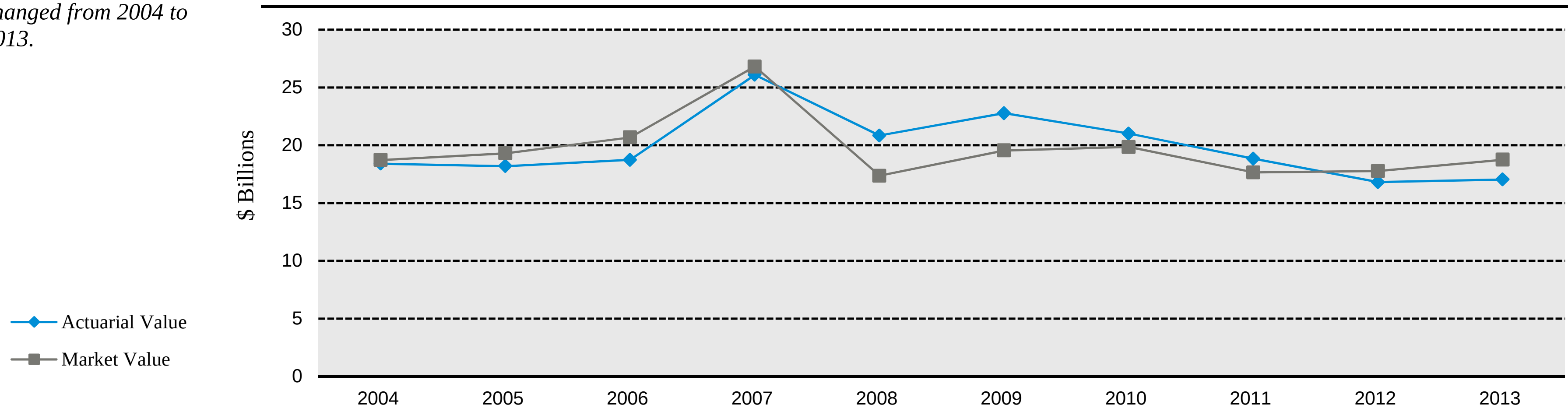
* *Total return minus expected return on a market value basis*
** *Recognition at 20% per year over 5 years*

Both the actuarial value and the market value of assets are representations of the Fund's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial value is significant because it is subtracted from the Plan's total actuarial accrued liability to determine the portion that is not funded and is used to determine the PPA'06 funded percentage. Amortization of the unfunded portion is an important element in the contribution requirements of the Plan as detailed in Subsection D.

This chart shows how the actuarial value of assets and the market value of assets have changed from 2004 to 2013.

CHART 11

Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2004 - 2013



C. ACTUARIAL EXPERIENCE

To calculate the cost requirements of the Plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions and, to the extent that there are differences in that year, the contribution requirement is adjusted. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long run, experience will return to that originally assumed. For contribution requirements to remain stable, assumptions should approximate experience.

When compared to the projected actuarial accrued liability of $35,261,050,010 as of December 31, 2013, the net experience variation other than investment experience was not significant. On the following pages is a discussion of the major components of the actuarial experience.

This chart provides a summary of the prior year's actuarial experience.

CHART 12

Actuarial Experience for the Year Ended December 31, 2013

1	Net gain from investments*	$1,187,061,180
2	Net loss from administrative expenses	-1,446,854
3	YRCW receivable change	4,835,915
4	Net gain from other experience	87,676,246
5	Net experience gain: (1) + (2) + (3) + (4)	$1,278,126,487

** Details in Chart 13.*

Investment Rate of Return

Because earnings on investments significantly affect the cost of the Plan, an assumption is made about the rate of return on plan assets. The rate of return is investment income net of investment expenses, expressed as a percentage of the average actuarial value of assets during the year.

Investment income for the purposes of the actuarial valuation consists of projected investment income at the actuarially assumed rate and the adjustment for market value changes. Investment expenses are subtracted.

This chart shows the portion of the gain due to investment experience.

CHART 13

Actuarial Value Investment Experience for the Year Ended December 31, 2013

1	Net investment income	$2,366,698,681
2	Average actuarial value of assets	15,728,500,015
3	Rate of return: (1) ÷ (2)	15.05%
4	Assumed rate of return	7.50%
5	Expected net investment income: (2) x (4)	$1,179,637,501
6	Actuarial gain: (1) – (5)	$1,187,061,180

For your information, the following chart shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and ten-year averages. However, actuarial planning is long term as the obligations of pension plans are expected to continue for the lifetime of its active and inactive participants.

As indicated below, the experience in the past few years has shown both higher and lower rates of return than the long-term assumption. Overall, interest rates have declined substantially in the current economic environment. Based upon this experience, the current asset allocation, and future expectations, we have maintained the assumed long-term rate of return of 7.50%. However, we will continue to monitor the plan's investment returns and may revise our assumed long-term rate of return in a future actuarial valuation, if warranted.

CHART 14

Investment Return – Actuarial Value vs. Market Value: 2004 - 2013

	Projected Investment Income	Recognition of Market Value Gains (Losses)	Actuarial Value Investment Return		Market Value Investment Return	
Year Ended December 31	Amount	Amount	Amount	Percent	Amount	Percent
2004	$1,367,661,000	-$845,716,000	$521,945,000	2.6%	$2,286,401,000	13.4%
2005	1,449,898,000	-459,090,000	990,808,000	5.6%	1,789,709,000	9.9%
2006	1,498,975,253	271,391,109	1,770,366,362	10.04%	2,596,379,000	13.86%
2007	1,507,356,663	895,402,137	2,402,758,800	13.23%	1,182,412,000	5.88%
2008	1,943,506,319	-5,415,952,648	-3,472,446,329	-13.78%	-7,662,335,667	-29.57%
2009	1,223,053,967	2,814,845,365	4,037,899,332	20.41%	4,285,922,156	26.28%
2010	1,382,393,425	-926,146,146	456,247,279	2.11%	2,522,176,805	13.68%
2011	1,407,939,175	-1,437,456,872	-29,517,697	-0.15%	-51,209,902	-0.27%
2012	1,244,976,663	-1,178,311,875	66,664,788	0.37%	2,215,756,783	13.35%
2013	1,252,359,124	1,114,339,557	2,366,698,681	15.05%	3,109,774,297	18.62%
Total	$14,278,119,589	-$5,166,695,373	$9,111,424,216		$12,274,985,472	
			Most recent five-year average return:	7.27%		13.92%
			Ten-year average return:	4.71%		6.57%

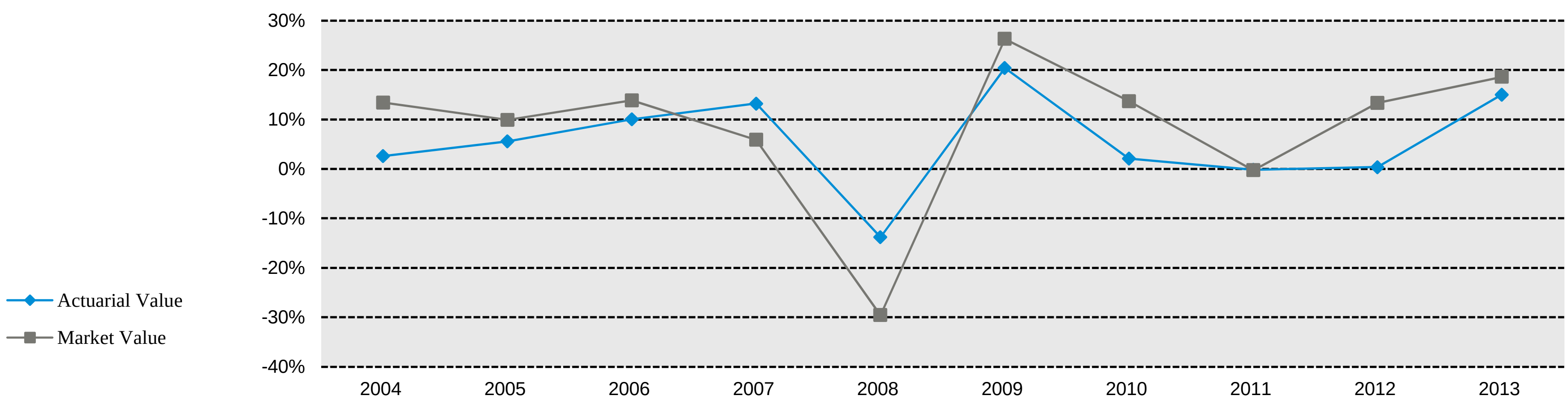
Note: Each year's yield is weighted by the average asset value in that year.

Subsection B described the actuarial asset valuation method that gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

This chart illustrates how this method has actually worked over the past ten years.

CHART 15

Market Value and Actuarial Rates of Return for Years Ended December 31, 2004 - 2013



Administrative Expenses

Administrative expenses for the year ended December 31, 2013 totaled $36,799,378, compared to the assumption of $35,400,000 payable monthly. This resulted in a loss of $1,446,854 for the year when adjusted for timing. The assumption for 2014 is being changed to $37,000,000 annually, payable monthly, to reflect the expense budget.

Mortality Experience

In the prior valuation, the mortality assumptions were updated to better reflect anticipated mortality improvement.

Mortality experience (fewer or more than expected deaths) yields actuarial gains or losses. The number of deaths for nondisabled pensioners over the past year was 7,821 compared to 7,201 projected deaths. The number of deaths for disabled pensioners over the past year was 168 compared to 219 projected deaths. We will continue to monitor the mortality experience and the margin for future mortality improvement.

YRCW Receivable Change

Due to receipt of YRCW contributions previously recognized as a receivable in the assets, and a decrease in the allowance for uncollectible YRCW payments receivable, a gain of $4,835,915 was incurred in the Funding Standard Account.

Other Experience

There are other differences between projected and actual experience that appear when a new valuation is compared with projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than projected), and
- the number of disability retirements.

Another difference may be a significant change among the participants, such as the reemployment of previously inactive participants who are not vested but have credit for prior service.

The net gain from mortality and other experience amounted to $87,676,246 for the last plan year.

D. SUMMARY OF CONTRIBUTION REQUIREMENTS

Changes Since Last Valuation

The following plan provision was changed and is reflected in this valuation:

- During the plan year ended December 31, 2013, 1,013 active participants and 2,585 inactive vested participants were first reported to be covered under the Default Schedule, Distressed Employer Schedule, or were subject to the Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these schedules, their changes in benefits are treated as a plan change.

Effective January 1, 2014, the following assumption was changed:

- The annual administrative expense assumption was changed from $35,400,000 (payable monthly) to $37,000,000 (payable monthly) to reflect the Fund Office budget for 2014.

Contributions

ERISA imposes a minimum funding standard that requires the Plan to maintain a Funding Standard Account. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. Under PPA'06, employers are not liable for satisfying the ERISA minimum funding standard for any plan year in which the plan is in critical status pursuant to Section 432, but only if the plan sponsor adopts and complies with a rehabilitation plan in accordance with Section 432(e). The Funding Standard Account for the prior Plan Year is shown in Section 3, Exhibit F.

Employers who contribute to defined benefit pension plans are also subject to maximum deductible contribution limitations prescribed by the IRS. For the development of the maximum deductible contribution amount, see Section 3, Exhibit G.

This chart summarizes the contribution information for the valuation year.

CHART 16

Contribution Requirements vs. Contributions Projected for Year Beginning January 1, 2014

ERISA minimum required contribution	$7,471,417,926
Projected contributions	572,284,552
Maximum deductible contribution	59,325,966,067

Based on contribution rates reported in the participant data, assuming that 65,324 participants will work an average number of hours, days, or weeks and an agreement with YRCW (Contribution Deferral Agreement) as noted in the following two paragraphs, the contributions projected for the year beginning January 1, 2014 are $572,284,552, as shown in Chart 16. Contributions for the year beginning January 1, 2014 are projected to be less than the maximum allowable deduction level.

Participants are assumed to work 1,300 hours or 47 weeks in benefit classes 1 through 14 and 1,700 hours or 51 weeks in classes 15 through 18 plus or 210 days in classes 1 through 16 and 240 days in classes 17 and 18 plus.

Based on information from the plan sponsor, it is assumed that, as a result of an agreement with YRCW (Contribution Deferral Agreement), the Fund will receive $8.0 million in annual property sale and interest income during the Calendar years 2014-2019 and the December 31, 2013 balance of $84,150,155 will grow with 7.5% per year interest, paid monthly, reduced by the property sale income, and will be paid on December 31, 2019.

E. PENSION PROTECTION ACT OF 2006 (PPA'06)

PPA'06 calls on trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Trustees are required to review formal projections of the financial status of their plans at least annually. Details are shown in Section 3H.

2014 Actuarial Status Certification

The actuarial certification of plan status under PPA'06 is required not later than the 90th day of the plan year.

The 2014 certification was based on the liabilities calculated in the 2013 actuarial valuation, adjusted for subsequent events and projected to December 31, 2013, and estimated asset information as of December 31, 2013. In addition, the Trustees provided the industry activity assumption. This Plan was classified as critical (*Red Zone*) because there was a deficiency in the Funding Standard Account as of December 31, 2013 and projected deficiencies for subsequent years (disregarding the Section 412(e) extension).

The Trustees have adopted and updated a Rehabilitation Plan.

The Plan is making the scheduled progress in meeting the requirements of its Rehabilitation Plan, based on the annual standards of the Rehabilitation Plan.

F. CASH FLOW

The Plan is operating under a Rehabilitation Plan that is intended to forestall insolvency of the Fund. Upon insolvency, PBGC financial assistance will be needed to continue payment of Plan benefits at the reduced PBGC guaranteed benefit level.

Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules. We will work with the Trustees to provide annual cash flow projections to assist the Trustees with those updates and to prepare our required assessment of scheduled progress in meeting the requirements of the Rehabilitation Plan.

The Plan was projected to become insolvent within 13 years (2026) based on a projection shown in the 2014 actuarial status (zone) certification for purposes of reviewing the scheduled progress in meeting the requirements of the Rehabilitation Plan.

G. DISCLOSURE REQUIREMENTS

Present Value of Accumulated Plan Benefits (PVAB)

Financial reporting, in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 960, requires determination of the present value of accumulated plan benefits. It is the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. These present values are determined based on the plan of benefits reflected for Funding Standard Account purposes and are based upon the actuarial assumptions used to determine the ERISA funding costs of the ongoing Plan. These are not appropriate liability measurements for other purposes such as if the Plan were to terminate.

The funded percentages based on the actuarial value of assets are 48.4% and 47.6% for the 2014 and 2013 valuations, respectively. If the market value of assets were used to determine the funded percentage, the 48.4% figure for 2014 would become 53.3%. The PVAB funded percentage for 2014 is not the same as that used to determine the annual certification required under PPA'06. The 2014 values shown in Charts 17 and 18 reflect current participant and financial information, whereas the annual certification was based on prior participant data and estimated financial results. Chart 17 below compares the present value of accumulated plan benefits with the actuarial value of assets over the past ten years. Chart 18 shows the relationship of these measures as a percentage.

A historical comparison over the past ten years is shown in these charts.

CHART 17

Present Value of Accumulated Plan Benefits vs. Actuarial Value of Assets as of January 1, 2005 - 2014

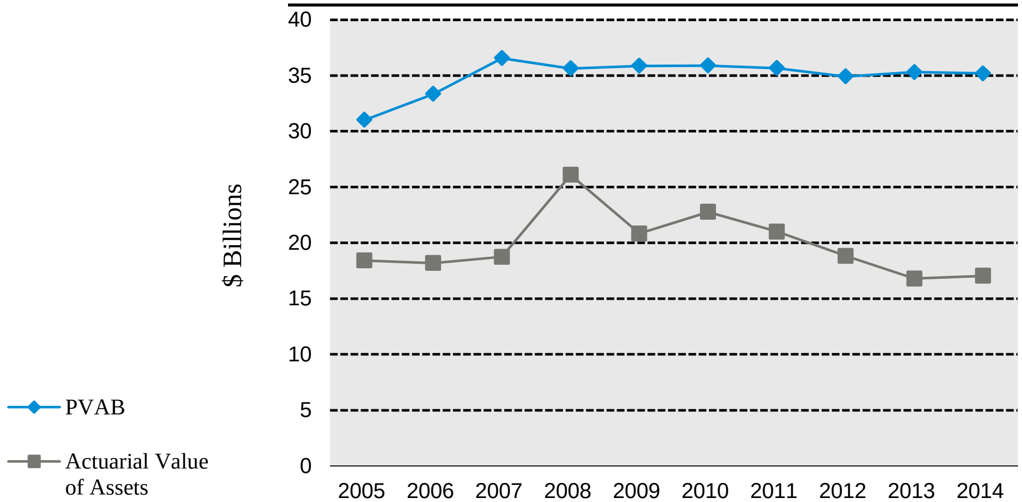
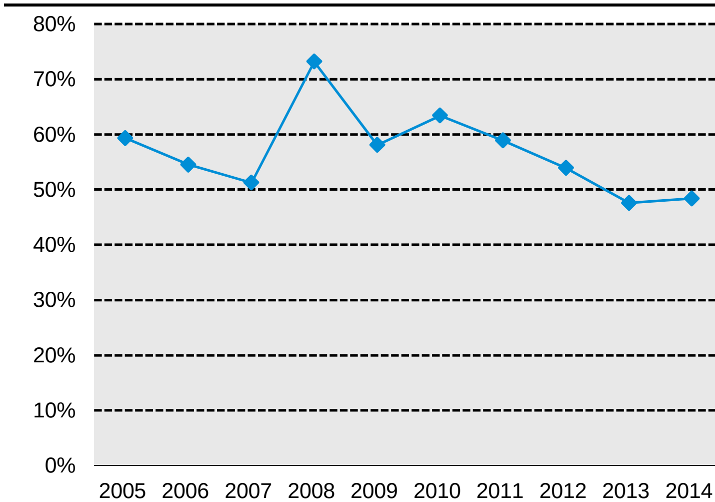


CHART 18

Actuarial Value of Assets as a Percentage of Present Value of Accumulated Plan Benefits as of January 1, 2005 - 2014



For a detailed breakdown of this information and reconciliation from last year to this year, see Section 4, Exhibit VI.

Annual Funding Notice

PPA'06 requires the annual funding notice to be provided to participants, employers, unions and government agencies. The notice must be sent by 120 days after the end of the plan year. The actuary's "best estimate" assumptions are the basis for the measurement of the funding notice percentage.

The value of plan benefits earned to date as of January 1, 2014 is $35,189,411,452 using the long-term funding interest rate of 7.50%. As the actuarial value of assets is $17,028,061,298, the Plan's funded percentage is 48.4%, compared to 47.6% in the prior year. The funded percentage is one measure of a plan's funded status. It is not indicative of how well funded a plan may be in the future, especially in the event of plan termination.

The actuarial information to be provided in the annual funding notice is shown in Section 3, Exhibit E.

Current Liability

ERISA also requires the disclosure by the actuary of the funding percentage based on "current liability" assumptions and the market value of assets, if it is less than 70%. As shown in Section 4, Exhibit V, the Plan's current liability as of January 1, 2014 is $53,728,073,336 using an interest rate of 3.64%. As the market value of assets is $18,740,758,554, this funded current liability percentage is 34.9%. This will be disclosed on the 2014 Schedule MB of IRS Form 5500.

Disclosure of Any Recent Adverse Developments

ERISA requires the Plan's enrolled actuary to provide a statement for inclusion in the Plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered and that may materially increase the cost of the Plan, they must advise Segal Consulting, so that we can evaluate it and take it into account.

H. WITHDRAWAL LIABILITY

The actuarial present value of vested plan benefits for withdrawal liability purposes is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions and different actuarial assumptions.

In general, reductions in accrued benefits or contribution surcharges for a plan in critical status (Red Zone) are disregarded for determination of withdrawal liability.

A detailed report on withdrawal liability is available.

EXHIBIT A

Table of Plan Coverage

Category	Year Ended December 31		Change From
	2013	2012	Prior Year
Active participants in valuation:			
Number	65,324	68,544	-4.7%
Number covered by Default Schedule, Distressed Employer Schedule or Rehabilitation Plan Withdrawal	17,077	16,686	2.3%
Average age	48.4	48.3	N/A
Average pension credits	14.0	13.9	N/A
Number with unknown age	514	737	-30.3%
Total active vested participants	51,902	55,254	-6.1%
Inactive participants with rights to a pension:			
Number	129,700	130,926	-0.9%
Number covered by Default Schedule, Distressed Employer Schedule or Rehabilitation Plan Withdrawal	21,395	19,289	10.9%
Average age	52.6	52.2	N/A
Pensioners:			
Number in pay status	172,834	175,031	-1.3%
Average age	73.1	72.7	N/A
Average monthly benefit	$1,284	$1,271	1.0%
Number in suspended status	541	397	36.3%
Beneficiaries:			
Number in pay status	32,980	32,636	1.1%
Average monthly benefit	$389	$381	2.1%
Number in suspended status	267	179	49.2%

EXHIBIT B

Participant Population: 2004 – 2013

Year Ended December 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
2004	157,306	86,272	207,234	1.87
2005	156,744	86,213	208,666	1.88
2006	154,926	88,025	208,674	1.92
2007[1]	106,169	124,196	209,590	3.14
2008	98,799	125,273	209,127	3.38
2009[2]	80,961	131,304	210,208	4.22
2010[3]	73,800	131,327	211,063	4.64
2011[4]	70,158	130,866	210,214	4.86
2012	68,544	130,926	208,243	4.95
2013	65,324	129,700	206,622	5.15

[1] *Reflects withdrawal of UPS*

[2] *Includes 16,062 YRCW employees in the active participant counts since contributions were assumed to resume for these participants*

[3] *Includes 12,701 YRCW employees determined to be active based on employment during 2010 in the Health and Welfare Plan and the assumption that contributions on their behalf resumed June 1, 2011.*

[4] *To reflect withdrawal of Hostess, 2,850 participants reported as active are excluded from the active counts. 2,032 of those participants are vested and included with the inactive vested counts.*

EXHIBIT C

Summary Statement of Income and Expenses on an Actuarial Basis

	Year Ended December 31, 2013		Year Ended December 31, 2012	
Contribution income:				
Employer contributions	$566,442,633		$575,214,578	
Withdrawal liability payments	153,928,639		188,828,003	
Adjustment for receivable employer contributions not collected in time to be recognized in the Schedule MB	4,661,123		-6,336,887	
Less administrative expenses	-36,799,378		-34,497,766	
Net contribution income		$688,233,017		$723,207,928
Investment income:				
Expected market return	$1,252,359,124		$1,244,976,663	
Recognition of market value gains (losses)	1,114,339,557		-1,178,311,875	
Net investment income		2,366,698,681		66,664,788
Total income available for benefits		$3,054,931,698		$789,872,716
Less benefit payments		-2,822,507,812		-2,823,581,057
Change in reserve for future benefits		$232,423,886		-$2,033,708,341

EXHIBIT D
Financial Information Table

	Year Ended December 31, 2013		Year Ended December 31, 2012	
Cash equivalents		$1,839,575,176		$1,343,882,638
Accounts receivable:				
Employer contributions, less allowance for uncollectible contributions	$82,384,530		$86,934,179	
Interest and dividends	55,082,074		44,677,207	
Other, primarily for securities sold	412,159,973		34,160,820	
Total accounts receivable		549,626,577		165,772,206
Investments:				
Cash equivalents	$503,084,159		$866,454,023	
Fixed income securities	5,067,648,637		4,584,906,506	
Equity securities	12,412,426,988		11,970,761,760	
Other, primarily real estate related	834,696,613		336,411,916	
Total investments at market value		18,817,856,397		17,758,534,205
Total assets		$21,207,058,150		$19,268,189,049
Less accounts payable:				
Liability to return collateral held under securities lending agreements	-$1,835,378,512		-$1,343,397,823	
Payables for securities purchased	-439,737,060		-57,040,594	
Withdrawal liability refundable	-126,582,722		-46,137,149	
Accounts payable and accrued expenses	-64,601,302		-56,354,431	
Total accounts payable		-2,466,299,596		-1,502,929,997
Net assets at market value		$18,740,758,554		$17,765,259,052
Net assets at actuarial value		$17,028,061,298		$16,795,637,412

EXHIBIT E

Annual Funding Notice for Plan Year Beginning January 1, 2014 and Ending December 31, 2014

	2014 Plan Year	2013 Plan Year	2012 Plan Year
Actuarial valuation date	January 1	January 1	January 1
Funded percentage	48.4%	47.6%	53.9%
Value of assets	$17,028,061,298	$16,795,637,412	$18,829,345,753
Value of liabilities	35,189,411,452	35,312,128,471	34,914,643,948

Fair value of assets as of December 31, 2014	Not available
Fair value of assets as of December 31, 2013	$18,740,758,554
Fair value of assets as of December 31, 2012	17,765,259,052

Critical or Endangered Status

The Plan was in critical status because there was a funding deficiency in the Funding Standard Account as of December 31, 2013 and projected deficiencies for subsequent years (ignoring 412(e) amortization extension). The Trustees have adopted and updated a Rehabilitation Plan.

EXHIBIT F

Minimum Required Contribution

Funding Standard Account

ERISA imposes a minimum funding standard that requires the Plan to maintain a Funding Standard Account. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. The accumulation of the actual contributions in excess of the minimum required contributions under ERISA is called the credit balance. If actual contributions fall short of the minimum required contributions on a cumulative basis, a funding deficiency has occurred.

The Funding Standard Account is charged with normal cost and the amortization of increases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience losses, and 3) changes in actuarial assumptions and funding methods. The account is credited with employer contributions, withdrawal liability payments, and the amortization of decreases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience gains, and 3) changes in actuarial assumptions and funding methods.

Increases or decreases in the actuarial accrued liability due to assumption changes and plan amendments are amortized over 15 years and short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

This chart presents the charges and credits in the Funding Standard Account for the year ended December 31, 2013 without the effect of the 412(e) extension.

Funding Standard Account for the Year Ended December 31, 2013, Without Effect of 412(e) Extension

	Charges			Credits	
1	Prior year funding deficiency	$3,199,887,650	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	282,544,717	7	Employer contributions	720,371,272
3	Total amortization charges	2,751,354,636	8	Total amortization credits	902,640,617
4	Interest to end of the year	467,534,025	9	Interest to end of the year	94,711,969
5	Total charges	$6,701,321,028	10	Full-funding limitation credit	0
			11	Total credits	$1,717,723,858
			12	Credit balance (Funding deficiency): (11) – (5)	-$4,983,597,170

The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.

Additional Information Required for Section 412(e) Extension

Effective for the 2004 Plan Year, the Plan received IRS approval to extend the amortization period by ten years for existing amortization charge bases. There were several financial conditions attached to that approval.

First, the Plan must maintain a credit balance in the Funding Standard Account that is at least as large as the accumulation (at the Plan's valuation rate) of the amortized (at the Plan's valuation rate over a period of 15 years) differences between the amortization of payments of such bases had such bases been extended and amortized at the Plan's valuation rate. The Plan's credit balance is in excess of the minimum required credit balance as shown below.

Second, the Plan's funded ratio, calculated by dividing the market value of assets by the actuarial accrued liability (computed using the Unit Credit cost method and the Plan's assumptions as of January 1, 2004), must be at least 59% for each valuation date through January 1, 2011; increasing to 60% on January 1, 2012; 61% on January 1, 2014; 62% on January 1, 2016; and further increasing by 1% for each valuation date after January 1, 2016. Since the ratio for 2009 was less than 59%, the Plan did not meet the requirements and the Funding Standard Account is determined as if the extension was never granted. While the chart on the previous page shows the development of the December 31, 2013 funding deficiency without regard to the 412(e) amortization extension, the chart below details the credit balance development as if the 412(e) amortization extension was still in effect.

This chart presents the charges and credits in the Funding Standard Account for the year ended December 31, 2013 with the effect of the 412(e) extension.

Funding Standard Account for the Year Ended December 31, 2013, Including 412(e) Extension

	Charges			Credits	
1	Prior year funding deficiency	$0	6	Prior year credit balance	$11,057,032,475
2	Normal cost, including administrative expenses	282,544,717	7	Employer contributions	720,371,272
3	Total amortization charges	2,368,455,606	8	Total amortization credits	902,640,617
4	Interest to end of the year	146,726,235	9	Interest to end of the year	923,989,405
5	Total charges	$2,797,726,558	10	Full-funding limitation credit	0
			11	Total credits	$13,604,033,769
			12	Credit balance (Funding deficiency): (11) – (5)	$10,806,307,211*

* *Exceeds minimum required credit balance of $4,995,759,512 in accordance with the conditions of the amortization extension under IRC Section 412(e).*

Reorganization

Under the reorganization provisions of the IRC, the Minimum Contribution Requirement (MCR) is calculated as the amount that amortizes the unfunded liability for current pensioners over ten years and the unfunded vested liability for non-pensioners over 25 years. The MCR is applicable only if this amount is larger than the Funding Standard Account requirement before the application of the credit balance.

For the year beginning January 1, 2014, the MCR does not exceed the Funding Standard Account requirement before the application of the credit balance, and is therefore not applicable for the current year. If the MCR is applicable, the Plan is said to be “in reorganization.” When a plan is in reorganization, contribution requirements are greater than the normal ERISA funding requirements, a plan must give notice to its participating employers and union(s) that it is in reorganization, cut-backs in recent benefit increases are permitted and any new benefit increases must be adequately funded. We are prepared to discuss the implications of reorganization status in more detail.

This chart details the calculations of the reorganization index.

Development of Reorganization Index for the Plan Year Ended December 31, 2013

MCR – Vested Benefits Charge under IRC Section 418(b)(3)			Net Charge to Funding Standard Account under IRC Section 418(b)(2)*		
1	Benefits in pay status	$23,681,961,891	5	Normal cost including administrative expenses	$282,317,656
2	Benefits attributable to other participants	11,266,513,194	6	Amortization charges	2,723,904,562
3	Actuarial value of assets	17,028,061,298	7	Amortization credits	1,039,663,178
4	Vested benefits charge [(1) – (3)] amortized over ten years plus (2) amortized over 25 years	$1,841,959,204	8	Net charges: (5) + (6) – (7)	$1,966,559,040
				Reorganization index for the year ended December 31, 2013: (4) – (8), not less than zero	$0

* *Without reflecting the IRC Section 412(e) amortization extension*

EXHIBIT G
Maximum Deductible Contribution

Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.

One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This is the limit that applies to your Plan as shown below.

Contributions received by the Plan in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.

This chart presents the calculation of the maximum deductible contribution for the January 1, 2014 - December 31, 2014 year.

Maximum Deductible Contribution

1.	Normal cost, including administrative expenses	$282,317,656
2.	Amortization of unfunded actuarial accrued liability	2,461,258,735
3.	Preliminary maximum deductible contribution: (1) + (2), with interest to the end of the plan year	2,949,344,621
4.	Full-funding limitation (FFL)	32,677,074,737
5.	Preliminary maximum deductible contribution, adjusted for FFL: lesser of (3) and (4)	2,949,344,621
6.	Current liability for maximum deductible contribution, projected to the end of the plan year	53,297,782,660
7.	Actuarial value of assets, projected to the end of the plan year	15,290,929,657
8.	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	59,325,966,067
9.	End of year minimum required contribution	7,471,417,926
10.	Maximum deductible contribution: greatest of (5), (8), and (9)	$59,325,966,067

In a multiemployer plan, the Trustees generally have no control over the contributions received because those contributions depend on economic conditions. Action may be limited to establishing benefits so that the maximum allowable deduction levels are not exceeded under a reasonable income assumption and to taking prompt action whenever the limits are exceeded. It has been our understanding that Section 413(b)(7) of the Internal Revenue Code allows full deductions for contributions to multiemployer plans if the anticipated contributions for the plan year are less than the maximum, even if the actual contributions exceed the maximum. However, an IRS General Counsel's Memorandum expresses a different view. An IRS Private Letter Ruling issued in October 2002 limits that Memorandum to its facts, and supports the conclusion that all contributions to a multiemployer plan are deductible if the total reasonably anticipated amount as of the start of the year was within the limits. Since a Private Letter Ruling is, technically, binding only with respect to the plan to which it was issued, Trustees faced with a similar question will need to decide, in consultation with Fund Counsel, whether to seek their own ruling or to wait to deal with it when and if challenged by an IRS auditor.

You should review with Fund Counsel the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts.

EXHIBIT H

Pension Protection Act of 2006 (PPA ’06)

The “zone” rules created by PPA’06 are scheduled to expire (“sunset”) for plan years beginning after December 31, 2014. However, if a pension plan is operating under a Funding Improvement Plan or a Rehabilitation Plan for the last plan year beginning in 2014, that Funding Improvement Plan or Rehabilitation Plan will remain in effect, as will all provisions of the Internal Revenue Code or ERISA regulating the operation of such Funding Improvement Plan or Rehabilitation Plan.

We will keep you informed of regulatory guidance and legislative changes as they develop.

PPA’06 Zone Status

Based on projections of the credit balance in the Funding Standard Account, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three “zones,” critical status, endangered status, or neither.

A plan is classified as being in critical status (the *Red Zone*) if:

- The PPA’06 funded percentage is less than 65%, and either there is a projected Funding Standard Account deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
- There is a projected Funding Standard Account deficiency within four years, or
- There is an inability to pay benefits within five years, or
- The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year’s benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected Funding Standard Account deficiency within five years.

Amortization extensions cannot be used for testing *Red Zone* criteria.

The corrective action for a critical plan is the adoption of a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If the Trustees determine that such emergence is not reasonable, the rehabilitation plan is designed to emerge as of a later date or to forestall insolvency.

Red Zone plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Plans in the *Red Zone* may not pay lump sums. They may not reduce benefits of participants who retired before being notified of the plan’s critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

A plan is classified as being in endangered status (the *Yellow Zone*) if:

- The PPA'06 funded percentage is less than 80%, or
- There is a projected Funding Standard Account deficiency within seven years, and
- The plan is not in critical status (*Red Zone*).

The corrective actions for an endangered plan are based on the adoption of a formal Funding Improvement Plan, designed to improve gradually the current funded percentage, to forestall a funding deficiency and to keep the plan out of critical status.

A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of those plans must take interim measures to delay the projected funding deficiency by one year and improve the plan's funded percentage.

A plan is classified as being in the *Green Zone* if it is neither in critical status (the *Red Zone)* nor in endangered status (the *Yellow Zone).*

Funded Percentage

For purposes of PPA'06, the funded percentage is determined using the actuarial value of assets and the "Unit Credit accrued liability." This liability is generally equivalent to the present value of benefits earned to date, as discussed in Subsection G of Section 2, and is based on the actuary's best estimate assumptions.

EXHIBIT I

Section 415 Limitations

Section 415 of the Internal Revenue Code specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan. If an individual is covered solely by multiemployer plans, the plans do not have to be combined for any of the limits. If the individual is covered by a single-employer plan, all plans maintained by the same employer are combined in applying these tests. Multiemployer plan benefits do not need to be combined with single-employer plan benefits in testing against the pay-based limit.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification; the plan could lose its tax exemption, employers could lose their deductions and active participants could be taxed on their vested benefits.

In particular, Section 415(b) of the IRC as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) limits the maximum annual benefit payable to a dollar limit of $160,000 indexed for inflation. The dollar limit indexed for inflation is $205,000 for 2013 and $210,000 for 2014. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances for such things as age at retirement and form of benefits chosen.

While the actual determination of the exact limits applicable to each participant's benefit can only be done when the individual retires and applies for benefits, the overall impact of the Section 415 dollar limits has been reflected in this valuation for plan funding purposes, based on our understanding of the requirements of IRC Sections 404, 412, 415, and 431 and the data available to us.

Fund Counsel's review and interpretation of the law and regulations must be sought in this area as well.

EIN 36-6044243/ PN 001

September 3, 2014

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal"), has prepared an actuarial valuation of the Central States, Southeast and Southwest Areas Pension Plan as of January 1, 2014 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be 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; 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by Central States with respect to contributions, assets and participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit VII.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in Exhibit I. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

[redacted]

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 14-05773

EIN 36-6044243/ PN 001

EXHIBIT I

Summary of Actuarial Valuation Results

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

1	Pensioners as of the valuation date (including 32,980 beneficiaries in pay status, 541 pensioners in suspended status and 267 beneficiaries in suspended status)		206,622
2	Participants inactive during year ended December 31, 2013 with vested rights (including 841 participants with unknown age)		129,700
3	Participants active during the year ended December 31, 2013 (including 514 participants with unknown age)		65,324
	Fully vested	51,902	
	Not vested	13,422	
4	Total participants		401,646

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

1	Normal cost, including administrative expenses		$282,317,656
2	Actuarial accrued liability		35,189,411,452
	Pensioners and beneficiaries	$23,681,961,891	
	Inactive participants with vested rights	6,269,133,530	
	Active participants	5,238,316,031	
3	Actuarial value of assets ($18,740,758,554 at market value as reported in financial statements)		17,028,061,298
4	Unfunded actuarial accrued liability		$18,161,350,154

EIN 36-6044243/ PN 001

EXHIBIT II

Information on Plan Status as of January 1, 2014

1	Plan status (as certified on March 31, 2014, for the 2014 zone certification)	***Critical***
2	Scheduled progress (as certified on March 31, 2014, for 2014 zone certification)	***Yes***
3	Actuarial value of assets for Funding Standard Account	$17,028,061,298
4	Accrued liability under unit credit cost method	35,189,411,452
5	Funded percentage for monitoring plan's status	48.4%
6	Reduction in unit credit accrued liability resulting from the reduction in adjustable benefits since the prior valuation date	22,101,623

EIN 36-6044243/ PN 001

EXHIBIT III

Schedule of Active Participant Data

(Schedule MB, line 8b)

The participant data is for the year ended December 31, 2013.

		Pension Credits									
Age	**Total**	**Under 1**	**1-4**	**5-9**	**10-14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	1,746	564	1,134	48	- -	- -	- -	- -	- -	- -	- -
25 - 29	2,956	424	1,697	808	27	- -	- -	- -	- -	- -	- -
30 - 34	3,950	350	1,591	1,380	596	33	- -	- -	- -	- -	- -
35 - 39	5,083	334	1,477	1,477	1,223	556	16	- -	- -	- -	- -
40 - 44	7,245	352	1,552	1,673	1,705	1,427	504	32	- -	- -	- -
45 - 49	9,956	333	1,517	1,649	1,933	2,094	1,626	783	21	- -	- -
50 - 54	13,109	277	1,351	1,591	2,096	2,279	2,441	2,145	837	92	- -
55 - 59	12,733	153	861	1,159	1,564	1,897	2,123	2,367	1,719	832	58
60 - 64	6,799	52	367	560	837	913	1,073	1,177	912	667	241
65 - 69	1,085	8	65	122	167	155	160	121	100	103	84
70 & over	148	2	21	25	18	19	12	15	11	10	15
Unknown	514	252	248	12	2	- -	- -	- -	- -	- -	- -
Total	65,324	3,101	11,881	10,504	10,168	9,373	7,955	6,640	3,600	1,704	398

EIN 36-6044243/ PN 001

EXHIBIT IV

Funding Standard Account

The table below presents the Funding Standard Account for the Plan Year ending December 31, 2014.

Charges			Credits		
1	Prior year funding deficiency	$4,983,597,170	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	282,317,656	7	Amortization credits	1,039,663,178
3	Amortization charges	2,723,904,562	8	Interest on (6) and (7)	77,974,738
4	Interest on (1), (2) and (3)	599,236,454	9	Full-funding limitation credit	0
5	Total charges	$8,589,055,842	10	Total credits	$1,117,637,916
Minimum contribution with interest required to avoid a funding deficiency: (5) – (10), not less than zero					**$7,471,417,926**

Full funding limitations (FFL) and credits:

1	ERISA FFL (accrued liability FFL)	$19,826,942,896
2	RPA'94 override (90% current liability FFL)	32,677,074,737
3	FFL credit	0

Note: The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2014 (without amortization extension) (Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan Amendment	01/01/1993	$38,762,593	9	$265,806,864
Plan Amendment	01/01/1994	31,006,198	10	228,791,229
Change in Assumptions	01/01/1995	17,021,296	11	133,856,853
Plan Amendment	01/01/1995	73,323,009	11	576,618,075
Plan Amendment	01/01/1996	25,039,818	12	208,216,710
Plan Amendment	01/01/1997	28,387,074	13	247,968,987
Plan Amendment	01/01/1998	78,124,643	14	712,953,010
Plan Amendment	01/01/1999	77,674,688	15	737,067,051
Plan Amendment	01/01/2000	39,147,195	16	384,704,169
Experience Loss	01/01/2001	70,722,930	2	136,511,703
Plan Amendment	01/01/2001	21,660,666	17	219,671,795
Plan Amendment	01/01/2002	17,972,771	18	187,527,173
Experience Loss	01/01/2002	72,276,217	3	202,052,875
Plan Amendment	01/01/2003	8,357,479	19	89,475,241
Experience Loss	01/01/2003	326,695,126	4	1,176,274,212
Change in Assumptions	01/01/2003	123,927,774	19	1,326,771,870
Experience Loss	01/01/2005	185,462,548	6	935,822,669
Experience Loss	01/01/2006	69,704,771	7	396,888,259
Change in Assumptions	01/01/2006	148,231,625	22	1,691,838,742
Change in Assumptions	01/01/2007	237,812,085	23	2,762,708,415
Plan Amendment	01/01/2009	167,531	10	1,236,189
Experience Loss	01/01/2009	561,524,190	10	4,143,423,565

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2014 (without amortization extension) (Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Loss	01/01/2011	123,801,819	12	1,029,464,639
Experience Loss	01/01/2012	162,390,816	13	1,418,528,963
Change in Assumptions	01/01/2013	42,965,078	14	392,092,439
Experience Loss	01/01/2013	141,744,622	14	1,293,538,776
Total		$2,723,904,562		$20,899,810,473

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases (Credits)
(Schedule MB, line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Gain	01/01/2000	$60,444,208	1	$60,444,208
Experience Gain	01/01/2004	44,825,572	5	194,961,036
Plan Amendment	01/01/2004	20,969,650	20	229,808,029
Change in Assumptions	01/01/2004	40,431,539	20	443,092,393
Experience Gain	01/01/2007	62,145,950	8	391,308,274
Plan Amendment	01/01/2008	88,507,361	9	606,921,838
Experience Gain	01/01/2008	176,591,671	9	1,210,942,690
Plan Amendment	01/01/2010	1,422,139	11	11,183,817
Experience Gain	01/01/2010	301,688,292	11	2,372,501,155
Plan Amendment	01/01/2011	1,283,693	12	10,674,448
Change in Assumptions	01/01/2011	25,645,809	12	213,255,780
Plan Amendment	07/01/2011	57,365,343	12.5	489,277,400
Plan Amendment	01/01/2012	18,176,560	13	158,777,309
Plan Amendment	01/01/2013	3,142,834	14	28,681,002
Experience Gain	01/01/2014	134,693,411	15	1,278,126,487
Plan Amendment	01/01/2014	2,329,146	15	22,101,623
Total		$1,039,663,178		$7,722,057,489

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2014 (with amortization extension) (Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined and offset charge	01/01/1992	$244,872,868	7.48	$1,831,649,053
Experience Loss	01/01/1993	5,708,926	4	22,835,704
Plan Amendment	01/01/1993	15,393,356	19	292,473,773
Experience Loss	01/01/1994	8,021,838	5	40,109,192
Plan Amendment	01/01/1994	12,167,722	20	243,354,434
Experience Loss	01/01/1995	13,932,561	6	83,595,366
Change in Assumptions	01/01/1995	6,595,241	21	138,500,071
Plan Amendment	01/01/1995	28,409,944	21	596,608,829
Experience Loss	01/01/1996	2,806,665	7	19,646,655
Plan Amendment	01/01/1996	9,572,574	22	210,596,633
Plan Amendment	01/01/1997	10,700,968	23	246,122,256
Plan Amendment	01/01/1998	29,025,961	24	696,623,067
Experience Loss	01/01/1999	11,209,234	10	112,092,342
Plan Amendment	01/01/1999	28,430,936	25	710,773,408
Plan Amendment	01/01/2000	14,111,679	26	366,903,641
Experience Loss	01/01/2001	29,269,585	12	351,235,014
Plan Amendment	01/01/2001	7,687,533	27	207,563,940
Plan Amendment	01/01/2002	6,278,856	28	175,807,966
Experience Loss	01/01/2002	29,937,743	13	389,190,655
Plan Amendment	01/01/2003	2,873,440	29	83,329,751
Change in Assumptions	01/01/2003	42,608,828	29	1,235,656,019
Experience Loss	01/01/2003	135,034,044	14	1,890,476,611

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2014 (with amortization extension) (Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Loss	01/01/2005	185,462,548	6	935,822,669
Experience Loss	01/01/2006	69,704,771	7	396,888,259
Change in Assumptions	01/01/2006	148,231,625	22	1,691,838,742
Change in Assumptions	01/01/2007	237,812,085	23	2,762,708,415
Plan Amendment	01/01/2009	167,531	10	1,236,189
Experience Loss	01/01/2009	561,524,190	10	4,143,423,565
Experience Loss	01/01/2011	123,801,819	12	1,029,464,639
Experience Loss	01/01/2012	162,390,816	13	1,418,528,963
Change in Assumptions	01/01/2013	42,965,078	14	392,092,439
Experience Loss	01/01/2013	141,744,622	14	1,293,538,776
Total		$2,368,455,587		$24,010,687,036

* *Bases established through January 1, 2003 are amortized at 0% interest as of January 1, 2014 with the 412(e) amortization extension, which is not reflected in this valuation. On February 12, 2009, the Plan filed an application with the IRS to change the conditions of the amortization extension. Since any condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.*

EIN 36-6044243/ PN 001

EXHIBIT IV (continued)

Funding Standard Account

Equation of Balance		
1	Net outstanding balance of bases	$13,177,752,984
2	Credit balance (Funding deficiency)	-4,983,597,170
3	Unfunded actuarial accrued liability: (1) - (2)	$18,161,350,154

EXHIBIT V

Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2014.

Item		Amount
1. Retired participants and beneficiaries receiving payments		$31,828,345,983
2. Inactive vested participants		12,368,993,891
3. Active participants		
a. Non-vested benefits	$553,804,726	
b. Vested benefits	8,976,928,736	
c. Total active		9,530,733,462
4. Total		$53,728,073,336
Expected increase in current liability due to benefits accruing during the plan year		$511,573,467
Expected release from current liability for the plan year		2,859,801,533
Expected plan disbursements for the plan year, including administrative expenses of $37,000,000		2,896,801,533
Current value of assets		18,740,758,554
Percentage funded for Schedule MB		34.88%

Note: The actuarial assumptions used to calculate these values are shown in Exhibit VII.

EXHIBIT VI

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FAS ASC 960 is shown below as of January 1, 2014 and as of January 1, 2013. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	January 1, 2014	**January 1, 2013**
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	$23,681,961,891	$23,930,448,582
Other vested benefits	11,266,513,194	11,104,693,490
Total vested benefits	$34,948,475,085	$35,035,142,072
Actuarial present value of non-vested accumulated plan benefits	240,936,367	276,986,399
Total actuarial present value of accumulated plan benefits	$35,189,411,452	$35,312,128,471

Factors	**Change in Actuarial Present Value of Accumulated Plan Benefits**
Plan amendments	-$22,101,623
Benefits accumulated	267,134,585
Net experience gain or loss and changes in data	-87,676,246
Benefits paid	-2,822,507,812
Changes in actuarial assumptions	0
Interest	2,542,434,077
Total	-$122,717,019

EIN 36-6044243/ PN 001

Actuarial Funded Status – IRC 412(e) Letter Basis (Using Assumptions from January 1, 2014 Valuation Report)

		January 1, 2014	January 1, 2013
1	Interest Rate	8.0%	8.0%
2	Actuarial liability	$29,822,856,638	$29,993,039,151
3	Market value of assets	$18,740,758,554	$17,765,259,052
4	Funded ratio	62.8%	59.2%
5	Minimum required funded ratio per IRC 412(e) condition	61.0%	60.0%

EXHIBIT VII

Statement of Actuarial Assumptions/Methods (Schedule MB, line 6)

Decrements:	Rates of Retirement: Table A, except effective July 1, 2011, benefits commence no earlier than age 57 Rates of Withdrawal Prior to Retirement: Table B Rates of Disability: Table C Rates of Mortality for Healthy Lives: RP-2000 Combined Healthy Blue Collar Mortality Table (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter as described in Table D Rates of Mortality for Disabled Lives: According to the RP-2000 Disability Retiree Mortality Table (sex distinct) Note: The rates described above are rates of decrement, not probability rates. Probability rates at a given age are calculated by considering all applicable rates of decrement at that age. The RP-2000 Combined Healthy Blue Collar Mortality Table, projected on a generational basis using Scale AA for 13 years and further projected under Scale BB to the measurement date, reasonably reflects the projected mortality experience of the Plan as of the measurement date. The resulting mortality table was then adjusted to future years using generational projection under Scale BB to reflect future mortality improvement.

EIN 36-6044243/ PN 001

Table A

Retirement (%)

	Benefit Classes 1 – 14		Benefit Classes 15 and 16				Benefit Classes 17A and 17B			
Age	**Under 20**	**20 & Over**	**Under 20**	**20 – 24**	**25 – 29***	**30 & Over***	**Under 20**	**20 – 24**	**25 – 29***	**30 & Over***
48	0.0	0.0	0.0	0.0	1.0	10.0	0.0	0.0	2.0	10.0
49	0.0	0.0	0.0	0.0	2.0	10.0	0.0	0.5	2.0	10.0
50	0.5	1.5	0.5	1.0	3.0	10.0	0.5	1.0	3.0	10.0
51	0.5	1.5	0.5	1.0	3.0	10.0	0.5	1.0	3.0	10.0
52	0.5	1.5	0.5	1.5	4.0	10.0	0.5	1.0	5.0	10.0
53	0.5	1.5	0.5	1.5	4.0	10.0	0.5	1.0	5.0	10.0
54	1.0	3.0	1.0	1.5	5.0	10.0	0.5	1.5	6.0	15.0
55	1.0	4.0	1.5	3.0	6.0	10.0	1.0	2.5	8.0	15.0
56	1.0	5.0	2.0	5.0	8.0	10.0	2.0	4.0	10.0	20.0
57	2.5	6.0	5.0	7.0	12.0	18.0	4.0	9.5	15.0	25.0
58	3.0	6.0	5.0	9.0	13.0	17.0	4.0	9.0	15.0	25.0
59	3.0	7.0	5.0	10.0	15.0	17.5	6.0	9.5	15.0	25.0
60	6.0	15.0	8.0	15.0	20.0	20.0	7.5	10.5	20.0	25.0
61	10.0	20.0	15.0	25.0	30.0	35.0	12.0	18.0	30.0	35.0
62	25.0	50.0	35.0	50.0	55.0	65.0	27.5	37.0	50.0	65.0
63	25.0	35.0	25.0	35.0	50.0	50.0	24.5	30.5	50.0	55.0
64	25.0	35.0	25.0	35.0	45.0	40.0	23.0	32.5	45.0	50.0
65	50.0	55.0	50.0	60.0	60.0	55.0	48.0	46.0	60.0	55.0
66	30.0	35.0	40.0	60.0	60.0	55.0	34.0	35.5	40.0	45.5
67	25.0	25.0	35.0	35.0	35.0	45.0	28.5	35.0	40.0	35.0
68	25.0	25.0	30.0	35.0	35.0	30.0	33.5	18.5	25.0	20.0
69	25.0	25.0	30.0	35.0	35.0	30.0	21.0	12.5	30.0	20.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Participants who have less than 15 years of contributory credit on 12/31/03 are assumed to retire in accordance with the “20-24” rates.

EIN 36-6044243/ PN 001

Table A (continued)
Retirement (%)

	Benefit Class 18**				Benefit Classes 18 Plus				Vested Inactive Participants **		
Age	Under 20	20 - 24	25 – 29*	30 & Over*	Under 20	20 – 24	25 – 29*	30 & Over*	Vested Pension	20 Year Service	30 & Out Benefit
48	0.0	1.0	2.0	10.0	0.0	0.0	2.0	10.0	0.0	0.0	20.0
49	0.0	1.0	3.0	10.0	0.0	0.5	3.0	10.0	0.0	13.0	20.0
50	0.0	1.5	4.0	10.0	0.25	0.5	4.0	10.0	0.5	20.0	20.0
51	0.0	2.0	5.0	10.0	0.25	1.0	5.0	10.0	0.5	8.0	20.0
52	0.5	2.0	7.0	10.0	0.25	1.0	7.0	10.0	0.5	8.0	20.0
53	0.5	1.5	7.0	10.0	0.25	1.0	7.0	10.0	1.0	8.0	20.0
54	0.5	3.0	9.0	15.0	0.5	1.5	9.0	15.0	1.5	9.0	20.0
55	1.0	3.0	10.0	15.0	2.0	2.5	10.0	15.0	2.5	8.0	20.0
56	1.5	5.5	15.0	20.0	2.0	4.0	15.0	20.0	2.5	12.0	35.0
57	3.5	12.5	30.0	25.0	3.0	9.5	30.0	25.0	4.0	19.0	35.0
58	3.5	11.0	20.0	25.0	4.0	9.0	20.0	25.0	4.0	10.0	30.0
59	4.0	13.0	20.0	25.0	4.0	9.5	20.0	25.0	4.0	12.0	30.0
60	4.5	15.5	25.0	25.0	4.0	10.5	25.0	25.0	5.0	19.0	30.0
61	10.5	20.0	30.0	35.0	8.0	18.0	30.0	35.0	8.0	24.0	30.0
62	27.0	35.5	60.0	65.0	20.0	37.0	60.0	65.0	15.0	36.0	50.0
63	20.0	27.0	45.0	45.0	10.0	30.5	45.0	45.0	8.0	23.0	50.0
64	20.0	35.0	45.0	40.0	25.0	32.5	45.0	40.0	15.0	27.0	25.0
65	50.0	61.0	45.0	50.0	35.0	46.0	45.0	50.0	30.0	48.0	25.0
66	25.0	38.0	40.0	50.0	50.0	35.5	40.0	50.0	8.0	24.0	25.0
67	25.5	36.0	40.0	50.0	25.0	35.0	40.0	50.0	8.0	17.0	25.0
68	25.0	18.0	30.0	35.0	25.0	18.5	30.0	35.0	8.0	18.0	25.0
69	25.0	9.0	30.0	20.0	25.0	12.5	30.0	20.0	8.0	18.0	25.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Participants who have less than 15 years of contributory credit on 12/31/03 are assumed to retire in accordance with the “20-24” rates.

** YRCW participants subject to benefit reductions under the Distressed Employer Schedule are assumed to retire in accordance with the “Under 20” or “Vested Pension” rates, effective July 1, 2011. In addition, YRCW participants who were age 55 with 25 years of service as of July 1, 2009 are assumed to defer benefit commencement until age 62.

Table B

Withdrawals (%) *

Years of Service	Classes 1 – 14	Classes 15 and 16	Classes 17A and 17B	Class 18	Class 18 Plus
0	40.00	35.00	35.00	25.00	35.00
1	30.00	25.00	20.00	14.00	20.00
2	25.00	20.00	15.00	10.00	15.00
3	25.00	15.00	12.00	10.00	15.00
4	20.00	14.00	12.00	8.00	13.00
5	20.00	13.00	10.00	6.00	13.00
6	17.00	11.00	10.00	6.00	10.00
7	16.00	10.00	10.00	6.00	8.00
8	15.00	10.00	10.00	6.00	8.00
9	15.00	10.00	7.00	6.00	8.00
10	15.00	9.00	7.00	5.00	8.00
11	15.00	9.00	7.00	5.00	8.00
12	13.00	8.00	6.00	4.00	8.00
13	13.00	7.00	5.00	4.00	8.00
14	13.00	6.00	4.00	3.00	7.00
15	10.00	6.00	4.00	3.00	4.00
16	9.00	6.00	4.00	2.00	4.00
17	8.00	5.00	4.00	2.00	4.00
18	8.00	5.00	4.00	2.00	4.00
19	9.00	5.00	4.00	2.00	4.00
20	11.00	5.00	4.00	2.00	4.00
21	9.00	5.00	3.00	2.00	3.00
22	8.00	5.00	3.00	2.00	2.00
23	7.00	5.00	2.00	2.00	2.00
24	6.00	5.00	2.00	1.00	2.00
25	6.00	3.00	2.00	1.00	2.00
26	6.00	3.00	2.00	1.00	2.00
27	6.00	2.00	1.00	1.00	1.00
28	6.00	2.00	1.00	1.00	1.00
29	5.00	2.00	1.00	1.00	1.00
30 & Over	5.00	2.00	1.00	1.00	1.00

*Withdrawal rates cut out at eligibility for retirement, provided a non-zero rate of retirement applies at that age.

Table C
Disability (%)

Age	Rate of Disability	Age	Rate of Disability	Age	Rate of Disability
21	0.00	36	0.03	51	0.10
22	0.00	37	0.04	52	0.09
23	0.00	38	0.05	53	0.09
24	0.00	39	0.06	54	0.09
25	0.00	40	0.07	55	0.09
26	0.00	41	0.08	56	0.09
27	0.00	42	0.10	57	0.09
28	0.00	43	0.10	58	0.09
29	0.00	44	0.11	59	0.08
30	0.00	45	0.12	60	0.08
31	0.00	46	0.12	61	0.07
32	0.01	47	0.13	62	0.07
33	0.02	48	0.12	63	0.06
34	0.02	49	0.11	64	0.04
35	0.03	50	0.11	65	0.03

Table D
Mortality* (%)

Age	Healthy		Disabled	
	Male	Female	Male	Female
20	0.03	0.02	2.26	0.75
25	0.03	0.02	2.26	0.75
30	0.07	0.03	2.26	0.75
35	0.10	0.04	2.26	0.75
40	0.12	0.07	2.26	0.75
45	0.15	0.11	2.26	0.75
50	0.19	0.16	2.90	1.15
55	0.33	0.25	3.54	1.65
60	0.67	0.46	4.20	2.18
65	1.28	0.96	5.02	2.80
70	2.17	1.72	6.26	3.76
75	3.54	2.75	8.21	5.22
80	6.10	4.41	10.94	7.23
85	10.35	7.59	14.16	10.02
90	17.06	13.00	18.34	14.00

* Rates above are sample rates in 2014. Healthy rates are projected on a generational basis after 2014 using Scale BB.

EIN 36-6044243/ PN 001

Description of Weighted Average Retirement Age: Age 62, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2014 actuarial valuation.

Future Benefit Accruals: One year of service per year

Frequency of Employer Contributions:

Benefit Class	Assumed Weeks Worked	Assumed Days Worked	Assumed Hours Worked
1 through 14	47	210	1,300
15 & 16	51	210	1,700
17A & 17B	51	240	1,700
18 & 18 Plus	51	240	1,700

Unknown Data for Participants: Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male. The Fund Office adjusted for missing birth dates by assuming that they were 30 years prior to the participation date.

Definition of Active Participants: Active participants are defined as those reported as Active by Central States excluding those who have retired as of the valuation date. All actives have earned one year of vesting service in the most recent plan year.

Exclusion of Inactive Vested Participants: Inactive participants over age 70 are excluded from the valuation, based on an assumption that they will not ultimately apply for a pension or respond to inquiries by the Fund Office. This assumption does not apply to those UPS participants that became inactive vested participants as a result of UPS's withdrawal.

Percent Married: 80%

Age of Spouse: Females are three years younger than male spouses.

EIN 36-6044243/ PN 001

Benefit Election:	Married participants are assumed to elect the Joint and Survivor Annuity. Single participants are assumed to elect the Single Life Annuity with 60 months of payments guaranteed (without guarantee for participants on the Default Schedule).
Net Investment Return:	7.50% - The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.
Annual Administrative Expenses:	$37,000,000, payable monthly, for the year beginning January 1, 2014 (equivalent to $35,586,296 payable at the beginning of the year)
Actuarial Value of Assets:	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method:	Unit Credit Actuarial Cost Method. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service.
Benefit Class:	Plan participants are assumed to remain in their current Benefit Class until termination or retirement.
Benefits Valued:	Unless otherwise indicated, includes all benefits summarized in Exhibit VIII.

EIN 36-6044243/ PN 001

Current Liability Assumptions:

Interest	3.64%, within the permissible range prescribed under IRC Section 431(c)(6)(E)
Mortality	Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1: RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants

Justification for Change in Actuarial Assumptions (Schedule MB, line 11):

Based on past experience and future expectations, the following actuarial assumption was changed as of January 1, 2014:

- Administrative expenses, previously $35,400,000, payable monthly.

Estimated Rate of Investment Return:

On actuarial value of assets (Schedule MB, line 6g):	15.1%, for the Plan Year ended December 31, 2013
On current (market) value of assets (Schedule MB, line 6h):	18.6%, for the Plan Year ended December 31, 2013

Funding Standard Account Contribution Timing (Schedule MB, line 3(a)):

Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a July 1 contribution date.

EXHIBIT VIII

Summary of Plan Provisions
(Schedule MB, line 6)

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

Plan Year:	January 1 through December 31
Pension Credit Year:	January 1 through December 31
Plan Status:	Ongoing plan
Participation:	Employee is eligible to participate when at least 20 weeks of contributions have been made on his or her behalf in the first year of employment, or in any calendar year thereafter (for Benefit Classes 15A through 18+, need 20 weeks or 75 days of contributions).
Contributions:	Employers make daily or weekly contributions on behalf of their employees, as established by a collective bargaining agreement. These contribution rates are a factor in determining Benefit Class. Minimum contribution rates vary by several factors, including Benefit Class and year of last contract. The average annual contribution per participant, based on the assumptions regarding frequency is $8,638.
Service Credit:	Sum of Contributory Credit and Non-Contributory Credit.

Contributory Credit:	Credit is based on contributions made by employer on employee's behalf. Contributory Credit is earned on a calendar year basis according to the following schedule:

Benefit Classes 1 – 14

0 – 19 weeks contributed	No Credit
20 – 39 weeks contributed	Number of weeks divided by 40
40 or more weeks contributed	1 year credit

Benefit Classes 15A – 18+

0 – 19 weeks contributed	No Credit
20 – 39 weeks contributed	Number of weeks divided by 40
40 or more weeks contributed	1 year credit

or

74 days contributed	No Credit
75 – 179 days contributed	Number of days divided by 180
180 or more days contributed	1 year credit

Non-Contributory Credit:	Employee can earn Non-Contributory Credit if he or she became a Participant prior to April 1, 1985, and if he or she worked for a Teamster type organization prior to becoming a participant in this plan. Up to one year of Non-Contributory Credit can be given for each year of Contributory Credit.
Reemployment:	If a pensioner or disabled Participant returns to work, benefit payments may be suspended pursuant to the terms of the Plan. Benefit may have to be re-calculated if he or she earns additional credit.

EIN 36-6044243/ PN 001

Vesting Service:	A Participant earns one year of Vesting Service for each calendar year during which the employer makes at least 20 weeks of contribution on his or her behalf (20 weeks or 75 days for Benefit Classes 15A through 18+). A Participant becomes vested upon earning five years of vesting service.
Break in Service:	A one-year break is a calendar year with less than 10 weeks of Contributory Credit, Non-Contributory Credit, or Vesting Service. A Break in Service occurs when a non-vested Participant has the greater of a) five consecutive one-year breaks, or b) a number of consecutive one-year breaks equal to the number of years of Vesting Service prior to the one-year breaks.
Retirement Benefits:	A Participant receives the best of the following benefit types at retirement: • Twenty-Year Service Pension • Contribution-Based Pension • Contributory Credit Pension

Twenty-Year Service Pension: This benefit is earned by combining Contributory Credit and Non-Contributory Credit, and at least one-half of the total Credit must be Contributory.

This benefit is based on Benefit Class and age at retirement as follows:

	Monthly Pension Benefit				
Benefit Class	Age 57	Age 58	Age 59	60-64	Age 65
1	$ 60	$ 60	$ 60	$ 60	$ 60
2	90	90	90	90	90
2A	125	125	125	125	125
3	140	140	140	170	170
3A	170	170	170	210	210
4	225	225	225	275	275
5	260	260	260	315	315
6	285	285	285	350	350
7	330	330	330	400	400
8	365	365	365	445	445
9	400	400	400	485	485
10	435	435	435	530	530
11	490	490	490	595	595
12	575	575	575	675	675
13	600	600	600	725	725
14	625	625	625	775	775
15	700	750	800	900	900
16	700	750	800	900	1,100
17A&B	700	750	800	900	1,100
18&18+	700	750	800	900	1,100

Eligibility:	Attain age 50 while an active plan participant with 20 years of Credit or 30 years of Credit, regardless of age.
Amount:	Monthly pension benefit is based on chart above using age on the earlier of 1) retirement date, or 2) date of termination. Benefit must be reduced .5% for each month retirement age precedes age 57.

Deferred Pension (Special Provision):

Eligibility:	Attain age 57 while an active plan participant with 20 years of Credit or 20 years of Contributory Credit, regardless of age, with at least 20 weeks under Schedule B of the Benefit Class Rate Chart or Attain age 50 while an active plan participant with 20 years of Contributory Credit.
Amount:	Monthly pension benefit is based on previous chart using age at retirement (not age at termination). This special Deferred Pension allows a participant to terminate employment, but delay retirement to a later date to receive a greater benefit. This benefit must be reduced .5% for each month retirement age precedes age 57. This benefit is not payable prior to age 50.

Contribution-Based Pension:

Eligibility: Five years of Vesting Service.

Amount: This monthly pension benefit is payable, unreduced, at the earlier of age 65 and age 62 with 20 years of Credit, and is equal to (a) + (b) + (c):

(a) 1% of all employer contributions paid on the Participant's behalf on or after January 1, 2004;
(b) 2% of all employer contributions paid on the Participant's behalf on or after January 1, 1986 through December 31, 2003;
(c) Pre-1986 credit is determined using a formula as defined in the January 1, 1985 Pension Plan.

This benefit can be taken early, with a reduction of .5% for each month retirement date precedes age 65, or age 62 with 20 years Credit if earlier.

Contributory Pension:

Eligibility (must meet any of the following):

- 30 years of Contributory Credit, with at least ½ year of Contributory Credit earned prior to January 1, 2004 and Contribution being made under Schedule B of the Benefit Class Rate Chart;
- at least age 57 with at least 20 years of Contributory Credit and Benefit Class 16 or higher;
- at least age 57 with at least 25 years of Contributory Credit and Benefit Class 15C or higher;
- at least age 60 with at least 25 years of Contributory Credit and Benefit Class 15A or higher;
- 25 years of Contributory Credit and Benefit Class 17A, 18, or 18+;
- at least age 55 with at least 25 years of Contributory Credit and Benefit Class 17B;
- at least age 50 with at least 20 years of Contributory Credit and Benefit Class 18 or 18+.

Amount:	Sum of (a) and (b), where: a) 1% of Contributions paid on participant's behalf on or after January 1, 2004 (payable monthly and reduced .5% per month for retirement prior to 62); b) a percentage (determined by taking years of Contributory Credit as of December 31, 2003 divided by total Contributory Credit at retirement) of the amount, payable monthly, taken from the following charts (age used in chart should be age at date of termination).

For Benefit Classes 1 – 14:

Use age 60 amount from Twenty-Year Service Pension chart.

For Benefit Class 15A:

Age	25 Years	30 Years
Any	0	1,000
60-61	950	1,050
62-64	1,050	1,125
65+	1,125	1,250

For Benefit Class 15B:

Age	25 Years	30 Years
Any	0	1,000
60-61	1,000	1,100
62-64	1,100	1,250
65+	1,250	1,500

For Benefit Class 15C (Phase I):

Age	25 Years	30 Years
Any	0	1,000
57-59	900	1,125
60-61	1,125	1,350
62-64	1,225	1,500
65+	1,375	1,750

For Benefit Class 15C (Phase II):

Age	25 Years	30 Years
Any	0	1,000
57-59	1,000	1,250
60-61	1,250	1,600
62-64	1,350	1,750
65+	1,500	2,000

For Benefit Class 16:

Age	20 Years	25 Years	30 Years
Any	0	0	2,000
57	900	1,200	2,000
58	950	1,300	2,000
59	1,000	1,400	2,000
60	1,050	1,500	2,000
61	1,100	1,600	2,100
62	1,200	1,700	2,200
63	1,300	1,800	2,300
64	1,400	1,900	2,400
65+	1,500	2,000	2,500

Contributory Credit Pensions Under Benefit Class 17A

	Years of Contributory Service											
Age	**20-24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35 & Over**
Any Age	-	1,500	1,500	1,500	1,500	1,500	2,000	2,100	2,200	2,300	2,400	2,500
56	-	1,500	1,600	1,600	1,600	1,600	2,000	2,100	2,200	2,300	2,400	2,500
57	900	1,500	1,600	1,700	1,700	1,700	2,000	2,100	2,200	2,300	2,400	2,500
58	950	1,500	1,600	1,700	1,800	1,800	2,000	2,100	2,200	2,300	2,400	2,500
59	1,000	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
60	1,050	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
61	1,100	1,600	1,600	1,700	1,800	1,900	2,100	2,100	2,200	2,300	2,400	2,500
62	1,200	1,700	1,700	1,700	1,800	1,900	2,200	2,200	2,200	2,300	2,400	2,500
63	1,300	1,800	1,800	1,800	1,800	1,900	2,300	2,300	2,300	2,300	2,400	2,500
64	1,400	1,900	1,900	1,900	1,900	1,900	2,400	2,400	2,400	2,400	2,400	2,500
65 & Up	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,500	2,500

Contributory Credit Pensions Under Benefit Class 17B

	Years of Contributory Service											
Age	**20-24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35 & Over**
Any Age	-	-	-	-	-	-	2,500	2,600	2,700	2,800	2,900	3,000
55	-	1,500	1,500	1,500	1,500	1,500	2,500	2,600	2,700	2,800	2,900	3,000
56	-	1,500	1,600	1,600	1,600	1,600	2,500	2,600	2,700	2,800	2,900	3,000
57	900	1,500	1,600	1,700	1,700	1,700	2,500	2,600	2,700	2,800	2,900	3,000
58	950	1,500	1,600	1,700	1,800	1,800	2,500	2,600	2,700	2,800	2,900	3,000
59	1,000	1,500	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
60	1,050	1,500	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
61	1,100	1,600	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
62	1,200	1,700	1,700	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
63	1,300	1,800	1,800	1,800	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
64	1,400	1,900	1,900	1,900	1,900	1,900	2,500	2,600	2,700	2,800	2,900	3,000
65 & Up	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,600	2,700	2,800	2,900	3,000

Contributory Credit Pensions Under Benefit Class 18

	Years of Contributory Service											
Age	**20-24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35 & Over**
Any Age	-	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
50	650	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
51	700	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
52	750	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
53	800	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
54	850	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
55	900	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
56	950	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
57	1,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
58	1,050	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
59	1,100	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
60	1,150	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
61	1,200	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
62	1,300	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
63	1,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
64	1,500	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
65 & Up	2,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500

Contributory Credit Pensions Under Benefit Class 18 Plus

	Years of Contributory Service											
Age	**20-24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35 & Over**
Any Age	-	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
50	650	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
51	700	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
52	750	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
53	800	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
54	850	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
55	900	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
56	950	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
57	1,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
58	1,050	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
59	1,100	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
60	1,150	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
61	1,200	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
62	1,300	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
63	1,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
64	1,500	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
65 & Up	2,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500

Disability Pension:

Eligibility:	Under age 62 with 10 years of credited service and Benefit Class 4 or higher
Amount:	For Benefit Class 18: \$650 per month plus \$50 for each year that the age at time of disability exceeded age 50 with a maximum benefit of \$1,000. For other Benefit Classes: \$265 per month until death or recovery from disability. At age 65, a disabled participant may elect to receive a normal retirement benefit instead.

Vesting:

Eligibility:	5 years of vesting service
Amount:	Vested participants retiring after January 1, 1987 will get a Contribution-Based Pension. The Vested Pension is only for those retiring on or before January 1, 1987.

Pre-Retirement Death Benefits:

Survivors may only receive one non-disability death benefit.

50% Surviving Spouse Benefit

Eligibility:	Married and either a vested participant or eligible for an immediate pension.
Amount:	50% of the pension that would have been payable under the Joint and 50% Surviving Spouse option.

60-Month Survivor Benefit

Eligibility:	Active participant with 20 years of credited service, married or with dependent children, and Benefit Class 4 or higher.
Amount:	60 months' pension equal to the greater of \$160 per month or the pension the deceased participant could have received under the lifetime with limited surviving spouse payment option.

Lump-Sum Death Benefit

Eligibility:	Active participant with 10 years of credited service.
Amount:	Amount $4,000 under Schedule B, $2,000 under Schedule A, or $10,000 under Benefit Class 18 but not more than 50% of the contributions made for the participant. Survivor eligible for more than one death benefit must elect which one to receive if not covered under Benefit Class 18.

Disability Death Benefit

Eligibility:	Receiving a disability pension
Amount:	$1,000 or 50% of spouse's benefit

Lump-Sum Disability Benefit

Eligibility:	Age 45 with 10 years of credited service and not eligible for the disability pension.
Amount:	Amount $3,000 under Schedule B or $2,000 under Schedule A, but not more than 50% of the contributions made for the participant.

Optional Forms of Payment:

For single participants:

- Single Life Annuity for members of Benefit Classes 4 and higher, with a $1,000 death benefit
- Single Life Annuity for members of Benefit Classes below 4 and a benefit based on 20 years of Credit, with a $1,000 death benefit

For married participants:

- 50% Joint and Survivor Pension (QJSA) with pop-up provision, reduced from the single life annuity
- 75% Joint and Survivor Pension (QOSA) with pop-up provision, reduced from the single life annuity
- Single Life Annuity for members of Benefit Classes 4 and higher, with 60 months of payments guaranteed or, if the spouse does not survive to the pensioner's death, a $1,000 death benefit
- Single Life Annuity for members of Benefit Classes below 4 and a benefit based on 20 years of Credit, with a $1,000 death benefit upon the pensioner's death and a $500 death benefit upon the spouse's death

EIN 36-6044243/ PN 001

Benefit Transfer:	Effective January 1, 2008, the responsibility to pay all benefits to non-retired UPS participants as of January 1, 2008 other than the Contribution-Based Pension Accrued Benefit payable at age 65 was transferred to the UPS/IBT Full-Time Pension Plan.

Summary of Plan Changes Under Rehabilitation Plan:

Primary Schedule	Except for plan withdrawals, preserves all current benefit provisions. Annually compounded contribution increases are required effective immediately after the expiration of the Collective Bargaining Agreement. For 2008 agreements, the increases are 8% for the first five years, 6% for the next three years, and 4% per year thereafter. Effective for retirements on or after July 1, 2011, participants will not be granted a retirement date prior to age 57, and effective June 1, 2011 required contributions will be limited to $348 per week for each participant covered by the National Automobile Transporter Agreement and $342 per week for all other participants. Any employer that qualifies as a New Employer under Section 2.2(b) of Appendix E of the Plan is not required to make additional contribution rate increases otherwise required by the Rehabilitation Plan as of the date it qualifies as a New Employer.
Default Schedule	Adjustable Benefits are eliminated or reduced to the maximum extent permitted by law for employees of contributing employers subject to the Default Schedule. Adjustable Benefits include the Twenty-Year Service Pension, the Contributory Credit Pension, all disability benefits not yet in pay status, and before retirement death benefits other than the 50% surviving spouse benefit. Effective for retirements on or after July 1, 2011, the early retirement reductions in the Default Schedule are based on actuarially equivalent factors rather than 6% per year from 65 and may not commence prior to age 57. Annually compounded contribution increases of 4% are required effective immediately after the expiration of the Collective Bargaining Agreement. Any employer that qualifies as a New Employer under Section 2.2(b) of Appendix E of the Plan is not required to make additional contribution rate increases otherwise required by the Rehabilitation Plan as of the date it qualifies as a New Employer.
Rehabilitation Plan Withdrawals	When a contributing employer is no longer required to make employer contributions to the Pension Fund under one or more of its Collective Bargaining Agreements as a result of actions by members of a Bargaining Unit, its representatives, or the contributing employer; the participants of that employer that have not yet commenced benefits shall be subject to the Adjustable Benefit reductions of the Default Schedule.

Distressed Employer Schedule

Adjustable Benefits are eliminated or reduced to the maximum extent permitted by law for employees of contributing employers subject to the Distressed Employer Schedule, except for any participant that has achieved a minimum age of 55 and accrued a minimum of 25 years of Contributory Credit as of the date of the Distressed Employer's termination of participation in the Fund provided that the retirement is not prior to age 62. Adjustable Benefits include the Twenty-Year Service Pension, the Contributory Credit Pension, all disability benefits not yet in pay status, and before retirement death benefits other than the 50% surviving spouse benefit. Early retirement reductions are based on actuarially equivalent factors effective for retirements on or after July 1, 2011.

Changes in Plan Provisions

The following plan provision was changed and is reflected in this valuation:

- During the plan year ended December 31, 2013, 1,013 active participants and 2,585 inactive vested participants were first reported to be covered under the Default Schedule, Distressed Employer Schedule, or were subject to the Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these schedules, their changes in benefits are treated as a plan change.

5448218v3/10346.006