

APPENDIX C - CHECKLIST - IS THE SUBMISSION COMPLETE?

Instructions. The application must include a completed checklist placed on top of the application. This will help ensure that the application is complete. Answer each question in the checklist by circling Y for yes, N for no or N/A for not applicable, as appropriate, in the blank next to the item. Also insert in the appropriate blank next to each item the page number or numbers where the item appears in the application.

APPLICATION FOR APPROVAL OF BENEFIT SUSPENSION FOR THE NEW YORK STATE TEAMSTERS CONFERENCE PENSION AND RETIREMENT FUND

Response	Item number	Description of item	Page number in application
<input checked="" type="radio"/> Yes No N/A	1.	Does the application include an original signature of the plan sponsor or an authorized representative of the plan sponsor? See section 2.01.	p. 40
<input checked="" type="radio"/> Yes No N/A	2.	Does the application include a description of the proposed benefit suspension - calculated as if no other limitations apply - that includes: <ul style="list-style-type: none"> the suspension's effective date (and its expiration date, if applicable), whether the suspension provides for different treatment of participants and beneficiaries, a description of the different categories or groups of individuals affected, and how the suspension affects these individuals differently? See section 2.02. 	p. 2
<input checked="" type="radio"/> Yes No N/A	3.	Does the application include a penalties-of-perjury statement signed by an authorized trustee on behalf of the board of trustees? See Section 2.03.	p. 3 Exhibit 1
<input checked="" type="radio"/> Yes No N/A	4.	Does the application include a statement, signed by an authorized trustee on behalf of the board of trustees, acknowledging that the application and the application's supporting material will be publicly disclosed on the Treasury Department's website? See section 2.04.	p. 3 Exhibit 2
<input checked="" type="radio"/> Yes No N/A	5.	Does the application include the plan actuary's certification of critical and declining status and the supporting illustrations, including: <ul style="list-style-type: none"> the plan-year-by-plan-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.	p. 4 Exhibit 3
<input checked="" type="radio"/> Yes No N/A	6.	Does the application describe the assumptions used, including the new entrant profile, the total contribution base units, and the average contribution rates? See section 3.01.	p. 4 Exhibit 3

<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	7.	<p>Does the application include the plan actuary's certification that the plan is projected to avoid insolvency if the suspension takes effect and the supporting illustrations, including:</p> <ul style="list-style-type: none"> the plan-year-by-plan-year projections demonstrating projected solvency during the relevant period, a description of the assumptions used, including the new entrant profile, the total contribution base units, and the average contribution rates, and separately identifying the available resources (and the market value of assets and changes in cash flow) during each of those years? <p>See section 3.02.</p>	p. 4 Exhibit 4
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	8.	<p>Does the application include the plan sponsor's determination of projected insolvency that includes the documentation set forth in section 5 of the revenue procedure? See section 3.03.</p>	p. 5 Exhibit 5
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	9.	<p>Does the application include a demonstration that the limitations on individual suspensions are satisfied, including calculations regarding:</p> <ul style="list-style-type: none"> the guarantee-based limitation, the disability-based limitation, and the age-based limitation? <p>See section 4.01.</p>	p. 6 Exhibit 6
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	10.	<p>Does the application include a demonstration that the proposed suspension is reasonably estimated to achieve the level necessary to avoid insolvency for the extended period, including illustrations regarding the plan's solvency ratio and available resources? See section 4.02(1).</p>	p. 6 Exhibit 7
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	11.	<p>Does the application include the required illustration utilizing stochastic projections? (This illustration is not required if the plan is not required to appoint a retiree representative under § 432(e)(9)(B)(v)(I) and stochastic projections were not used in making the required determination.) See section 4.02(2).</p>	p. 7 Exhibit 7
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	12.	<p>Does the application include a demonstration that the proposed suspension is not projected to materially exceed the level necessary to avoid insolvency, including illustrations regarding the plan's solvency ratio and available resources? See section 4.03.</p>	p. 7 Exhibit 8
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	13.	<p>Does the application include a demonstration that the proposed suspension is equitably distributed, including:</p> <ul style="list-style-type: none"> information on the effect of the suspension on the plan in the aggregate, information on the effect of the suspension for different categories or groups, a list of the factors taken into account, an explanation of why none of the factors listed in § 432(e)(9)(D)(vi) were taken into account (if applicable), for each factor taken into account that is not one of the factors listed in § 432(e)(9)(D)(vi), an explanation why the factor is relevant, and how any difference in treatment among categories or groups of individuals results from a reasonable application of the relevant factors? <p>See section 4.04.</p>	pp. 8-12 Exhibit 9

Yes No N/A	14.	Does the application include a copy of the notices (excluding personally identifiable information) that meet the requirements under § 432(e)(9)(F)? See section 4.05(1).	pp. 12-13 Appendix A
Yes No N/A	15.	Does the application include a description of the efforts that are being taken to contact participants, beneficiaries in pay status, and alternate payees? See section 4.05(2).	p. 13
Yes No N/A	16.	Does the application describe the steps the plan sponsor has taken to ensure that notices delivered electronically are reasonably accessible to the recipients? See section 4.05(3)	NA
Yes No N/A	17.	Does the application include a list of each employer who has an obligation to contribute under the Plan and each employee organization representing participants under the Plan? See section 4.05(4).	p. 14 Exhibit 10
Yes No N/A	18.	Does the application include information on past and current measures taken to avoid insolvency? See section 5.01.	pp. 15-19
Yes No N/A	19.	Does the application include the plan information required by section 5.02?	pp. 19-24
Yes No N/A	20.	Does the application describe how the plan sponsor took into account – or did not take into account – the factors listed in section 5.02 in the determination that all reasonable measures were taken to avoid insolvency? See section 5.03.	pp. 24-33
Yes No N/A	21.	Does the application describe how the plan sponsor took into account - or did not take into account - in the determination that all reasonable measures have been taken to avoid insolvency the impact of: <ul style="list-style-type: none"> • benefit and contribution levels on retaining active participants and bargaining groups under the plan, and • past and anticipated contribution increases under the plan on employer attrition and retention levels? See section 5.03.	pp. 24-33
Yes No N/A	22.	Does the application include a discussion of any other factors the plan sponsor took into account including how and why those factors were taken into account? See section 5.04.	pp. 33-34
Yes No N/A	23.	Does the application include a copy of the proposed ballot, excluding the information regarding the statement in opposition, the individualized estimate, and the voting procedures? See section 6.01.	p. 35 Exhibit 11
Yes No N/A	24.	Does the application indicate whether the plan sponsor is requesting approval from PBGC of a proposed partition under section 4233 of ERISA? See section 6.02.	p. 35 NA
Yes No N/A	25.	If the answer to item 24 is yes, does the application specify the effective date of the proposed partition and include a plan-year-by-plan-year projection of the amount of the reduction in benefit payments attributable to the partition? See section 6.02.	NA

<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	26.	<p>Does the application describe the plan's experience with certain critical assumptions, including a disclosure for each of the 10 plan years immediately preceding the application that separately identifies:</p> <ul style="list-style-type: none"> • total contributions, • total contribution base units, • average contribution rates, • withdrawal liability payments, and • the rate of return on plan assets? <p>See section 6.03.</p>	p. 35 Exhibit 12
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	27.	<p>Does the application include deterministic projections of the sensitivity of the plan's solvency ratio throughout the extended period by taking into account the more conservative assumptions of investment experience and future contribution base units than assumed elsewhere in the application? See section 6.04.</p>	p. 35 Exhibit 13
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	28.	<p>Does the plan include deterministic projections for each year in the extended period of:</p> <ul style="list-style-type: none"> • the value of plan assets, • the plan's accrued liability, and • the plan's funded percentage? <p>See section 6.05.</p>	p. 35 Exhibit 14
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	29.	<p>Does the application include the plan sponsor's representation that, if it receives the Treasury Department's final authorization to suspend and then chooses to implement the suspension, it will also amend the plan:</p> <ul style="list-style-type: none"> • to indicate that the suspension will cease upon the plan sponsor's failure to determine that both all reasonable measures continue to be taken to avoid insolvency and that the plan would not be projected to avoid insolvency without a suspension, • to require that any future benefit improvements must satisfy § 432(e)(9)(E), and • to specify that the plan sponsor will not modify these amendments, notwithstanding any other provision of the plan document? <p>See section 6.06.</p>	p. 36 Exhibit 15
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	30.	<p>Does the application indicate whether the plan is a plan described in § 432(e)(9)(D)(vii) and, if so, how is that fact reflected in the proposed benefit suspension? See section 6.07.</p>	p. 36 NA
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	31.	<p>Does the application include the required plan sponsor information, including</p> <ul style="list-style-type: none"> • name • address • telephone number • email address • fax number • employer identification number (EIN) and • 3-digit plan number <p>(PN)? See section 7.01.</p>	p. 37
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	32.	<p>Does the application include the required plan identification information? See section 7.02.</p>	p. 37

Yes No N/A	33.	Does the application include the required retiree representative information (if applicable)? See section 7.03.	p. 37
Yes No N/A	34.	Does the application include the required enrolled actuary information? See section 7.04.	p. 37
Yes No N/A	35.	Does the application include a designation of power of attorney for each authorized representative who will represent the plan sponsor in connection with the application? See section 7.05 and Appendix B.	p. 37 Appendix B
Yes No N/A	36.	Does the application include: <ul style="list-style-type: none"> the required plan documents, any recent amendments, the summary plan description (SPD), the summary of material modifications, and the most recent determination letter? See section 7.06.	p. 37 Exhibit 16
Yes No N/A	37.	Does the application include the required excerpts from the relevant collective bargaining agreements and side agreements? See section 7.07.	p. 37 Exhibit 17
Yes No N/A	38.	Does the application include the required excerpts from the most recently filed Form 5500? See section 7.08.	pp. 37-38 Exhibit 18
Yes No N/A	39.	Does the application include the most recently updated rehabilitation plan? See section 7.09.	p. 38 Exhibit 19
Yes No N/A	40.	Does the application include this checklist, completed and placed on top of the application? See section 7.10.	Top of application Appendix C
Yes No N/A	41.	If the application is being submitted for resubmission review, does the application include: <ul style="list-style-type: none"> a statement that the application is being submitted for resubmission review, and the date on which the Treasury Department gave approval to submit an application for resubmission review? See section 8.	NA

Redacted by the U.S. Department of the Treasury

Signature:

John F. Ring / David P. Offenloch

Date: August 31, 2016

Title/Authority: Attorneys, Power of Attorney

**New York State Teamsters Conference
Pension and Retirement Fund's**

**Application to the Department of the Treasury
for
Approval of Suspension of Benefits
under the
Multiemployer Pension Reform Act of 2014**

Dated: August 31, 2016

SECTION 1. BACKGROUND AND PURPOSE

Pursuant to Internal Revenue Service Revenue Procedure 2016-27 (the “Revenue Procedure”) and the Department of the Treasury’s Final regulations issued under Section 432(e)(9) of the Internal Revenue Code of 1986 (the “Code”) and published in the Federal Register on April 28, 2016 (collectively, the “Regulations”), the Board of Trustees (“Trustees”) of the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) submits this Application, and the accompanying Exhibits and Appendices, to the Secretary of the Treasury for approval of a suspension of benefits.

Section 432(e)(9)(G) of the Code provides that the Secretary of the Treasury shall approve an application for the approval of suspension of benefits upon finding that the Plan is eligible for the benefits suspension and has satisfied the criteria set forth in subparagraphs (C), (D), (E), and (F) of Section 432(e)(9) of the Code. As set forth below, the Plan is eligible to suspend benefits and has satisfied each of the enumerated criteria under the Regulations. Therefore, the Plan respectfully requests that the Secretary approve this Application to suspend benefits accordingly.

SECTION 2. APPLICATION PROCEDURES

.01 Plan Sponsor submission. The Trustees, as Plan Sponsor, submit this Application for approval of a proposed benefit suspension under Section 432(e)(9). This Application is signed and dated by both a Union and an Employer Co-Chair Trustee, who are both authorized to sign and current members of the Board of Trustees. The proposed suspension of benefits is sometimes referred to herein as the “Pension Preservation Plan” or “PPP.”

.02 Terms of Plan’s proposed benefit suspension.

Effective Date. The effective date of the proposed suspension is July 1, 2017.

Expiration Date. The proposed suspension will not expire by its own terms.

Different Treatment of Participants and Beneficiaries. The Trustees’ proposed suspension provides for different treatment between only two categories of Plan Participants: Active Participants and Non-Active Participants. Active Participant is defined as a Participant who (1) has not retired and entered pay status as of June 30, 2017 and (2) had at least 500 hours of employer contributions submitted to the Plan on his behalf in the 2015 Plan Year, in the 2016 Plan Year, or in the 2017 Plan Year before July 1, 2017. Non-Active Participant is defined as any Participant who does not meet the definition of Active Participant and includes retirees, beneficiaries, and terminated vested Participants.¹

Active Participants: The proposed benefit suspension for Active Participants will be a 20% reduction in the accrued monthly benefit as of June 30, 2017, subject to the limitations described in Sections 432(e)(9)(D)(i), (ii) and (iii). The formula used to determine the amount of the proposed suspension for Active Participants is based on the 20% reduction percentage being applied to each Active Participant’s monthly benefit amount.

Non-Active Participants: The proposed benefit suspension for Non-Active Participants will be a 31% reduction in the accrued monthly benefit as of June 30, 2017, subject to the limitations described in Sections 432(e)(9)(D)(i), (ii) and (iii). The formula used to determine the amount of the proposed suspension for all Non-Active Participants is based on the 31% reduction percentage being applied to each Non-Active Participant’s monthly benefit amount.

¹ The Plan is a calendar year plan, effective January 1 through December 31.

.03 Penalties of perjury statement. **See Exhibit 1.**

.04 Public disclosure statement. **See Exhibit 2.**

SECTION 3. DEMONSTRATION THAT THE PLAN IS ELIGIBLE FOR SUSPENSION

.01 Plan actuary's certification of Critical and Declining status. See **Exhibit 3** for a certification from the Plan's actuary required under Section 432(b) that the Plan is in critical and declining status as defined in Section 432(b)(6) for the Plan Year commencing 2016. Included with this certification is documentation supporting the actuarial certification of status, including a Plan Year-by-Plan Year projection of the Plan's available resources and the benefits under the Plan, demonstrating that the Plan is projected to become insolvent during the 2027² Plan Year. The documentation includes a description of each of the assumptions used, including the new entrant profile, the total contribution base units (hours) and average contribution rates. The Plan Year-by-Plan Year projection separately identifies the market value of assets as of the beginning and end of the 2015 Plan Year through the 2027 Insolvency Year, and the following cash-flow items for those years: (1) contributions; (2) withdrawal liability payments; (3) benefit payments; separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants; (4) administrative expenses; and (5) investment returns.

.02 Plan actuary's certification that the plan is projected to avoid insolvency. See **Exhibit 4** for a certification from the Plan's actuary under Section 432(e)(9)(C)(i) that the Plan is projected to avoid insolvency within the meaning of Section 418E taking into account the proposed benefit suspension, and assuming that the proposed suspension continues indefinitely. Included with this certification is documentation supporting the certification, including a Plan Year-by-Plan Year projection of the available resources of the Plan within the meaning of Section 418E(b)(3) and the benefits under the Plan demonstrating the avoidance of insolvency of the Plan through the extended period of 32 Plan Years, which would be the 2048 Plan Year. The documentation includes a description of each of the assumptions used, including the new entrant profile, the total contribution base units (hours) and average contribution rates. Also included with this certification is the Plan's Plan Year-by-Plan Year projection that separately identifies the market value of assets as of the beginning and end of the initial period and each subsequent Plan Year in the extended period and the following cash-flow items for the initial period and each of those years: (1) contributions; (2) withdrawal liability payments; (3) benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, current active participants, and future new entrants; (4) administrative expenses; and (5) investment returns.³

² The actuary subsequently determined that the Plan would become insolvent in 2026. See **Exhibit 5**.

³ For this purpose, the initial period begins on the first day of the calendar quarter in which the Application is submitted (July 1, 2016) and ends with the last day of the Plan Year that includes that first day (December 31, 2016).

.03 Plan sponsor's determination of projected insolvency. The Trustees determined under Section 432(e)(9)(C)(ii), after a review of all available information and possible Plan changes, that the Plan is not projected to avoid insolvency if benefits are not suspended, even though the Trustees have taken all reasonable measures to avoid insolvency. The Trustees made this formal determination at their May 19 - 20, 2016 meeting. **See Exhibit 5** for information which supports the Trustees' determination of projected insolvency. **See also Exhibit 3, Appendix C** for additional actuarial information in support of the Trustees' determination.

The Trustees have included additional documentation and information in Section 5 of this Application illustrating their determination of projected insolvency and the reasonable measures taken into account in making the determination that the proposed suspensions are necessary to avoid insolvency.

SECTION 4. DEMONSTRATION THAT THE PLAN'S PROPOSED SUSPENSION SATISFIES THE STATUTORY REQUIREMENTS

.01 Demonstration that limitations on individual suspensions are satisfied. See **Exhibit 6** for a demonstration of how the proposed suspension satisfies the limitations described in Sections 432(e)(9)(D)(i), (ii) and (iii) as required under the Revenue Procedure. **Exhibit 6** includes:

- (1) A sample calculation applying the guarantee-based limitation under §432(e)(9)(D)(i) for an individual in each category or group identified in accordance with the Revenue Procedure.
- (2) A sample calculation applying the disability-based limitation under §432(e)(9)(D)(iii) for an individual in each category or group identified in accordance with the Revenue Procedure. Additionally, **see Exhibit 16, at page 40** for a description of each benefit based on disability under the Plan that is paid to an individual under the Plan (including disability benefits that are not available to newly disabled participants).
- (3) A sample calculation applying the age-based limitation under §432(e)(9)(D)(ii) for an individual in each category or group identified in accordance with the Revenue Procedure.

.02 Demonstration that the proposed suspension is reasonably estimated to enable the plan to avoid insolvency. See **Exhibit 7** for a demonstration that, in accordance with Section 432(e)(9)(D)(iv), the proposed benefit suspension is reasonably estimated to enable the Plan to avoid insolvency. **Exhibit 7** includes:

- (1) An illustration, prepared on a deterministic basis, showing that:
 - (a) For each Plan Year during the extended period described in §1.432(e)(9)-1(d)(5)(ii)(C), the plan's solvency ratio – the ratio of the Plan's available resources (as defined in § 418(E)(b)(3)) to the scheduled benefit payments under the Plan for the Plan Year – is projected on a deterministic basis to be at least 1.0.
 - (b) The Plan's projected funding percentage at the end of the extended period is less than or equal to 100 percent, and neither the Plan's solvency ratio nor its available resources are projected to decrease in any of the last five Plan Years of the extended period.

(2) An illustration, using stochastic projections that reflect variance in investment return, that the probability the Plan will avoid insolvency throughout the extended period as result of the proposed suspension is greater than 50 percent.

(3) A description of each assumption used, including:

(a) An explanation of the information and analysis that led to the selection of the actuarial assumption used for the deterministic projections under Section 4.02(1) of the Revenue Procedure as it differs from that used under Section 3.01 of the Revenue Procedure.

(b) With respect to stochastic projections described in Section 4.02(2) of the Revenue Procedure, the assumed mix of assets (and how it compares with the current mix of assets), the distribution of returns for each asset class, and the correlation among those rates of returns and any other economic variables in the projections.

(c) An explanation of the information and analysis that led to the selection of the actuarial assumption used for stochastic projections described in Section 4.02(2) of the Revenue Procedure as it differs from that used for deterministic projections described in Section 4.02(1) of the Revenue Procedure.

.03 Demonstration that the proposed suspension is reasonably estimated to not materially exceed the level necessary to avoid insolvency. See **Exhibit 8** for a demonstration that, in accordance with Section 432(e)(9)(D)(iv), the proposed benefit suspension is reasonably estimated to not materially exceed the level necessary to enable the Plan to avoid insolvency. The demonstration includes an illustration, prepared on a deterministic basis, of the Plan's available resources and solvency ratio as described in Section 4.02(1) of the Revenue Procedure (and also an illustration of the probability that the Plan will avoid insolvency prepared using stochastic projections, as described in Section 4.02(2) of the Revenue Procedure) showing the proposed suspension would not reasonably be estimated to avoid insolvency if the dollar amount of the proposed suspension for each participant and beneficiary were reduced (but not below zero) by the greater of:

(1) Five percent of the reduction in the periodic payment proposed for that participant or beneficiary; or

(2) Two percent of the participant's or beneficiary's periodic payment determined without regard to the reduction proposed in the application.

.04 Demonstration that the proposed benefit suspension is distributed equitably. In accordance with Section 432(e)(9)(D)(vi), the proposed benefit suspension is distributed in an equitable manner across the Plan's participant and beneficiary population.

(1) See **Exhibit 9** for a demonstration of the following:

(a) The number of participants, beneficiaries, and alternate payees; the average monthly benefit before the suspension; the average monthly benefit after the suspension (determined taking into account the individual limitations); and the aggregate present value of the reduction in benefits for all individuals.

(b) The distribution of the benefit suspension for the requested demonstrations under this section. The demonstration shows a count of individuals whose benefits are not reduced, and whose benefits are reduced by a percentage that falls within a series of ranges that do not exceed 10%. This information is shown on an aggregate basis and as between the Active and Non-Active Participant groups.

(2) Since the proposed suspension will be implemented differently between two different groups, Active Participants and all Non-Active Participants, the Application includes the following information:

(a) The information described in Sections 4.04(1)(a) and (b) above for each such category or group, which is in **Exhibit 9**.

(b) The factors the Trustees considered in designing the proposed benefit suspensions to be distributed in an equitable manner across the Participant and beneficiary population, which include:

- Accelerating employer withdrawals from the Plan, increasing the risk of additional benefit reductions for participants in and out of pay status;
- Negative reaction by Active Participants that would further prompt withdrawals of Active Participant groups and contributing employers, and Active Participants reasonably likely to withdraw support;
- History of benefit reductions for Active Participants;
- Amount of benefit;
- Discrepancies/relative benefits as between Active Participants and Non-Active Participants, including subsidized benefits; and
- Differences in historical employer contribution rates/increases as between Active Participants and Non-Active Participants.

(c) Factors listed in Section 432(e)(9)(D)(I) through (XII) were taken into account in designing the proposed suspensions.

(d) After thorough consideration of the above factors, the Plan proposes a different suspension in benefits for two different groups: Active Participants and Non-Active Participants. The Trustees have proposed different suspensions for these two groups and designed them equitably based on a reasonable application of relevant factors.

First, the Plan will not survive unless it retains its Active Participant population and the corresponding employer contributions in the Plan. As discussed in more detail later in this Application, employers and bargaining unit groups have left the Plan at an alarming rate over the last decade as contribution rates have steadily increased and the Plan has repeatedly reduced benefits for Active Participants. To stop this trend, the Plan must demonstrate to employers and Active Participants that there is an end in sight for continued benefit reductions and contribution increases, and that the Plan will offer competitive retirement benefit options in exchange for the rates at which employers currently are contributing. Failing to provide a competitive pension benefit, the Trustees fear – and history has demonstrated – will result in more employers and bargaining groups withdrawing from the Plan leading to a decreased Active membership and less employer contributions.

The proposed suspensions in this Application (together with the Trustees' communications to, and informational meetings with, Active Participants) demonstrate to Active Participants that a final 20% reduction in their benefits, together with a 31% reduction to Non-Active Participants are not only projected to save the Plan, but will allow Active Participants to continue accruing benefits at the same rate they have since 2011. The Active Participants have never previously been provided with such a projection – no such projection was available - because the law prohibited reductions to participants in pay status. The Active Participants can now see there is a reason to remain in the Plan. The Trustees determined that reducing Active Participants' benefits by 20% and continuing benefit accruals will make the Plan more attractive to Active Participant groups and will result in their voting in favor of the proposed suspensions and against any potential employer-negotiated withdrawal.

Likewise, the benefit suspensions and contribution increases provide employers with more specific information about their future economic obligations to the Plan. Contributing employers will know that future contribution increases will not only be less than what are currently required under the Plan's Rehabilitation Plan, but will cease all together in 15 years. As is discussed later in the Application, the contribution rate increases required under the Rehabilitation Plan are not sustainable; the contribution rate increases set forth in this Application are sustainable, realistic, and will provide an incentive for employers not to withdraw.

Additionally, in considering the different suspension percentages, the Trustees considered relative benefit levels and previous benefit reductions for Active Participants. As outlined in detail in Section 5, the Active Participant population has already incurred several significant benefit reductions since 2004. The Trustees cut accruals by 50% in 2004. The Trustees eliminated most adjustable benefits and early retirement subsidies for Active Participants under the Rehabilitation Plan, and participants working under certain alternative schedules have been forced to divert wages to pay for remaining early retirement subsidies.

Prior to the passage of the Multiemployer Pension Reform Act (MPRA), federal law prohibited the Plan from reducing or modifying vested accrued benefits. This meant that all pension reductions to meet Pension Protection Act (PPA) requirements and to address the Plan's funding issues were made to Active Participants' benefits. Accordingly, the Trustees believe the prior reductions for Active Participants must be given great weight when considering the equitable distribution of the proposed suspensions between the Active and Non-Active Participants.

The proposed suspension reduction percentages for each group – 20% for Actives and 31% for Non-Actives – were also designed and tested to ensure the difference amounted to an equitable distribution when considered against the relevant factors. Specifically, the Trustees considered the comparative aggregate savings to the Plan from the benefit suspensions between the two groups, and determined that the chosen percentages amounted to similar total savings in liability to the Plan after considering the previous benefit reductions to Active Participants under the Rehabilitation Plan and the pre-PPA benefit reductions. Additionally, the Trustees considered the practical effect on the benefit calculation for each group, and concluded that the selected percentages yielded a reasonably comparable benefit. These considerations are discussed below.

Considering the relative aggregate liability reduction between the two groups, the decrease in the Plan's actuarial liability as a result of the benefit suspensions for retirees and beneficiaries is approximately \$497 million. The corresponding decrease in liability to the Plan for Active Participant benefit suspensions is approximately \$130 million. **See Exhibit 9.**

In addition to the reduction in liability for Active Participants associated with the proposed benefit suspensions, the Trustees also considered the previous subsidy reductions for Actives under the Rehabilitation Plan. The decrease in liability as of January 1, 2011 due to the adjustable benefits reduced as part of the Rehabilitation Plan resulted in a decrease in Plan liabilities of approximately \$190 million. **See Exhibit 21, Actuarial Valuation as of January 1, 2015 at page 17.** With interest to

the date of suspension, the value of the reduction in adjustable benefits would be greater than \$190 million. Additionally, as a result of the Rehabilitation Plan benefit reductions, the value of annual benefit accruals was reduced by approximately \$20 million per year. Since the Trustees adopted the Rehabilitation Plan in 2011, the loss of benefits earned by Active Participants is approximately \$125 million (estimated to be over \$160 million with interest). Lastly, the value of annual benefit accruals was significantly decreased in 2004 from 2.6% of contributions to 1.3% of contributions. This change in future accruals reduced the value of annual benefit accruals by approximately \$25-\$30 million dollars per year. **See Exhibit 21, Actuarial Valuation as of January 1, 2015, Appendix C for benefit accrual information.** Combining the reduction in liability associated with the proposed suspensions, the elimination of subsidies under the Rehabilitation Plan, and the prior reductions in benefit accruals, the total reduction in liability for Active Participants is consistent with, or possibly greater than the reduction in liability associated with Non-Active Participants under the proposed suspensions.

The Trustees believe the close comparison in liability savings demonstrates that the different benefit suspension percentages are an equitable distribution between Actives and Non-Actives.

In determining whether the proposed suspensions are equitable among the two groups, the Trustees also reviewed how the relative suspensions affect participant benefits in each group. Specifically, they compared Non-Active Participants who retired with 30 years of service to Active Participants with varying credit to date, but who will retire in the future with 30 years of service. Specifically, a retiree with over 30 years of service is estimated to have a monthly benefit of \$5,000 before any reduction for form of payment as of July 1, 2017. Under the proposed suspension, this retiree's benefit would be reduced to \$3,450 after a 31% reduction.

By comparison, an Active Participant who currently has 20 years of service will retire after 30 years of service with an estimated monthly benefit of \$4,100. With a 20% benefit suspension (on the portion of the accrued benefit earned prior to July 1, 2017), this Active Participant would have a reduced benefit of \$3,490. Using another comparison, an Active Participant with 10 years of service and 20 years of future service will have a total estimated monthly benefit of \$3,500. After a 20% benefit suspension (on the portion of the accrued benefit earned prior to July 1, 2017), this Active Participant would have a reduced benefit amount of \$3,240. Lastly, a newly hired Active Participant (not subject to suspension) with 30 years of future service will have a total estimated monthly benefit of \$3,350. These examples are shown in the table below.

Status	Service at 2017	Benefit at 2017	Proposed Suspension	Benefit at 2017 After Suspension	Future Service	Future Accruals	Total Benefit After Suspension
Retired	30+ Years	\$5,000	31%	\$3,450	0 Years	\$0	\$3,450
Active	20 Years	\$3,050	20%	\$2,440	10 Years	\$1,050	\$3,490
Active	10 Years	\$1,300	20%	\$1,040	20 Years	\$2,200	\$3,240
Active	0 Years	\$0	20%	\$0	30 Years	\$3,350	\$3,350

Although this example is based on the accruals of a UPS full-time employee, there would be a similar comparative result using participants working for employers with lower contribution rates. Because the Plan's benefits are based to a large extent on the employer's contribution rate, the dollar amount of the benefits would be similarly lower for both the retired and active examples.

The analysis of relative benefits strongly supports the Trustees' determination that the proposed benefit suspensions are equitably distributed across the participant and beneficiary population. Although the 31% reduction for Non-Active Participants, such as retirees, is larger than the 20% for Active Participants, the percentages produce a reasonably comparable benefit between the two groups.

.05 Notices.

The following describes the Trustees' method for satisfying the notice requirements of Section 432(e)(9)(F).

(1) Individual Notices.

See Appendix A for each type of actual notice that will be given to each participant, beneficiary, and alternate payee under the Plan. The Plan has included the following eight (8) sample actual notices:

1. Participant, beneficiary, alternate payee in pay status subject to suspensions.
2. Participant, beneficiary, alternate payee in pay status with Social Security benefit leveling subject to suspensions.

3. Participant, beneficiary, alternate payee below Normal Retirement Date, not in pay status, and subject to suspensions.
4. Participant, beneficiary, alternate payee over Normal Retirement Date, not in pay status, and subject to suspensions.
5. Participant, beneficiary, alternate payee under age 80 and protected from suspensions by the PBGC guarantee-based limitation.
6. Participant, beneficiary, alternate payee over age 80 and protected from suspensions by the age-based limitation.
7. Participant, beneficiary, alternate payee protected by the disability-based limitation.
8. Participant, beneficiary, alternate payee partially protected by the PBGC guarantee-based limitation.

(2) Efforts made to contact Participants, Beneficiaries and Alternate Payees.

The Trustees will make all reasonable efforts to contact all participants, beneficiaries of deceased participants, and alternate payees of the Plan (regardless of whether their benefits are proposed to be suspended) pursuant to the Treasury's Final Regulations and in satisfaction of their fiduciary duties under ERISA. Specifically, the Trustees will provide notice to the last known address of the participant, beneficiary or alternate payee on file with the Plan, using the same address the Trustees used to distribute the Plan's most recent annual funding notice. If that notice is returned as undeliverable, the Trustees will contact the Teamster local unions representing Participants in the Plan in an attempt to locate those missing individuals for whom the notice was returned as undeliverable. Further, if still necessary to locate missing individuals, the Trustees will request contact information from the plan administrators of any other employee benefit plans that the Trustees reasonably believe may have information useful for locating the missing individuals. Lastly, the Trustees will then use an internet search tool, a credit reporting agency and a commercial service to search for those remaining individuals for whom they were not able to obtain updated information from the local unions. The Trustees will mail notices to individuals within five (5) days of locating them.

(3) Notices will not be delivered electronically.

- (4) List of contributing employers.

See Exhibit 10 for a list of the contributing employers as of the date of this Application that have an obligation to contribute to the Plan within the meaning of Section 4212(a) of ERISA.

- (5) Employee organization representing participants under the Plan.

The employee organizations representing participants under the Plan are: Teamster Local Union Nos. 118, 264, 294, 317, 449, 529, 560, 687, and 812.

SECTION 5. PLAN SPONSOR'S DETERMINATION RELATING TO REASONABLE MEASURES TAKEN TO AVOID INSOLVENCY

.01 Measures taken to avoid insolvency

Although only required to describe ten years of their efforts to avoid insolvency, the Trustees have been proactively taking steps to address funding issues for longer than ten years.

Plan Design

Even before the passage of the PPA, which required multiemployer plans to take certain actions to improve funding, the Trustees addressed the funding issue in the hope that taking action early would avoid a longer-term solvency crisis. Following the dot-com bubble bust and after three consecutive years of investment returns below the assumed rate of return erased millions of dollars in Plan assets and hundreds of millions of dollars in expected earnings, the Trustees cut future benefit accruals in half, from 2.6% to 1.3% of contributions, effective January 1, 2004. The Trustees took this difficult action when the Plan's funded ratio was 74.4%, well above the 37.6% as of January 1, 2016. Although these benefit cuts were difficult and unpopular, it is hard to imagine what the state of the Plan would be today if the Trustees had not taken this early action. To the contrary, the combination of those benefit reductions and several years of positive investment returns helped stabilize the Plan, and in 2007 the funded ratio had improved to 75.7%.

Following passage of the PPA, the Plan's actuary certified the Plan as being in Endangered Status on March 27, 2008. As required, the Trustees adopted a Funding Improvement Plan (FIP), which went into effect on January 1, 2009. The FIP provided for annual contribution increases of 5% in exchange for participants being able to retain the 1.3% accrual rate, and offered two other schedules with lower benefit accruals for a lower contribution increase requirement. **See Exhibit 16.**

As was the case for most other pension funds, the unprecedented global financial crisis of 2008 had a devastating effect on the Plan. That year alone, the Plan suffered \$822 million net asset losses, or almost 36% of the Plan's total assets. The Plan's funding ratio at January 1, 2009 was down to 56.6% (based on the actuarial value of assets). The Plan took advantage of the Worker, Retiree & Employer Recovery Act of 2008 and remained in Endangered Status in 2009, but was certified in Critical Status for 2010, with a funding ratio of 61.6%.

The Trustees adopted a Rehabilitation Plan in 2010 as required by the PPA. **See Exhibit 19.** The Rehabilitation Plan's Default Schedule eliminated all adjustable benefits effective January 1, 2011, and eliminated all lump sum payments above \$5,000, effective April 30, 2010, as legally required. The following adjustable

benefits were eliminated: the Regular Pension (age 60); all disability benefits; all death benefits (other than the qualified pre-retirement survivor's annuity); and, all Reciprocal Pensions to the extent such pension was tied to one of the foregoing eliminated adjustable benefits. In addition, the Trustees froze the Supplemental Social Security Benefit.

The Rehabilitation Plan established several other “alternative” schedules providing for lesser reductions in early retirement subsidies. In each case, however, the alternative schedule is designed to offset the actuarial cost of the additional subsidies through higher annual contribution increases. For example, an employer participating in the Plan under Schedule E is required to make annual contribution rate increases of 8.25% (as opposed to 6% under the Default Plan) in order to pay for the cost of the early retirement subsidies offered under that schedule, including retirement at age 55 with 30 years of service. **See Exhibit 19 for additional information on the subsidies provided in the alternative schedules of the Rehabilitation Plan.**⁴

In addition to adopting the Rehabilitation Plan, in 2010 the Trustees attempted to address the serious funding issue caused by the shrinking number of contributing employers and, in particular, the Plan's inability to attract new employers. The Trustees requested and were granted in November of 2010, approval by the Pension Benefit Guaranty Corporation (PBGC), to implement an alternative withdrawal liability method for allocating unfunded vested benefits. Effective for withdrawals that occurred on or after January 1, 2011, the Plan effectively created two pools of unfunded vested benefits – one for “Old Employers” and one for “New Employers.” The Trustees determined to manage the “New Employer” pool in a manner to avoid creating unfunded vested liability. This was to be accomplished through conservative benefit accruals and careful monitoring of the “New Employer” pool. The Plan marketed this approach to several new employers and the union, although in the end, no significant employers were interested in entering the Plan under the “New Employer” pool approach.

On June 1, 2012, the Trustees again tried to address the funding threat caused by the steady decline in employer contributions, this time focusing on retaining employers and bargaining groups in the Plan. In connection with updating the Rehabilitation Plan, the Trustees added one additional alternative schedule, Schedule F, designed to retain more financially- stable employers that could continue to contribute to the Plan for the long-term. In recognition that the Plan's mounting contingent withdrawal liability and contribution increases were a significant factor in employers' decisions to withdraw from the Plan, Schedule F provided for existing contributing employers to pay 80% of the present value of their withdrawal liability in a lump sum (or in periodic installments not to exceed

⁴ The Rehabilitation Plan's alternative schedules provided for a transition benefit, which offered a lesser reduction to the Thirty-Year Pension benefit for participants with at least 25 years of credited service as of January 1, 2011, and who retire after earning at least 30 years of credited service but prior to attaining the applicable unreduced age. (See Exhibit 19).

five years), and then participate in the “New Employer” pool for purposes of withdrawal liability. Now being offered to existing employers, the “New Employer” pool was the same one created and approved by the PBGC in 2010, and was to be managed to avoid future unfunded liability for employers in that pool. This concept had advantages for both the Plan and employers. There were significant funding advantages to the Plan to have additional employer monies immediately paid, while employers got the benefit of eliminating their existing contingent withdrawal liability and avoiding, to the extent legally permissible, any additional future contingent liability.⁵ Schedule F also offered employers relief in the short term with respect to contribution increases, generally a 15% reduction in the contribution rate for five years. Participants of “New Employers” received a benefit accrual rate of 1% of contributions, with future contribution rate increases resulting in increased benefit accruals. Most of the other schedules under the Rehabilitation Plan provide for non-benefit bearing annual contribution increases. Although the Plan met with a number of existing contributing employers about the advantages of Schedule F, no employer has adopted this specific alternative schedule. **See Exhibit 19.**⁶

Investments

Recognizing that the Plan would require increasingly greater investment income to cover the increasing benefit expenses, the Trustees adopted and implemented an asset allocation utilizing best practices for risk control, diversification, and return enhancement. In consultation with their professional investment consultants, they also realized that this increased reliance on investment income meant the Plan needed to protect itself from extreme market fluctuations, and required an investment portfolio and asset allocation that could increase investment return without adding imprudent, additional risk. With these goals and objectives, the Trustees implemented an alternative and diversified investment strategy, which is not usually available to smaller multiemployer pension plans. Based on the Plan’s asset allocation and alternative investment strategy, the Plan has been able to maintain an 8.5% investment return assumption, well above the return assumption for a traditional 60/40 global stock to global bond portfolio.

The Plan’s current asset allocation is well-diversified and has a higher expected return compared to a traditional 60% global stock and 40% global bond portfolio.

⁵ To offer further assurances against potential withdrawal liability for employers adopting Schedule F, the Trustees amended the Plan so the “New Employer” pool would use the direct attribution method of withdrawal liability, subject to the approval of the PBGC. The Plan submitted the amendment to the PBGC for approval on January 28, 2013. To date, the PBGC has not acted on the request to approve the amendment.

⁶ On January 1, 2013, the Trustees updated the Rehabilitation Plan to add Schedule G, which was adopted to help retain YRC and its affiliated companies after it negotiated a series of amendments to its collective bargaining agreement that, among other things, provided for a temporary cessation of pension contributions and a reduced contribution rate.

See Exhibit 4, at Appendix B. Further, the Plan's asset allocation is not overly reliant on any one asset class. No more than 20% of the portfolio is allocated to any one asset class, which reduces the risk of negative experience from excessive exposure to any single asset class.

The Plan's largest allocation is 18% to U.S. equities, making it significantly less reliant on U.S. equities than a traditional 60/40 global equity and global bond portfolio. Including international and emerging market equities along with U.S. equities, the Pension Fund has a 42% allocation to publicly-traded equities, still well below traditional 60/40 portfolios.

To enhance returns and improve diversification, the Plan's asset allocation includes private equity (15%), real estate (7%), natural resources (7%), and infrastructure (5%).

Over the past seven years, the Plan returned 9.1%, net of fees, outperforming a 60/40 global equity and global bond portfolio by 1.8% per year, or greater than 20% cumulatively.

Over the past seven years, the Plan's investments in private equity returned 14.9% per year, real estate returned 10.8% per year, and infrastructure returned 11.2% per year, all exceeding publicly-traded equities by 1.5% to 5.5% per year, and exceeding global bond returns by 6.4% to 10.4% per year. The Plan's natural resources investments do not yet have a seven-year return history, but have returned 3.2% per year over the past five years.

Employer Withdrawals

The Trustees recognize that employer withdrawals from the Plan are a serious threat to the Plan's solvency, particularly withdrawals by employers that do not pay the full assessed withdrawal liability due to company closures, bankruptcies, liquidations, de minimis reductions and 20 year cap limitations imposed by ERISA. Although the Trustees cannot generally control whether an employer withdraws, the Trustees have taken a number of measures to protect the Plan's solvency with respect to these withdrawals. First, the Plan is diligent and aggressive in attempting to collect withdrawal liability from all withdrawing employers and members of their controlled group who are responsible for paying the liability. Of the more than 600 employer withdrawals, the Plan has collected, or is collecting, more than \$450 million in withdrawal liability. Second, the Trustees have been diligent in reviewing any employer transaction seeking safe harbor protection under Sections 4204 or 4218 of ERISA to ensure the Plan's financial integrity is not disadvantaged, including whether a principal purpose of any transaction is to evade or avoid withdrawal liability under Section 4212(c).

Additionally, to better reflect the Plan's severely underfunded status, the assumptions used for calculating withdrawal liability were changed for

withdrawals occurring on or after January 1, 2010. The actuaries now use PBGC assumptions, which require withdrawing employers to pay an amount consistent with the amount needed to settle the unfunded vested liability they are leaving behind. This change was made because the Plan is no longer attracting new and financially stable employers to replace employers that withdraw. While the Plan has always been aggressive in assessing and collecting withdrawal liability, since changing assumptions the Plan has collected millions of dollars more of withdrawal liability than what it would have collected using the prior assumptions.

Finally, withdrawing employers that participated in one of the Rehabilitation Plan's alternative schedules can leave behind greater unfunded vested liability because the actuarial cost of the subsidized benefits are paid for by increased employer contributions over time. To ensure the solvency of the Plan is not jeopardized by such withdrawals, the current Rehabilitation Plan requires that the withdrawing employer be deemed to have participated under the Default Schedule. Participants working for that employer at the time of the withdrawal receive only the Default Schedule benefits, which include no early retirement subsidy or adjustable benefits, regardless of the alternative schedule in which those participants previously participated.

.02 Plan Factors

- (1) For the past ten Plan Years immediately preceding the Plan Year in which the Application is submitted:

- (a) Contribution levels.

The information concerning contribution levels for the past 10 years is included in **Exhibit 12**.

- (b) Level of benefit accruals, including any prior reductions in the rate of benefit accruals.

The current rate of benefit accruals varies from 1% of contributions to 0.25% of contributions depending on the applicable schedule adopted by the contributing employer under the Plan's Rehabilitation Plan. **See Actuarial Valuation as of January 1, 2015, attached as part of Exhibit 21 at Appendix C for a history of the Plan's benefit accruals.**

- (c) Prior reductions, if any, of adjustable benefits under §432(e)(8).

The Trustees eliminated the following adjustable benefits for all participants under the January 1, 2011 Rehabilitation Plan:

(1) Regular Pension (age 60); (2) All disability benefits; (3) All death benefits (other than the qualified pre-retirement survivor's annuity); (4) All Reciprocal Pensions to the extent such pension was tied to one of the foregoing eliminated adjustable benefits. The Trustees also froze the Supplemental Social Security Benefit.

In addition, Participants whose employers adopted the Default Schedule under the Rehabilitation Plan had the following adjustable benefits eliminated/reduced effective January 1, 2011:

(1) The Thirty Year Pension; (2) Supplemental Accrual Rate; (3) Five Year Certain Annuity; (4) Ten Year Certain Annuity; (5) Qualified 100% Joint and Survivor Annuity; (6) 50%, 75%, and 100% Joint and Survivor Annuities with Pop-Up; (7) Voluntary lump sum payments equal to \$5,000 or more; (8) Early and Vested Pensions calculated to equal the actuarial equivalent of the monthly amount of the Normal Pension to which a participant would have been entitled upon attaining age sixty-five (65) based upon credited service as of the date of the participant's early retirement. **See Exhibit 21 at Appendix C (Actuarial Valuation as of January 1, 2015) for list of subsidies under the Rehabilitation Plan's Alternative Schedules.**

(d) Any prior suspension of benefits under §432(e)(9).

The Plan has had no prior suspension under §432(e)(9).

(e) Measures undertaken by the plan sponsor to attract or maintain contributing employers.

The Trustees have undertaken a number of measures to attract and maintain employers.

First, in designing the Rehabilitation Plan, the Trustees recognized that a one-size-fits-all benefit and contribution approach would provide employers and participant groups a further incentive to withdraw. The Plan has many employers and participant groups, and each employer has a different economic situation and each participant group has different benefit expectations. Forcing an employer that is struggling financially to pay the large contribution increases required to fund the benefits demanded of participant groups with expectations of enhanced benefit levels could force them out of business or to otherwise withdraw. On the other hand, forcing a participant group of a financially-sound employer to accept the lower benefits that a less viable company could afford would likely prompt the employer, with potentially the backing of the union and employees, to withdraw from the Plan. For this reason, the Trustees

developed several alternative schedules under the Rehabilitation Plan that took into account these varying financial conditions and expectations.⁷

Additionally, as described in more detail above in Section 5.01, the Trustees attempted a number of other measures to retain and attract contributing employers. In 2010, the Trustees implemented a two-pool withdrawal liability methodology, with the new, second pool designed and managed to avoid withdrawal liability to the maximum extent possible. Given employers' great aversion to unchecked withdrawal liability, the Trustees believed this two-pool approach might be attractive to some employers and provide the union some ability to negotiate new employers into the Plan. Focusing on retaining existing contributing employers, the Trustees also developed new Alternative Schedule F in 2012. Schedule F allows current employers to avoid or limit their future withdrawal liability by paying 80% of their withdrawal liability while continuing to contribute to the Plan as a "New Employer." **See Exhibit 19.** Both these efforts were the Trustees' attempts to retain and attract contributing employers.

A strong disincentive for employers to withdraw, as well as a deterrent for participants to favor their employer's withdrawal, was established when the actuary changed the calculation assumptions for withdrawal liability. As discussed above, the changed assumptions generally make it much more expensive for employers to withdraw, and participants working for a withdrawing employer can only receive the Default Schedule benefits, regardless of whether they were previously working under an alternative schedule. This is a significant deterrent, particularly for participants who agreed to divert wages to pay for the enhanced benefits.

- (2) The impact on Plan solvency of the subsidies and ancillary benefits, if any, available to Active Participants.

The Plan for many years offered benefits that included various early retirement subsidies, as well as ancillary benefits like disability pensions. Effective January 1, 2011, the Trustees eliminated all subsidies and ancillary benefits under the Rehabilitation Plan Default Schedule. As discussed previously in this Application, the Trustees did not eliminate all

⁷ In order to avoid the loss of another major employer, the Plan – like most other Teamsters pension plans – permitted YRC and its affiliated companies to temporarily cease contributions and thereafter participate in the Plan at a reduced contribution rate. The Trustee adopted Schedule G of the Rehabilitation Plan to accommodate YRC's situation and address the benefits levels provided under reduced contribution rates. The Trustees determined that accepting YRC's negotiated concessions and permitting the Company to remain in the Plan was more beneficial to the solvency of the Plan than rejecting the concessionary agreement. The Trustees' determination has proved accurate, as YRC's Active Participant base has remained stable since the adoption of Schedule G. Since 2013, the YRC's Active Participant population has remained stable, and is projected to remain at the 2016 level throughout the projection period. **See Exhibit 4.**

subsidized benefits under the Rehabilitation Plan's alternative schedules. Eliminating all subsidies under the Rehabilitation Plan would likely have driven employers and employee groups to withdraw from the Plan. Any subsidized benefit that remains in the alternative schedules, however, is paid for through higher contribution rate increases required under those schedules. To the extent there was any additional liability associated with retaining the subsidies, the Trustees concluded that the negative effect of additional withdrawals as a result of eliminating the remaining subsidies would be greater than the savings in liability associated with eliminating the remaining subsidies.

- (3) Compensation levels of Active Participants relative to the Participants' industry generally.

As of January 1, 2015, the Plan had 11,678 Active Participants. **See Exhibit 21 (Actuarial Valuation as of January 1, 2015).** These participants are spread among various occupations and industries, although the Plan historically and today covers primarily transportation and warehousing employees. Historically, compensation levels of the Plan's Active Participants have been greater than non-participants in these industries. According to the Bureau of Labor & Statistics ("BLS"), the median weekly earnings of unionized transportation and warehousing employee is \$980, compared to a non-union median of \$754 per week.⁸

A discussion of the participants' compensation is not complete, however, without taking into account the differences in retirement plan costs between unionized and non-unionized employees. A BLS March 2016 News Release reports that in the unionized sector of the "service producing industries," which include transportation and warehousing, an average of \$3.28 per hour of total employee compensation (7.4%) goes to fund retirement plan costs. The non-unionized sector average is only \$.88 per hour (3%).⁹

Although on average unionized employees have traditionally received higher wages than non-union employees, in recent years non-union workers' wages have increased more rapidly than unionized workers' wages.¹⁰ It is likely that pension costs for unionized workers are keeping their wages stagnant. This has a profound effect on the Plan, which has seen employer contribution rates increase approximately 200% since the

⁸ See *Industries at a Glance, Transportation and Warehousing: NAICS 48-49*, <http://www.bls.gov/iag/tgs/iag48-49.htm>.

⁹ See *Employer Costs for Employee Compensation*, March 2016, Table 13 at page 22.

¹⁰ See George L. Long, "Differences Between Union and Non-Union Compensation," *Monthly Labor Review* (April 2013).

early 2000s. The Plan's actuary has projected that an Active Participant today is likely to receive approximately the same benefit as a current retired participant, but that benefit will cost three times as much. Pension contributions have continued to increase. Many Active Participants working under Alternative Schedule E have seen those increases funded through reductions in their wages.

(4) Competitive and other economic factors facing contributing employers.

A number of competitive and economic factors over the past 35 years have negatively affected the Plan's contributing employers and directly impacted the Plan's solvency. The deregulation of the trucking industry in the early 1980s started the steady decline in the number of the Plan's contributing employers and the Plan's financial condition. There has been a huge decline in unionized employment in the U.S. from approximately 27% in 1977 to 13% in 2011. Additionally, during the past 10-15 years, the LTL sector of the trucking industry, especially those smaller freight businesses in New York State, and its unionized workforce covered under the Plan have suffered an even more rapid decline.

During the past 10 years, which included the economic disaster of 2008-2009, there has been little to no growth in the U.S. economy, which has a significant impact on the trucking industry. The two major recessions in the 2000s drove many contributing employers out of business or into bankruptcy. Further, because so many of these employers withdrew from the Plan in severe financial distress, a large number were unable to pay their full withdrawal liability to the Plan.

In 2009 - 2015, the Plan saw some significant contributing employer events that negatively affected the Plan's funding. One of the Plan's larger employers, YRC, and its affiliated companies, negotiated a temporary cessation of their obligation to contribute for the period from July 2009 through December 31, 2010, and then commenced contributions at a collectively bargained concessionary pension rate that is 25% of the pre-July 2009 rate. On November 18, 2009, Penn Traffic, the Plan's fifth largest contributing employer, filed for bankruptcy. In 2013, Wegmans, the Plan's second largest employer, negotiated a withdrawal from the Plan. Later, in 2015, Dairy Farmers of America also negotiated a withdrawal from the Plan instead of sustaining any further contribution increases.

Additionally, during the past 10 years, there has been a shifting demographic whereby the "baby boomer" generation has been retiring in record numbers, and the unionized workforce employed by the Plan's contributing employers has steadily declined. In 1990, there were 23,883 Active Participants and 10,150 retired Participants, for a ratio of more than 2 Active Participants for every 1 retired Participant. In 2000, the ratio was

almost 1 to 1, as the number of active participants declined to 16,827, and the number of retired participants increased to 14,198. As of January 1, 2016, there were 11,575 active participants, compared to 15,976 retired participants. The Plan has simply been unable to replace retirees with new hires on a one-to-one basis, which has hurt the Plan. The Plan's equal ratio of active participants to retirees has been reversed significantly.

The trend of workers retiring and not being replaced by active employees has negatively impacted the Plan's funding over the years. In 2008, the Plan paid out approximately \$144 million more in benefits than it received in employer contributions. That difference was \$168 million in 2009, \$182 million in 2010, and \$187 million in 2011. The demographic shift has caused the Plan, which has historically been dependent on contribution income, like many other Teamster plans, to grow increasingly dependent on investment income to cover the differences between contributions received and benefits paid. Currently, as a result of this retirement increase and change in the Plan's population, for every \$2.33 the Plan pays out in pension benefits, only \$1 is collected from employers, resulting in the annual shortfalls outlined above.

Lastly, employers have been moving away from establishing or participating in defined benefit plans and are instead moving into defined contribution plans. Such plans are generally less expensive for the employer than defined benefit plans, and they shift the investment risk away from the employer. The availability of such plans makes it harder to attract new employers to the Plan. Employers do not want exposure to withdrawal liability, or the risk associated with economic market fluctuations they know can leave them with a volatile contribution obligation.

.03 How plan factors were taken into account.

(1) *Contribution levels*

As explained above in Section 5.02(1)(a), over the last 10 years the Trustees have taken all reasonable measures with respect to employer contribution levels. In fact, the Trustees' efforts to increase contribution levels go back to the early part of this century, as employer contribution rates have increased almost 200% since that time. Given these massive increases in contributions over the years, and the continued withdrawal of contributing employers, it is clear that additional contribution rate increases (especially those set forth in the Rehabilitation Plan) are not sustainable for the Plan's remaining contributing employers. The result of further contribution increases will be more employer bankruptcies and thus more employer and participant group withdrawals.

In developing each of the Rehabilitation Plan schedules, the Trustees carefully considered contribution levels and the effect additional increases would have on the Plan's contributing employers. Although the Trustees saw the increases driving employers from the Plan at a faster pace, the Trustees had no other way to keep the Plan from becoming insolvent, once the Rehabilitation Plan reduced benefits to the maximum extent allowable under then-existing law. In an attempt to retain employers, the Trustees adopted a series of alternative schedules to the Rehabilitation Plan to allow the bargaining parties (union and employers) to negotiate for subsidized benefits in exchange for higher contribution rates. Each alternative schedule was designed to have the same actuarial cost as the Default Schedule, and the contribution rates for each schedule were set to pay for the subsidized benefit.

Currently, the Rehabilitation Plan has seven alternative schedules as well as the required Default Schedule. The Default Schedule requires a 6% annual contribution rate increase for the PPA statutorily-required minimum benefit of 1% accrual and elimination of all adjustable benefits, including early retirement subsidies. Under the current alternative schedules, various additional benefits are available for required contribution rate increases of between 6.50% and 8.25% annually.

Although these alternative schedules were originally developed to provide different cost options for employers, the increases have quickly become so costly that the only way some employers have been willing to accept the more-expensive alternative schedules is to require a reallocation of monies from wages to pension contributions, under their collective bargaining agreements. For example, United Parcel Service ("UPS"), which represents approximately 76% of the Plan's overall contributions, participates in Schedule E for its full-time employees. Currently, the UPS full-time rate is \$14.6650 per hour, with required increases annually of 8.25%. To maintain the Schedule E benefits, which provide for a subsidized early retirement option important to many of the UPS employees, the union and employer negotiated for wages to be reallocated to pay for a portion of the cost of the enhanced pension benefits. UPS employees currently have \$1.60 per hour reallocated from wages in order to fund their Schedule E pension benefit level.

Current contribution rates are economically stifling for the Plan's contributing employers. ABF Freight Systems, for example, is paying \$13.6299 per hour for its employees, which is \$545.196 per week or \$28,350.192 per year. **See Exhibit 22 for list of employer contribution rates as of August 1, 2015.** Moreover, the required 6% to 8.25% annual contribution increases under the Rehabilitation Plan schedules create rates that are unsustainable in the long-term. For example, if UPS is annually required to increase its contributions to the Plan by 8.25%, its contribution

rate in 20 years, by 2037, would be approximately \$170,000 annually for each full-time employee covered under the Plan.

In 2015, the actuary informed the Trustees that the current Rehabilitation Plan contribution rates likely would require increases commencing in 2016, in order for the Plan to continue to project solvency. At about the same time and in connection with the Plan's annual certification for the 2016 Plan Year, the Trustees deadlocked over whether they would instruct the Plan's actuary that continued annual employer contribution increases of 6.00-8.25% was an unreasonable projection of future industry activity under ERISA Section 305(b). In consideration of the Plan's experience, the employer Trustees put forth a motion to instruct the actuary that continued employer contribution increases of 6% were not sustainable and should not be assumed for the purposes of projecting future industry activity.

After a deadlock arbitration hearing on October 15, 2015, Arbitrator Elliot Shriftman ruled that the Plan's actuaries should not assume future annual contribution increases of 6.00% as part of the industry activity projection. Based on the arbitrator's decision, the Plan's actuaries have assumed that future annual contribution increases will be less than 6% annually.

Although not a factor in the Arbitrator's decision, the Trustees also considered the effect of continued employer contribution increases on Plan participant behavior. Approximately 20% of each dollar of contributions to the Plan generated by work performed by the Active Participants pays for the pension that they earned for that work and to operate the Plan; the remainder funds the pensions of Non-Active Participants (retired and terminated vested participants). The Trustees have determined that mandatory additional contribution rate increases would be likely to: (a) cause a net decline in support for the Plan among Active Participants; and (b) make it more difficult for contributing employers to attract and retain qualified employees. These consequences, in turn, will lead to more employer withdrawals and to a decline in contribution income to the Plan.

Accordingly, for purposes of this Application, the Trustees agreed that contribution rate increases would be equal to those called for under the Rehabilitation Plan until 2018. Starting in 2018, contribution rate increases are assumed to be 3.5% for 4 years, then 3% for the next 9 years, and then 0.0% thereafter. In developing these rates, the Trustees gave serious consideration to macroeconomic factors, the financial strength of contributing employers, competition in the marketplace, the relationship between contribution levels and benefit levels, and expected changes in the wage packages over the next several years. In doing so the Trustees determined that it was reasonable to require contribution increases at the

rates prescribed in the Rehabilitation Plan for the next two years, followed by additional increases at a rate less than what is required under the Rehabilitation Plan, with the understanding that in fifteen years the employers would not incur any additional increases. The Trustees determined that such increases will avoid insolvency, keep employers financially viable, and help retain and attract qualified employees.

(2) *Benefit accrual levels, including any prior reductions in the rate of benefit accruals.*

As explained above in Section 5.02(1)(b), the Trustees have made a number of benefit accrual reductions over the last 10 – 12 years. The benefit reductions, when considered with the required annual contribution increases, have resulted in employers paying more for their employees to receive a smaller benefit. This has caused many employers – and increasingly rank-and-file union members – to want to support their employer’s withdraw from the Plan.

The first benefit accrual level reduction was effective January 1, 2004. After three consecutive years of less than assumed investment returns, the Trustees took a difficult, yet proactive step when they reduced the accrual rate from 2.6% to 1.3% of contributions. After entering Critical Status, the Trustees eliminated most adjustable and ancillary benefits and implemented Rehabilitation Plan Schedules which further reduced benefit accrual rates to a range of 0.25% to 1% of contributions.

In reviewing levels of benefit accruals, the Trustees concluded, in consultation with the actuaries, that any further reduction in the future accrual rate beyond those contained in the Rehabilitation Plan would have a detrimental effect on the Plan by undermining contributing employers’ ability to attract and retain qualified employees. It would also severely undermine the support of the Plan’s Active Participants. Further, it was determined that further reductions in accruals would have an immaterial effect on the solvency of the Plan because the Plan is projected to become insolvent by 2026. **See Exhibit 5.** There is just not enough time for additional reductions in accrual rates to have a significant impact on the Plan’s solvency. Accordingly, the Trustees concluded that maintaining future accruals at the rates set forth in the Rehabilitation Plan is a reasonable measure to avoid insolvency.

(3) *Prior reductions of adjustable benefits under Section 432(e)(8).*

Section 5.02(3)(c) above details the reductions in adjustable benefits the Trustees made after adopting the Rehabilitation Plan. Adjustable benefits include essentially all subsidized benefits other than those in pay status

prior to 2011, disability benefits in pay status at any time, and accrued benefits payable at age 65. The Rehabilitation Plan eliminated the following adjustable benefits for all participants:

- The Regular Pension (age 60);
- Disability Benefits, including the Disability Pension and Lump Sum Disability Benefit;
- Death Benefits, including but not limited to, the Lump Sum Death Benefit and 60-month pre-retirement death benefit; and
- All Reciprocal Pensions to the extent any such pension is tied to one or more of the adjustable benefits listed above.

The Trustees also froze the Supplemental Social Security Benefit.

Under the Rehabilitation Plan's Default Schedule, the following adjustable benefits were also eliminated¹¹:

- The Thirty-Year Pension.
- The following benefit payment options: 1) Five Year Certain Annuity; 2) Ten Year Certain Annuity; 3) Qualified 100% Joint and Survivor Annuity; 4) 50%, 75% and 100% Joint and Survivor Annuity with Pop-Up; and 5) Voluntary lump sum payments equal to \$5,000 or more.

The Plan's actuary advises that the decrease in liability as of January 1, 2011 due to the adjustable benefits reduced as part of the Rehabilitation Plan is approximately \$190 million. **See Exhibit 21, Actuarial Valuation as of January 1, 2015 at page 17.** With interest to the date of suspension, the value of the reduction in adjustable benefits would be greater than \$190 million. Additionally, as a result of the Rehabilitation Plan benefit reductions, the value of annual benefit accruals was reduced by approximately \$20 million per year. Since the Trustees adopted the Rehabilitation Plan in 2011, the loss of benefits earned by Active Participants is approximately \$125 million (estimated to be over \$160 million with interest).

¹¹ The Alternative Schedules retain some of the early retirement subsidies. **See Exhibit 21, Actuarial Valuation as of January 1, 2015 at Appendix C** for a description of the subsidies.

(4) *Prior benefit suspensions under Section 432(e)(9).*

The Plan has not implemented prior benefit suspensions under Section 432(e)(9).

(5) *Measures taken to retain or attract contributing employers.*

As explained in Section 5.02(1)(e), the Trustees have taken many measures to try to retain or attract new contributing employers, including:

- Adopting Funding Improvement and Rehabilitation Plans that provide several alternative schedules to offer different options for contributing employers of varying financial condition;
- Creating a hybrid plan whereby new employers may enter the Plan and participate in what is now a separate pool of liabilities, which is managed conservatively to avoid future withdrawal liability;
- Adopting a Distressed Employer Schedule which allowed YRC to remain in the Plan rather than withdraw and incur withdrawal liability sufficient to send the employer into bankruptcy;
- Adopting Schedule F which allowed existing contributing employers to pay 80% of the present value of their withdrawal liability in a lump sum (or in periodic installments not to exceed five years), and then participate in the “New Employer” pool, and pay a contribution rate that was 15% lower than the rate set forth in their applicable Rehabilitation Plan schedule.

The Plan’s experience with efforts to retain and attract contributing employers has been very difficult. Some of these measures have not been successful, but given the limited options available, the Trustees concluded that in enacting each of these measures, they made every reasonable effort to protect the Plan’s solvency. The Trustees believe that the measure proposed in this Application, as a whole, will provide the Plan its best chance of retaining – and possibly attracting – employers.

(6) *The impact on the Plan’s solvency of the subsidies and ancillary benefits, if any, available to active participants.*

Effective January 1, 2011, the Trustees eliminated all disability benefits and subsidized early retirement benefits under the Rehabilitation Plan's Default Schedule. Any remaining subsidized benefits available under alternative schedules are paid for by additional contributions required under those schedules. Accordingly, the Trustees determined that the subsidies available to Active Participants do not impact Plan solvency. As previously discussed, it was determined that the negative effect of additional withdrawals as a result of eliminating the remaining subsidies would be greater than any savings in liability associated with eliminating the remaining subsidies.

The Trustees also noted, however, that most of the subsidized benefits are paid to Non-Active Participants in pay status and that at the time those benefits were earned the Plan did not receive contributions commensurate with the value of those benefits. The disproportionality of the subsidies compared to the contribution/cost ratio of normal retirement benefits was a factor in the Trustees' decision to adopt a plan of benefit suspensions which provides for larger reductions to those participants in pay status. Active Participants are having larger contributions made on their behalf, while deriving less benefit from them.

(7) *Compensation levels of Active Participants relative to employees in the Participants' industry generally.*

Retirement plan costs are generally higher for unionized employees in the transportation and warehousing industry than for non-union employees. The previously cited BLS March 2016 News Release reports that in the unionized sector of the "service producing industries," which include transportation and warehousing, an average of \$3.28 per hour of total employee compensation (7.4%) goes to fund retirement plan costs. The non-unionized sector average is only \$0.88 per hour (3%).

Although on average unionized employees have traditionally received higher wages than non-union employees, in recent years non-union workers' wages have increased more rapidly than unionized workers' wages. It is likely that pension costs for unionized workers are keeping their wages stagnant. As the contribution rates needed to sustain plans continue to increase, employers cannot absorb them. This means that participants are often required to reallocate a portion of their total compensation package from wages to pension contributions. Union employees are seeing reductions in wages, and reductions in retirement benefits, but are paying more than ever for those reduced retirement benefits.

Because of these trends and the desire of many workers to improve their wages rather than see increasing amounts of their total compensation dedicated to pension contributions (particularly when approximately 20% of each dollar of contributions to the Plan generated by work performed by the Active Participants pays for the pension that they earned for that work; most of the rest funds the pensions of retired and terminated vested participants), the Trustees have determined that mandatory additional contribution rate increases would be likely to: (a) cause a net decline in support for the Plan among Active Participants; and (b) make it more difficult for contributing employers to attract and retain qualified employees. These consequences, in turn, will lead to more employer withdrawals and to a decline in contribution income to the Plan. The aforementioned factors relating to the compensation levels of active participants relative to other employees in the participants' industry generally have caused the Trustees to conclude that they have taken all necessary steps to avoid insolvency.

(8) *Competitive and other economic factors facing contributing employers.*

As discussed above in Section 5.04, the Trustees have continually considered the competitive pressures and financial constraints faced by the Plan's contributing employers. The Trustees recognize that if they set contribution requirements at a level that the employers cannot sustain, it is very likely that the employers will go out of business, and/or file for bankruptcy, or simply leave the Plan. This is not pure speculation; the Trustees have seen it happen now for several years.

YRC and its affiliated companies, one of the Plan's larger employers, negotiated a temporary cessation of their obligation to contribute and now participate at a reduced contribution rate. Penn Traffic, the Plan's fifth largest contributing employer, filed for bankruptcy. Wegmans, the Plan's second largest employer, negotiated a withdrawal from the Plan. The Trustees' conclusion that the economic factors confronting employers will not permit additional, unchecked increases in contributions is based on first-hand experience.

The Trustees are also aware that most non-union employers do not sponsor defined benefit plans. Contributing employers are competing with non-union employers that do not have legally required pension contribution obligations. Most of the employers' non-union competitors maintain profit sharing or 401(k) plans. Such plans are not subject to the Internal Revenue Code's minimum funding requirements, and place the investment risk on the employee. The Plan's employers bear the burden of having to make contributions that are not only contractually required, but

legally required. Moreover, when the financial markets underperform or suffer losses, it is the employers that have to make up the difference.

(9) *The impact of benefit and contribution levels on retaining Active Participants and bargaining groups under the Plan.*

As discussed above, the Trustees recognize that benefit and contribution levels have an effect on retaining Active Participants. In enacting reasonable measures to avoid insolvency, the Trustees were mindful of recent experience, where the Plan's second largest employer negotiated a withdrawal from the Plan with the approval of its employees.

In developing the PPP, the Trustees took into account all the benefit reductions the active participants have experienced since 2004. Benefit accrual rates have been cut from 2.6% of contributions to 1%, and in some cases, 0.25% under the Rehabilitation Plan. In addition, the participants have in many cases seen wages stagnate or be reduced in order to pay for the benefit reductions. The reality is that the increases are not completely going to pay for the Active Participants' reduced benefits; the bulk of the increases are going to pay the benefits for the Non-Active Participants. The Trustees, based on experience, know that there is a limit to what Active Participants will tolerate before they look for other retirement options. They also know that if there are no active employees, the Plan is not viable and all retired Participants' benefits are at risk. With this in mind, the Trustees took the reasonable measure of proposing 20% reduction in the accrued benefit of Active Participants versus a 31% reduction for Non-Active Participants.

(10) *The impact of past and anticipated contribution increases under the Plan on employer attrition and retention levels.*

As discussed in detail above, the prior contribution increases imposed on contributing employers have become unsustainable. The Trustees saw first-hand what effect the rates were having on contributing employers: employers were withdrawing from the Plan, either voluntarily, as was the case with Wegmans or by filing bankruptcy, like Penn Traffic. If the increases were left unchanged, in twenty years UPS would be paying approximately \$170,000 annually for each full-time employee covered under the Plan. Even a financially successful company like UPS cannot absorb such costs. Arbitrator Shriftman found that contribution increases called for under the Rehabilitation Plan were based in "excessive" optimism and "dangerous speculation" given the Plan's experience.

When designing their PPP, the Trustees determined that the anticipated future increases required, which would otherwise be unreasonable based

on the Trustees' past experience and Arbitrator Shriftman's ruling, became reasonable in the long-term when applied in conjunction with the proposed benefit suspensions. Moreover, there is relief in sight in 2031, when no increases will be required. In reviewing all these factors, the Trustees determined that prior contribution increases had brought the Plan's remaining employers to the brink of leaving the Plan. Contribution increases called for under the Rehabilitation Plan will take them over the brink. The contribution increases required under the PPP give employers hope that there is light at the end of the tunnel, and such light gives the remaining employers an incentive to stay in the Plan and keep it from becoming insolvent.

.04 Other Factors considered.

(1) *Investment Return Assumptions.*

Another factor the Trustees considered when developing the PPP is the effect of future investment returns on the Plan's ability to remain solvent. Given the Plan's current asset allocation, the investment return assumptions are well above a traditional 60% global stock and 40% global bond portfolio ("60/40 portfolio"). Assuming the current asset allocation remains unchanged, Meketa Investment Group's ("Meketa") 20-year return estimates are 8.8% for the Plan, and 7.0% for a 60/40 portfolio. The 10-year median estimates from the Horizon Actuarial 2016 Survey of Capital Market Assumptions ("2016 Survey") are 7.37% for the Plan and 5.95% for a 60/40 portfolio. The 20-year median estimates from the 2016 Survey are 8.35% for the Plan and 7.11% for a 60/40 portfolio.

The Trustees expect to obtain these higher returns with the current asset allocation without incurring much additional risk. That is because the Plan's private markets assets have less price volatility risk than the publicly-traded assets. While private market assets generally have more liquidity risk, the Plan's private market assets currently have a positive cash flow. The investment consultant projects the Plan's private market cash flow to be significantly positive over the next several years. Accordingly, the Plan's exposure to the liquidity risk normally associated with private market assets is reduced. It is not expected that the Plan will have to liquidate the private market assets at depressed values to make benefit payments.

In selecting the investment return assumptions of 6.75% select and 7.50% ultimate, the actuary has taken into account many factors as described in **Appendix B of Exhibit 4**. These factors include the possibility that the asset allocation may need to change in the future because the timing of future expected contributions and benefit payments result in the Plan

having significant negative cash flow (only partially offset by the cash flow from private market investments), and the greater materiality of asset returns during the earlier years of the cash flow projection.

Based on the current asset allocation and assuming no future changes to the current asset allocation, Meketa estimates a 66% probability of achieving 6.75% over the next 10 years, and a 64% probability of achieving 7.50% over 20 years. In comparison, Meketa estimates a 60/40 portfolio has a 52% probability of achieving 6.75% over 10 years and a 42% probability of achieving 7.50% over 20 years. As discussed above, the Plan is structured differently than a 60/40 portfolio, with a higher expected return and a greater probability of achieving the assumed returns. Even with the possibility of future adjustments in the asset allocation, investment returns are expected to be greater than a 60/40 portfolio. This is because the Plan can maintain some of its private market investments as these investments are mature and well beyond the initial j-curve phase.

(2) *Strengthening the Plan's Re-Employment Rules.*

As discussed above, the Trustees have recognized that the Plan's solvency problem as caused by a growing imbalance in the ratio of actives to retirees/beneficiaries has not been solely as a result of employer withdrawals. Another factor contributing to the problem is that an increasing number of participants are retiring (sometime under early retirement provisions of an alternative schedule), commencing their pension and then returning to work in "prohibited employment". This includes working for non-union companies that compete with the Plan's contributing employers. Although the Plan always has been diligent in its efforts to ensure compliance with its re-employment rules, the Trustees have strengthened enforcement by requiring retired participants to annually certify their employment information, including their place of employment and amount of earnings. Retirees are also required to provide written authorization for the Plan to access their Social Security records to confirm the information in the certification. Strict enforcement of the Plan's re-employment rules is yet another reasonable measure the Trustees have taken to help forestall insolvency.

SECTION 6. OTHER REQUIRED INFORMATION.

.01 Ballot. See **Exhibit 11** for a proposed ballot intended to satisfy the requirements of Section 432(e)(9)(H)(iii).

.02 Partition. The Plan is not applying to the PBGC for a partition order.

.03 Ten-year experience for certain critical assumptions. See **Exhibit 12** for a disclosure of the Plan's experience for certain critical assumptions for each of the 10 Plan Years immediately preceding the Plan Year in which the Plan's application is submitted for the proposed benefit suspension.

.04 Demonstration of sensitivity of projections. See **Exhibit 13** for the following separate projections: (1) a reduction of 1% in the Plan's assumed rate of return on assets; (2) a reduction of 2% in the Plan's assumed rate of return on assets; (3) a change in the assumed future contribution base units from the population assumption described above in **Exhibit 4** to a 4.74% annual reduction for the next ten years; and (4) a change in the assumed future contribution base units from the assumption above to a 5.74% annual reduction for the next 10 years. The 4.74% annual reduction in future contribution base units is based on the historical decline in contribution base units as shown in **Exhibit 12**. As noted in **Exhibit 12**, the drop in contribution base units from the 2013 to 2014 Plan Year is primarily due to the withdrawal of employers who are currently making withdrawal liability payments or have satisfied their withdrawal liability obligation in full.

The Trustees believe that the downward trend in contribution base units will not continue, as the withdrawals in 2013 – 2014 were specific, one-time events unlikely to be repeated. The withdrawn employers in 2013 and 2014 accounted for approximately 2.5 to 3.0 million hours in the years 2010 – 2013. If the withdrawn employers' hours for 2010 – 2013 are factored out, there is a steady pattern of hours for 2010 – 2013. As discussed earlier, the Trustees are confident that the economic certainty provided to employers under this Application with respect to their future contribution obligations will provide employers with an incentive to remain in the Plan. Likewise, the Application and other communications with Active Participants have shown them that there is long-term hope for the Plan, and it is to their economic advantage to remain participants.

.05 Projection of funded percentage. See **Exhibit 14** for the Trustees' illustration, prepared on a deterministic basis, of the projected value of Plan assets, the accrued liability of the Plan (calculated using the unit credit funding method) and the funded percentage for each year in the Plan's extended period, which ends with the Plan Year 2048.

.06 Plan sponsor certifications relating to plan amendments. See **Exhibit 15** for the Trustees' certification that if they receive final authorization to implement the suspension of benefits as described in Section 432(e)(9)(H)(vi), and choose to implement the authorized suspension, then, in addition to the Plan amendment implementing the suspension, the following Plan amendments will be timely adopted and not modified at any time thereafter before the suspension of benefits expires: (1) a Plan amendment providing that, in accordance with Section 432(e)(9)(C)(ii), the benefit suspension will cease as of the first day of the first Plan Year following the Plan Year in which the Trustees fail to maintain a written record of their determination that both: all reasonable measures to avoid insolvency continue to be taken during the period of the benefit suspension; and the Plan is projected to become insolvent unless benefits continue to be suspended; and (2) a Plan amendment providing that any future benefit improvements must satisfy the requirements of Section 432(e)(9)(E).

.07 Whether a plan is described in Section 432(e)(9)(D)(vii)(III). Not Applicable.

.08 Optional additional information. Not Applicable.

SECTION 7. IDENTIFICATION AND BACKGROUND INFORMATION ON THE PLAN.

.01 Plan sponsor. The Board of Trustees of the New York State Teamsters Conference Pension and Retirement Fund. The Board of Trustees' mailing address is PO Box 4928, Syracuse, NY 13221-4928, T: 315.455.9790, F: 315.234.1047, E: benefits@nytfund.org.

.02 Plan Identification. The name of the Plan is the New York State Teamsters Conference Pension and Retirement Fund. The Plan has been assigned the Plan Number 074. Its Employment Identification Number (EIN) is 16-6063585. The Plan is a multiemployer pension plan within the meaning of Code Section 414(f) and ERISA Section 3(37).

.03 Retiree Representative. On January 18, 2016, the Trustees selected Tom Baum to be the retiree representative. He is a retiree currently receiving benefits under the Plan and is not a member of the Board of Trustees. Participants and beneficiaries may contact Tom Baum at his website at: <http://nysteamstersfundretireerep.com> or at his e-mail address: info@nystfretireereptbaum.com.

.04 Plan's enrolled actuary. The Plan's enrolled actuary is James M. Locey (EA# 14-03981) of Horizon Actuarial Services, LLC, 8601 Georgia Ave, #700, Silver Spring, MD 20910.

.05 Power of Attorney. **See Appendix B.** The Plan's representatives as attorney-in-fact are John F. Ring and David P. Ofenloch of Morgan, Lewis & Bockius LLP and Bernard T. King and Jonathan M. Cerrito of Blitman & King LLP.

.06 Plan documents. **See Exhibit 16** for the Plan's: 1) most recently restated Plan Document and any subsequent Plan amendments, 2) the most recent summary plan description, 3) the Plan's most recent determination letter, and 4) the Plan's Funding Improvement Plan.

.07 Participation agreements. **See Exhibit 17** for excerpts from the participation agreements pursuant to which the Plan is maintained, including language from any portions of a collective bargaining agreement or side agreement that are relevant to the Plan or proposed suspension.

.08 Annual return. **See Exhibit 18** for the following sections of the Plan's most recently filed 2015 Plan Year Form 5500:

(1) Pages 1 and 2 of the Form 5500;

(2) The Schedule MB, including attachments; and

(3) The Schedule R with attachments.

.09 Rehabilitation Plan. **See Exhibit 19** for a copy of the Plan's most recently updated Rehabilitation Plan, effective as of January 1, 2011 and Amended and Restated as of January 1, 2015.

- The Rehabilitation Plan contains the following schedules: Default Schedule and Seven (7) Alternative Schedules, Schedule A through Schedule G.
- **See Exhibit 20** demonstrating the Plan's contributing employers' contributions to the Plan pursuant to their applicable Rehabilitation Plan's schedule for the Plan Year ending December 31, 2015.

.10 Valuation Reports. **See Exhibit 21** for copies of the 2014 and 2015 Plan Year valuation reports for the Plan.

.11 Completed checklist. **See Appendix C** for the completed checklist of information required to be included in the Plan's application.

SECTION 8. RESUBMISSION REVIEW

This Section is not applicable. This application is not being submitted for a resubmission review.

Request for a meeting. The Trustees respectfully request an in-person meeting to discuss the issues involved if the Secretary is not inclined to approve the Plan's application.

The Trustees very much appreciate Treasury's willingness to review this important matter and application for the Plan. Should you have any questions or require any additional information, please contact the undersigned Trustees at PO Box 4928, Syracuse, NY 13221-4928, T: 315.455.9790, F: 315.234.1047, E: benefits@nytfund.org.

[SIGNATURE PAGE TO FOLLOW]

Very truly yours,

THE BOARD OF TRUSTEES OF THE NEW YORK STATE TEAMSTERS CONFERENCE
PENSION AND RETIREMENT FUND

Signature: _____
Redacted by the U.S. Department of the Treasury

Name: John A. Bulgaro

Title: Chairman and Union Trustee

Date: 8.31.16

Signature: _____
Redacted by the U.S. Department of the Treasury

Name: Michael S. Scalzo, Sr.

Title: Chairman and Employer Trustee

Date: 8.31.16

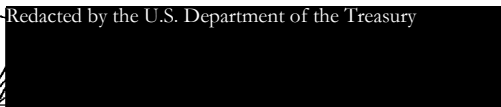
**The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA**


EXHIBIT 1

Sections 2.03
Penalty of Perjury Statement

Pursuant to Section 2.03 of IRS Revenue Procedure 2016-27, the undersigned Trustees make the following statement:

Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete.

Redacted by the U.S. Department of the Treasury
Signature: 
Name: Michael S. Scalzo, Sr.
Title: Chairman and Employer Trustee
Date: 8.31.16

Redacted by the U.S. Department of the Treasury
Signature: 
Name: John A. Bulgaro
Title: Chairman and Union Trustee
Date: 8.31.16

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 2

Section 2.04
Public Disclosure Statement

Pursuant to Section 2.04 of IRS Revenue Procedure 2016-27, the undersigned Trustees make the following statement:

I acknowledge that, pursuant to Section 432(e)(9)(G)(ii) of the Code, the application for approval of the proposed suspension of benefits, and the application's supporting material, will be publicly disclosed through publication on the Treasury Department website.

Signature: _____

Name: Michael S. Scalzo, Sr.

Title: Chairman and Employer Trustee

Date: 8.31.16

Redacted by the U.S. Department of the Treasury

Signature: _____

Name: John A. Bulgaro

Title: Chairman and Union Trustee

Date: 8.31.16

Redacted by the U.S. Department of the Treasury

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 3

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section 3.01 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 3.01 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 3.01 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information required by Section 3.01 of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by the Pension Protection Act of 2006 (“PPA”), the Pension Relief Act of 2010 (“PRA 2010”), and the Multiemployer Pension Reform Act of 2014 (“MPRA”). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James W. Lacey, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 3.01:

Demonstration that the Plan is Eligible for Suspension

Plan actuary's certification of critical and declining status

Under Section 3.01 of Revenue Procedure 2016-27, an application must include the plan actuary's certification required under Section 432(b)(3)(A) of the Code that the plan is in critical and declining status as defined in Section 432(b)(6) of the Code for the plan year in which the application is submitted. Documentation supporting the actuarial certification of status must be included with the certification, including a plan-year-by-plan-year projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan, demonstrating that the plan is projected to become insolvent during the period described in Section 432(b)(6). The documentation must include a description of each of the assumptions used, including the new entrant profile, the total contribution base units and average contribution rates. The plan-year-by-plan-year projection must separately identify the market value of assets as of the beginning and end of each year in the relevant period and the following cash-flow items for each of those years:

1. Contributions
2. Withdrawal liability payments
3. Benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants
4. Administrative expenses
5. Investment returns

On January 7, 2016, Horizon Actuarial submitted to the IRS the plan actuary's certification required under Section 432(b)(3)(A) of the Code that the Plan is in critical and declining status as defined in Section 432(b)(6) of the Code for the 2016 plan year.

On that same date, Horizon Actuarial submitted a separate report to the Board of Trustees detailing the calculations and basis for the 2016 plan year certification. A copy of the January 7, 2016 report is included in this report as Appendix C.

This report includes an exhibit showing the calculations to determine that the Plan is in critical and declining status for the 2016 plan year. This exhibit and the subsequent commentary in the report, and the appendices, includes all of the necessary information required in the application, as described above.

On the following pages, we have included:

- *A plan-year-by-plan-year projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan, demonstrating that the plan is projected to become insolvent during the period described in Section 432(b)(6).*
- *A plan-year-by-plan-year projection of the benefit payments, separated by projected payments made to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants*
- *A description of each of the assumptions used in the projections, including the new entrant profile, the total contribution base units and average contribution rates.*

Revenue Procedure 2016-27 Section 3.01: Demonstration that the Plan is Eligible for Suspension

Plan-year-by-plan-year projection of the available resources:

Revenue Procedure 2016-27, Section 3.01: Certification of Critical and Declining Status

Assumed Annual Investment Return							8.50%					
	Plan Year	Beginning	Employer	Withdrawal	Benefit	Administrative	Net	Ending	Actuarial	Funded	Available	Solvency
	Ending	Market Value	Contributions	Liability	Payments	Expenses	Investment	Market Value	Accrued	Percentage	Resources	Ratio
		of Assets		Payments			Return	of Assets	Liability			
PY	12/31/2015	\$ 1,409,993,285	\$ 106,514,124	\$ 10,294,468	\$ (285,904,666)	\$ (7,297,500)	\$ 50,048,980	\$ 1,283,648,691	\$3,218,165,990	43.81%	\$ 1,569,553,357	5.490
CY	12/31/2016	1,283,648,691	113,243,953	10,223,554	(286,611,206)	(6,711,615)	101,891,288	1,215,684,665	3,206,159,256	40.04%	1,502,295,871	5.242
1	12/31/2017	1,215,684,665	119,915,874	10,177,208	(287,936,280)	(6,912,818)	96,331,066	1,147,259,715	3,192,530,923	38.08%	1,435,195,995	4.984
2	12/31/2018	1,147,259,715	121,527,484	10,160,988	(290,099,391)	(7,120,275)	90,482,000	1,072,210,521	3,176,435,592	36.12%	1,362,309,912	4.696
3	12/31/2019	1,072,210,521	122,774,979	10,088,146	(291,845,589)	(7,333,988)	84,069,445	989,963,514	3,156,527,055	33.97%	1,281,809,103	4.392
4	12/31/2020	989,963,514	123,801,665	10,088,146	(295,181,585)	(7,553,955)	76,970,955	898,088,740	3,132,753,964	31.60%	1,193,270,325	4.042
5	12/31/2021	898,088,740	124,682,565	10,088,146	(298,352,435)	(7,780,178)	69,054,662	795,781,500	3,102,923,888	28.94%	1,094,133,935	3.667
6	12/31/2022	795,781,500	125,464,933	10,088,146	(300,843,107)	(8,013,698)	60,276,019	682,753,793	3,066,628,456	25.95%	983,596,900	3.269
7	12/31/2023	682,753,793	126,209,818	10,088,146	(302,741,917)	(8,254,515)	50,609,388	558,664,713	3,024,025,542	22.58%	861,406,630	2.845
8	12/31/2024	558,664,713	126,948,184	10,088,146	(303,923,277)	(8,502,630)	40,032,444	423,307,580	2,975,250,820	18.78%	727,230,857	2.393
9	12/31/2025	423,307,580	127,862,975	10,088,146	(304,196,933)	(8,758,043)	28,543,480	276,847,205	2,920,556,727	14.49%	581,044,138	1.910
10	12/31/2026	276,847,205	128,707,080	10,088,146	(304,214,912)	(9,020,753)	16,118,294	118,525,060	2,860,365,416	9.68%	422,739,972	1.390
11	12/31/2027	118,525,060	129,624,577	10,088,146	(302,878,958)	(9,291,803)	2,745,163	INSOLVENT	2,794,564,901	4.24%	251,691,143	0.831

"PY" = preceding plan year; "CY" = current plan year

Note: The administrative expenses shown above include any regular Plan expenses and PBGC loans. Currently, the Plan does not have any PBGC loans.

Revenue Procedure 2016-27 Section 3.01:

Demonstration that the Plan is Eligible for Suspension

Projection of benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants:

Revenue Procedure 2016-27, Section 3.01: Projected Benefit Payments Separated by Status

		Projected Benefit Payments by Status				
	Plan Year	Total	Retirees	Terminated		Future New
	Ending	Benefit Payments	& Beneficiaries	Vested	Active	Entrants
CY	12/31/2016	286,611,206	269,833,498	3,325,032	13,452,676	-
1	12/31/2017	287,936,280	263,350,104	5,183,792	19,402,384	-
2	12/31/2018	290,099,391	256,578,205	7,073,006	26,448,180	-
3	12/31/2019	291,845,589	249,573,030	9,041,720	33,230,839	-
4	12/31/2020	295,181,585	242,322,659	11,383,610	41,475,316	-
5	12/31/2021	298,352,435	234,845,397	13,679,186	49,827,852	-
6	12/31/2022	300,843,107	227,102,001	15,835,318	57,905,788	-
7	12/31/2023	302,741,917	219,121,249	18,391,473	65,229,195	-
8	12/31/2024	303,923,277	210,859,934	21,128,980	71,934,363	-
9	12/31/2025	304,196,933	202,348,715	23,574,113	78,274,105	-
10	12/31/2026	304,214,912	193,661,415	25,991,950	84,561,547	-
11	12/31/2027	302,878,958	184,731,819	27,996,428	90,150,711	-

"CY" = current plan year

Revenue Procedure 2016-27 Section 3.01:

Demonstration that the Plan is Eligible for Suspension

Assumptions:

- Investment Return: The investment return is assumed to be 8.50% per year net of investment expenses.
- Discount Rate: The discount rate is assumed to be 8.50% per year.
- Contribution Rate Increases: Contribution rate increases are assumed to be 3.0% per year starting in 2018. Prior to 2018, contribution rate increases are assumed to be based on the applicable schedule of the Rehabilitation Plan. Previously, contribution rate increases were based on the applicable schedule of the Rehabilitation Plan for all future years. There are multiple schedules with varying required contribution rate increases. The required contribution rate increases for each schedule of the Rehabilitation Plan are shown below:
 - Default Schedule and Schedule G – 6.00% per year
 - Schedule A – 6.00% per year
 - Schedule B – 6.50% per year
 - Schedule C – 6.75% per year
 - Schedule D – 7.75% per year
 - Schedule E – 8.25% per year

In late-2015 an arbitrator ruled that the above contribution rate increases were not reasonably sustainable. As a result, we used 3.00% contribution rate increases starting in 2018 for the certification based on guidance from the Board of Trustees.

- Active Participants: An active participant is a participant who has worked at least 500 hours in at least one of the prior three plan years and was not retired as of the valuation date.
- Active Population: Based on a historical review of the entire active population, a 2.00% per year decrease in the active population was assumed. It is assumed that participants will not be reemployed following a break in service.
- Participant Data: There were 1,034 active participants without a date of birth. We assumed that these participants had entered the plan at the same age as the other active participants. There were 106 terminated vested participants without a date of birth. We assumed these participants had the same age as the average terminated vested participant. There were 51 terminated vested participants who were over age 72 as of the valuation date who had not yet applied for a pension. It is extremely unlikely that these participants will ever collect a pension. Thus, they were excluded from the valuation. The impact of these data adjustments on plan liabilities was negligible.
- Marriage/Spouses: 80% of non-retired participants are assumed to be married. Female spouses are assumed to be three years younger than male spouses.
- Form of payment: Participants are assumed to elect the normal form of payment.

Revenue Procedure 2016-27 Section 3.01:

Demonstration that the Plan is Eligible for Suspension

- Administrative Expenses: Operating expenses were assumed to be equal to \$6,438,000 in 2016 and are assumed to increase by 3.00% per year. The assumed operating expenses in 2016 are based on the actual operating expenses for 2015 and are adjusted for non-recurring special expenses.
- Contribution Base Units and Contribution Rates: There are significant differences in the contribution base units and contribution rates under each schedule of the Rehabilitation Plan. The table below shows the active participant count, average contribution base units and average contribution rate under each schedule of the Rehabilitation Plan. This information is based on census data as of January 1, 2015.

Revenue Procedure 2016-27, Section 3.01: Active Participants, Base Units and Contribution Rates

Rehabilitation Plan Schedule	Participants as of 1/1/2015	Average Hours per Participant	Average Contribution Rate per Participant
Default & G	4,805	1,248	3.5274
A	258	1,754	3.8287
B	2,660	1,103	9.9754
C	495	1,793	3.8200
D	100	1,718	3.7561
E	3,360	1,869	9.2705

For each active participant in the valuation, hours are assumed to be the average of a participant's actual hours worked in the three plan years preceding the valuation date. Contributions made on behalf of each participant are assumed to be equal to the assumed hours worked multiplied by a participant's contribution rate.

Note that the participant count in the Default Schedule shown above includes approximately 1,700 active participants who are employed by a withdrawn employer but have yet to incur a three-year break in service. We assume no future contributions on hours worked for these participants. After making this adjustment, the total assumed contribution base units is approximately 14.9 million hours.

- New Entrant Profile: See Appendix A for a description of the new entrant profile used in the projections. Note that we use different new entrant profiles for the different schedules of the Rehabilitation Plan.
- Mortality: See Appendix B for a description of the mortality assumption.
- Retirement: See Appendix B for a description of the retirement assumption.
- Disability: See Appendix B for a description of the disability assumption.
- Withdrawal: See Appendix B for a description of the withdrawal assumption.

Appendix A: Revenue Procedure 2016-27 Section 3.01

New Entrant Profile

New Entrant Profile

The new entrant profile used in the projections consists of a separate new entrant profile for each schedule of the Rehabilitation Plan. This is necessary because of the different characteristics of participants in each schedule. All new entrants are assumed to be male and are assumed to enter the Plan with 0.50 years of service.

The new entrant profile is developed to, as accurately as possible, estimate the impact of future new entrants on the Plan's expected contributions, benefit payments and liabilities. Where appropriate, minor adjustments are made so that contributions, benefit payments and liabilities for new entrants are consistent with expectations.

The age of new entrants is based on a historical analysis of new entrants to the Plan over the six year period ending on December 31, 2014. The distribution of new entrants by age is as follows:

Revenue Procedure 2016-27, Section 3.01: Historical New Entrants

Age Band	New Entrants in 2009	New Entrants in 2010	New Entrants in 2011	New Entrants in 2012	New Entrants in 2013	New Entrants in 2014	Total New Entrants	% of Total
< 25	179	131	140	150	137	232	969	19%
25 - 30	68	75	107	117	131	138	636	12%
30 - 35	231	286	562	479	313	292	2,163	42%
35 - 40	41	46	48	45	59	76	315	6%
40 - 45	42	48	65	59	49	67	330	6%
45 - 50	40	40	41	47	42	72	282	6%
50 - 55	36	25	40	35	40	49	225	4%
55 - 60	13	19	25	23	22	33	135	3%
> 60	3	6	9	6	6	9	39	1%
Total	653	676	1,037	961	799	968	5,094	

For each schedule, a distribution of the contribution rate that counts for benefit accruals and the total contribution is created. Based on this distribution and the age distribution of new entrants, the following new entrant profiles are created. Note that participants employed by employers that have withdrawn but have not yet incurred a three-year break in service are not included in this analysis.

Appendix A: Revenue Procedure 2016-27 Section 3.01

New Entrant Profile

New Entrant Profile for Default Schedule and Schedule G:

Revenue Procedure 2016-27, Section 3.01: Default Schedule and Schedule G New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,340	5	1.0929	1,464	1.3016	1,744
22	1,340	9	2.3178	3,106	2.6700	3,578
22	1,340	1	3.9419	5,282	4.5654	6,118
22	1,340	2	8.3121	11,138	9.3888	12,581
22	1,340	1	8.5579	11,468	10.2687	13,760
27	1,340	3	1.0929	1,464	1.3016	1,744
27	1,340	6	2.3178	3,106	2.6700	3,578
27	1,340	1	3.9419	5,282	4.5654	6,118
27	1,340	1	8.3121	11,138	9.3888	12,581
27	1,340	1	8.5579	11,468	10.2687	13,760
32	1,340	11	1.0929	1,464	1.3016	1,744
32	1,340	21	2.3178	3,106	2.6700	3,578
32	1,340	3	3.9419	5,282	4.5654	6,118
32	1,340	1	6.0415	8,096	7.1509	9,582
32	1,340	4	8.3121	11,138	9.3888	12,581
32	1,340	2	8.5579	11,468	10.2687	13,760
32	1,340	1	9.6679	12,955	12.4919	16,739
37	1,340	2	1.0929	1,464	1.3016	1,744
37	1,340	3	2.3178	3,106	2.6700	3,578
37	1,340	1	8.3121	11,138	9.3888	12,581
42	1,340	2	1.0929	1,464	1.3016	1,744
42	1,340	3	2.3178	3,106	2.6700	3,578
42	1,340	1	8.3121	11,138	9.3888	12,581
47	1,340	1	1.0929	1,464	1.3016	1,744
47	1,340	3	2.3178	3,106	2.6700	3,578
47	1,340	1	8.3121	11,138	9.3888	12,581
52	1,340	2	1.0929	1,464	1.3016	1,744
52	1,340	4	2.3178	3,106	2.6700	3,578
52	1,340	1	8.3121	11,138	9.3888	12,581

Appendix A: Revenue Procedure 2016-27 Section 3.01

New Entrant Profile

New Entrant Profile for Schedule A:

Revenue Procedure 2016-27, Section 3.01: Schedule A New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,755	2	0.3290	577	0.3800	667
22	1,755	7	2.4982	4,384	2.9603	5,195
22	1,755	11	4.1995	7,370	4.8791	8,563
27	1,755	1	0.3290	577	0.3800	667
27	1,755	4	2.4982	4,384	2.9603	5,195
27	1,755	7	4.1995	7,370	4.8791	8,563
32	1,755	3	0.3290	577	0.3800	667
32	1,755	15	2.4982	4,384	2.9603	5,195
32	1,755	24	4.1995	7,370	4.8791	8,563
37	1,755	1	0.3290	577	0.3800	667
37	1,755	2	2.4982	4,384	2.9603	5,195
37	1,755	3	4.1995	7,370	4.8791	8,563
42	1,755	1	0.3290	577	0.3800	667
42	1,755	2	2.4982	4,384	2.9603	5,195
42	1,755	4	4.1995	7,370	4.8791	8,563
47	1,755	2	2.4982	4,384	2.9603	5,195
47	1,755	3	4.1995	7,370	4.8791	8,563
52	1,755	1	0.3290	577	0.3800	667
52	1,755	3	2.4982	4,384	2.9603	5,195
52	1,755	4	4.1995	7,370	4.8791	8,563

New Entrant Profile for Schedule B:

Revenue Procedure 2016-27, Section 3.01: Schedule B New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,105	1	0.6399	707	0.7574	837
22	1,105	1	2.3385	2,584	2.9067	3,212
22	1,105	1	3.8356	4,238	4.9166	5,433
22	1,105	16	8.4520	9,340	10.6406	11,758
22	1,105	1	9.6255	10,636	13.8580	15,313
27	1,105	11	8.4520	9,340	10.6406	11,758
32	1,105	1	0.6399	707	0.7574	837
32	1,105	2	2.3385	2,584	2.9067	3,212
32	1,105	1	3.8356	4,238	4.9166	5,433
32	1,105	36	8.4520	9,340	10.6406	11,758
32	1,105	2	9.6255	10,636	13.8580	15,313
37	1,105	5	8.4520	9,340	10.6406	11,758
42	1,105	6	8.4520	9,340	10.6406	11,758
47	1,105	5	8.4520	9,340	10.6406	11,758
52	1,105	7	8.4520	9,340	10.6406	11,758

Appendix A: Revenue Procedure 2016-27 Section 3.01

New Entrant Profile

New Entrant Profile for Schedule C:

Revenue Procedure 2016-27, Section 3.01: Schedule C New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,795	1	1.2924	2,320	1.7950	3,222
22	1,795	9	1.8067	3,243	2.2747	4,083
22	1,795	7	3.7009	6,643	4.7278	8,486
22	1,795	2	6.7248	12,071	8.8815	15,942
27	1,795	1	1.2924	2,320	1.7950	3,222
27	1,795	6	1.8067	3,243	2.2747	4,083
27	1,795	4	3.7009	6,643	4.7278	8,486
27	1,795	1	6.7248	12,071	8.8815	15,942
32	1,795	3	1.2924	2,320	1.7950	3,222
32	1,795	20	1.8067	3,243	2.2747	4,083
32	1,795	15	3.7009	6,643	4.7278	8,486
32	1,795	4	6.7248	12,071	8.8815	15,942
37	1,795	3	1.8067	3,243	2.2747	4,083
37	1,795	2	3.7009	6,643	4.7278	8,486
37	1,795	1	6.7248	12,071	8.8815	15,942
42	1,795	3	1.8067	3,243	2.2747	4,083
42	1,795	2	3.7009	6,643	4.7278	8,486
42	1,795	1	6.7248	12,071	8.8815	15,942
47	1,795	3	1.8067	3,243	2.2747	4,083
47	1,795	2	3.7009	6,643	4.7278	8,486
47	1,795	1	6.7248	12,071	8.8815	15,942
52	1,795	1	1.2924	2,320	1.7950	3,222
52	1,795	4	1.8067	3,243	2.2747	4,083
52	1,795	3	3.7009	6,643	4.7278	8,486
52	1,795	1	6.7248	12,071	8.8815	15,942

Appendix A: Revenue Procedure 2016-27 Section 3.01

New Entrant Profile

New Entrant Profile for Schedule D:

Revenue Procedure 2016-27, Section 3.01: Schedule D New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,720	1	1.4600	2,511	1.8827	3,238
22	1,720	5	2.0916	3,598	2.8254	4,860
22	1,720	13	3.1945	5,495	4.2849	7,370
27	1,720	1	1.4600	2,511	1.8827	3,238
27	1,720	3	2.0916	3,598	2.8254	4,860
27	1,720	8	3.1945	5,495	4.2849	7,370
32	1,720	2	1.4600	2,511	1.8827	3,238
32	1,720	12	2.0916	3,598	2.8254	4,860
32	1,720	28	3.1945	5,495	4.2849	7,370
37	1,720	2	2.0916	3,598	2.8254	4,860
37	1,720	4	3.1945	5,495	4.2849	7,370
42	1,720	2	2.0916	3,598	2.8254	4,860
42	1,720	4	3.1945	5,495	4.2849	7,370
47	1,720	2	2.0916	3,598	2.8254	4,860
47	1,720	4	3.1945	5,495	4.2849	7,370
52	1,720	2	2.0916	3,598	2.8254	4,860
52	1,720	5	3.1945	5,495	4.2849	7,370

Appendix A: Revenue Procedure 2016-27 Section 3.01

New Entrant Profile

New Entrant Profile for Schedule E:

Revenue Procedure 2016-27, Section 3.01: Schedule E New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,875	3	1.2394	2,324	1.6862	3,162
22	1,875	3	1.6962	3,180	2.3390	4,386
22	1,875	1	3.4209	6,414	4.7432	8,894
22	1,875	1	4.7490	8,904	6.5246	12,234
22	1,875	11	9.5324	17,873	13.8000	25,875
27	1,875	2	1.2394	2,324	1.6862	3,162
27	1,875	2	1.6962	3,180	2.3390	4,386
27	1,875	1	3.4209	6,414	4.7432	8,894
27	1,875	7	9.5324	17,873	13.8000	25,875
32	1,875	6	1.2394	2,324	1.6862	3,162
32	1,875	6	1.6962	3,180	2.3390	4,386
32	1,875	3	3.4209	6,414	4.7432	8,894
32	1,875	1	4.7490	8,904	6.5246	12,234
32	1,875	1	8.3806	15,714	11.4231	21,418
32	1,875	25	9.5324	17,873	13.8000	25,875
37	1,875	1	1.2394	2,324	1.6862	3,162
37	1,875	1	1.6962	3,180	2.3390	4,386
37	1,875	4	9.5324	17,873	13.8000	25,875
42	1,875	1	1.2394	2,324	1.6862	3,162
42	1,875	1	1.6962	3,180	2.3390	4,386
42	1,875	4	9.5324	17,873	13.8000	25,875
47	1,875	1	1.2394	2,324	1.6862	3,162
47	1,875	1	1.6962	3,180	2.3390	4,386
47	1,875	3	9.5324	17,873	13.8000	25,875
52	1,875	1	1.2394	2,324	1.6862	3,162
52	1,875	1	1.6962	3,180	2.3390	4,386
52	1,875	1	3.4209	6,414	4.7432	8,894
52	1,875	5	9.5324	17,873	13.8000	25,875

Appendix B: Revenue Procedure 2016-27 Section 3.01

Demographic Assumptions

Demographic Assumptions

This appendix includes the mortality, retirement, disability and withdrawal assumptions used in the projections shown in Section 3.01 of Revenue Procedure 2016-27. These assumptions are based on historical and current demographic data, adjusted to reflect estimated future experience in the Plan, the purpose of the measurement, and professional judgment.

Mortality:

Non-Disabled Participants and Beneficiaries: The sex distinct RP-2000 Blue Collar Mortality Tables projected to 2006 with Scale BB.

Disabled Participants: The sex distinct RP-2000 Disabled Mortality Tables projected to 2006 with Scale BB.

Retirement: The retirement assumption varies by Rehabilitation Plan Schedule.

Default Schedule and Schedule G

Age	Less than 30 Years of Service	On or After 30 Years of Service									
		Service as of 1/1/2011									
		< 25	25	26	27	28	29	30	31	32-35	>35
55	.10	.10	.10	.10	.10	.10	.10	.10	.10	.10	.10
56-59	.02	.02	.02	.02	.02	.02	.02	.02	.02	.02	.02
60-61	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05
62	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
63	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30
64	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40
65-66	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Schedule A

Age	Less than 30 Years of Service	On or After 30 Years of Service									
		Service as of 1/1/2011									
		< 25	25	26	27	28	29	30	31	32-35	>35
55	.10	.10	.12	.12	.14	.16	.18	.20	.22	.15	.35
56-59	.02	.02	.05	.05	.08	.11	.14	.17	.21	.15	.35
60-61	.05	.05	.08	.08	.11	.14	.17	.20	.23	.15	.35
62	.25	.25	.30	.30	.34	.38	.42	.46	.50	.50	.50
63	.30	.30	.33	.33	.36	.39	.42	.46	.50	.50	.50
64	.40	.40	.41	.41	.42	.44	.46	.48	.50	.50	.50
65-66	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Appendix B: Revenue Procedure 2016-27 Section 3.01

Demographic Assumptions

Schedule B

Age	Less than 30 Years of Service	On or After 30 Years of Service									
		Service as of 1/1/2011									
		< 25	25	26	27	28	29	30	31	32-35	>35
55	.10	.10	.12	.12	.14	.16	.18	.20	.22	.15	.35
56-59	.02	.02	.05	.05	.08	.11	.14	.17	.21	.15	.35
60-61	.05	.05	.08	.08	.11	.14	.17	.20	.23	.15	.35
62	.25	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
63	.30	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
64	.40	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
65-66	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Schedule C

Age	Less than 30 Years of Service	On or After 30 Years of Service									
		Service as of 1/1/2011									
		< 25	25	26	27	28	29	30	31	32-35	>35
55	.10	.10	.12	.12	.14	.16	.18	.20	.22	.15	.35
56-59	.02	.02	.05	.05	.08	.11	.14	.17	.21	.15	.35
60-61	.05	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
62	.25	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
63	.30	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
64	.40	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
65-66	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Schedule D

Age	Less than 30 Years of Service	On or After 30 Years of Service									
		Service as of 1/1/2011									
		< 25	25	26	27	28	29	30	31	32-35	>35
55	.10	.10	.12	.12	.14	.16	.18	.20	.22	.15	.35
56	.02	.02	.05	.05	.08	.11	.14	.17	.21	.15	.35
57-59	.02	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
60-61	.05	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
62	.25	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
63	.30	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
64	.40	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
65-66	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Appendix B: Revenue Procedure 2016-27 Section 3.01

Demographic Assumptions

Schedule E

Age	Less than 30 Years of Service	On or After 30 Years of Service									
		Service as of 1/1/2011									
		< 25	25	26	27	28	29	30	31	32-35	>35
55	.10	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
56-59	.02	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
60-61	.05	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
62	.25	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
63	.30	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
64	.40	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
65-66	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Inactive vested participants: Age 65.

Disability:

Illustrations of the annual rates of disablement are shown in the table below for selected ages (the same rates are used for males and females):

Representative Disability Rates

Attained Age	Rate (%)
20	0.04%
25	0.06%
30	0.07%
35	0.10%
40	0.15%
45	0.24%
50	0.41%
55	0.67%
60	1.09%

Appendix B: Revenue Procedure 2016-27 Section 3.01

Demographic Assumptions

Withdrawal:

Illustrations of the annual rates of withdrawal (for reasons other than mortality or disablement) are shown in the table below for selected ages (the same rates are used for males and females):

Representative Withdrawal Rates

Attained Age	Rate (%)
20	22.00%
25	17.00%
30	12.00%
35	7.82%
40	6.92%
45	6.02%
50	5.12%
55	4.22%
60	3.32%

The New York State Teamsters Conference Pension and Retirement Fund

**Actuarial Certification for the Plan Year
Beginning January 1, 2016**

January 7, 2016



Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

Table of Contents

This report provides the status certification of the New York State Teamsters Conference Pension and Retirement Fund (the "Plan") as required under section 432(b)(3) of the Internal Revenue Code (the "Code") for the plan year beginning January 1, 2016 (the "2016 Plan Year").

Under section 432(b)(3) of the Code, the plan actuary of a multiemployer pension plan is required to certify the plan's status (endangered, seriously endangered, critical, critical and declining, or none of the above) to the Secretary of the Treasury and the plan sponsor no later than the 90th day of the plan year. For plans that were certified as in endangered or critical status for the previous plan year and have begun either the funding improvement or rehabilitation period (respectively), the plan actuary must also certify whether the plan is making scheduled progress in meeting the requirements of its funding improvement or rehabilitation plan.

In preparing this report, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the certification. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

In our opinion, all methods, assumptions and calculations used in this certification are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended by the Pension Protection Act of 2006 ("PPA"), the Pension Relief Act of 2010 ("PRA 2010"), and the Multiemployer Pension Reform Act of 2014 ("MPRA"). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees was responsible for the selection of the actuarial cost and asset valuation methods for purposes of this certification. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this certification.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James M. Locey, EA, MAAA
Consulting Actuary

New York State Teamsters Conference Pension and Retirement Fund
Status Certification for Plan Year Beginning January 1, 2016

Horizon

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Certification of Critical and Declining Status

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Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

1. Certification Results

Certification Results

Under section 432(b)(3) of the Code, the plan actuary of a multiemployer pension plan is required to perform an annual certification to the Secretary of the Treasury and the plan sponsor. The certification must be made no later than the 90th day of the plan year. There are two parts to the certification:

- Section 432(b)(3)(A)(i): whether or not the plan is in endangered status for such plan year, or would be in endangered status except for a special rule; whether or not the plan is or will be in critical status for such plan year or for any of the succeeding 5 plan years; and whether or not the plan is or will be in critical and declining status for such plan year, and
- Section 432(b)(3)(A)(ii): in the case of a plan which is in a funding improvement or rehabilitation period, whether or not the plan is making the scheduled progress in meeting the requirements of its funding improvement or rehabilitation plan.

The key results for the certification for the 2016 Plan Year are summarized below.

Section 432(b)(3): Annual Certification by Plan Actuary – Certification Results Plan Year Beginning January 1, 2016

Section 432(b)(3)(A)(i): Certification Status

Critical and Declining

Section 432(b)(1): The Plan is not in endangered status for the current plan year.

Section 432(b)(5): The special rule under section 432(b)(5) does not apply for the current plan year.

Section 432(b)(2): The Plan is in critical status for the current plan year.

Section 432(b)(4): The special rule under section 432(b)(4) does not apply for the current plan year.

Section 432(b)(6): The Plan is in critical and declining status for the current plan year.

Section 432(b)(3)(A)(ii): Scheduled Progress

Making Scheduled Progress

As shown above, the Plan is in critical and declining status for the 2016 Plan Year.

The Plan was originally certified in critical status for the plan year beginning January 1, 2010, and the Board of Trustees adopted a Rehabilitation Plan effective January 1, 2011, as required under Code section 432(e). The Plan's rehabilitation period, as defined under Code section 432(e)(4), began on January 1, 2013.

The Board of Trustees has determined, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, that the Plan cannot reasonably be expected to emerge from critical status by the end of the rehabilitation period. Therefore, as described in Code section 432(e)(3)(A)(ii) of the Code, the Rehabilitation Plan consists of actions to forestall possible insolvency.

As the Board of Trustees has taken significant actions to forestall possible insolvency, and the Plan continues to pay its full benefit obligations, the Plan is making scheduled progress in meeting the requirements of its adopted Rehabilitation Plan.

New York State Teamsters Conference Pension and Retirement Fund
Status Certification for Plan Year Beginning January 1, 2016

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Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

1. Certification Results

Explanations of the certification results and the key calculations used in performing the certification are included in later sections of this report.

Notice Requirements

Under section 432(b)(3)(D) of the Code, the sponsor of a multiemployer plan that is certified in endangered or critical status for a plan year must provide notification of the endangered or critical status to participants and beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation ("PBGC"), and the Secretary of Labor. Such notice must be provided not later than 30 days after the date of the certification.

The notice requirement also applies to a plan sponsor that elects to be in critical status under the special rule described in section 432(b)(4). If a plan sponsor elects to be in critical status under the special rule described in section 432(b)(4), it must notify the Secretary of Treasury of such election not later than 30 days after the date of certification.

In the case of a plan that would be in endangered status if not for the special rule described in section 432(b)(5), the plan sponsor must provide notification to the bargaining parties and the PBGC that the plan would be in endangered status if not for the special rule under section 432(b)(3)(D)(iii) not later than 30 days after the date of certification.

In the case of a plan that is projected to be in critical status in any of the 5 succeeding plan years (but not for the current plan year) and the plan sponsor has not made an election to be in critical status for the plan year, the plan sponsor must provide notification of the projected critical status to the PBGC not later than 30 days after the date of certification.

The Secretary of Treasury and Secretary of Labor have prescribed a model notice to satisfy the notification requirements described above. The model notice can be found at the Department of Labor website: www.dol.gov/ebsa/criticalstatusnotices.html.

Because the Plan is in critical and declining status for the 2016 Plan Year, the Board of Trustees is required to provide notification of critical status to covered participants and beneficiaries, bargaining parties, the PBGC, and the Secretary of the Labor within 30 days following the date of the certification (no later than February 6, 2016).

Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

2. Certification Explanation

This section of the report includes explanations of the different certification results. Explanations are shown separately for endangered status, critical status, critical and declining status (if applicable), and making scheduled progress to the funding improvement or rehabilitation plan (if applicable).

Endangered Status

Under section 432(c), the sponsor of a multiemployer plan in endangered status must adopt a funding improvement plan to enable the plan to attain certain funding benchmarks.

Under section 432(b)(1), a plan is in "endangered" status for the plan year if it is not in critical status (as defined in section 432(b)(2)) and if at least one of two following tests is met. If both tests are met, the plan is considered to be in "seriously endangered" status. See Exhibit 1 for applicable calculations.

- Section 432(b)(1)(A): its funded percentage is less than 80%; or
- Section 432(b)(1)(B): it is projected to have an accumulated funding deficiency in its funding standard account in the current plan year or succeeding 6 plan years, taking into account any extensions of amortization periods under section 431(d).

Notwithstanding the above, under a special rule in section 432(b)(5), a plan is not in endangered status for the current plan year if the plan actuary certifies that the plan is projected, as of the end of the tenth plan year ending after the current plan year, to have a funded percentage that is at least 80% and no projected funding deficiencies for the tenth plan year and succeeding six plan years. This special rule applies only to plans that were in the "green zone" in the preceding plan year. In other words, under the special rule, if a plan was in the green zone for the preceding plan year, and it is projected to be in the green zone at the end of the tenth succeeding plan year, it is considered to be in the green zone for the current plan year.

The Plan is in critical and declining status for the 2016 Plan Year. Therefore, it is not in endangered status for the 2016 Plan Year.

Critical Status

Under section 432(e), the sponsor of a multiemployer plan in critical status must adopt a rehabilitation plan to enable the plan to emerge from critical status within a given timeframe or, under certain circumstances, to avoid or forestall insolvency.

Under section 432(b)(2), a plan is in "critical" status for the plan year if at least one of four following tests are met. See Exhibit 2 for applicable calculations.

- Section 432(b)(2)(A): the plan's funded percentage is less than 65% and the plan is projected to go insolvent in the current or next 6 plan years;
- Section 432(b)(2)(B): the plan is projected to have an accumulated funding deficiency in the current or next 3 plan years (current or next 4 plan years if the funded percentage is less than 65%), disregarding any extension of amortization periods under section 431(d);
- Section 432(b)(2)(C): the plan's normal cost for the plan year plus interest on the unfunded accrued liability exceeds the present value of reasonably anticipated employer contributions for the plan year, the present value of non-forfeitable benefits for inactive participants exceeds the present

New York State Teamsters Conference Pension and Retirement Fund
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Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

2. Certification Explanation

value of non-forfeitable benefits for active participants, and the plan is projected to have an accumulated funding deficiency in the current or next 4 plan years, disregarding any extension of amortization periods under section 431(d); or

- Section 432(b)(2)(D): the plan is projected to go insolvent in the current or next 4 plan years.

The Plan is in critical status for the 2016 Plan Year (prior to testing for critical and declining status) because its funded percentage is less than 65% and it has a projected funding deficiency in the current or next 4 plan years. As shown in Exhibit 2, other tests may also apply.

Election to be in Critical Status

Under section 432(b)(4), the sponsor of a multiemployer plan that is not in critical status for the current plan year but that is projected to be in critical status in any of the next 5 plan years may elect to be in critical status for the current plan year. The election must be made not later than 30 days after the date of the certification of status.

The Plan is in critical status for the 2016 Plan Year (prior to testing for critical and declining status). Therefore, the rule under section 432(b)(4) to elect to be in critical status does not apply.

Critical and Declining Status

Under section 432(e)(9), the sponsor of a multiemployer plan in critical and declining status may suspend benefits which the sponsor deems appropriate, including certain benefits that would otherwise be protected, if the benefit suspensions would enable the plan to avoid insolvency.

Under section 432(b)(6), a plan is in "critical and declining" status for the plan year if it is in critical status and it is projected to go insolvent within the current or next 14 plan years. The solvency projection period is the current or next 19 plan years if the plan's ratio of inactive participants to active participants exceeds 2 to 1 or if its funded percentage is less than 80%. See Exhibit 4 for applicable calculations.

For purposes of determining whether a plan is in critical and declining status, projections by the plan actuary shall assume that each contributing employer is currently in compliance with the adopted rehabilitation plan and will continue to be in compliance. In other words, projections by the plan actuary shall reflect future contribution rate increases from the adopted rehabilitation plan, even if those increases are scheduled after the expiration of the collective bargaining agreements currently in effect.

The Plan is in critical and declining status for the 2016 Plan Year because it is projected to go insolvent in the current or next 19 plan years. Because the Plan's funded percentage is less than 80%, the applicable solvency projection period is the current and next 19 plan years rather than the current and next 14 plan years.

Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

2. Certification Explanation

Scheduled Progress

Under section 432(b)(3)(A)(ii), in the case of a plan which is in a funding improvement or rehabilitation period, the plan actuary shall certify whether the plan is making scheduled progress in meeting the requirements of its adopted funding improvement or rehabilitation plan.

The Plan is making scheduled progress in meeting the requirements of its Rehabilitation Plan.

The Plan was originally certified in critical status for the plan year beginning January 1, 2010, and the Board of Trustees adopted a Rehabilitation Plan effective January 1, 2011, as required under Code section 432(e). The Plan's rehabilitation period, as defined under Code section 432(e)(4), began on January 1, 2013.

The Board of Trustees has determined, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, that the Plan cannot reasonably be expected to emerge from critical status by the end of the rehabilitation period. Therefore, as described in Code section 432(e)(3)(A)(ii) of the Code, the Rehabilitation Plan consists of actions to forestall possible insolvency.

As the Board of Trustees has taken significant actions to forestall possible insolvency, and the Plan continues to pay its full benefit obligations, the Plan is making scheduled progress in meeting the requirements of its adopted Rehabilitation Plan.

Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

3. Certification Calculations

The following tables summarize the key measures that were used in performing the certification of status. All figures below were determined under the methods prescribed by section 432(b)(3)(B) of the Code. Projections of assets and liabilities were based on data, results assumptions and methods, and plan provisions that were used in the Plan's actuarial valuation as of January 1, 2015. See the description of the actuarial basis (later in this report) for more information.

Exhibit 1 below summarizes the key measures used in determining whether or not the Plan is in endangered status for the current plan year. The exhibit shows the basic tests for determining endangered status under PPA, as defined in section 432(b)(1) of the Code, and the calculations required under the special rule under MPRA, as defined in section 432(b)(5) of the Code, as applicable. See Exhibit 3 for a projection of the funding standard account (in other words, projected funding deficiencies).

Exhibit 1 – Endangered Status Tests

<i>Section 432(b)(1): Endangered Status</i>	<i>Plan Year Beginning January 1, 2016</i>
Section 432(b)(1)(A) measures:	
Valuation interest rate	8.50%
Actuarial value of assets	\$ 1,468,758,130
Actuarial accrued liability under unit credit cost method	\$ 3,206,159,256
Funded percentage [threshold = 80.0%]	45.8%
Section 432(b)(1)(B) measures:	
First projected funding deficiency within current or next six plan years <i>Reflecting extensions of amortization periods under section 431(d)</i>	12/31/2016
<i>Section 432(b)(5): Special Rule</i>	
<i>Plan Year Beginning January 1, 2016</i>	
Certification status for preceding plan year	Critical
Certification status for current plan year disregarding special rule	Critical
<i>The special rule under section 432(b)(5) does not apply.</i>	

Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

3. Certification Calculations

Exhibit 2 summarizes the key measures used in determining whether or not the Plan is in critical status for the current plan year. The exhibit shows the basic tests for determining critical status under PPA, as defined in section 432(b)(2) of the Code. Also shown are the calculations to determine whether the Plan is projected to be in critical status for the succeeding 5 plan years, and therefore eligible to elect to be in critical status for the current plan year under MPRA, as defined in section 432(b)(4). See Exhibit 3 for a projection of the funding standard account (in other words, projected funding deficiencies).

Exhibit 2 – Critical Status Tests

Section 432(b)(2): Critical Status		Plan Year Beginning January 1, 2016
Section 432(b)(2)(A) measures:		
Funded percentage [threshold = 65.0%]		45.8%
First projected date of insolvency within current or next six plan years		None
Section 432(b)(2)(B) measures:		
Funded percentage [threshold = 65.0%]		45.8%
First projected funding deficiency within current or next four plan years		12/31/2016
<i>Disregarding extensions of amortization periods under section 431(d)</i>		
Section 432(b)(2)(C) measures:		
Normal cost (unit credit cost method, with interest to end of plan year)	\$	13,788,018
Interest on unfunded actuarial accrued liability to end of plan year		147,679,096
Expected contributions during plan year (with interest to end of plan year)		128,714,876
Present value of non-forfeitable benefits for active participants		464,655,825
Present value of non-forfeitable benefits for inactive participants		2,590,018,077
First projected funding deficiency within current or next four plan years		12/31/2016
<i>Disregarding extensions of amortization periods under section 431(d)</i>		
Section 432(b)(2)(D) measures:		
First projected date of insolvency within current or next four plan years		None
Section 432(b)(4): Election to be in Critical Status		Plan Year Beginning January 1, 2016
Projected status certifications:	Plan Year Beginning	Projected Status
Current plan year	1/1/2016	Critical
First succeeding plan year	1/1/2017	Critical
Second succeeding plan year	1/1/2018	Critical
Third succeeding plan year	1/1/2019	Critical
Fourth succeeding plan year	1/1/2020	Critical
Fifth succeeding plan year	1/1/2021	Critical
<i>The Plan is in critical status for the current plan year.</i>		
<i>As a result, the election to be in critical status does not apply.</i>		

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Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

3. Certification Calculations

Exhibit 3 shows the projected funding percentage and projected funding standard account (in other words, projected credit balances and funding deficiencies) for the current and succeeding 6 plan years. Figures for the prior plan year (still preliminary) are shown for reference.

Exhibit 3 – Projection of Funded Percentage and Funding Standard Account

	Prior	Current	Current + 1	Current + 2	Current + 3	Current + 4	Current + 5	Current + 6
Plan year beginning	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Plan year ending	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Valuation interest rate	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Funded percentage								
Actuarial value of assets	1,576,692,214	1,468,758,130	1,390,734,569	1,295,661,827	1,190,277,508	1,080,613,128	969,521,428	843,443,443
Actuarial accrued liability (unit credit method)	3,218,165,990	3,206,159,256	3,192,530,923	3,176,435,592	3,156,527,055	3,132,753,964	3,102,923,888	3,066,628,456
Funded percentage	48.9%	45.8%	43.5%	40.7%	37.7%	34.4%	31.2%	27.5%
Funding standard account								
Charges								
(a) Prior year funding deficiency, if any	463,280,750	607,395,149	764,191,366	953,661,780	1,121,503,957	1,296,595,414	1,471,115,546	1,646,896,042
(b) Employer's normal cost for plan year	20,214,647	19,145,851	19,418,476	19,456,941	19,351,732	19,067,761	18,729,417	18,393,623
(c) Amortization charges as of valuation date								
(1) Bases for which extensions do not apply	306,886,869	313,128,994	309,825,223	270,770,195	262,173,440	245,873,760	231,284,556	223,152,168
(2) Funding waivers	-	-	-	-	-	-	-	-
(3) Bases for which extensions apply	-	-	-	-	-	-	-	-
(d) Interest as applicable to end of plan year	67,182,493	79,871,949	92,941,981	105,730,558	119,257,476	132,730,639	146,296,009	160,517,556
(e) Total charges	857,564,759	1,019,541,943	1,186,377,046	1,349,619,474	1,522,286,605	1,694,267,574	1,867,425,528	2,048,959,389
Credits								
(f) Prior year credit balance, if any	-	-	-	-	-	-	-	-
(g) Employer contributions	116,808,592	123,467,507	130,093,082	128,145,299	125,819,806	123,384,158	120,868,530	118,318,196
(h) Amortization credits as of valuation date	118,337,929	116,714,932	89,486,846	87,118,934	87,118,934	87,118,934	87,118,934	87,118,934
(i) Interest as applicable to end of plan year	15,023,089	15,168,138	13,135,338	12,851,284	12,752,451	12,648,936	12,542,022	12,433,632
(j) Full funding limitation credit	-	-	-	-	-	-	-	-
(k) Waived funding deficiency or other credits	-	-	-	-	-	-	-	-
(l) Total credits	250,169,610	255,350,577	232,715,266	228,115,517	225,691,191	223,152,028	220,529,486	217,870,762
(m) Credit balance	-	-	-	-	-	-	-	-
(n) Funding deficiency	607,395,149	764,191,366	953,661,780	1,121,503,957	1,296,595,414	1,471,115,546	1,646,896,042	1,831,088,627

Item (g) includes withdrawal liability payments

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Certification of Critical and Declining Status

3. Certification Calculations

Exhibit 4 summarizes the key measures used in determining whether or not the Plan is in critical and declining status. For purposes of determining whether a plan is in critical and declining status, projections by the plan actuary shall assume that each contributing employer currently in compliance with the adopted rehabilitation plan will continue to be in compliance.

Exhibit 4 – Critical and Declining Status Tests

Section 432(b)(6): Critical and Declining Status				Plan Year Beginning January 1, 2016			
Certification status							Critical
Number of inactive participants							22,848
Number of active participants							11,678
Ratio of inactive participants to active participants							1.96
Funded percentage (threshold = 80.0%)							45.8%
Solvency projection period (years)							Current and next 19 years
Projected date of insolvency							Projected insolvency on or before 12/31/2027
	Plan Year Ending	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Operating Expenses	Net Investment Return	Ending Market Value of Assets
PY	12/31/2015	\$ 106,514,124	\$ 10,294,468	\$ (285,904,666)	\$ (7,297,500)	\$ 50,048,980	\$ 1,283,648,691
CY	12/31/2016	113,243,953	10,223,554	(286,611,206)	(6,711,615)	101,891,288	1,215,684,665
1	12/31/2017	119,915,874	10,177,208	(287,936,280)	(6,912,818)	96,331,066	1,147,259,715
2	12/31/2018	121,527,484	10,160,988	(290,099,391)	(7,120,275)	90,482,000	1,072,210,521
3	12/31/2019	122,774,979	10,088,146	(291,845,589)	(7,333,988)	84,069,445	989,963,514
4	12/31/2020	123,801,665	10,088,146	(295,181,585)	(7,553,955)	76,970,955	898,088,740
5	12/31/2021	124,682,565	10,088,146	(298,352,435)	(7,780,178)	69,054,662	795,781,500
6	12/31/2022	125,464,933	10,088,146	(300,843,107)	(8,013,698)	60,276,019	682,753,793
7	12/31/2023	126,209,818	10,088,146	(302,741,917)	(8,254,515)	50,609,388	558,664,713
8	12/31/2024	126,948,184	10,088,146	(303,923,277)	(8,502,630)	40,032,444	423,307,580
9	12/31/2025	127,862,975	10,088,146	(304,196,933)	(8,758,043)	28,543,480	276,847,205
10	12/31/2026	128,707,080	10,088,146	(304,214,912)	(9,020,753)	16,118,294	118,525,060
11	12/31/2027	129,624,577	10,088,146	(302,878,958)	(9,291,803)	2,745,163	(51,187,815)
12	12/31/2028	130,703,729	10,088,146	(301,001,629)	(9,570,150)	(11,566,610)	(232,534,329)
13	12/31/2029	131,924,148	10,066,091	(298,282,982)	(9,856,838)	(26,826,775)	(425,510,685)
14	12/31/2030	133,211,284	10,015,406	(295,380,730)	(10,152,908)	(43,066,454)	(630,884,087)
15	12/31/2031	134,432,514	9,842,198	(291,791,152)	(10,457,318)	(60,339,032)	(849,196,877)
16	12/31/2032	135,753,776	9,539,614	(287,840,597)	(10,771,110)	(78,697,763)	(1,081,212,957)
17	12/31/2033	137,100,386	9,539,614	(282,004,735)	(11,094,285)	(98,127,610)	(1,325,799,587)
18	12/31/2034	138,619,829	5,064,954	(275,706,791)	(11,426,843)	(118,789,541)	(1,588,037,979)
19	12/31/2035	140,114,074	-	(268,901,945)	(11,769,825)	(140,956,930)	(1,869,552,605)

PY = preceding plan year; *CY* = current plan year

Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

4. Actuarial Basis

As required under section 432(b)(3)(B) of the Code, this certification is based on actuarial projections for the current and succeeding plan years for the current value of Plan assets and Plan liabilities related to participants and beneficiaries covered under the Plan. The projections are based on reasonable actuarial estimates, assumptions, and methods that (except as noted below) offer the actuary's best estimate of anticipated experience under the Plan.

For this certification for the 2016 Plan Year, projections of Plan liabilities are based on the actuarial valuation as of January 1, 2015. The actuarial assumptions and methods used in that actuarial valuation, including a valuation interest rate assumption of 8.50%, are the same as those used in this certification. Please refer to the actuarial valuation report for a summary of applicable assumptions, methods, and plan provisions.

The actuarial projection of Plan assets used in this certification is based on the market value of assets as of January 1, 2015, projected forward assuming the net investment return for the plan year ending December 31, 2015 was 3.8%. The assumed net investment return is based on an estimate provided by the Plan Administrator. Future net investment returns are assumed to be 8.50% per year, the assumed rate of return on Plan assets. Note that for purposes of projecting the assets for funded percentage and funding standard account purposes, employer withdrawal liability receivable contributions are included as Plan assets (See Exhibit 3). For purposes of testing for critical and declining status, we have not included employer withdrawal liability receivable contributions as Plan assets, but have reflected those amounts in the cash flow projections as they are received (See Exhibit 4).

The actuarial projection of Plan assets is also based on a projection of industry activity and employer contributions for the current and succeeding plan years. The projection of industry activity (in other words, covered employment levels) is based on information provided in good faith by the Board of Trustees. Specifically, it was assumed that the number of active participants will decline 2.0% each year. The assumed contribution base units in the January 1, 2015 valuation were approximately 14.8 million hours. This included an adjustment for large employers who are no longer contributing but have employees that have yet to incur a complete break in service. The assumed hours are projected to decrease by 2% per year, consistent with the projected decline in the active population.

In general, the projection of employer contributions assumes that the current terms of the collective bargaining agreement(s) under which contributions are made to the Plan will continue in effect for succeeding plan years. Projections of employer contributions for purposes of determining critical and declining status, however, assume that each contributing employer currently in compliance with the adopted Rehabilitation Plan will continue to be in compliance through 2017. Based on a recent arbitration decision, it was determined that the contribution increases in the Rehabilitation Plan were no longer reasonably sustainable. As a result, the post-2017 contribution increase assumption that we used in our cash flow projections was less than the increases currently required by the Rehabilitation Plan. The average contribution rate from the January 1, 2015 valuation was \$7.21 per hour (after adjusting for employers that are no longer contributing) and this rate is expected to increase as described above.

Projections of Plan liabilities were performed using an open group valuation methodology. In other words, each year, hypothetical new entrants were added to the population to achieve the expected level of projected industry activity which was developed based on information provided by the Board of Trustees. The demographic characteristics of the assumed new entrants were developed based on a review of new participants under the Plan in recent years.

New York State Teamsters Conference Pension and Retirement Fund
Status Certification for Plan Year Beginning January 1, 2016

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The logo for Horizon, featuring the word "Horizon" in a sans-serif font with a stylized yellow and orange arc above the letters "i" and "z".

Appendix C: Revenue Procedure 2016-27 Section 3.01

Certification of Critical and Declining Status

Actuarial Certification of Plan Status

Plan Name:	The New York State Teamsters Conference Pension and Retirement Fund
EIN / PN:	16-6063585 / 074
Plan Sponsor:	Trustees of the New York State Teamsters Conference Pension and Retirement Fund PO Box 4928 Syracuse, NY 13221-4928 (315) 455-9790
Plan Year:	Beginning January 1, 2016 and Ending December 31, 2016
Certification Results:	<ul style="list-style-type: none">• Critical and Declining Status• Making scheduled progress toward Rehabilitation Plan

This is the annual certification by the Plan Actuary as required under section 432(b) of the Internal Revenue Code (the "Code") for the above-named multiemployer plan (the "Plan") and plan year (the "Plan Year"). For the Plan Year, the Plan is in critical and declining status.

The Plan was originally certified in critical status for the plan year beginning January 1, 2010, and the Board of Trustees adopted a Rehabilitation Plan effective January 1, 2011, as required under Code section 432(e). The Plan's rehabilitation period, as defined under Code section 432(e)(4), began on January 1, 2013. The Board of Trustees has determined, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, that the Plan cannot reasonably be expected to emerge from critical status by the end of the rehabilitation period. Therefore, as described in Code section 432(e)(3)(A)(ii) of the Code, the Rehabilitation Plan consists of actions to forestall possible insolvency. As the Board of Trustees has taken significant actions to forestall possible insolvency, and the Plan continues to pay its full benefit obligations, the Plan is making scheduled progress in meeting the requirements of its adopted Rehabilitation Plan.

This certification was performed based upon actuarial projections of assets and liabilities for the current and succeeding plan years, as described under section 432(b)(3)(B). These projections are based on reasonable actuarial estimates, assumptions, and methods that offer my best estimate of anticipated experience under the Plan. The projected present value of Plan liabilities as of the beginning of the Plan Year was determined based on a projection of the actuarial valuation of the Plan as of January 1, 2015. The projections of Plan assets are based on an estimated net investment return for the Plan Year ended December 31, 2015 provided by the Plan's administrator and the assumption that future net investment returns will be 8.50% per year, beginning January 1, 2016.

This certification is also based on projections of future industry activity and covered employment levels, which are based on information provided in good faith by the Plan Sponsor. This certification assumes that the current terms of the collective bargaining agreements under which contributions are made to the Plan will remain in effect for all succeeding plan years. Projections of employer contributions for purposes of determining critical and declining status, however, assume that each contributing employer currently in compliance with the adopted Rehabilitation Plan will continue to be in compliance through 2017. The post-2017 contribution increase assumption that we used in our cash flow projections was less than the increases currently required by the Rehabilitation Plan.

Certified by:

Redacted by the U.S. Department of the Treasury

James M. Locey, EA, MAAA
Horizon Actuarial Services, LLC
8601 Georgia Avenue, Suite 700
Silver Spring, MD 20910

Phone Number: (240) 247-4600
Enrollment Number: 14-03981
Date: January 7, 2016

New York State Teamsters Conference Pension and Retirement Fund
Status Certification for Plan Year Beginning January 1, 2016

Horizon

New York State Teamsters Conference Pension and Retirement Fund

Information Required by Section 3.01 of Revenue Procedure 2016-27

Horizon

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 4

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section 3.02 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 3.02 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 3.02 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information required by Section 3.02 of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by the Pension Protection Act of 2006 (“PPA”), the Pension Relief Act of 2010 (“PRA 2010”), and the Multiemployer Pension Reform Act of 2014 (“MPRA”). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James W. Loefer, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Plan actuary's certification that the plan is projected to avoid insolvency

Under Section 3.02 of Revenue Procedure 2016-27, the plan actuary must certify to the plan sponsor under Section 432(e)(9)(C)(i) of the Code that the plan is projected to avoid insolvency within the meaning of Section 418E of the Code, taking into account the proposed benefit suspension and assuming that the proposed suspension continues until it expires by its own terms or, if no such expiration date is set, indefinitely. Documentation supporting the actuarial certification under Section 432(e)(9)(C)(i) of the Code must be included with the certification, including a plan-year-by-plan-year projection of the available resources within the meaning of Section 418E(b)(3) of the Code and the benefits under the plan demonstrating the avoidance of insolvency of the plan over the extended period described in Treasury and IRS regulation Section 1.432(e)(9)-1(d)(5)(ii)(C). The documentation must include a description of each of the assumptions used, including the new entrant profile, the total contribution base units and average contribution rates. The plan-year-by-plan-year projection must separately identify the market value of assets as of the beginning and end of the initial period and each subsequent plan year in the extended period and the following cash-flow items for each of those plan years:

1. Contributions
2. Withdrawal liability payments
3. Benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants
4. Administrative expenses
5. Investment returns

On the following pages, we have included:

- *A projection of the Plan's assets as of December 31, 2016 (the end of the initial period), incorporating actual asset returns through June 30, 2016.*
- *A plan-year-by-plan-year projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan, demonstrating the avoidance of insolvency of the plan over the extended period.*
- *A plan-year-by-plan-year projection of the benefit payments, separated by projected payments made to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants.*
- *A description of each of the assumptions used in the projections, including the new entrant profile, the total contribution base units and average contribution rates.*
- *The Plan actuary's certification to the plan sponsor under Section 432(e)(9)(C)(i) of the Code that the plan is projected to avoid insolvency within the meaning of Section 418E of the Code.*

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Development of Projected Assets as of December 31, 2016:

The exhibit below shows the development of the projected Plan assets as of December 31, 2016 (the end of the initial period). This projection is based on actual asset values as of June 30, 2016, as provided by the Fund Office. The return on assets for the period July 1, 2016 through December 31, 2016 is based on the Plan's assumed annual investment return of 6.75%. Please see Appendix B for more information regarding the investment return assumption.

Revenue Procedure 2016-27, Determination of Plan Assets as of December 31, 2016 (Based on Actual Plan Assets as of June 30, 2016)

Assumed Annual Investment Return	6.75%		
	Actual Results	Projected Results	Total for
	Period:	Period:	2016
	1/1/2016 - 6/30/2016	7/1/2016 - 12/31/2016	Plan Year
Assets at Beginning of Period	\$ 1,246,018,691	\$ 1,214,085,423	\$ 1,246,018,691
Employer Contributions	59,157,725	54,242,978	113,400,703
Withdrawal Liability Payments	7,562,417	2,070,843	9,633,260
Benefit Payments	(140,667,860)	(147,582,357)	(288,250,217)
Operating Expenses	(5,792,979)	(4,486,071)	(10,279,050)
Return on Assets	47,807,429	38,716,845	86,524,274
Assets at End of Period	1,214,085,423	1,157,047,661	1,157,047,661

Note that the asset amounts differ from those shown on the Fund's asset statements because withdrawal liability receivables are not included.

Withdrawal liability payments are included in the projected assets based on the projected date of payment.

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Plan-year-by-plan-year projection of the available resources:

Revenue Procedure 2016-27, Section 3.02: The Plan is Projected to Avoid Insolvency

Assumed Investment Return 6.75% for 10 years, 7.50% thereafter
 Effective Date of Proposed Benefit Suspension 7/1/2017
 Expiration of Proposed Benefit Suspension N/A

Proposed Benefit Suspensions:
 Active Participants 20.0%
 Non-active Participants 31.0%

	Plan Year Ending	Beginning Market Value of Assets	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Ending Market Value of Assets	Actuarial Accrued Liability	Funded Percentage	Available Resources	Solvency Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	86,524,274	1,157,047,661	3,311,681,836	37.62%	1,445,297,878	5.014
1	12/31/2017	1,157,047,661	121,451,426	9,586,913	(260,756,505)	(9,853,710)	73,390,166	1,090,865,951	3,306,369,346	34.99%	1,351,622,456	5.183
2	12/31/2018	1,090,865,951	125,299,440	9,570,693	(232,949,423)	(7,136,955)	70,082,403	1,055,732,109	2,583,054,571	42.23%	1,288,681,532	5.532
3	12/31/2019	1,055,732,109	129,104,157	9,497,851	(235,102,412)	(7,235,993)	67,760,814	1,019,756,527	2,573,839,082	41.02%	1,254,858,939	5.337
4	12/31/2020	1,019,756,527	132,915,501	9,497,851	(237,371,551)	(6,815,865)	65,398,691	983,381,154	2,561,580,101	39.81%	1,220,752,704	5.143
5	12/31/2021	983,381,154	136,794,009	9,497,851	(240,022,859)	(6,918,030)	62,981,323	945,713,447	2,545,898,575	38.63%	1,185,736,306	4.940
6	12/31/2022	945,713,447	140,066,105	9,497,851	(242,321,394)	(7,022,280)	60,468,092	906,401,821	2,526,107,290	37.44%	1,148,723,215	4.740
7	12/31/2023	906,401,821	143,397,886	9,497,851	(244,243,691)	(7,127,573)	57,858,574	865,784,868	2,502,230,140	36.22%	1,110,028,559	4.545
8	12/31/2024	865,784,868	146,856,501	9,497,851	(245,606,973)	(7,234,950)	55,184,023	824,481,320	2,474,320,283	34.99%	1,070,088,293	4.357
9	12/31/2025	824,481,320	150,470,329	9,497,851	(246,453,271)	(7,343,370)	52,485,778	783,138,636	2,442,627,517	33.75%	1,029,591,907	4.178
10	12/31/2026	783,138,636	154,187,423	9,497,851	(246,404,078)	(7,453,875)	55,353,922	748,319,879	2,407,380,128	32.53%	994,723,957	4.037
11	12/31/2027	748,319,879	157,989,023	9,497,851	(245,911,190)	(7,565,423)	52,899,376	715,229,516	2,369,225,471	31.59%	961,140,706	3.908
12	12/31/2028	715,229,516	161,966,559	9,497,851	(244,705,543)	(7,679,055)	50,607,707	684,917,035	2,328,392,317	30.72%	929,622,578	3.799
13	12/31/2029	684,917,035	166,030,497	9,475,797	(243,043,092)	(7,793,730)	48,543,883	658,130,389	2,285,412,352	29.97%	901,173,481	3.708
14	12/31/2030	658,130,389	170,270,698	9,425,111	(241,470,233)	(7,910,490)	46,746,595	635,192,069	2,240,594,177	29.37%	876,662,303	3.631
15	12/31/2031	635,192,069	169,563,680	9,251,903	(239,420,826)	(8,029,335)	45,065,609	611,623,102	2,193,702,148	28.96%	851,043,927	3.555
16	12/31/2032	611,623,102	168,862,638	8,949,319	(237,240,370)	(8,150,265)	43,337,532	587,381,956	2,145,072,932	28.51%	824,622,326	3.476
17	12/31/2033	587,381,956	168,190,146	8,949,319	(233,684,250)	(8,272,238)	41,623,008	564,187,942	2,094,710,727	28.04%	797,872,192	3.414
18	12/31/2034	564,187,942	167,514,392	4,474,660	(229,803,938)	(8,396,295)	39,831,176	537,807,937	2,043,922,818	27.60%	767,611,875	3.340
19	12/31/2035	537,807,937	166,887,631	-	(225,711,150)	(8,522,438)	37,810,122	508,272,103	1,993,027,459	26.98%	733,983,253	3.252
20	12/31/2036	508,272,103	166,266,861	-	(220,932,891)	(8,650,665)	35,746,032	480,701,440	1,942,254,068	26.17%	701,634,331	3.176
21	12/31/2037	480,701,440	165,712,716	-	(215,299,990)	(8,779,935)	33,863,838	456,198,069	1,892,344,518	25.40%	671,498,059	3.119
22	12/31/2038	456,198,069	165,172,640	-	(209,388,299)	(8,911,290)	32,222,595	435,293,714	1,844,281,344	24.74%	644,682,014	3.079
23	12/31/2039	435,293,714	164,651,382	-	(203,122,786)	(9,044,730)	30,865,174	418,642,754	1,798,527,785	24.20%	621,765,540	3.061
24	12/31/2040	418,642,754	164,117,484	-	(197,058,621)	(9,180,255)	29,818,654	406,340,016	1,755,665,519	23.85%	603,398,637	3.062
25	12/31/2041	406,340,016	163,535,462	-	(190,435,568)	(9,317,865)	29,117,327	399,239,373	1,715,743,348	23.68%	589,674,941	3.096
26	12/31/2042	399,239,373	163,004,478	-	(183,914,711)	(9,457,560)	28,804,161	397,675,741	1,679,608,776	23.77%	581,590,452	3.162
27	12/31/2043	397,675,741	162,491,114	-	(177,237,175)	(9,599,340)	28,912,728	402,243,068	1,647,490,586	24.14%	579,480,243	3.270
28	12/31/2044	402,243,068	161,975,665	-	(170,161,875)	(9,743,205)	29,495,877	413,809,529	1,619,906,781	24.83%	583,971,405	3.432
29	12/31/2045	413,809,529	161,490,611	-	(163,898,114)	(9,889,155)	30,574,590	432,087,462	1,597,670,274	25.90%	595,985,576	3.636
30	12/31/2046	432,087,462	161,014,586	-	(157,586,141)	(10,037,190)	32,158,732	457,637,450	1,580,398,195	27.34%	615,223,590	3.904
31	12/31/2047	457,637,450	160,566,917	-	(151,683,176)	(10,187,310)	34,273,925	490,607,806	1,568,572,887	29.18%	642,290,981	4.234
32	12/31/2048	490,607,806	160,096,890	-	(145,931,901)	(10,340,558)	36,939,002	531,371,239	1,562,239,305	31.40%	677,303,140	4.641

"CY" = current plan year

Note: The administrative expenses shown above include any regular Plan expenses and PBGC loans. Currently, the Plan does not have any PBGC loans.

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Projection of benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants:

Revenue Procedure 2016-27, Section 3.02: Projected Benefit Payments Separated by Status

		Projected Benefit Payments by Status				
	Plan Year	Total	Retirees	Terminated		Future New
	Ending	Benefit Payments	& Beneficiaries	Vested	Active	Entrants
CY	12/31/2016	288,250,217	277,386,773	2,017,766	8,845,678	-
1	12/31/2017	260,756,505	243,763,264	3,413,607	13,579,634	-
2	12/31/2018	232,949,423	210,608,602	4,335,260	18,005,561	-
3	12/31/2019	235,102,412	204,846,793	5,778,871	24,476,748	-
4	12/31/2020	237,371,551	198,946,618	7,550,751	30,874,182	-
5	12/31/2021	240,022,859	192,872,310	9,262,830	37,887,719	-
6	12/31/2022	242,321,394	186,649,451	10,932,396	44,739,547	-
7	12/31/2023	244,243,691	180,258,255	12,963,057	51,022,379	-
8	12/31/2024	245,606,973	173,682,271	15,037,534	56,887,168	-
9	12/31/2025	246,453,271	166,935,775	16,950,033	62,567,463	-
10	12/31/2026	246,404,078	160,086,584	18,752,525	67,564,969	-
11	12/31/2027	245,911,190	153,095,947	20,393,856	72,421,387	-
12	12/31/2028	244,705,543	145,920,783	22,002,145	76,782,615	-
13	12/31/2029	243,043,092	138,688,902	23,585,861	80,768,329	-
14	12/31/2030	241,470,233	131,363,603	24,814,230	85,083,291	209,109
15	12/31/2031	239,420,826	123,995,672	26,282,178	88,655,089	487,887
16	12/31/2032	237,240,370	116,608,297	27,431,227	92,321,902	878,944
17	12/31/2033	233,684,250	109,248,808	28,054,836	95,058,118	1,322,488
18	12/31/2034	229,803,938	101,946,239	28,596,438	97,432,746	1,828,515
19	12/31/2035	225,711,150	94,746,552	29,068,809	99,426,026	2,469,763
20	12/31/2036	220,932,891	87,663,464	29,313,414	100,804,908	3,151,105
21	12/31/2037	215,299,990	80,724,069	29,279,013	101,401,388	3,895,520
22	12/31/2038	209,388,299	73,973,539	29,134,872	101,588,345	4,691,543
23	12/31/2039	203,122,786	67,443,399	28,809,054	101,328,760	5,541,573
24	12/31/2040	197,058,621	61,165,610	28,274,898	101,052,035	6,566,078
25	12/31/2041	190,435,568	55,159,488	27,581,687	100,071,009	7,623,384
26	12/31/2042	183,914,711	49,447,111	26,819,250	98,912,861	8,735,489
27	12/31/2043	177,237,175	44,054,221	25,985,531	97,304,899	9,892,524
28	12/31/2044	170,161,875	38,997,330	24,964,402	95,097,805	11,102,338
29	12/31/2045	163,898,114	34,288,747	23,944,554	93,161,992	12,502,821
30	12/31/2046	157,586,141	29,936,337	22,964,236	90,739,777	13,945,791
31	12/31/2047	151,683,176	25,943,364	21,901,604	88,059,526	15,778,682
32	12/31/2048	145,931,901	22,308,862	20,647,842	85,151,718	17,823,479

"CY" = current plan year

Revenue Procedure 2016-27 Section 3.02:

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Assumptions:

Generally, the assumptions used in the actuarial projection above are the same as those used in the actuarial projection required under Section 3.01 of Revenue Procedure 2016-27. Please refer to the actuarial projection under Section 3.01 of Revenue Procedure 2016-27 for more information regarding the assumptions. Where assumptions differ from those described under Section 3.01 of Revenue Procedure 2016-27, additional commentary is provided below.

- **Contribution Rate Increases:** Contribution rate increases are assumed to be equal to those required under the Rehabilitation Plan until 2018. Starting in 2018, contribution rate increases are assumed to be 3.5% per year for 4 years, then 3.0% per year for 9 years, and then 0.0% thereafter. This assumption was selected based on guidance and information provided in good faith from the Board of Trustees.

The Trustees last updated the Rehabilitation Plan in 2012, prior to the passage of MPRA. The Rehabilitation Plan included an exhaustion of all reasonable measures and a stated goal of forestalling possible insolvency. The various schedules of the Rehabilitation Plan required contribution rate increases between 6.00% and 8.25% per year, continuing indefinitely. After reviewing experience through 2015, there was disagreement among the Board of Trustees about whether these contribution rate increases were sustainable. Following arbitration, it was determined that the increases required under the Rehabilitation Plan were in fact unsustainable.

In preparing this application for a suspension of benefits, the schedules for future increases in contribution rates were reevaluated. As part of this review, consideration was given to macroeconomic factors, the financial strength of participating employers, competition in the marketplace, the relationship between contributions and benefit levels, and expected changes in wage packages over the next several years. Based on this review, the assumption described above was developed.

- **Active Population:** Based on guidance provided in good faith from the Board of Trustees and a historical review of the active population (including an analysis of the population of certain contributing employers), the following changes in the active population were assumed:
 - The number of participants employed by United Parcel Service (UPS), ABF Freight (ABF) and Yellow Roadway Corporation (YRC) is assumed to remain at 2016 levels throughout the projection period. 2016 levels are equal to the count of these participants in the January 1, 2016 actuarial valuation.
 - The number of all participants not employed by UPS, ABF or YRC is assumed to decline by 2% per year.

Please see the historical information required under Section 6.03 of Revenue Procedure 2016-27 for more information regarding the active population. Also note that while we are not assuming any future employer withdrawals as part of the 2% per year population decline, any withdrawal from the Fund would result in approximately 20 years of withdrawal liability payments.

- **Non-Disabled Mortality:** The non-disabled mortality assumption has changed from the sex-distinct RP2000 Mortality Tables with Blue Collar adjustment projected 6 years with Scale BB to the sex-distinct RP2014 Mortality Tables with Blue Collar adjustment loaded by 15% and projected generationally using

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50% of the MP2015 projection scale. This change was made to better reflect anticipated changes in mortality rates over the projection period. While the base mortality rates as of 2016 for the revised assumption are approximately equal to the base mortality rates in the prior assumption, the choice to add a generational projection was in part made as a result of the Plan projecting solvency over the projection period instead of insolvency in the short-term. This assumption was chosen based on a review of standard mortality tables and projection scales, historical and current demographic data, and reflecting anticipated future experience and professional judgment.

- **Disabled Mortality:** The non-disabled mortality assumption has changed from the sex-distinct RP2000 Disabled Mortality Tables projected 6 years with Scale BB to the sex-distinct RP2014 Disabled Mortality Tables loaded by 15% and projected generationally using 50% of the MP2015 projection scale. This change was made to better reflect anticipated changes in mortality rates over the projection period. While the base mortality rates as of 2016 for the revised assumption are approximately equal to the base mortality rates in the prior assumption, the choice to add a generational projection was in part made as a result of the Plan projecting solvency over the projection period instead of insolvency in the short-term. This assumption was chosen based on a review of standard mortality tables and projection scales, historical and current demographic data, and reflecting anticipated future experience and professional judgment
- **Contribution Base Units and Contribution Rates:** There are significant differences in the contribution base units and contribution rates under each schedule of the Rehabilitation Plan. The table below shows the active participant count, average contribution base units and average contribution rate under each schedule of the Rehabilitation Plan. This information is based on census data as of January 1, 2016. Note that because of the active population scenario described above, results are shown separately for UPS, ABF and YRC.

Revenue Procedure 2016-27, Section 3.02: Active Participants, Base Units and Contribution Rates

Rehabilitation Plan Schedule	Participants as of 1/1/2016	Average Hours per Participant	Average Contribution Rate per Participant
Default	4,271	1,021	4.0614
A	21	1,665	3.8210
B	532	1,248	6.8826
B (UPS)	2,216	1,034	11.4038
C	519	1,734	4.1211
D	98	1,648	4.0850
E	1,422	1,733	3.7458
E (UPS & ABF)	1,917	1,954	14.6148
G (YRC)	580	1,799	2.3361

For each active participant in the valuation, hours are assumed to be the average of a participant's actual hours worked in the three plan years preceding the valuation date. Contributions made on behalf of each participant are assumed to be equal to the assumed hours worked multiplied by a participant's contribution rate.

Note that the participant count in the Default Schedule shown above includes approximately 1,600 active participants who are employed by a withdrawn employer but have yet to incur a three-year

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

break in service. We assume no future contributions on hours worked for these participants. After making this adjustment, the total assumed contribution base units is approximately 14.7 million hours.

- **New Entrant Profile:** See Appendix A for a description of the new entrant profile used in the projections. Note that we use a different new entrant profile for each schedule of the Rehabilitation Plan and also use a different new entrant profile for employees of contributing employers that are isolated as part of the active population assumption.
- **Investment Return:** The investment return is assumed to be 6.75% per year for the 10 years beginning January 1, 2016, and 7.50% thereafter. Please see Appendix B for additional information regarding the investment return assumption.
- **Administrative Expenses:** Regular operating expenses are assumed to be equal to \$6,160,000 in 2016 and are assumed to increase by 1.50% per year. In addition, we have assumed the following non-recurring special expenses:

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Special Legal Expenses	\$2,700,000	\$2,700,000	\$500,000	\$500,000
Special Suspension Related Expenses	\$1,000,000	\$500,000	\$0	\$0

The assumed regular operating expenses are based on the actual operating expenses for 2015, adjusted for non-recurring special expenses. The assumed 1.50% annual increase in regular operating expenses was developed based on an analysis of historical changes in the operating expenses of the Plan and guidance from the Fund Office regarding future expectations of operating expenses. The special, non-recurring legal and suspension related expenses were developed based on guidance from the Board of Trustees and Plan Counsel.

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Actuarial Certification

As Plan Actuary, I certify that the plan is projected to avoid insolvency within the meaning of Section 418E of the Code, taking into account the proposed benefit suspension and assuming that the proposed suspension continues indefinitely.

This certification was performed based upon actuarial projections of assets and liabilities for the current and succeeding plan years, including any proposed benefit suspensions. These projections are based on reasonable actuarial estimates, assumptions, and methods that offer my best estimate of anticipated experience under the Plan. The projected present value of Plan liabilities as of the beginning of the Plan Year was determined based on a projection of the actuarial valuation of the Plan as of January 1, 2016. The projections of Plan assets are based the estimated market value of assets as of June 30, 2016 and the assumption that future net investment returns will be 6.75% per year for 10 years and then 7.50% thereafter.

The actuarial projection used in this certification is based on the same actuarial assumptions used in the actuarial projection under Section 3.01 of Revenue Procedure 2016-27, with the exceptions noted above.

The actuarial projection of Plan assets is also based on a projection of industry activity and employer contributions for the current and succeeding plan years. The projection of industry activity (in other words, covered employment levels) is based on information provided in good faith by the Board of Trustees. See above for additional information regarding the active population assumption.

Projections of Plan liabilities were performed using an open group valuation methodology. In other words, each year, hypothetical new entrants were added to the population to achieve the expected level of projected industry activity which was developed based on information provided by the Board of Trustees. The demographic characteristics of the assumed new entrants were developed based on a review of new participants under the Plan in recent years.

Certified by:

Redacted by the U.S. Department of the Treasury

James M. Locey, EA, MAAA
Horizon Actuarial Services, LLC
8601 Georgia Avenue, Suite 700
Silver Spring, MD 20910

Phone Number: (240) 247-4600
Enrollment Number: 14-03981
Date: August 31, 2016

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile

The new entrant profile used in the projections consists of a separate new entrant profile for each schedule of the Rehabilitation Plan. In addition, because of the industry activity assumption recommended by the Board of Trustees, there is a separate new entrant profile for UPS participants in Schedule B, UPS and ABF participants in Schedule E, and YRC participants in Schedule G. This is necessary because of the different characteristics of participants in each schedule. All new entrants are assumed to be male and are assumed to enter the Plan with 0.50 years of service.

The new entrant profile is developed to, as accurately as possible, estimate the impact of future new entrants on the Plan's expected contributions, benefit payments and liabilities. Where appropriate, minor adjustments are made so that contributions, benefit payments and liabilities for new entrants are consistent with expectations.

The age of new entrants is based on a historical analysis of new entrants to the Plan over the seven year period ending on December 31, 2015. The distribution of new entrants by age is as follows:

Revenue Procedure 2016-27, Section 3.02: Historical New Entrants

Age Band	New Entrants in 2009	New Entrants in 2010	New Entrants in 2011	New Entrants in 2012	New Entrants in 2013	New Entrants in 2014	New Entrants in 2015	Total New Entrants	% of Total
< 25	179	131	140	150	137	232	187	1,156	19%
25 - 30	68	75	107	117	131	138	171	807	13%
30 - 35	231	286	562	479	313	292	245	2,408	40%
35 - 40	41	46	48	45	59	76	99	414	7%
40 - 45	42	48	65	59	49	67	64	394	7%
45 - 50	40	40	41	47	42	72	67	349	6%
50 - 55	36	25	40	35	40	49	47	272	5%
55 - 60	13	19	25	23	22	33	27	162	3%
> 60	3	6	9	6	6	9	14	53	1%
Total	653	676	1,037	961	799	968	921	6,015	

For each schedule or subset of a schedule, a distribution of the contribution rate that counts for benefit accruals and the total contribution is created. Based on this distribution and the age distribution of new entrants, the following new entrant profiles are created. Note that participants employed by employers that have withdrawn but have not yet incurred a three-year break in service are not included in this analysis.

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Default Schedule:

Revenue Procedure 2016-27, Section 3.02: Default Schedule New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,250	4	0.9778	1,222	1.2125	1,516
22	1,250	8	2.2818	2,852	2.8635	3,579
22	1,250	3	3.8529	4,816	4.7442	5,930
22	1,250	1	5.9065	7,383	7.3358	9,170
22	1,250	3	8.4518	10,565	10.3118	12,890
22	1,250	1	9.6476	12,060	13.1562	16,445
27	1,250	3	0.9778	1,222	1.2125	1,516
27	1,250	5	2.2818	2,852	2.8635	3,579
27	1,250	2	3.8529	4,816	4.7442	5,930
27	1,250	2	8.4518	10,565	10.3118	12,890
32	1,250	9	0.9778	1,222	1.2125	1,516
32	1,250	16	2.2818	2,852	2.8635	3,579
32	1,250	6	3.8529	4,816	4.7442	5,930
32	1,250	1	5.9065	7,383	7.3358	9,170
32	1,250	1	7.7506	9,688	9.1720	11,465
32	1,250	6	8.4518	10,565	10.3118	12,890
32	1,250	1	9.6476	12,060	13.1562	16,445
37	1,250	2	0.9778	1,222	1.2125	1,516
37	1,250	3	2.2818	2,852	2.8635	3,579
37	1,250	1	3.8529	4,816	4.7442	5,930
37	1,250	1	8.4518	10,565	10.3118	12,890
42	1,250	2	0.9778	1,222	1.2125	1,516
42	1,250	3	2.2818	2,852	2.8635	3,579
42	1,250	1	3.8529	4,816	4.7442	5,930
42	1,250	1	8.4518	10,565	10.3118	12,890
47	1,250	1	0.9778	1,222	1.2125	1,516
47	1,250	2	2.2818	2,852	2.8635	3,579
47	1,250	1	3.8529	4,816	4.7442	5,930
47	1,250	1	8.4518	10,565	10.3118	12,890
52	1,250	2	0.9778	1,222	1.2125	1,516
52	1,250	3	2.2818	2,852	2.8635	3,579
52	1,250	1	3.8529	4,816	4.7442	5,930
52	1,250	1	8.4518	10,565	10.3118	12,890

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule A:

Revenue Procedure 2016-27, Section 3.02: Schedule A New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,665	9	2.5212	4,198	3.2641	5,435
22	1,665	10	3.4304	5,712	4.3273	7,205
27	1,665	6	2.5212	4,198	3.2641	5,435
27	1,665	7	3.4304	5,712	4.3273	7,205
32	1,665	19	2.5212	4,198	3.2641	5,435
32	1,665	21	3.4304	5,712	4.3273	7,205
37	1,665	3	2.5212	4,198	3.2641	5,435
37	1,665	4	3.4304	5,712	4.3273	7,205
42	1,665	3	2.5212	4,198	3.2641	5,435
42	1,665	3	3.4304	5,712	4.3273	7,205
47	1,665	3	2.5212	4,198	3.2641	5,435
47	1,665	3	3.4304	5,712	4.3273	7,205
52	1,665	4	2.5212	4,198	3.2641	5,435
52	1,665	4	3.4304	5,712	4.3273	7,205

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule B (Not Including UPS Participants):

Revenue Procedure 2016-27, Section 3.02: Schedule B New Entrant Profile (Not Including UPS Participants)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,250	2	0.5858	732	0.7009	876
22	1,250	4	2.2235	2,779	3.0555	3,819
22	1,250	3	3.7541	4,693	5.1287	6,411
22	1,250	9	8.4524	10,566	10.6814	13,352
27	1,250	2	0.5858	732	0.7009	876
27	1,250	3	2.2235	2,779	3.0555	3,819
27	1,250	2	3.7541	4,693	5.1287	6,411
27	1,250	6	8.4524	10,566	10.6814	13,352
32	1,250	5	0.5858	732	0.7009	876
32	1,250	8	2.2235	2,779	3.0555	3,819
32	1,250	6	3.7541	4,693	5.1287	6,411
32	1,250	1	4.8041	6,005	6.6833	8,354
32	1,250	18	8.4524	10,566	10.6814	13,352
32	1,250	1	10.7583	13,448	14.6831	18,354
37	1,250	1	0.5858	732	0.7009	876
37	1,250	1	2.2235	2,779	3.0555	3,819
37	1,250	1	3.7541	4,693	5.1287	6,411
37	1,250	3	8.4524	10,566	10.6814	13,352
42	1,250	1	0.5858	732	0.7009	876
42	1,250	1	2.2235	2,779	3.0555	3,819
42	1,250	1	3.7541	4,693	5.1287	6,411
42	1,250	3	8.4524	10,566	10.6814	13,352
47	1,250	1	0.5858	732	0.7009	876
47	1,250	1	2.2235	2,779	3.0555	3,819
47	1,250	1	3.7541	4,693	5.1287	6,411
47	1,250	3	8.4524	10,566	10.6814	13,352
52	1,250	1	0.5858	732	0.7009	876
52	1,250	2	2.2235	2,779	3.0555	3,819
52	1,250	1	3.7541	4,693	5.1287	6,411
52	1,250	4	8.4524	10,566	10.6814	13,352

New Entrant Profile for Schedule B (UPS Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule B New Entrant Profile (UPS Participants Only)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,035	19	8.4520	8,748	11.3270	11,723
27	1,035	13	8.4520	8,748	11.3270	11,723
32	1,035	39	8.4520	8,748	11.3270	11,723
37	1,035	7	8.4520	8,748	11.3270	11,723
42	1,035	6	8.4520	8,748	11.3270	11,723
47	1,035	6	8.4520	8,748	11.3270	11,723
52	1,035	8	8.4520	8,748	11.3270	11,723

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule C:

Revenue Procedure 2016-27, Section 3.02: Schedule C New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,735	10	1.7189	2,982	2.3286	4,040
22	1,735	7	3.5953	6,238	4.7893	8,309
22	1,735	2	6.6416	11,523	9.4514	16,398
27	1,735	7	1.7189	2,982	2.3286	4,040
27	1,735	5	3.5953	6,238	4.7893	8,309
27	1,735	1	6.6416	11,523	9.4514	16,398
32	1,735	21	1.7189	2,982	2.3286	4,040
32	1,735	14	3.5953	6,238	4.7893	8,309
32	1,735	1	4.9375	8,567	6.8369	11,862
32	1,735	4	6.6416	11,523	9.4514	16,398
37	1,735	4	1.7189	2,982	2.3286	4,040
37	1,735	2	3.5953	6,238	4.7893	8,309
37	1,735	1	6.6416	11,523	9.4514	16,398
42	1,735	3	1.7189	2,982	2.3286	4,040
42	1,735	2	3.5953	6,238	4.7893	8,309
42	1,735	1	6.6416	11,523	9.4514	16,398
47	1,735	3	1.7189	2,982	2.3286	4,040
47	1,735	2	3.5953	6,238	4.7893	8,309
47	1,735	1	6.6416	11,523	9.4514	16,398
52	1,735	4	1.7189	2,982	2.3286	4,040
52	1,735	3	3.5953	6,238	4.7893	8,309
52	1,735	1	6.6416	11,523	9.4514	16,398

New Entrant Profile for Schedule D:

Revenue Procedure 2016-27, Section 3.02: Schedule D New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,650	4	1.6202	2,673	2.3035	3,801
22	1,650	15	3.1804	5,248	4.5196	7,457
27	1,650	2	1.6202	2,673	2.3035	3,801
27	1,650	11	3.1804	5,248	4.5196	7,457
32	1,650	7	1.6202	2,673	2.3035	3,801
32	1,650	32	3.1804	5,248	4.5196	7,457
37	1,650	1	1.6202	2,673	2.3035	3,801
37	1,650	6	3.1804	5,248	4.5196	7,457
42	1,650	1	1.6202	2,673	2.3035	3,801
42	1,650	5	3.1804	5,248	4.5196	7,457
47	1,650	1	1.6202	2,673	2.3035	3,801
47	1,650	5	3.1804	5,248	4.5196	7,457
52	1,650	1	1.6202	2,673	2.3035	3,801
52	1,650	7	3.1804	5,248	4.5196	7,457

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule E (Not Including UPS or ABF Participants):

Revenue Procedure 2016-27, Section 3.02: Schedule E New Entrant Profile (Not Including UPS or ABF Participants)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,765	2	0.9356	1,651	1.2346	2,179
22	1,765	11	1.6024	2,828	2.3612	4,167
22	1,765	3	3.3145	5,850	4.9090	8,664
22	1,765	1	4.6104	8,137	6.7161	11,854
22	1,765	1	9.1719	16,188	13.5041	23,835
27	1,765	2	0.9356	1,651	1.2346	2,179
27	1,765	8	1.6024	2,828	2.3612	4,167
27	1,765	2	3.3145	5,850	4.9090	8,664
27	1,765	1	4.6104	8,137	6.7161	11,854
27	1,765	1	9.1719	16,188	13.5041	23,835
32	1,765	5	0.9356	1,651	1.2346	2,179
32	1,765	23	1.6024	2,828	2.3612	4,167
32	1,765	6	3.3145	5,850	4.9090	8,664
32	1,765	3	4.6104	8,137	6.7161	11,854
32	1,765	1	7.0318	12,411	8.8851	15,682
32	1,765	2	9.1719	16,188	13.5041	23,835
37	1,765	1	0.9356	1,651	1.2346	2,179
37	1,765	4	1.6024	2,828	2.3612	4,167
37	1,765	1	3.3145	5,850	4.9090	8,664
37	1,765	1	4.6104	8,137	6.7161	11,854
42	1,765	1	0.9356	1,651	1.2346	2,179
42	1,765	4	1.6024	2,828	2.3612	4,167
42	1,765	1	3.3145	5,850	4.9090	8,664
47	1,765	1	0.9356	1,651	1.2346	2,179
47	1,765	3	1.6024	2,828	2.3612	4,167
47	1,765	1	3.3145	5,850	4.9090	8,664
52	1,765	1	0.9356	1,651	1.2346	2,179
52	1,765	5	1.6024	2,828	2.3612	4,167
52	1,765	1	3.3145	5,850	4.9090	8,664
52	1,765	1	4.6104	8,137	6.7161	11,854

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule E (UPS and ABF Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule E New Entrant Profile (UPS and ABF Participants Only)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,955	19	9.6256	18,818	14.6148	28,572
27	1,955	13	9.6256	18,818	14.6148	28,572
32	1,955	40	9.6256	18,818	14.6148	28,572
37	1,955	7	9.6256	18,818	14.6148	28,572
42	1,955	7	9.6256	18,818	14.6148	28,572
47	1,955	6	9.6256	18,818	14.6148	28,572
52	1,955	8	9.6256	18,818	14.6148	28,572

New Entrant Profile for Schedule G (YRC Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule G New Entrant Profile (YRC Participants Only)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,800	19	1.9987	3,598	2.2457	4,042
27	1,800	13	1.9987	3,598	2.2457	4,042
32	1,800	40	1.9987	3,598	2.2457	4,042
37	1,800	7	1.9987	3,598	2.2457	4,042
42	1,800	6	1.9987	3,598	2.2457	4,042
47	1,800	6	1.9987	3,598	2.2457	4,042
52	1,800	8	1.9987	3,598	2.2457	4,042

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

This appendix includes justification for the investment return assumption used in the actuarial projections contained in this report. Justification for the investment return assumption for both deterministic and stochastic projections is included. Unless otherwise noted, investment return assumptions are net of investment fees.

We note that the assumptions developed in this appendix are individually reasonable and, along with other assumptions used in the projection, represent our best estimate of future experience under the Plan for the purposes of this measurement, which is a cash flow projection relating to proposed benefit suspensions under MPRA. We note that some of the assumptions are related, and a change in one assumption may necessitate a change in other assumptions.

Summary

Deterministic Assumption

A “select and ultimate” investment return assumption is used for purposes of the deterministic projections. The “select” period is 10 years. The assumption is shown in the table below.

Deterministic Assumption	Select	Ultimate
Expected Geometric Return	6.75%	7.50%

In other words, net investment returns are assumed to be 6.75% in each of the next 10 years starting January 1, 2016 and 7.50% in each year thereafter.

Stochastic Assumption

A select and ultimate investment return assumption is also used for purposes of the stochastic projections. As with the deterministic assumption, the select period is the 10 years starting January 1, 2016. The assumption is shown in the table below.

Stochastic Assumption	Select	Ultimate
Expected Arithmetic Return	7.19%	8.19%
Standard Deviation	11.50%	11.55%

In other words, the stochastic projections assume that the average return in each of the first 10 years will be 7.19%, with a standard deviation of 11.50%. The projections then assume that the average return in each year thereafter will be 8.19%, with a standard deviation of 11.55%.

The basis for the above assumptions is detailed in the remainder of this Appendix B. The assumptions were developed incorporating:

- Final Treasury Regulations implementing MPRA’s provisions regarding benefit suspensions,
- Horizon Actuarial’s 2015 and 2016 Surveys of Capital Market Assumptions,
- The applicable Actuarial Standards of Practice, and
- Our expectations regarding anticipated experience under the Plan.

We believe the above assumptions are individually reasonable, and reasonable in combination with other assumptions used in the projections, taking into account the experience of the Plan and reasonable

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

expectations. We also believe the above assumptions are appropriate for the purposes of the measurement and that factors specific to the measurement have been taken into account.

Introduction and Background

Actuarial Standard of Practice No. 27:

Actuarial Standard of Practice No. 27 (“ASOP 27”), Selection of Economic Assumptions for Measuring Pension Obligations, provides guidance for the selection of economic assumptions, including the investment return assumption, for measuring obligations under defined benefit pension plans. This includes, but is not limited to, funding valuations, liability measurements or other actuarial present value calculations, and cash flow projections. According to ASOP 27, the actuary should consider relevant data, adverse deviation and materiality when selecting an investment return assumption.

According to ASOP 27, a reasonable assumption has the following characteristics:

- Is appropriate for the purpose of the measurement
- Reflects the actuary’s professional judgment
- Takes into account historical and current economic data that is relevant as of the measurement date
- Reflects the actuary’s estimate of future experience
- Has no significant bias, except when provisions for adverse deviation are included

Section 3.8 of ASOP 27 provides guidance on selecting an investment return assumption. In developing a reasonable assumption, the following factors are to be considered:

- Data – the actuary should review appropriate investment data
- Measurement-Specific Considerations
 - Investment Policy – The actuary should consider the current asset allocation and any expected changes to the asset allocation in the future
 - Effect of Reinvestment
 - Investment Volatility – Plans investing in asset classes characterized by high variability of returns may be required to liquidate those assets at depressed values to meet benefit obligations
 - Cash Flow Timing – the timing of expected contributions and benefit payments may affect the plan’s liquidity needs and investment opportunities
- Multiple Investment Return Rates – The actuary may assume multiple investment return rates instead of a single rate, such as a select and ultimate return assumption.

Other Considerations:

Based on the final regulations implementing MPRA’s provisions regarding benefit suspensions, factors specific to the measurements must be taken into account in selecting the assumptions and methods.

The proposed suspension amounts detailed in this application result in a projection where the Plan’s asset levels decline during the earlier years of the projection. The assumption for the investment return was

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

developed in a manner that takes into account the anticipated pattern and magnitude of changes in the level of the Plan's assets during the projection period. As a result, a select and ultimate assumption was developed instead of an assumption that is based solely on long-term expectations.

Development of the Investment Return Assumption for Deterministic Projections:

As part of this process, we requested future investment return expectations from the Meketa Investment Group ("Meketa"), the Plan's investment consultant. Meketa provided the following information:

	1-Year Time Horizon
Arithmetic Mean	9.92%

	20-Year Time Horizon
Geometric Mean	8.84%
Standard Deviation	15.90%

For reference, below is the asset allocation as of December 31, 2015 and the target asset allocation of the Plan. The allocation range from the investment policy is also shown for each asset class.

Asset Allocations	Current	Target	Policy Range
US Equity - Large Cap	7.5%	12.0%	} 13% - 23%
US Equity - Small/Mid Cap	5.6%	6.0%	
Non-US Equity - Developed	8.6%	8.0%	3% - 13%
Non-US Equity - Emerging	15.6%	16.0%	11% - 21%
US Corporate Bonds - Core	7.0%	7.0%	2% - 12%
US Corporate Bonds - High Yield	3.7%	2.0%	0% - 7%
Non-US Debt - Emerging	7.4%	8.0%	3% - 13%
US Treasuries (Cash Equivalents)	0.4%	2.0%	0% - 7%
TIPS (Inflation-Protected)	3.6%	5.0%	0% - 10%
Real Estate	5.5%	7.0%	2% - 12%
Hedge Funds	0.1%	-	0% - 5%
Commodities	7.3%	7.0%	2% - 12%
Infrastructure	8.1%	5.0%	0% - 10%
Private Equity	19.6%	15.0%	5% - 25%
TOTAL PORTFOLIO	100.0%	100.0%	

Horizon Actuarial's Survey of Capital Market Assumptions:

Each year, Horizon Actuarial publishes a survey of capital market assumptions. The 2015 Survey of Capital Market Assumptions ("the 2015 Survey") included capital market expectations from 29 different investment consultants. The 2016 Survey of Capital Market Assumptions ("the 2016 Survey") included capital market expectations from 35 different investment consultants. Some of these consultants provided both short term

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

(10 years) and long term (20 years) assumptions. Generally, investment returns are expected to be lower in the short term when compared to the long term.

Based on the results of the 2015 Survey and 2016 Survey, Horizon Actuarial develops a model that will estimate the expected returns of a fund, given an asset allocation. We note that there are limitations to the model. For more information regarding the limitations of the model, please see the 2015 Survey and the 2016 Survey at horizonactuarial.com.

When the investment return assumption was initially developed for purposes of this measurement, which is a cash flow projection relating to proposed benefit suspensions under MPRA, the analysis was done using the results of the 2015 Survey. We have updated the analysis based on the results of the recently published 2016 Survey. The analysis developed under the 2015 Survey is consistent with the analysis developed under the 2016 Survey, with some minor differences. As a result, this appendix includes analysis based on both the 2015 Survey and the 2016 Survey.

Using the 2016 Survey and the Fund's target asset allocation, the following survey averages were taken from the 2016 Survey model:

	10-Year Time Horizon	20-Year Time Horizon
Arithmetic Mean	8.23%	9.19%
Geometric Mean	7.37%	8.35%
Standard Deviation	13.60%	13.52%

Using the 2015 Survey and the Fund's target asset allocation, the following survey averages were taken from the 2015 Survey model:

	10-Year Time Horizon	20-Year Time Horizon
Arithmetic Mean	8.30%	9.02%
Geometric Mean	7.45%	8.18%
Standard Deviation	13.60%	13.52%

The output from the 2015 Survey and the 2016 Survey shows expected returns and risk that are lower than the measures provided by Meketa. These differences are due to the limitations of our model mentioned above and are explained based on the following additional information provided by Meketa:

- *Commodities/Natural Resources:* The Plan has 7.3% of its assets invested in natural resources. The 2016 Survey does not have natural resources as an asset class. Natural resources are grouped in the commodities asset class. The 2016 Survey groups all commodities (agricultural, energy, metals, etc.) in the same category and assumes an average expected return of 4.84% per year. Specifically, the Plan's investments in commodities consist of investments in natural resources. Meketa assumes an average annual return of 8.40% per year for natural resources. This accounts for a difference in expected returns of approximately 25-30 basis points when comparing the 2016 Survey with the assumptions provided by Meketa.
- *Real Estate:* The Plan has 5.5% of its assets invested in real estate. The 2016 Survey groups all real estate investments in the same category and assumes an average expected return of 6.75%

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

per year. Specifically, the Plan's investments in real estate consist of REITs, core real estate and value added real estate. Meketa assumes an average annual return of 7.70% per year for the specific real estate investments. This accounts for a difference in expected returns of approximately 5 basis points when comparing the 2016 Survey with the assumptions provided by Meketa.

- *Infrastructure:* The Plan has 8.1% of its assets invested in infrastructure. The 2016 Survey groups all infrastructure investments in the same category and assumes an average expected return of 7.12% per year. Specifically, half of the Plan's investments in infrastructure are in non-core infrastructure investments. Meketa assumes an average annual return of 9.10% per year for non-core infrastructure. This accounts for a difference in expected returns of approximately 8 basis points when comparing the 2016 Survey with the assumptions provided by Meketa.

Based on the information shown above, including the asset allocation, results provided by Meketa, and results from the 2015 Survey and the 2016 Survey, an 8.50% investment return is a reasonable assumption for purposes of discounting plan liabilities under a minimum funding valuation. This is part of the basis for the 8.50% investment return assumption that was used in prior years' minimum funding valuations, the discounting of liabilities, and in the actuarial projection required under Section 3.01 of Revenue Procedure 2016-27 (certification of critical and declining status). An 8.50% investment return assumption, however, may not be appropriate for purposes of a cash flow projection reflecting proposed benefit suspensions under MPRA.

Long Term Expectations:

In developing a reasonable long term investment return assumption, we considered various factors described earlier in this appendix.

We considered the timing of future expected contributions and benefit payments, which – when taken into account – results in the plan having a significant negative cash flow and therefore declining asset levels. This Plan is currently projected, even after the proposed benefit suspensions, to have a negative cash flow with benefit payments and expenses larger than contributions. This also results in a declining asset value for most of the projection period. The assets are projected to increase towards the end of the projection period, as the projected 3% annual increases in contribution rates and the decline in benefit payments result in a positive cash flow (or a cash flow that is negative, but where the difference is made up by projected investment returns).

Under ASOP 27, the actuary should address factors specific to the measurement when selecting the investment return assumption. With respect to a plan's investment policy, the actuary should consider the current asset allocation and any expected changes to the asset allocation in the future during the measurement period. With respect to a plan's cash flows, the actuary should consider that the timing of expected contributions and benefit payments may affect the plan's liquidity needs and investment opportunities.

Taking into account the Plan's negative cash flow and declining asset values, the Plan's asset allocation may need to shift to more liquid assets that provide less expected return. This is consistent with the Measurement Specific Considerations from ASOP 27 described above. We used the 2016 Survey model to illustrate the impact of moving to a more liquid portfolio.

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

The following table shows three different Plan asset allocations. The “Current” allocation is the actual allocation for the Plan as of December 31, 2015. The “Target” allocation is the target allocation according to the Plan’s investment policy. The “Alternative” allocation (as described in more detail below) represents a hypothetical allocation that provides more liquidity with reduced volatility.

Asset Allocations	Current	Target	Alternative
US Equity - Large Cap	7.5%	12.0%	18.0%
US Equity - Small/Mid Cap	5.6%	6.0%	5.0%
Non-US Equity - Developed	8.6%	8.0%	10.0%
Non-US Equity - Emerging	15.6%	16.0%	12.0%
US Corporate Bonds - Core	7.0%	7.0%	12.0%
US Corporate Bonds - High Yield	3.7%	2.0%	7.0%
Non-US Debt - Emerging	7.4%	8.0%	9.0%
US Treasuries (Cash Equivalents)	0.4%	2.0%	6.0%
TIPS (Inflation-Protected)	3.6%	5.0%	6.0%
Real Estate	5.5%	7.0%	4.0%
Hedge Funds	0.1%	-	4.0%
Commodities	7.3%	7.0%	2.0%
Infrastructure	8.1%	5.0%	-
Private Equity	19.6%	15.0%	5.0%
TOTAL PORTFOLIO	100.0%	100.0%	100.0%

Based on discussions with Meketa, if the proposed suspension of benefits is approved, it may be possible for the Plan’s assets to remain close to the Target allocations under the current investment policy. Given the Plan’s negative cash flows and declining asset values, however, it may be necessary for the Plan’s Trustees to adjust the asset allocation in the future to increase liquidity and decrease volatility. Unfavorable experience in the near term may accelerate the need for such an adjustment.

The Alternative allocation shown above represents a hypothetical allocation that increases liquidity and reduces volatility, while remaining within the permissible ranges under the Plan’s investment policy. The allocation increases certain asset classes with higher liquidity (such as fixed income and domestic equity) and which reduce overall portfolio volatility (such as TIPS and hedge funds). Similarly, the allocation reduces certain asset classes that are less liquid or more volatile (such as emerging markets equity, infrastructure, and private equity). Note that as described earlier in this appendix, the allocation to commodities is actually an allocation to natural resources.

The following averages from the 2016 Survey were taken from the above model reflecting the Alternative allocation (averages from the target allocation are also shown):

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

10-Year Horizon	Target	Alternative
Expected Arithmetic Return	8.23%	7.19%
Expected Geometric Return	7.37%	6.57%
Standard Deviation	13.60%	11.50%

20-Year Horizon	Target	Alternative
Expected Arithmetic Return	9.19%	8.19%
Expected Geometric Return	8.35%	7.57%
Standard Deviation	13.52%	11.55%

As shown above, annualized investment returns for the Target allocation are expected to be about 7.4% per year (geometric basis) over the next 10 years, and about 8.4% over the next 20 years. Expected returns for the Current allocation (not shown) are slightly higher.

Expected returns for the hypothetical Alternative allocation, however, are significantly lower than for the Target Allocation. Specifically, expected annualized returns for the Alternative allocation are about 6.6% over the next 10 years and 7.6% over the next 20 years. Note the volatility of the expected returns for the Alternative allocation is also considerably lower than under the Target allocation.

Short Term versus Long Term Expectations:

The 2015 Survey and the 2016 Survey include expectations of returns for both the short term (10 years) and long term (20 years). Generally, survey respondents expect investment returns to be lower in the short term when compared to the long term. Please see the 2015 Survey and 2016 Survey for additional information.

The results from the 2016 Survey model, given this Plan's target allocation, include expected short term investment returns (10 years) approximately 1.00% lower than the long term investment returns. The results from the 2015 Survey model, given the same target allocation, include short term investment returns (10 years) approximately 0.75% lower than the long term investment returns.

The change from a 0.75% difference in the 2015 Survey to the 1.00% difference in the 2016 Survey is due to some survey contributors making adjustments to their longer term assumptions and to the addition of a new survey respondent that had the most optimistic assumptions. The increase in the long-term expectations resulted in a larger spread between short term and long term expectations. We are cautious not to over-react to the upward movement for long-term expectations seen in the 2016 Survey, because the spread between short term and long term expectations has been approximately 0.75% in the three surveys prior to the 2016 Survey.

Based on the above, we believe the investment return assumption should have a short term expectation that is less than the long term expectation. This is appropriate, because it considers relevant economic data in the development of the investment return assumption.

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

Investment Return Assumption for Deterministic Projections

The “select and ultimate” investment return assumption used for purposes of the deterministic projections is described below. The “select” period is 10 years.

Deterministic Assumption	Select	Ultimate
Expected Geometric Return	6.75%	7.50%

In other words, net investment returns are assumed to be 6.75% in each of the next 10 years starting January 1, 2016 and 7.50% in each year thereafter. This assumption was developed in consideration of the expected *geometric* returns from the 2016 Survey and the 2015 Survey. Geometric returns are annualized over a multi-year period and are therefore more appropriate for this purpose than arithmetic returns (which are one-year averages).

As described above, according to the average assumptions of the 2016 Survey, expected annualized returns for the Target allocation are about 7.4% per year for the next 10 years and about 8.4% per year over the next 20 years. While these returns take into account generally lower expectations over the short term, they require adjustments for certain factors specific to the Plan.

Specifically:

- *Negative cash flows and declining asset values.* The Plan is projected to have a negative cash flow after incorporating the proposed benefits suspensions and is projected to have a declining asset value during many years in the projection period. As a result, the funded percentage is projected to decline for many years before it begins to improve.
- *The materiality of investment returns in the early years of the projection.* If a pension plan has a negative cash flow, the order of investment returns is important. For example, an investment loss followed by an investment gain would have a worse result for the plan than if the gain had preceded the loss. Given the Plan’s severely negative cash flow, there is greater materiality of asset returns in the early years of the projection. The cash flow projections are sensitive to variations in the asset returns in the near term, because the same percentage gain or loss has a greater impact if it occurs earlier, when asset levels are higher, than in later years, when asset levels are lower. Because of these sensitivities, an adjustment for adverse deviations may be appropriate.
- *Possible changes in asset allocation.* As described above, the Plan’s asset allocation may need to be adjusted to increase liquidity and decrease volatility. Such an adjustment becomes more likely following unfavorable experience. Such an adjustment may be more likely as time goes on, both due to the longer period over which an unfavorable event may occur and due to the fact that the funded percentage is projected to decline before stabilizing. For this reason, more weight was given to the expected returns for the Alternative allocation in setting the ultimate rate.

Given the factors above, the expected geometric returns for the Target allocation, based on the average assumptions from the 2016 Survey and the 2015 Survey, were adjusted downward, closer to the Alternative allocation, and including a small margin for adverse deviation. These downward adjustments were made to reflect the possibility that the asset allocation is adjusted to increase liquidity and reduce volatility and to reflect the factors described above. These downward adjustments are especially important for a

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

deterministic projection, which – unlike a stochastic projection – does not consider the possibility of returns that vary year by year, or that future experience may be less favorable than the baseline assumption.

We acknowledge that other assumptions may be reasonable, but we believe this assumption is reasonable for the purposes of this measurement, which is a cash flow projection including proposed permanent benefit suspensions under MPRA.

Although the assumption does include some margin for adverse deviation, we do not believe that the assumption is biased in that it is overly conservative. Based on the 2015 Survey model and the 2016 Survey model, the assumption above falls within the range of conservative expected returns and optimistic expected returns. Because this is a cash flow projection including proposed benefit suspensions under MPRA and not a minimum funding valuation, we believe it is appropriate that the investment return assumption include some margin for adverse deviation and be somewhere between the conservative assumptions and the average assumptions shown in the 2015 Survey model and the 2016 Survey model.

We understand, however, that including too much margin for adverse deviation may result in benefit suspensions that may be deemed to be too large. Because of this, we only considered a moderate margin for adverse deviation, knowing that too large a margin may lead to unnecessary benefit suspensions. Based on our projection modeling, we estimate that if we were to increase the investment return assumption by 0.25% for each year in the projection, the proposed benefit suspension amount for inactive participants would only change by 1% of the benefit amount before suspension. While we acknowledge that every penny of a participant's benefit is important, we believe this analysis shows that we have not incorporated too much adverse deviation such that the assumption is unreasonable for purposes of this measurement. We note that the 1% estimated change in the inactive suspension percentage as a result of a 0.25% increase in the investment return assumption is less than the one of the threshold amounts used to determine if benefit suspensions materially exceed the level necessary to avoid insolvency.

Development of the Investment Return Assumption for Stochastic Projections:

As part of this process, the following information was provided by Meketa:

	20-Year Time Horizon
Arithmetic Mean	9.92%
Geometric Mean	8.84%
Standard Deviation	15.90%

Because we adjusted the investment return assumption for the deterministic projections as described earlier in this appendix, we believe it is appropriate to use assumptions for stochastic modeling that are consistent with the assumptions used for deterministic modeling. We do not necessarily think the assumptions provided by Meketa and shown above are unreasonable, rather that the assumptions should consider the purposes of this measurement, which is a cash flow projection including proposed benefit suspensions under MPRA. Given the purpose of the measurement, we believe it is appropriate to consider the expectations of multiple investment consultants, such as those consultants that provided input for the 2015 Survey and the 2016 Survey, instead of just the Plan's investment consultant.

A select and ultimate investment return assumption is also used for purposes of the stochastic projections. As with the deterministic assumption, the select period is 10 years. Based on the Alternative allocation

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

described earlier in the appendix, the following select and ultimate assumptions were developed from the output of the 2016 Survey model:

Stochastic Assumption	Select	Ultimate
Expected Arithmetic Return	7.19%	8.19%
Standard Deviation	11.50%	11.55%

In other words, the stochastic projections assume that the average return in each of the first 10 years year will be 7.19%, with a standard deviation of 11.50%. The projections then assume that the average return in each year thereafter will be 8.19%, with a standard deviation of 11.55%.

Because the stochastic projections use returns that vary randomly in each projection year, the assumption was developed based on the *arithmetic* expected returns from the 2016 Survey. Returns are assumed to be normally-distributed and independent from one year to the next.

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 5

The New York State Teamsters Conference Pension and Retirement Fund

**Information to Supplement Plan
Sponsor's Response Under Section 3.03
of Revenue Procedure 2016-27 for
Benefit Suspensions Effective
July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides information to supplement the Plan Sponsor's response to Section 3.03 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the "Plan") assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code ("Code"), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this supplemental report, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information necessary to supplement the Plan Sponsor's response to Section 3.03 of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended by the Pension Protection Act of 2006 ("PPA"), the Pension Relief Act of 2010 ("PRA 2010"), and the Multiemployer Pension Reform Act of 2014 ("MPRA"). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James W. Lacey, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 3.03:

Demonstration that the Plan is Eligible for Suspension

Plan sponsor's determination of projected insolvency

Under Section 3.03 of Revenue Procedure 2016-27, the plan sponsor must make a determination under Section 432(e)(9)(C)(ii) of the Code that the plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan, even though all reasonable measures to avoid insolvency have been taken. The determination must include the documentation set forth in Section 5 of Revenue Procedure 2016-27.

On the following pages, we have included:

- *A plan-year-by-plan-year projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan, demonstrating the Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan.*
- *A plan-year-by-plan-year projection of the benefit payments, separated by projected payments made to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants.*
- *A description of each of the assumptions used in the projections, including the new entrant profile, the total contribution base units and average contribution rates.*

Note that this projection, by itself, does not satisfy all the requirements of Section 3.03 of Revenue Procedure 2016-27. There is additional commentary required by the Plan Sponsor, which is included in the application.

Revenue Procedure 2016-27 Section 3.03:

Demonstration that the Plan is Eligible for Suspension

Plan-year-by-plan-year projection of the available resources:

Revenue Procedure 2016-27, Section 3.03: The Plan is Projected to Become Insolvent Without the Proposed Benefit Suspensions

Assumed Investment Return						6.75% for 10 years, 7.50% thereafter		Proposed Benefit Suspensions:				
Effective Date of Proposed Benefit Suspension						N/A		Active Participants		N/A		
Expiration of Proposed Benefit Suspension						N/A		Non-active Participants		N/A		
		Beginning		Withdrawal			Net	Ending	Actuarial			
	Plan Year	Market Value	Employer	Liability	Benefit	Administrative	Investment	Market Value	Accrued	Funded	Available	Solvency
	Ending	of Assets	Contributions	Payments	Payments	Expenses	Return	of Assets	Liability	Percentage	Resources	Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	86,524,274	1,157,047,661	3,311,681,836	37.62%	1,445,297,878	5.014
1	12/31/2017	1,157,047,661	121,451,426	9,586,913	(290,051,436)	(9,853,710)	72,401,462	1,060,582,316	3,306,369,346	34.99%	1,350,633,752	4.657
2	12/31/2018	1,060,582,316	125,299,440	9,570,693	(292,563,204)	(7,136,955)	66,026,293	961,778,583	3,298,896,703	32.15%	1,254,341,787	4.287
3	12/31/2019	961,778,583	129,104,157	9,497,851	(295,907,439)	(7,235,993)	59,366,781	856,603,941	3,288,153,125	29.25%	1,152,511,380	3.895
4	12/31/2020	856,603,941	132,915,501	9,497,851	(299,557,620)	(6,815,865)	52,287,112	744,930,920	3,272,988,015	26.17%	1,044,488,539	3.487
5	12/31/2021	744,930,920	136,794,009	9,497,851	(303,540,865)	(6,918,030)	44,742,200	625,506,084	3,252,707,252	22.90%	929,046,949	3.061
6	12/31/2022	625,506,084	140,066,105	9,497,851	(306,963,439)	(7,022,280)	36,672,426	497,756,747	3,226,529,499	19.39%	804,720,186	2.622
7	12/31/2023	497,756,747	143,397,886	9,497,851	(309,892,326)	(7,127,573)	28,059,390	361,691,975	3,194,545,422	15.58%	671,584,301	2.167
8	12/31/2024	361,691,975	146,856,501	9,497,851	(312,097,392)	(7,234,950)	18,913,701	217,627,686	3,156,784,050	11.46%	529,725,078	1.697
9	12/31/2025	217,627,686	150,470,329	9,497,851	(313,591,233)	(7,343,370)	9,257,252	65,918,514	3,113,519,307	6.99%	379,509,747	1.210
10	12/31/2026	65,918,514	154,187,423	9,497,851	(313,909,406)	(7,453,875)	(969,037)	INSOLVENT	3,065,035,902	2.15%	221,180,876	0.705

"CY" = current plan year

Note: The administrative expenses shown above include any regular Plan expenses and PBGC loans. Currently, the Plan does not have any PBGC loans.

Revenue Procedure 2016-27 Section 3.03:

Demonstration that the Plan is Eligible for Suspension

Projection of benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants:

Revenue Procedure 2016-27, Section 3.03: Projected Benefit Payments Separated by Status

Projected Benefit Payments by Status						
	Plan Year Ending	Total Benefit Payments	Retirees & Beneficiaries	Terminated Vested	Active	Future New Entrants
CY	12/31/2016	288,250,217	277,386,773	2,017,766	8,845,678	-
1	12/31/2017	290,051,436	271,307,379	3,866,864	14,877,193	-
2	12/31/2018	292,563,204	264,985,624	5,680,072	21,897,361	-
3	12/31/2019	295,907,439	258,457,044	7,617,756	29,831,411	-
4	12/31/2020	299,557,620	251,728,961	9,985,922	37,838,015	-
5	12/31/2021	303,540,865	244,784,418	12,314,286	46,429,978	-
6	12/31/2022	306,963,439	237,619,987	14,562,123	54,756,142	-
7	12/31/2023	309,892,326	230,218,930	17,295,965	62,332,316	-
8	12/31/2024	312,097,392	222,545,764	20,134,638	69,343,739	-
9	12/31/2025	313,591,233	214,620,498	22,776,936	76,082,844	-
10	12/31/2026	313,909,406	206,515,378	25,288,063	81,946,622	-

"CY" = current plan year

Revenue Procedure 2016-27 Section 3.03:
Demonstration that the Plan is Eligible for Suspension

Assumptions:

The assumptions used in the actuarial projection above are the same as those used in the actuarial projection required under Section 3.02 of Revenue Procedure 2016-27. Please refer to the actuarial projection under Section 3.02 of Revenue Procedure 2016-27 for more information regarding the assumptions.

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 6

Application Section 4.01

Demonstration that Limitations on Individual Suspensions are Satisfied

4.01(1) Guarantee-Based Limitation

Non-Active Participants

Full Guarantee-Based Limitation - Example 1

Partial Guarantee-Based Limitation - Example 2

Active

Full Guarantee-Based Limitation - Example 3

Partial Guarantee-Based Limitation - Example 4

4.01(2) Disability-Based Limitation

Non-Active Participants

Disability - Example 5

Active

N/A

4.01(3) Age-Based Limitation

Non-Active Participants

Age 80+ - Example 6*

Age 75-79 - Example 7

Active

N/A

*A worksheet behind the sample individualized benefit statement for this Example has not been included, since this group of participants is automatically protected from all suspensions by age.

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

Your monthly benefit would not change under the proposed reduction.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You have 24.40 years of credited service under the Plan.
- You will be 71 years and 1 month(s) old as of July 31, 2017.
- The portion of your benefit that is based on disability is \$0.00.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be \$370.64.

Member Name:	
Member SSN:	
Credited Service Years:	24.40
Notes:	NO CUT - PBGCS
Proposed Suspension %:	31.0%
Total benefit:	\$404.58
Proposed Suspension Amount:	\$125.42
Maximum Allowable Suspension Amount:	\$0.00
Age year:	71
Age month(s):	1
Prorating factor (ages 75-79):	1.0000
Final proposed reduction:	\$0.00
Member Final Benefit	\$404.58
110% PBGC Guarantee	
Rate	\$16.58
PBGC Rate - First \$11	\$11.00
75% of Next 33	\$4.19
PBGC Guarantee	\$370.64
Guaranteed Limitation (110% PBGC rate)	\$404.58

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

Your current monthly benefit is \$623.71. Under the proposed reduction your monthly benefit will be reduced to \$574.83 beginning on July 1, 2017.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You have 19.90 years of credited service under the Plan.*
- You will be 68 years and 2 month(s) old as of July 31, 2017.**
- The portion of your benefit that is based on disability is \$0.00.

*If you are a Beneficiary or an Alternate Payee under a Qualified Domestic Relations Order, the credited service reflects the Participant's credited service.

**If you are an Alternate Payee under a Shared Payment Qualified Domestic Relations Order, the age reflects the Participant's age as of July 31, 2017.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be \$522.57.

Member Name:	
Member SSN:	
Credited Service Years:	19.90
Notes:	Notice 1-Pay Status
Proposed Suspension %:	31.0%
Total benefit:	\$623.71
Proposed Suspension Amount:	\$193.35
Maximum Allowable Suspension Amount:	\$48.88
Age year:	68
Age month(s):	2
Prorating factor (ages 75-79):	1.0000
Final proposed reduction:	\$48.88
Member Final Benefit	\$574.83
110% PBGC Guarantee	
Rate	\$31.34
PBGC Rate - First \$11	\$11.00
75% of Next 33	\$15.26
PBGC Guarantee	\$522.57
Guaranteed Limitation (110% PBGC rate)	\$574.83

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

Your monthly benefit would not change under the proposed reduction.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You have 6.00 years of credited service under the Plan.
- You will be 55 years and month(s) old as of July 31, 2017.
- The portion of your benefit that is based on disability is \$0.00.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be \$85.86.

Member Name:	
Member SSN:	
Credited Service Years:	6.00
Notes:	NO CUT - PBGCS
Proposed Suspension %:	20.0%
Total benefit:	\$92.44
Proposed Suspension Amount:	\$18.49
Maximum Allowable Suspension Amount:	\$0.00
Age year:	55
Age month(s):	
Prorating factor (ages 75-79):	1.0000
Final proposed reduction:	\$0.00
Member Final Benefit	\$92.44
110% PBGC Guarantee	
Rate	\$15.41
PBGC Rate - First \$11	\$11.00
75% of Next 33	\$3.31
PBGC Guarantee	\$85.86
Guaranteed Limitation (110% PBGC rate)	\$92.44

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

If you start receiving your benefit on 07/01/2033 in the form of a Life Annuity, your monthly benefit without the proposed reduction would be \$1,208.36 .
Under the proposed reduction your monthly benefit in the same form would be reduced to \$983.13 ^{7*}

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You have 25.00 years of credited service under the Plan.**
- You will be 49 years and 1 month(s) old as of July 31, 2017.***
- The portion of your benefit that is based on disability is \$0.00.

*If you are a Participant, the monthly benefit estimates reflects an offset for any amounts due an Alternate Payee under a Qualified Domestic Relations Order on file with the Plan.

**If you are a Beneficiary or an Alternate Payee under a Qualified Domestic Relations Order, the Credited Service reflects the Participant's Credited Service.

***If you are an Alternate Payee entitled to benefits under a Shared Payment Qualified Domestic Relations Order, the age reflects the Participant's age as of July 31, 2017.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be \$893.75 .

⁷ These numbers are just estimates. The actual amount you receive will depend on things like how long you work and when you begin receiving payments. For more information, see your SPD.

Member Name:	
Member SSN:	
Credited Service Years:	25.00
Notes:	Notice 2-Not in Pay
Proposed Suspension %:	20.0%
Total benefit:	\$1,208.36
Proposed Suspension Amount:	\$241.67
Maximum Allowable Suspension Amount:	\$225.23
Age year:	49
Age month(s):	1
Prorating factor (ages 75-79):	1.0000
Final proposed reduction:	\$225.23
Member Final Benefit	\$983.13
110% PBGC Guarantee	
Rate	\$48.33
PBGC Rate - First \$11	\$11.00
75% of Next 33	\$24.75
PBGC Guarantee	\$893.75
Guaranteed Limitation (110% PBGC rate)	\$983.13

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

Your monthly benefit would not change under the proposed reduction.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You have 20.00 years of credited service under the Plan.
- You will be 51 years and 8 month(s) old as of July 31, 2017.
- The portion of your benefit that is based on disability is \$2,157.67.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be \$715.00.

Member Name:	
Member SSN:	
Credited Service Years:	20.00
Notes:	NO CUT - DISABILITY
Proposed Suspension %:	31.0%
Total benefit:	\$2,157.67
Proposed Suspension Amount:	\$0.00
Maximum Allowable Suspension Amount:	\$0.00
Age year:	51
Age month(s):	8
Prorating factor (ages 75-79):	1.0000
Final proposed reduction:	\$0.00
Member Final Benefit	\$2,157.67
110% PBGC Guarantee	
Rate	\$107.88
PBGC Rate - First \$11	\$11.00
75% of Next 33	\$24.75
PBGC Guarantee	\$715.00
Guaranteed Limitation (110% PBGC rate)	\$786.50

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

Your monthly benefit would not change under the proposed reduction.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You will be 83 years and 6 month(s) old as of July 31, 2017.
- The portion of your benefit that is based on disability is \$0.00.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC.

HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

Your current monthly benefit is \$1,733.50. Under the proposed reduction your monthly benefit will be reduced to \$1,724.53 beginning on July 1, 2017.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit under the Plan. It is not a final benefit calculation. This was done assuming that the proposed benefit reduction starts on July 1, 2017. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different.

This estimate is based on the following information from Plan records:

- You have 26.70 years of credited service under the Plan.*
- You will be 79 years and 11 month(s) old as of July 31, 2017.**
- The portion of your benefit that is based on disability is \$0.00.

*If you are a Beneficiary or an Alternate Payee under a Qualified Domestic Relations Order, the credited service reflects the Participant's credited service.

**If you are an Alternate Payee under a Shared Payment Qualified Domestic Relations Order, the age reflects the Participant's age as of July 31, 2017.

PBGC Guaranteed Benefits

If the Plan does not have enough money to pay benefits, your monthly benefit would be no larger than the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be \$954.53.

Member Name:	
Member SSN:	
Credited Service Years:	26.70
Notes:	Notice 1 - No Disability
Proposed Suspension %:	31.00%
Total benefit:	\$1,733.50
Proposed Suspension Amount:	\$537.39
Maximum Allowable Suspension Amount:	\$683.52
Age year:	79
Age month(s):	11
Prorating factor (ages 75-79):	0.016700
Final proposed reduction:	\$ 8.97
Member Final Benefit	\$1,724.53
110% PBGC Guarantee	
Rate	\$64.93
PBGC Rate - First \$11	\$11.00
75% of Next 33	\$24.75
PBGC Guarantee	\$954.53
Guaranteed Limitation (110% PBGC rate)	\$1,049.98

**The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA**

EXHIBIT 7

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section 4.02 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 4.02 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 4.02 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information required by Section 4.02 of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by the Pension Protection Act of 2006 (“PPA”), the Pension Relief Act of 2010 (“PRA 2010”), and the Multiemployer Pension Reform Act of 2014 (“MPRA”). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James W. Lucey, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Demonstration that the proposed suspension is reasonably estimated to enable the plan to avoid insolvency

Under Section 4.02 of Revenue Procedure 2016-27, the application must include a demonstration that, in accordance with Section 432(e)(9)(D)(iv) of the Code, the proposed benefit suspension is reasonably estimated to enable the plan to avoid insolvency. This must include:

1. A deterministic projection
2. A stochastic projection
3. A description of the assumptions used

On the following pages, we have included:

- *A deterministic projection*
- *A stochastic projection*
- *A description of the assumptions used*

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Deterministic Projection:

Under Section 4.02(1) of Revenue Procedure 2016-27, the deterministic projection must show the following:

1. For each plan year during the extended period, the Plan's solvency ratio (the ratio of the Plan's available resources to the scheduled benefits payable under the plan for the plan year) is projected on a deterministic basis to be at least 1.0.
2. If the Plan's funded percentage at the end of the extended projection period is less than or equal to 100 percent, then neither the Plan's solvency ratio nor its available resources are projected to decrease in any of the last five plan years of the extended period.

On the following pages, we have included:

- *A plan-year-by-plan-year deterministic projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan.*

Note the following:

- *For each plan year during the extended period, the Plan's solvency ratio is projected on a deterministic basis to be at least 1.0.*
- *The Plan's funded percentage at the end of the extended projection period is less than or equal to 100 percent, but neither the Plan's solvency ratio nor its available resources are projected to decrease in any of the last five plan years of the extended period.*

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Plan-year-by-plan-year projection of the available resources:

Revenue Procedure 2016-27, Section 4.02(1): The Proposed Suspensions is Reasonably Estimated to Enable the Plan to Avoid Insolvency - Deterministic Projection

Assumed Investment Return 6.75% for 10 years, 7.50% thereafter
Effective Date of Proposed Benefit Suspension 7/1/2017
Expiration of Proposed Benefit Suspension N/A

Proposed Benefit Suspensions:
Active Participants 20.0%
Non-active Participants 31.0%

	Plan Year Ending	Beginning Market Value of Assets	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Ending Market Value of Assets	Actuarial Accrued Liability	Funded Percentage	Available Resources	Solvency Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	86,524,274	1,157,047,661	3,311,681,836	37.62%	1,445,297,878	5.014
1	12/31/2017	1,157,047,661	121,451,426	9,586,913	(260,756,505)	(9,853,710)	73,390,166	1,090,865,951	3,306,369,346	34.99%	1,351,622,456	5.183
2	12/31/2018	1,090,865,951	125,299,440	9,570,693	(232,949,423)	(7,136,955)	70,082,403	1,055,732,109	2,583,054,571	42.23%	1,288,681,532	5.532
3	12/31/2019	1,055,732,109	129,104,157	9,497,851	(235,102,412)	(7,235,993)	67,760,814	1,019,756,527	2,573,839,082	41.02%	1,254,858,939	5.337
4	12/31/2020	1,019,756,527	132,915,501	9,497,851	(237,371,551)	(6,815,865)	65,398,691	983,381,154	2,561,580,101	39.81%	1,220,752,704	5.143
5	12/31/2021	983,381,154	136,794,009	9,497,851	(240,022,859)	(6,918,030)	62,981,323	945,713,447	2,545,898,575	38.63%	1,185,736,306	4.940
6	12/31/2022	945,713,447	140,066,105	9,497,851	(242,321,394)	(7,022,280)	60,468,092	906,401,821	2,526,107,290	37.44%	1,148,723,215	4.740
7	12/31/2023	906,401,821	143,397,886	9,497,851	(244,243,691)	(7,127,573)	57,858,574	865,784,868	2,502,230,140	36.22%	1,110,028,559	4.545
8	12/31/2024	865,784,868	146,856,501	9,497,851	(245,606,973)	(7,234,950)	55,184,023	824,481,320	2,474,320,283	34.99%	1,070,088,293	4.357
9	12/31/2025	824,481,320	150,470,329	9,497,851	(246,453,271)	(7,343,370)	52,485,778	783,138,636	2,442,627,517	33.75%	1,029,591,907	4.178
10	12/31/2026	783,138,636	154,187,423	9,497,851	(246,404,078)	(7,453,875)	55,353,922	748,319,879	2,407,380,128	32.53%	994,723,957	4.037
11	12/31/2027	748,319,879	157,989,023	9,497,851	(245,911,190)	(7,565,423)	52,899,376	715,229,516	2,369,225,471	31.59%	961,140,706	3.908
12	12/31/2028	715,229,516	161,966,559	9,497,851	(244,705,543)	(7,679,055)	50,607,707	684,917,035	2,328,392,317	30.72%	929,622,578	3.799
13	12/31/2029	684,917,035	166,030,497	9,475,797	(243,043,092)	(7,793,730)	48,543,883	658,130,389	2,285,412,352	29.97%	901,173,481	3.708
14	12/31/2030	658,130,389	170,270,698	9,425,111	(241,470,233)	(7,910,490)	46,746,595	635,192,069	2,240,594,177	29.37%	876,662,303	3.631
15	12/31/2031	635,192,069	169,563,680	9,251,903	(239,420,826)	(8,029,335)	45,065,609	611,623,102	2,193,702,148	28.96%	851,043,927	3.555
16	12/31/2032	611,623,102	168,862,638	8,949,319	(237,240,370)	(8,150,265)	43,337,532	587,381,956	2,145,072,932	28.51%	824,622,326	3.476
17	12/31/2033	587,381,956	168,190,146	8,949,319	(233,684,250)	(8,272,238)	41,623,008	564,187,942	2,094,710,727	28.04%	797,872,192	3.414
18	12/31/2034	564,187,942	167,514,392	4,474,660	(229,803,938)	(8,396,295)	39,831,176	537,807,937	2,043,922,818	27.60%	767,611,875	3.340
19	12/31/2035	537,807,937	166,887,631	-	(225,711,150)	(8,522,438)	37,810,122	508,272,103	1,993,027,459	26.98%	733,983,253	3.252
20	12/31/2036	508,272,103	166,266,861	-	(220,932,891)	(8,650,665)	35,746,032	480,701,440	1,942,254,068	26.17%	701,634,331	3.176
21	12/31/2037	480,701,440	165,712,716	-	(215,299,990)	(8,779,935)	33,863,838	456,198,069	1,892,344,518	25.40%	671,498,059	3.119
22	12/31/2038	456,198,069	165,172,640	-	(209,388,299)	(8,911,290)	32,222,595	435,293,714	1,844,281,344	24.74%	644,682,014	3.079
23	12/31/2039	435,293,714	164,651,382	-	(203,122,786)	(9,044,730)	30,865,174	418,642,754	1,798,527,785	24.20%	621,765,540	3.061
24	12/31/2040	418,642,754	164,117,484	-	(197,058,621)	(9,180,255)	29,818,654	406,340,016	1,755,665,519	23.85%	603,398,637	3.062
25	12/31/2041	406,340,016	163,535,462	-	(190,435,568)	(9,317,865)	29,117,327	399,239,373	1,715,743,348	23.68%	589,674,941	3.096
26	12/31/2042	399,239,373	163,004,478	-	(183,914,711)	(9,457,560)	28,804,161	397,675,741	1,679,608,776	23.77%	581,590,452	3.162
27	12/31/2043	397,675,741	162,491,114	-	(177,237,175)	(9,599,340)	28,912,728	402,243,068	1,647,490,586	24.14%	579,480,243	3.270
28	12/31/2044	402,243,068	161,975,665	-	(170,161,875)	(9,743,205)	29,495,877	413,809,529	1,619,906,781	24.83%	583,971,405	3.432
29	12/31/2045	413,809,529	161,490,611	-	(163,898,114)	(9,889,155)	30,574,590	432,087,462	1,597,670,274	25.90%	595,985,576	3.636
30	12/31/2046	432,087,462	161,014,586	-	(157,586,141)	(10,037,190)	32,158,732	457,637,450	1,580,398,195	27.34%	615,223,590	3.904
31	12/31/2047	457,637,450	160,566,917	-	(151,683,176)	(10,187,310)	34,273,925	490,607,806	1,568,572,887	29.18%	642,290,981	4.234
32	12/31/2048	490,607,806	160,096,890	-	(145,931,901)	(10,340,558)	36,939,002	531,371,239	1,562,239,305	31.40%	677,303,140	4.641

"CY" = current plan year

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Stochastic Projection:

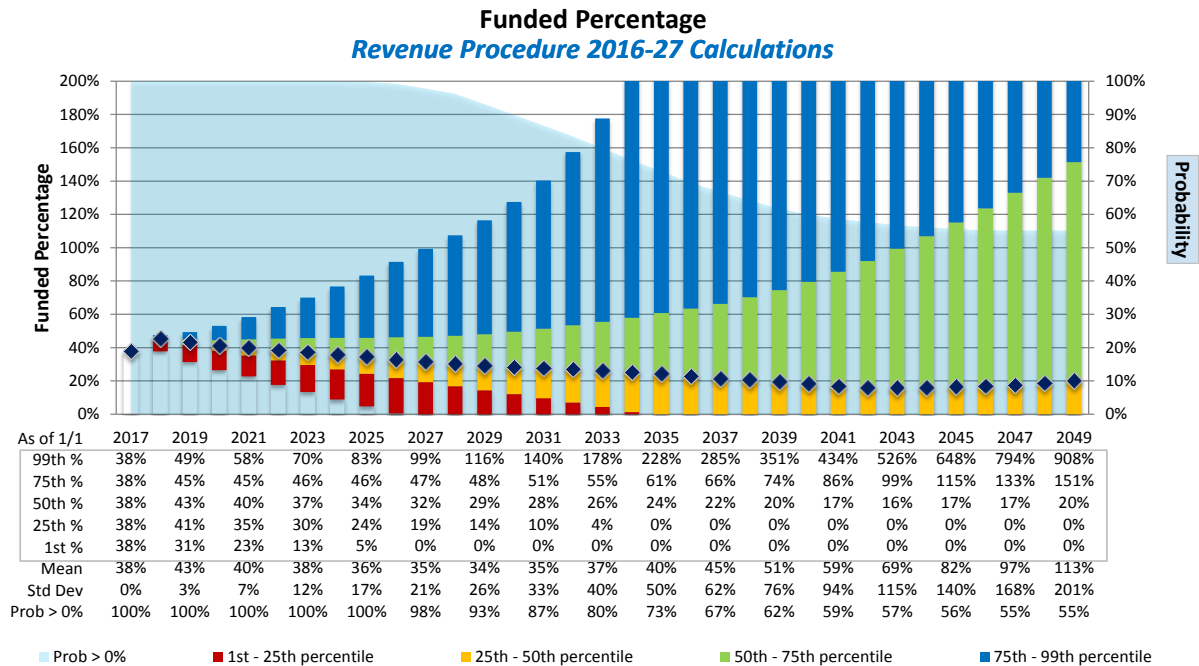
Under Section 4.02(2) of Revenue Procedure 2016-27, the stochastic projection, which reflects variance in investment returns, must show that the probability that the Plan is projected to avoid insolvency throughout the extended period as a result of the suspension is at least 50 percent.

In the following exhibits, we have included a stochastic projection with 5,000 simulations of investment returns over the extended period. The results of the stochastic projection show that the probability of avoiding insolvency throughout the extended period is at least 50 percent.

Stochastic Illustration:

The stochastic projection below is based on the following assumptions, as described in the assumptions for the actuarial projection required under Section 3.02 of Revenue Procedure 2016-27:

Stochastic Assumption	Select	Ultimate
Expected Arithmetic Return	7.19%	8.19%
Standard Deviation	11.50%	11.55%



The probability of avoiding insolvency throughout the extended period is at least 50% (55%).

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Description of the assumptions used (4.02(3)(a)):

Under Section 4.02(3)(a) of Revenue Procedure 2016-27, if the actuarial assumptions used for the deterministic projection differ from those used under Section 3.01 of Revenue Procedure 2016-27, the application must include an explanation of the information and analysis that led to the differences.

The projection used under Section 4.02(1) of Revenue Procedure 2016-27 is generally based on the same actuarial assumptions that are included in the projection used under Section 3.01 of Revenue Procedure 2016-27 with some exceptions.

Any changes in the assumptions, along with an explanation for the change, are described in the actuarial projection under the information required by Section 3.02 of Revenue Procedure 2016-27. For reference, those changes are repeated below.

Assumptions:

Generally, the assumptions used in the actuarial projection above are the same as those used in the actuarial projection required under Section 3.01 of Revenue Procedure 2016-27. Please refer to the actuarial projection under Section 3.01 of Revenue Procedure 2016-27 for more information regarding the assumptions. Where assumptions differ from those described under Section 3.01 of Revenue Procedure 2016-27, additional commentary is provided below.

- **Contribution Rate Increases:** Contribution rate increases are assumed to be equal to those required under the Rehabilitation Plan until 2018. Starting in 2018, contribution rate increases are assumed to be 3.5% per year for 4 years, then 3.0% per year for 9 years, and then 0.0% thereafter. This assumption was selected based on guidance and information provided in good faith from the Board of Trustees.

The Trustees last updated the Rehabilitation Plan in 2012, prior to the passage of MPRA. The Rehabilitation Plan included an exhaustion of all reasonable measures and a stated goal of forestalling possible insolvency. The various schedules of the Rehabilitation Plan required contribution rate increases between 6.00% and 8.25% per year, continuing indefinitely. After reviewing experience through 2015, there was disagreement among the Board of Trustees about whether these contribution rate increases were sustainable. Following arbitration, it was determined that the increases required under the Rehabilitation Plan were in fact unsustainable.

In preparing this application for a suspension of benefits, the schedules for future increases in contribution rates were reevaluated. As part of this review, consideration was given to macroeconomic factors, the financial strength of participating employers, competition in the marketplace, the relationship between contributions and benefit levels, and expected changes in wage packages over the next several years. Based on this review, the assumption described above was developed.

- **Active Population:** Based on guidance provided in good faith from the Board of Trustees and a historical review of the active population (including an analysis of the population of certain contributing employers), the following changes in the active population were assumed:

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

- The number of participants employed by United Parcel Service (UPS), ABF Freight (ABF) and Yellow Roadway Corporation (YRC) is assumed to remain at 2016 levels throughout the projection period. 2016 levels are equal to the count of these participants in the January 1, 2016 actuarial valuation.
- The number of all participants not employed by UPS, ABF or YRC is assumed to decline by 2% per year.

Please see the historical information required under Section 6.03 of Revenue Procedure 2016-27 for more information regarding the active population. Also note that while we are not assuming any future employer withdrawals as part of the 2% per year population decline, any withdrawal from the Fund would result in approximately 20 years of withdrawal liability payments.

- **Non-Disabled Mortality:** The non-disabled mortality assumption has changed from the sex-distinct RP2000 Mortality Tables with Blue Collar adjustment projected 6 years with Scale BB to the sex-distinct RP2014 Mortality Tables with Blue Collar adjustment loaded by 15% and projected generationally using 50% of the MP2015 projection scale. This change was made to better reflect anticipated changes in mortality rates over the projection period. While the base mortality rates as of 2016 for the revised assumption are approximately equal to the base mortality rates in the prior assumption, the choice to add a generational projection was in part made as a result of the Plan projecting solvency over the projection period instead of insolvency in the short-term. This assumption was chosen based on a review of standard mortality tables and projection scales, historical and current demographic data, and reflecting anticipated future experience and professional judgment.
- **Disabled Mortality:** The non-disabled mortality assumption has changed from the sex-distinct RP2000 Disabled Mortality Tables projected 6 years with Scale BB to the sex-distinct RP2014 Disabled Mortality Tables loaded by 15% and projected generationally using 50% of the MP2015 projection scale. This change was made to better reflect anticipated changes in mortality rates over the projection period. While the base mortality rates as of 2016 for the revised assumption are approximately equal to the base mortality rates in the prior assumption, the choice to add a generational projection was in part made as a result of the Plan projecting solvency over the projection period instead of insolvency in the short-term. This assumption was chosen based on a review of standard mortality tables and projection scales, historical and current demographic data, and reflecting anticipated future experience and professional judgment.
- **Contribution Base Units and Contribution Rates:** There are significant differences in the contribution base units and contribution rates under each schedule of the Rehabilitation Plan. The table below shows the active participant count, average contribution base units and average contribution rate under each schedule of the Rehabilitation Plan. This information is based on census data as of January 1, 2016. Note that because of the active population scenario described above, results are shown separately for UPS, ABF and YRC.

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Revenue Procedure 2016-27, Section 3.02: Active Participants, Base Units and Contribution Rates

Rehabilitation Plan Schedule	Participants as of 1/1/2016	Average Hours per Participant	Average Contribution Rate per Participant
Default	4,271	1,021	4.0614
A	21	1,665	3.8210
B	532	1,248	6.8826
B (UPS)	2,216	1,034	11.4038
C	519	1,734	4.1211
D	98	1,648	4.0850
E	1,422	1,733	3.7458
E (UPS & ABF)	1,917	1,954	14.6148
G (YRC)	580	1,799	2.3361

For each active participant in the valuation, hours are assumed to be the average of a participant's actual hours worked in the three plan years preceding the valuation date. Contributions made on behalf of each participant are assumed to be equal to the assumed hours worked multiplied by a participant's contribution rate.

Note that the participant count in the Default Schedule shown above includes approximately 1,600 active participants who are employed by a withdrawn employer but have yet to incur a three-year break in service. We assume no future contributions on hours worked for these participants. After making this adjustment, the total assumed contribution base units is approximately 14.7 million hours.

- **New Entrant Profile:** See Appendix A for a description of the new entrant profile used in the projections. Note that we use a different new entrant profile for each schedule of the Rehabilitation Plan and also use a different new entrant profile for employees of contributing employers that are isolated as part of the active population assumption.
- **Investment Return:** The investment return is assumed to be 6.75% per year for the 10 years beginning January 1, 2016, and 7.50% thereafter. Please see Appendix B for additional information regarding the investment return assumption.
- **Administrative Expenses:** Regular operating expenses are assumed to be equal to \$6,160,000 in 2016 and are assumed to increase by 1.50% per year. In addition, we have assumed the following non-recurring special expenses:

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Special Legal Expenses	\$2,700,000	\$2,700,000	\$500,000	\$500,000
Special Suspension Related Expenses	\$1,000,000	\$500,000	\$0	\$0

The assumed regular operating expenses are based on the actual operating expenses for 2015, adjusted for non-recurring special expenses. The assumed 1.50% annual increase in regular operating expenses was developed based on an analysis of historical changes in the operating expenses of the Plan and guidance from the Fund Office regarding future expectations of operating expenses. The special, non-recurring legal and suspension related expenses were developed based on guidance from the Board of Trustees and Plan Counsel

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Description of the assumptions used (4.02(3)(b)):

Under Section 4.02(3)(b) of Revenue Procedure 2016-27, the application should include the following information regarding the stochastic projection:

- The assumed mix of assets (and how it compares with the current mix of assets)
- The distribution of returns for each asset class
- The correlation among those rates of returns
- Any other economic variables used in the projections

On the following pages, we have included:

- *A distribution of the expected returns and standard deviations for each asset class as provided by Meketa Investment Group ("Meketa").*
- *The correlation among the rates of return as provided by Meketa*
- *A distribution of the expected returns and standard deviations for each asset class as published in the Horizon Actuarial 2016 Survey of Capital Market Assumptions ("2016 Survey").*
- *The correlation among the rates of return as published in the 2016 Survey.*

Note that the assumed mix of assets and the current mix of assets can be found in Appendix B.

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Expected Returns and Standard Deviations for Each Asset Class as Provided by Meketa:

Asset Class	2016 Expected Return	2016 Standard Deviation
Cash Equivalents	2.3%	1.0%
Short-term Investment Grade Bonds	2.9%	2.0%
Investment Grade Bonds	3.7%	4.5%
Investment Grade Corporate Bonds	4.6%	7.0%
Long-term Corporate Bonds	5.7%	11.0%
Long-term Government Bonds	4.4%	12.5%
TIPS	3.6%	7.5%
Short-term TIPS	2.9%	4.0%
Long-term TIPS	4.6%	12.0%
Global ILBs	4.1%	10.0%
High Yield Bonds	7.6%	12.5%
Bank Loans	6.2%	10.0%
Foreign Bonds	3.0%	9.0%
Emerging Market Bonds (major)	6.7%	13.0%
Emerging Market Bonds (local)	7.3%	14.0%
Convertible Bonds	6.5%	15.0%
Investment Grade RE Debt	4.2%	9.0%
Portable Alpha (Core Bond)	7.4%	13.0%
US Equity	9.5%	18.0%
US Large Cap	9.5%	17.5%
US Mid Cap	9.8%	20.0%
US Small Cap	10.1%	22.0%
US Micro Cap	10.2%	23.0%
Developed Market Equity (non-US)	10.1%	20.0%
Developed Market Small Cap	9.4%	22.0%
Emerging Market Equity	14.0%	26.5%
Emerging Market Small Cap	13.8%	28.5%
Frontier Market Equity	12.6%	25.0%
Global Equity	10.1%	19.5%
Private Equity	12.3%	24.0%
Buyouts	12.9%	25.0%
Venture Capital	15.6%	35.0%
Mezzanine Debt	8.9%	20.0%
Distressed Debt	11.4%	27.0%
Private Equity Fund of Funds	11.0%	24.0%
Portable Alpha (US Equity)	14.6%	27.5%
Real Estate	8.7%	18.0%
REITs	10.8%	29.0%
Core Private Real Estate	6.7%	12.5%
Value-Added Real Estate	9.5%	20.0%
Opportunistic Real Estate	12.4%	25.0%
High Yield Real Estate Debt	9.6%	23.0%
Natural Resources (Public)	10.7%	24.0%
Natural Resources (Private)	10.9%	22.0%
Timberland	7.5%	12.0%
Farmland	8.5%	13.0%
Oil & Gas E&P	12.6%	27.0%
Mining	13.0%	29.0%
Commodities: naïve	6.3%	21.0%
Commodities: term-structure	NA	NA
Commodities: trend-following	NA	NA
Commodities: risk parity (15% vol)	6.3%	16.0%
Commodities: Real Return	7.8%	25.0%
MLPs	10.7%	24.0%
Infrastructure (Public)	9.7%	19.5%
Infrastructure (Core Private)	8.0%	16.0%
Infrastructure (Non-Core Private)	11.7%	23.0%
Hedge Funds	6.2%	10.5%
Long-Short	5.4%	12.0%
Event-Driven	7.1%	11.0%
Global Macro	6.2%	8.5%
Fixed Income/L-S Credit	5.3%	10.0%
Relative Value/Arbitrage	6.7%	10.5%
Hedge Fund of Funds	4.6%	10.0%
Risk Parity (10% vol)	6.5%	11.0%
Tactical Asset Allocation	5.8%	12.5%

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Correlation Among Rates of Return as Provided by Meketa:

Asset Name	Investment Grade Bonds	TIPS	High Yield Bonds	Bank Loans	Emerging Market Bonds (local)	US Equity	Developed Market Equity (non-US)	Emerging Market Equity	Private Equity	REITs	Value-Added Real Estate	Opportunistic Real Estate	Natural Resources (Private)	Core Infrastructure	Non-Core Infrastructure
Investment Grade Bonds	1.00	0.80	0.20	0.00	0.35	0.05	0.05	0.05	0.05	0.15	0.20	0.15	0.10	0.30	0.30
TIPS	0.80	1.00	0.30	0.20	0.40	0.00	0.15	0.15	0.05	0.20	0.10	0.05	0.10	0.30	0.30
High Yield Bonds	0.20	0.30	1.00	0.80	0.65	0.70	0.70	0.70	0.65	0.70	0.50	0.55	0.45	0.60	0.65
Bank Loans	0.00	0.20	0.80	1.00	0.40	0.60	0.60	0.55	0.65	0.55	0.45	0.50	0.40	0.50	0.50
Emerging Market Bonds (local)	0.35	0.40	0.65	0.40	1.00	0.65	0.75	0.80	0.55	0.60	0.25	0.35	0.80	0.80	0.65
US Equity	0.05	0.00	0.70	0.60	0.65	1.00	0.90	0.80	0.85	0.70	0.50	0.60	0.65	0.55	0.65
Developed Market Equity (non-US)	0.05	0.15	0.70	0.60	0.75	0.90	1.00	0.90	0.80	0.70	0.45	0.55	0.60	0.55	0.70
Emerging Market Equity	0.05	0.15	0.70	0.55	0.80	0.80	0.90	1.00	0.75	0.60	0.40	0.50	0.60	0.50	0.80
Private Equity	0.05	0.05	0.65	0.65	0.55	0.85	0.80	0.75	1.00	0.45	0.45	0.50	0.55	0.45	0.65
REITs	0.15	0.20	0.70	0.55	0.60	0.70	0.70	0.60	0.45	1.00	0.80	0.70	0.35	0.45	0.45
Value-Added Real Estate	0.20	0.10	0.50	0.45	0.25	0.50	0.45	0.40	0.45	0.80	1.00	0.90	0.50	0.55	0.60
Opportunistic Real Estate	0.15	0.05	0.55	0.50	0.35	0.60	0.55	0.50	0.50	0.70	0.90	1.00	0.50	0.50	0.60
Natural Resources (Private)	0.10	0.10	0.45	0.40	0.60	0.65	0.80	0.60	0.55	0.35	0.50	0.50	1.00	0.80	0.65
Core Infrastructure	0.30	0.30	0.60	0.50	0.60	0.55	0.55	0.50	0.45	0.45	0.55	0.50	0.60	1.00	0.95
Non-Core Infrastructure	0.30	0.30	0.65	0.50	0.65	0.65	0.70	0.60	0.65	0.45	0.60	0.60	0.65	0.95	1.00

Expected Returns and Standard Deviations for Each Asset Class as Published in the 2016 Survey:

Asset Class		Expected Returns				Standard Deviation
		10-Year Horizon		20-Year Horizon		
		Arith.	Geom.	Arith.	Geom.	
1	US Equity - Large Cap	7.98%	6.64%	9.25%	7.89%	16.92%
2	US Equity - Small/Mid Cap	9.07%	7.00%	10.40%	8.23%	21.01%
3	Non-US Equity - Developed	8.90%	7.12%	9.77%	8.02%	19.50%
4	Non-US Equity - Emerging	11.68%	8.48%	12.46%	9.11%	26.35%
5	US Corporate Bonds - Core	3.59%	3.41%	4.75%	4.58%	5.96%
6	US Corporate Bonds - Long Duration	4.37%	3.82%	5.58%	4.87%	10.49%
7	US Corporate Bonds - High Yield	6.49%	5.90%	7.40%	6.81%	11.01%
8	Non-US Debt - Developed	2.74%	2.43%	4.01%	3.70%	7.58%
9	Non-US Debt - Emerging	6.42%	5.77%	7.20%	6.43%	11.58%
10	US Treasuries (Cash Equivalents)	2.22%	2.14%	3.18%	3.15%	2.79%
11	TIPS (Inflation-Protected)	3.03%	2.80%	4.27%	3.94%	6.51%
12	Real Estate	7.48%	6.36%	7.75%	6.75%	14.74%
13	Hedge Funds	5.77%	5.41%	6.59%	6.16%	8.39%
14	Commodities	5.62%	3.98%	6.47%	4.84%	18.50%
15	Infrastructure	7.52%	6.59%	8.26%	7.12%	13.78%
16	Private Equity	11.77%	9.22%	12.94%	10.33%	23.12%
	Inflation	2.16%	2.16%	2.31%	2.31%	1.78%

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Correlation Among Rates of Return as Published in the 2016 Survey:

		Correlation Matrix															
Asset Class		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	US Equity - Large Cap	1.00															
2	US Equity - Small/Mid Cap	0.90	1.00														
3	Non-US Equity - Developed	0.82	0.76	1.00													
4	Non-US Equity - Emerging	0.73	0.72	0.79	1.00												
5	US Corporate Bonds - Core	0.15	0.11	0.15	0.10	1.00											
6	US Corporate Bonds - Long Duration	0.13	0.09	0.14	0.11	0.91	1.00										
7	US Corporate Bonds - High Yield	0.64	0.64	0.62	0.64	0.36	0.35	1.00									
8	Non-US Debt - Developed	0.11	0.06	0.30	0.17	0.57	0.53	0.21	1.00								
9	Non-US Debt - Emerging	0.55	0.51	0.59	0.66	0.44	0.38	0.63	0.40	1.00							
10	US Treasuries (Cash Equivalents)	(0.08)	(0.10)	(0.06)	(0.06)	0.30	0.22	(0.04)	0.23	0.10	1.00						
11	TIPS (Inflation-Protected)	0.02	0.01	0.08	0.13	0.68	0.63	0.27	0.51	0.40	0.29	1.00					
12	Real Estate	0.38	0.38	0.36	0.31	0.07	0.11	0.31	0.06	0.25	0.04	0.13	1.00				
13	Hedge Funds	0.62	0.62	0.65	0.64	0.14	0.10	0.54	0.11	0.48	(0.01)	0.11	0.27	1.00			
14	Commodities	0.30	0.30	0.40	0.44	0.07	0.03	0.32	0.20	0.36	0.02	0.26	0.22	0.43	1.00		
15	Infrastructure	0.53	0.51	0.56	0.50	0.23	0.21	0.48	0.23	0.37	0.02	0.16	0.27	0.46	0.32	1.00	
16	Private Equity	0.77	0.76	0.72	0.64	0.02	0.05	0.54	0.06	0.46	(0.05)	(0.04)	0.39	0.60	0.29	0.43	1.00

Revenue Procedure 2016-27 Section 4.02: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Description of the assumptions used (4.02(3)(c)):

Under Section 4.02(3)(c) of Revenue Procedure 2016-27, if the actuarial assumptions used for the stochastic projections described in Section 4.02(2) of Revenue Procedure 2016-27 differ from those used for the deterministic projection described in Section 4.02(1) of Revenue Procedure 2016-27, the application should include justification for the difference.

There is no difference in the assumptions used for the deterministic projection and the stochastic projection, other than related to investment returns. Please see Appendix B for an explanation of the information and analysis that led to the selection of the investment return assumption used for the stochastic projection.

Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile

The new entrant profile used in the projections consists of a separate new entrant profile for each schedule of the Rehabilitation Plan. In addition, because of the industry activity assumption recommended by the Board of Trustees, there is a separate new entrant profile for UPS participants in Schedule B, UPS and ABF participants in Schedule E, and YRC participants in Schedule G. This is necessary because of the different characteristics of participants in each schedule. All new entrants are assumed to be male and are assumed to enter the Plan with 0.50 years of service.

The age of new entrants is based on a historical analysis of new entrants to the Plan over the seven year period ending on December 31, 2015. The distribution of new entrants by age is as follows:

Revenue Procedure 2016-27, Section 3.02: Historical New Entrants

Age Band	New Entrants in 2009	New Entrants in 2010	New Entrants in 2011	New Entrants in 2012	New Entrants in 2013	New Entrants in 2014	New Entrants in 2015	Total New Entrants	% of Total
< 25	179	131	140	150	137	232	187	1,156	19%
25 - 30	68	75	107	117	131	138	171	807	13%
30 - 35	231	286	562	479	313	292	245	2,408	40%
35 - 40	41	46	48	45	59	76	99	414	7%
40 - 45	42	48	65	59	49	67	64	394	7%
45 - 50	40	40	41	47	42	72	67	349	6%
50 - 55	36	25	40	35	40	49	47	272	5%
55 - 60	13	19	25	23	22	33	27	162	3%
> 60	3	6	9	6	6	9	14	53	1%
Total	653	676	1,037	961	799	968	921	6,015	

For each schedule or subset of a schedule, a distribution of the contribution rate that counts for benefit accruals and the total contribution is created. Based on this distribution and the age distribution of new entrants, the following new entrant profiles are created. Note that participants employed by employers that have withdrawn but have not yet incurred a complete break in service are not included in this analysis.

Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile for Default Schedule:

Revenue Procedure 2016-27, Section 3.02: Default Schedule New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,250	4	0.9778	1,222	1.2125	1,516
22	1,250	8	2.2818	2,852	2.8635	3,579
22	1,250	3	3.8529	4,816	4.7442	5,930
22	1,250	1	5.9065	7,383	7.3358	9,170
22	1,250	3	8.4518	10,565	10.3118	12,890
22	1,250	1	9.6476	12,060	13.1562	16,445
27	1,250	3	0.9778	1,222	1.2125	1,516
27	1,250	5	2.2818	2,852	2.8635	3,579
27	1,250	2	3.8529	4,816	4.7442	5,930
27	1,250	2	8.4518	10,565	10.3118	12,890
32	1,250	9	0.9778	1,222	1.2125	1,516
32	1,250	16	2.2818	2,852	2.8635	3,579
32	1,250	6	3.8529	4,816	4.7442	5,930
32	1,250	1	5.9065	7,383	7.3358	9,170
32	1,250	1	7.7506	9,688	9.1720	11,465
32	1,250	6	8.4518	10,565	10.3118	12,890
32	1,250	1	9.6476	12,060	13.1562	16,445
37	1,250	2	0.9778	1,222	1.2125	1,516
37	1,250	3	2.2818	2,852	2.8635	3,579
37	1,250	1	3.8529	4,816	4.7442	5,930
37	1,250	1	8.4518	10,565	10.3118	12,890
42	1,250	2	0.9778	1,222	1.2125	1,516
42	1,250	3	2.2818	2,852	2.8635	3,579
42	1,250	1	3.8529	4,816	4.7442	5,930
42	1,250	1	8.4518	10,565	10.3118	12,890
47	1,250	1	0.9778	1,222	1.2125	1,516
47	1,250	2	2.2818	2,852	2.8635	3,579
47	1,250	1	3.8529	4,816	4.7442	5,930
47	1,250	1	8.4518	10,565	10.3118	12,890
52	1,250	2	0.9778	1,222	1.2125	1,516
52	1,250	3	2.2818	2,852	2.8635	3,579
52	1,250	1	3.8529	4,816	4.7442	5,930
52	1,250	1	8.4518	10,565	10.3118	12,890

Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile for Schedule A:

Revenue Procedure 2016-27, Section 3.02: Schedule A New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,665	9	2.5212	4,198	3.2641	5,435
22	1,665	10	3.4304	5,712	4.3273	7,205
27	1,665	6	2.5212	4,198	3.2641	5,435
27	1,665	7	3.4304	5,712	4.3273	7,205
32	1,665	19	2.5212	4,198	3.2641	5,435
32	1,665	21	3.4304	5,712	4.3273	7,205
37	1,665	3	2.5212	4,198	3.2641	5,435
37	1,665	4	3.4304	5,712	4.3273	7,205
42	1,665	3	2.5212	4,198	3.2641	5,435
42	1,665	3	3.4304	5,712	4.3273	7,205
47	1,665	3	2.5212	4,198	3.2641	5,435
47	1,665	3	3.4304	5,712	4.3273	7,205
52	1,665	4	2.5212	4,198	3.2641	5,435
52	1,665	4	3.4304	5,712	4.3273	7,205

Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile for Schedule B (Not Including UPS Participants):

Revenue Procedure 2016-27, Section 3.02: Schedule B New Entrant Profile (Not Including UPS Participants)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,250	2	0.5858	732	0.7009	876
22	1,250	4	2.2235	2,779	3.0555	3,819
22	1,250	3	3.7541	4,693	5.1287	6,411
22	1,250	9	8.4524	10,566	10.6814	13,352
27	1,250	2	0.5858	732	0.7009	876
27	1,250	3	2.2235	2,779	3.0555	3,819
27	1,250	2	3.7541	4,693	5.1287	6,411
27	1,250	6	8.4524	10,566	10.6814	13,352
32	1,250	5	0.5858	732	0.7009	876
32	1,250	8	2.2235	2,779	3.0555	3,819
32	1,250	6	3.7541	4,693	5.1287	6,411
32	1,250	1	4.8041	6,005	6.6833	8,354
32	1,250	18	8.4524	10,566	10.6814	13,352
32	1,250	1	10.7583	13,448	14.6831	18,354
37	1,250	1	0.5858	732	0.7009	876
37	1,250	1	2.2235	2,779	3.0555	3,819
37	1,250	1	3.7541	4,693	5.1287	6,411
37	1,250	3	8.4524	10,566	10.6814	13,352
42	1,250	1	0.5858	732	0.7009	876
42	1,250	1	2.2235	2,779	3.0555	3,819
42	1,250	1	3.7541	4,693	5.1287	6,411
42	1,250	3	8.4524	10,566	10.6814	13,352
47	1,250	1	0.5858	732	0.7009	876
47	1,250	1	2.2235	2,779	3.0555	3,819
47	1,250	1	3.7541	4,693	5.1287	6,411
47	1,250	3	8.4524	10,566	10.6814	13,352
52	1,250	1	0.5858	732	0.7009	876
52	1,250	2	2.2235	2,779	3.0555	3,819
52	1,250	1	3.7541	4,693	5.1287	6,411
52	1,250	4	8.4524	10,566	10.6814	13,352

New Entrant Profile for Schedule B (UPS Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule B New Entrant Profile (UPS Participants Only)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,035	19	8.4520	8,748	11.3270	11,723
27	1,035	13	8.4520	8,748	11.3270	11,723
32	1,035	39	8.4520	8,748	11.3270	11,723
37	1,035	7	8.4520	8,748	11.3270	11,723
42	1,035	6	8.4520	8,748	11.3270	11,723
47	1,035	6	8.4520	8,748	11.3270	11,723
52	1,035	8	8.4520	8,748	11.3270	11,723

New York State Teamsters Conference Pension and Retirement Fund

Information Required by Section 4.02 of Revenue Procedure 2016-27



Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile for Schedule C:

Revenue Procedure 2016-27, Section 3.02: Schedule C New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,735	10	1.7189	2,982	2.3286	4,040
22	1,735	7	3.5953	6,238	4.7893	8,309
22	1,735	2	6.6416	11,523	9.4514	16,398
27	1,735	7	1.7189	2,982	2.3286	4,040
27	1,735	5	3.5953	6,238	4.7893	8,309
27	1,735	1	6.6416	11,523	9.4514	16,398
32	1,735	21	1.7189	2,982	2.3286	4,040
32	1,735	14	3.5953	6,238	4.7893	8,309
32	1,735	1	4.9375	8,567	6.8369	11,862
32	1,735	4	6.6416	11,523	9.4514	16,398
37	1,735	4	1.7189	2,982	2.3286	4,040
37	1,735	2	3.5953	6,238	4.7893	8,309
37	1,735	1	6.6416	11,523	9.4514	16,398
42	1,735	3	1.7189	2,982	2.3286	4,040
42	1,735	2	3.5953	6,238	4.7893	8,309
42	1,735	1	6.6416	11,523	9.4514	16,398
47	1,735	3	1.7189	2,982	2.3286	4,040
47	1,735	2	3.5953	6,238	4.7893	8,309
47	1,735	1	6.6416	11,523	9.4514	16,398
52	1,735	4	1.7189	2,982	2.3286	4,040
52	1,735	3	3.5953	6,238	4.7893	8,309
52	1,735	1	6.6416	11,523	9.4514	16,398

New Entrant Profile for Schedule D:

Revenue Procedure 2016-27, Section 3.02: Schedule D New Entrant Profile

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,650	4	1.6202	2,673	2.3035	3,801
22	1,650	15	3.1804	5,248	4.5196	7,457
27	1,650	2	1.6202	2,673	2.3035	3,801
27	1,650	11	3.1804	5,248	4.5196	7,457
32	1,650	7	1.6202	2,673	2.3035	3,801
32	1,650	32	3.1804	5,248	4.5196	7,457
37	1,650	1	1.6202	2,673	2.3035	3,801
37	1,650	6	3.1804	5,248	4.5196	7,457
42	1,650	1	1.6202	2,673	2.3035	3,801
42	1,650	5	3.1804	5,248	4.5196	7,457
47	1,650	1	1.6202	2,673	2.3035	3,801
47	1,650	5	3.1804	5,248	4.5196	7,457
52	1,650	1	1.6202	2,673	2.3035	3,801
52	1,650	7	3.1804	5,248	4.5196	7,457

Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile for Schedule E (Not Including UPS or ABF Participants):

Revenue Procedure 2016-27, Section 3.02: Schedule E New Entrant Profile (Not Including UPS or ABF Participants)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,765	2	0.9356	1,651	1.2346	2,179
22	1,765	11	1.6024	2,828	2.3612	4,167
22	1,765	3	3.3145	5,850	4.9090	8,664
22	1,765	1	4.6104	8,137	6.7161	11,854
22	1,765	1	9.1719	16,188	13.5041	23,835
27	1,765	2	0.9356	1,651	1.2346	2,179
27	1,765	8	1.6024	2,828	2.3612	4,167
27	1,765	2	3.3145	5,850	4.9090	8,664
27	1,765	1	4.6104	8,137	6.7161	11,854
27	1,765	1	9.1719	16,188	13.5041	23,835
32	1,765	5	0.9356	1,651	1.2346	2,179
32	1,765	23	1.6024	2,828	2.3612	4,167
32	1,765	6	3.3145	5,850	4.9090	8,664
32	1,765	3	4.6104	8,137	6.7161	11,854
32	1,765	1	7.0318	12,411	8.8851	15,682
32	1,765	2	9.1719	16,188	13.5041	23,835
37	1,765	1	0.9356	1,651	1.2346	2,179
37	1,765	4	1.6024	2,828	2.3612	4,167
37	1,765	1	3.3145	5,850	4.9090	8,664
37	1,765	1	4.6104	8,137	6.7161	11,854
42	1,765	1	0.9356	1,651	1.2346	2,179
42	1,765	4	1.6024	2,828	2.3612	4,167
42	1,765	1	3.3145	5,850	4.9090	8,664
47	1,765	1	0.9356	1,651	1.2346	2,179
47	1,765	3	1.6024	2,828	2.3612	4,167
47	1,765	1	3.3145	5,850	4.9090	8,664
52	1,765	1	0.9356	1,651	1.2346	2,179
52	1,765	5	1.6024	2,828	2.3612	4,167
52	1,765	1	3.3145	5,850	4.9090	8,664
52	1,765	1	4.6104	8,137	6.7161	11,854

Appendix A: Revenue Procedure 2016-27 Section 4.02

New Entrant Profile

New Entrant Profile for Schedule E (UPS and ABF Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule E New Entrant Profile (UPS and ABF Participants Only)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,955	19	9.6256	18,818	14.6148	28,572
27	1,955	13	9.6256	18,818	14.6148	28,572
32	1,955	40	9.6256	18,818	14.6148	28,572
37	1,955	7	9.6256	18,818	14.6148	28,572
42	1,955	7	9.6256	18,818	14.6148	28,572
47	1,955	6	9.6256	18,818	14.6148	28,572
52	1,955	8	9.6256	18,818	14.6148	28,572

New Entrant Profile for Schedule G (YRC Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule G New Entrant Profile (YRC Participants Only)

Age	Hours	Count	Benefit Rate	Benefit Contributions	Total Rate	Total Contributions
22	1,800	19	1.9987	3,598	2.2457	4,042
27	1,800	13	1.9987	3,598	2.2457	4,042
32	1,800	40	1.9987	3,598	2.2457	4,042
37	1,800	7	1.9987	3,598	2.2457	4,042
42	1,800	6	1.9987	3,598	2.2457	4,042
47	1,800	6	1.9987	3,598	2.2457	4,042
52	1,800	8	1.9987	3,598	2.2457	4,042

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

This appendix includes justification for the investment return assumption used in the actuarial projections contained in this report. Justification for the investment return assumption for both deterministic and stochastic projections is included. Unless otherwise noted, investment return assumptions are net of investment fees.

We note that the assumptions developed in this appendix are individually reasonable and, along with other assumptions used in the projection, represent our best estimate of future experience under the Plan for the purposes of this measurement, which is a cash flow projection relating to proposed benefit suspensions under MPRA. We note that some of the assumptions are related, and a change in one assumption may necessitate a change in other assumptions.

Summary

Deterministic Assumption

A “select and ultimate” investment return assumption is used for purposes of the deterministic projections. The “select” period is 10 years. The assumption is shown in the table below.

Deterministic Assumption	Select	Ultimate
Expected Geometric Return	6.75%	7.50%

In other words, net investment returns are assumed to be 6.75% in each of the next 10 years starting January 1, 2016 and 7.50% in each year thereafter.

Stochastic Assumption

A select and ultimate investment return assumption is also used for purposes of the stochastic projections. As with the deterministic assumption, the select period is the 10 years starting January 1, 2016. The assumption is shown in the table below.

Stochastic Assumption	Select	Ultimate
Expected Arithmetic Return	7.19%	8.19%
Standard Deviation	11.50%	11.55%

In other words, the stochastic projections assume that the average return in each of the first 10 years will be 7.19%, with a standard deviation of 11.50%. The projections then assume that the average return in each year thereafter will be 8.19%, with a standard deviation of 11.55%.

The basis for the above assumptions is detailed in the remainder of this Appendix B. The assumptions were developed incorporating:

- Final Treasury Regulations implementing MPRA’s provisions regarding benefit suspensions,
- Horizon Actuarial’s 2015 and 2016 Surveys of Capital Market Assumptions,
- The applicable Actuarial Standards of Practice, and
- Our expectations regarding anticipated experience under the Plan.

We believe the above assumptions are individually reasonable, and reasonable in combination with other assumptions used in the projections, taking into account the experience of the Plan and reasonable

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

expectations. We also believe the above assumptions are appropriate for the purposes of the measurement and that factors specific to the measurement have been taken into account.

Introduction and Background

Actuarial Standard of Practice No. 27:

Actuarial Standard of Practice No. 27 (“ASOP 27”), Selection of Economic Assumptions for Measuring Pension Obligations, provides guidance for the selection of economic assumptions, including the investment return assumption, for measuring obligations under defined benefit pension plans. This includes, but is not limited to, funding valuations, liability measurements or other actuarial present value calculations, and cash flow projections. According to ASOP 27, the actuary should consider relevant data, adverse deviation and materiality when selecting an investment return assumption.

According to ASOP 27, a reasonable assumption has the following characteristics:

- Is appropriate for the purpose of the measurement
- Reflects the actuary’s professional judgment
- Takes into account historical and current economic data that is relevant as of the measurement date
- Reflects the actuary’s estimate of future experience
- Has no significant bias, except when provisions for adverse deviation are included

Section 3.8 of ASOP 27 provides guidance on selecting an investment return assumption. In developing a reasonable assumption, the following factors are to be considered:

- Data – the actuary should review appropriate investment data
- Measurement-Specific Considerations
 - Investment Policy – The actuary should consider the current asset allocation and any expected changes to the asset allocation in the future
 - Effect of Reinvestment
 - Investment Volatility – Plans investing in asset classes characterized by high variability of returns may be required to liquidate those assets at depressed values to meet benefit obligations
 - Cash Flow Timing – the timing of expected contributions and benefit payments may affect the plan’s liquidity needs and investment opportunities
- Multiple Investment Return Rates – The actuary may assume multiple investment return rates instead of a single rate, such as a select and ultimate return assumption.

Other Considerations:

Based on the final regulations implementing MPRA’s provisions regarding benefit suspensions, factors specific to the measurements must be taken into account in selecting the assumptions and methods.

The proposed suspension amounts detailed in this application result in a projection where the Plan’s asset levels decline during the earlier years of the projection. The assumption for the investment return was

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

developed in a manner that takes into account the anticipated pattern and magnitude of changes in the level of the Plan's assets during the projection period. As a result, a select and ultimate assumption was developed instead of an assumption that is based solely on long-term expectations.

Development of the Investment Return Assumption for Deterministic Projections:

As part of this process, we requested future investment return expectations from the Meketa Investment Group ("Meketa"), the Plan's investment consultant. Meketa provided the following information:

	1-Year Time Horizon
Arithmetic Mean	9.92%

	20-Year Time Horizon
Geometric Mean	8.84%
Standard Deviation	15.90%

For reference, below is the asset allocation as of December 31, 2015 and the target asset allocation of the Plan. The allocation range from the investment policy is also shown for each asset class.

Asset Allocations	Current	Target	Policy Range
US Equity - Large Cap	7.5%	12.0%	} 13% - 23%
US Equity - Small/Mid Cap	5.6%	6.0%	
Non-US Equity - Developed	8.6%	8.0%	3% - 13%
Non-US Equity - Emerging	15.6%	16.0%	11% - 21%
US Corporate Bonds - Core	7.0%	7.0%	2% - 12%
US Corporate Bonds - High Yield	3.7%	2.0%	0% - 7%
Non-US Debt - Emerging	7.4%	8.0%	3% - 13%
US Treasuries (Cash Equivalents)	0.4%	2.0%	0% - 7%
TIPS (Inflation-Protected)	3.6%	5.0%	0% - 10%
Real Estate	5.5%	7.0%	2% - 12%
Hedge Funds	0.1%	-	0% - 5%
Commodities	7.3%	7.0%	2% - 12%
Infrastructure	8.1%	5.0%	0% - 10%
Private Equity	19.6%	15.0%	5% - 25%
TOTAL PORTFOLIO	100.0%	100.0%	

Horizon Actuarial's Survey of Capital Market Assumptions:

Each year, Horizon Actuarial publishes a survey of capital market assumptions. The 2015 Survey of Capital Market Assumptions ("the 2015 Survey") included capital market expectations from 29 different investment consultants. The 2016 Survey of Capital Market Assumptions ("the 2016 Survey") included capital market expectations from 35 different investment consultants. Some of these consultants provided both short term

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

(10 years) and long term (20 years) assumptions. Generally, investment returns are expected to be lower in the short term when compared to the long term.

Based on the results of the 2015 Survey and 2016 Survey, Horizon Actuarial develops a model that will estimate the expected returns of a fund, given an asset allocation. We note that there are limitations to the model. For more information regarding the limitations of the model, please see the 2015 Survey and the 2016 Survey at horizonactuarial.com.

When the investment return assumption was initially developed for purposes of this measurement, which is a cash flow projection relating to proposed benefit suspensions under MPRA, the analysis was done using the results of the 2015 Survey. We have updated the analysis based on the results of the recently published 2016 Survey. The analysis developed under the 2015 Survey is consistent with the analysis developed under the 2016 Survey, with some minor differences. As a result, this appendix includes analysis based on both the 2015 Survey and the 2016 Survey.

Using the 2016 Survey and the Fund's target asset allocation, the following survey averages were taken from the 2016 Survey model:

	10-Year Time Horizon	20-Year Time Horizon
Arithmetic Mean	8.23%	9.19%
Geometric Mean	7.37%	8.35%
Standard Deviation	13.60%	13.52%

Using the 2015 Survey and the Fund's target asset allocation, the following survey averages were taken from the 2015 Survey model:

	10-Year Time Horizon	20-Year Time Horizon
Arithmetic Mean	8.30%	9.02%
Geometric Mean	7.45%	8.18%
Standard Deviation	13.60%	13.52%

The output from the 2015 Survey and the 2016 Survey shows expected returns and risk that are lower than the measures provided by Meketa. These differences are due to the limitations of our model mentioned above and are explained based on the following additional information provided by Meketa:

- *Commodities/Natural Resources:* The Plan has 7.3% of its assets invested in natural resources. The 2016 Survey does not have natural resources as an asset class. Natural resources are grouped in the commodities asset class. The 2016 Survey groups all commodities (agricultural, energy, metals, etc.) in the same category and assumes an average expected return of 4.84% per year. Specifically, the Plan's investments in commodities consist of investments in natural resources. Meketa assumes an average annual return of 8.40% per year for natural resources. This accounts for a difference in expected returns of approximately 25-30 basis points when comparing the 2016 Survey with the assumptions provided by Meketa.
- *Real Estate:* The Plan has 5.5% of its assets invested in real estate. The 2016 Survey groups all real estate investments in the same category and assumes an average expected return of 6.75%

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

per year. Specifically, the Plan's investments in real estate consist of REITs, core real estate and value added real estate. Meketa assumes an average annual return of 7.70% per year for the specific real estate investments. This accounts for a difference in expected returns of approximately 5 basis points when comparing the 2016 Survey with the assumptions provided by Meketa.

- *Infrastructure:* The Plan has 8.1% of its assets invested in infrastructure. The 2016 Survey groups all infrastructure investments in the same category and assumes an average expected return of 7.12% per year. Specifically, half of the Plan's investments in infrastructure are in non-core infrastructure investments. Meketa assumes an average annual return of 9.10% per year for non-core infrastructure. This accounts for a difference in expected returns of approximately 8 basis points when comparing the 2016 Survey with the assumptions provided by Meketa.

Based on the information shown above, including the asset allocation, results provided by Meketa, and results from the 2015 Survey and the 2016 Survey, an 8.50% investment return is a reasonable assumption for purposes of discounting plan liabilities under a minimum funding valuation. This is part of the basis for the 8.50% investment return assumption that was used in prior years' minimum funding valuations, the discounting of liabilities, and in the actuarial projection required under Section 3.01 of Revenue Procedure 2016-27 (certification of critical and declining status). An 8.50% investment return assumption, however, may not be appropriate for purposes of a cash flow projection reflecting proposed benefit suspensions under MPRA.

Long Term Expectations:

In developing a reasonable long term investment return assumption, we considered various factors described earlier in this appendix.

We considered the timing of future expected contributions and benefit payments, which – when taken into account – results in the plan having a significant negative cash flow and therefore declining asset levels. This Plan is currently projected, even after the proposed benefit suspensions, to have a negative cash flow with benefit payments and expenses larger than contributions. This also results in a declining asset value for most of the projection period. The assets are projected to increase towards the end of the projection period, as the projected 3% annual increases in contribution rates and the decline in benefit payments result in a positive cash flow (or a cash flow that is negative, but where the difference is made up by projected investment returns).

Under ASOP 27, the actuary should address factors specific to the measurement when selecting the investment return assumption. With respect to a plan's investment policy, the actuary should consider the current asset allocation and any expected changes to the asset allocation in the future during the measurement period. With respect to a plan's cash flows, the actuary should consider that the timing of expected contributions and benefit payments may affect the plan's liquidity needs and investment opportunities.

Taking into account the Plan's negative cash flow and declining asset values, the Plan's asset allocation may need to shift to more liquid assets that provide less expected return. This is consistent with the Measurement Specific Considerations from ASOP 27 described above. We used the 2016 Survey model to illustrate the impact of moving to a more liquid portfolio.

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

The following table shows three different Plan asset allocations. The “Current” allocation is the actual allocation for the Plan as of December 31, 2015. The “Target” allocation is the target allocation according to the Plan’s investment policy. The “Alternative” allocation (as described in more detail below) represents a hypothetical allocation that provides more liquidity with reduced volatility.

Asset Allocations	Current	Target	Alternative
US Equity - Large Cap	7.5%	12.0%	18.0%
US Equity - Small/Mid Cap	5.6%	6.0%	5.0%
Non-US Equity - Developed	8.6%	8.0%	10.0%
Non-US Equity - Emerging	15.6%	16.0%	12.0%
US Corporate Bonds - Core	7.0%	7.0%	12.0%
US Corporate Bonds - High Yield	3.7%	2.0%	7.0%
Non-US Debt - Emerging	7.4%	8.0%	9.0%
US Treasuries (Cash Equivalents)	0.4%	2.0%	6.0%
TIPS (Inflation-Protected)	3.6%	5.0%	6.0%
Real Estate	5.5%	7.0%	4.0%
Hedge Funds	0.1%	-	4.0%
Commodities	7.3%	7.0%	2.0%
Infrastructure	8.1%	5.0%	-
Private Equity	19.6%	15.0%	5.0%
TOTAL PORTFOLIO	100.0%	100.0%	100.0%

Based on discussions with Meketa, if the proposed suspension of benefits is approved, it may be possible for the Plan’s assets to remain close to the Target allocations under the current investment policy. Given the Plan’s negative cash flows and declining asset values, however, it may be necessary for the Plan’s Trustees to adjust the asset allocation in the future to increase liquidity and decrease volatility. Unfavorable experience in the near term may accelerate the need for such an adjustment.

The Alternative allocation shown above represents a hypothetical allocation that increases liquidity and reduces volatility, while remaining within the permissible ranges under the Plan’s investment policy. The allocation increases certain asset classes with higher liquidity (such as fixed income and domestic equity) and which reduce overall portfolio volatility (such as TIPS and hedge funds). Similarly, the allocation reduces certain asset classes that are less liquid or more volatile (such as emerging markets equity, infrastructure, and private equity). Note that as described earlier in this appendix, the allocation to commodities is actually an allocation to natural resources.

The following averages from the 2016 Survey were taken from the above model reflecting the Alternative allocation (averages from the target allocation are also shown):

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Investment Return Assumption

10-Year Horizon	Target	Alternative
Expected Arithmetic Return	8.23%	7.19%
Expected Geometric Return	7.37%	6.57%
Standard Deviation	13.60%	11.50%

20-Year Horizon	Target	Alternative
Expected Arithmetic Return	9.19%	8.19%
Expected Geometric Return	8.35%	7.57%
Standard Deviation	13.52%	11.55%

As shown above, annualized investment returns for the Target allocation are expected to be about 7.4% per year (geometric basis) over the next 10 years, and about 8.4% over the next 20 years. Expected returns for the Current allocation (not shown) are slightly higher.

Expected returns for the hypothetical Alternative allocation, however, are significantly lower than for the Target Allocation. Specifically, expected annualized returns for the Alternative allocation are about 6.6% over the next 10 years and 7.6% over the next 20 years. Note the volatility of the expected returns for the Alternative allocation is also considerably lower than under the Target allocation.

Short Term versus Long Term Expectations:

The 2015 Survey and the 2016 Survey include expectations of returns for both the short term (10 years) and long term (20 years). Generally, survey respondents expect investment returns to be lower in the short term when compared to the long term. Please see the 2015 Survey and 2016 Survey for additional information.

The results from the 2016 Survey model, given this Plan's target allocation, include expected short term investment returns (10 years) approximately 1.00% lower than the long term investment returns. The results from the 2015 Survey model, given the same target allocation, include short term investment returns (10 years) approximately 0.75% lower than the long term investment returns.

The change from a 0.75% difference in the 2015 Survey to the 1.00% difference in the 2016 Survey is due to some survey contributors making adjustments to their longer term assumptions and to the addition of a new survey respondent that had the most optimistic assumptions. The increase in the long-term expectations resulted in a larger spread between short term and long term expectations. We are cautious not to over-react to the upward movement for long-term expectations seen in the 2016 Survey, because the spread between short term and long term expectations has been approximately 0.75% in the three surveys prior to the 2016 Survey.

Based on the above, we believe the investment return assumption should have a short term expectation that is less than the long term expectation. This is appropriate, because it considers relevant economic data in the development of the investment return assumption.

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

Investment Return Assumption for Deterministic Projections

The “select and ultimate” investment return assumption used for purposes of the deterministic projections is described below. The “select” period is 10 years.

Deterministic Assumption	Select	Ultimate
Expected Geometric Return	6.75%	7.50%

In other words, net investment returns are assumed to be 6.75% in each of the next 10 years starting January 1, 2016 and 7.50% in each year thereafter. This assumption was developed in consideration of the expected *geometric* returns from the 2016 Survey and the 2015 Survey. Geometric returns are annualized over a multi-year period and are therefore more appropriate for this purpose than arithmetic returns (which are one-year averages).

As described above, according to the average assumptions of the 2016 Survey, expected annualized returns for the Target allocation are about 7.4% per year for the next 10 years and about 8.4% per year over the next 20 years. While these returns take into account generally lower expectations over the short term, they require adjustments for certain factors specific to the Plan.

Specifically:

- *Negative cash flows and declining asset values.* The Plan is projected to have a negative cash flow after incorporating the proposed benefits suspensions and is projected to have a declining asset value during many years in the projection period. As a result, the funded percentage is projected to decline for many years before it begins to improve.
- *The materiality of investment returns in the early years of the projection.* If a pension plan has a negative cash flow, the order of investment returns is important. For example, an investment loss followed by an investment gain would have a worse result for the plan than if the gain had preceded the loss. Given the Plan’s severely negative cash flow, there is greater materiality of asset returns in the early years of the projection. The cash flow projections are sensitive to variations in the asset returns in the near term, because the same percentage gain or loss has a greater impact if it occurs earlier, when asset levels are higher, than in later years, when asset levels are lower. Because of these sensitivities, an adjustment for adverse deviations may be appropriate.
- *Possible changes in asset allocation.* As described above, the Plan’s asset allocation may need to be adjusted to increase liquidity and decrease volatility. Such an adjustment becomes more likely following unfavorable experience. Such an adjustment may be more likely as time goes on, both due to the longer period over which an unfavorable event may occur and due to the fact that the funded percentage is projected to decline before stabilizing. For this reason, more weight was given to the expected returns for the Alternative allocation in setting the ultimate rate.

Given the factors above, the expected geometric returns for the Target allocation, based on the average assumptions from the 2016 Survey and the 2015 Survey, were adjusted downward, closer to the Alternative allocation, and including a small margin for adverse deviation. These downward adjustments were made to reflect the possibility that the asset allocation is adjusted to increase liquidity and reduce volatility and to reflect the factors described above. These downward adjustments are especially important for a

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

deterministic projection, which – unlike a stochastic projection – does not consider the possibility of returns that vary year by year, or that future experience may be less favorable than the baseline assumption.

We acknowledge that other assumptions may be reasonable, but we believe this assumption is reasonable for the purposes of this measurement, which is a cash flow projection including proposed permanent benefit suspensions under MPRA.

Although the assumption does include some margin for adverse deviation, we do not believe that the assumption is biased in that it is overly conservative. Based on the 2015 Survey model and the 2016 Survey model, the assumption above falls within the range of conservative expected returns and optimistic expected returns. Because this is a cash flow projection including proposed benefit suspensions under MPRA and not a minimum funding valuation, we believe it is appropriate that the investment return assumption include some margin for adverse deviation and be somewhere between the conservative assumptions and the average assumptions shown in the 2015 Survey model and the 2016 Survey model.

We understand, however, that including too much margin for adverse deviation may result in benefit suspensions that may be deemed to be too large. Because of this, we only considered a moderate margin for adverse deviation, knowing that too large a margin may lead to unnecessary benefit suspensions. Based on our projection modeling, we estimate that if we were to increase the investment return assumption by 0.25% for each year in the projection, the proposed benefit suspension amount for inactive participants would only change by 1% of the benefit amount before suspension. While we acknowledge that every penny of a participant's benefit is important, we believe this analysis shows that we have not incorporated too much adverse deviation such that the assumption is unreasonable for purposes of this measurement. We note that the 1% estimated change in the inactive suspension percentage as a result of a 0.25% increase in the investment return assumption is less than the one of the threshold amounts used to determine if benefit suspensions materially exceed the level necessary to avoid insolvency.

Development of the Investment Return Assumption for Stochastic Projections:

As part of this process, the following information was provided by Meketa:

	20-Year Time Horizon
Arithmetic Mean	9.92%
Geometric Mean	8.84%
Standard Deviation	15.90%

Because we adjusted the investment return assumption for the deterministic projections as described earlier in this appendix, we believe it is appropriate to use assumptions for stochastic modeling that are consistent with the assumptions used for deterministic modeling. We do not necessarily think the assumptions provided by Meketa and shown above are unreasonable, rather that the assumptions should consider the purposes of this measurement, which is a cash flow projection including proposed benefit suspensions under MPRA. Given the purpose of the measurement, we believe it is appropriate to consider the expectations of multiple investment consultants, such as those consultants that provided input for the 2015 Survey and the 2016 Survey, instead of just the Plan's investment consultant.

A select and ultimate investment return assumption is also used for purposes of the stochastic projections. As with the deterministic assumption, the select period is 10 years. Based on the Alternative allocation

Appendix B: Revenue Procedure 2016-27 Section 4.02

Investment Return Assumption

described earlier in the appendix, the following select and ultimate assumptions were developed from the output of the 2016 Survey model:

Stochastic Assumption	Select	Ultimate
Expected Arithmetic Return	7.19%	8.19%
Standard Deviation	11.50%	11.55%

In other words, the stochastic projections assume that the average return in each of the first 10 years year will be 7.19%, with a standard deviation of 11.50%. The projections then assume that the average return in each year thereafter will be 8.19%, with a standard deviation of 11.55%.

Because the stochastic projections use returns that vary randomly in each projection year, the assumption was developed based on the *arithmetic* expected returns from the 2016 Survey. Returns are assumed to be normally-distributed and independent from one year to the next.

**The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA**

EXHIBIT 8

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section 4.03 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 4.03 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 4.03 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information required by Section 4.03 of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by the Pension Protection Act of 2006 (“PPA”), the Pension Relief Act of 2010 (“PRA 2010”), and the Multiemployer Pension Reform Act of 2014 (“MPRA”). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James M. Lacey, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 4.03: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Demonstration that the proposed suspension is reasonably estimated to not materially exceed the level necessary to avoid insolvency

Under Section 4.03 of Revenue Procedure 2016-27, the application must include a demonstration that, in accordance with Section 432(e)(9)(D)(iv) of the Code, the proposed benefit suspension is reasonably estimated to not materially exceed the level necessary to enable the plan to avoid insolvency. For this purpose, the assumptions used must be the same as those used for the purposes of Section 4.02 of Revenue Procedure 2016-27. The demonstration must include an illustration, prepared on a deterministic basis, of the Plan's available resources and solvency ratio as described in Section 4.02(1) of Revenue Procedure 2016-27 (and if applicable to the Plan, an illustration of the probability that the Plan will avoid insolvency prepared using stochastic projections, as described in Section 4.02(2) of Revenue Procedure 2016-27) showing that the proposed suspension would not reasonably be estimated to enable the plan to avoid insolvency if the dollar amount of the proposed suspension for each participant and beneficiary were reduced (but not below zero) by the greater of:

1. Five percent of the reduction in the periodic payment proposed for that participant or beneficiary; or
2. Two percent of the participant's or beneficiary's periodic payment determined without regard to the reduction proposed in the application.

On the following pages, we have included:

- *A plan-year-by-plan-year deterministic projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan.*
- *A stochastic projection with 5,000 simulations of investment returns over the extended period.*

The deterministic projection is based on the same assumptions as the projection under Section 4.02(1) of Revenue Procedure 2016-27 but is based on proposed suspension amounts that are reduced (as described above) from the suspensions proposed in this report. Note that the results of the deterministic projection show that the Plan, with the reduced proposed benefit suspensions, is not estimated to avoid insolvency. Specifically:

- *The Plan is projected to become insolvent during the Plan Year ending December 31, 2044.*

The stochastic projection includes the same detail and is based on the same assumptions as the projection under Section 4.02(2) of Revenue Procedure 2016-27 but is based on proposed suspension amounts that are reduced (as described above) from the suspensions proposed in this report.

Because the Plan, with suspension amounts reduced (as described above) from the suspensions proposed in this report, is not projected to meet the requirements of Sections 4.02(1) and 4.02(2) of Revenue Procedure 2016-27, the requirements under Section 4.03 of Revenue Procedure 2016-27 are met.

Revenue Procedure 2016-27 Section 4.03: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

Plan-year-by-plan-year projection of the available resources:

Revenue Procedure 2016-27, Section 4.03: The Proposed Benefit Suspension is Reasonably Estimated to Not Materially Exceed the Level Necessary to Avoid Insolvency Deterministic Projection

Assumed Investment Return	6.75% for 10 years, 7.50% thereafter	Proposed Benefit Suspensions:	
Effective Date of Proposed Benefit Suspension	7/1/2017	Active Participants	20.0%
Expiration of Proposed Benefit Suspension	N/A	Non-active Participants	31.0%

Note: The suspensions above are reduced by max of 5% of suspension amount and 2% of benefit prior to suspension

	Plan Year	Beginning	Employer	Withdrawal	Benefit	Administrative	Net	Ending	Actuarial	Funded	Available	Solvency
	Ending	Market Value	Contributions	Liability	Payments	Expenses	Investment	Market Value	Accrued	Percentage	Resources	Ratio
		of Assets		Payments			Return	of Assets	Liability			
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	86,524,274	1,157,047,661	3,311,681,836	37.62%	1,445,297,878	5.014
1	12/31/2017	1,157,047,661	121,451,426	9,586,913	(263,023,336)	(9,853,710)	73,313,661	1,088,522,616	3,306,369,346	34.99%	1,351,545,951	5.139
2	12/31/2018	1,088,522,616	125,299,440	9,570,693	(237,585,623)	(7,136,955)	69,767,757	1,048,437,928	2,640,306,243	41.23%	1,286,023,551	5.413
3	12/31/2019	1,048,437,928	129,104,157	9,497,851	(239,854,317)	(7,235,993)	67,108,080	1,007,057,706	2,630,326,005	39.86%	1,246,912,023	5.199
4	12/31/2020	1,007,057,706	132,915,501	9,497,851	(242,257,365)	(6,815,865)	64,376,624	964,774,452	2,618,409,379	38.46%	1,207,031,817	4.982
5	12/31/2021	964,774,452	136,794,009	9,497,851	(245,034,884)	(6,918,030)	61,556,215	920,669,612	2,602,125,118	37.08%	1,165,704,497	4.757
6	12/31/2022	920,669,612	140,066,105	9,497,851	(247,442,235)	(7,022,280)	58,604,805	874,373,859	2,581,764,241	35.66%	1,121,816,094	4.534
7	12/31/2023	874,373,859	143,397,886	9,497,851	(249,458,739)	(7,127,573)	55,520,679	826,203,962	2,557,333,760	34.19%	1,075,662,702	4.312
8	12/31/2024	826,203,962	146,856,501	9,497,851	(250,898,161)	(7,234,950)	52,333,734	776,758,937	2,528,861,916	32.67%	1,027,657,099	4.096
9	12/31/2025	776,758,937	150,470,329	9,497,851	(251,802,111)	(7,343,370)	49,083,994	726,665,629	2,496,573,787	31.11%	978,467,741	3.886
10	12/31/2026	726,665,629	154,187,423	9,497,851	(251,784,327)	(7,453,875)	50,916,687	682,029,388	2,459,667,691	29.54%	933,813,715	3.709
11	12/31/2027	682,029,388	157,989,023	9,497,851	(251,310,983)	(7,565,423)	47,725,097	638,364,954	2,420,767,015	28.17%	889,675,936	3.540
12	12/31/2028	638,364,954	161,966,559	9,497,851	(250,104,605)	(7,679,055)	44,640,400	596,686,103	2,379,058,613	26.83%	846,790,708	3.386
13	12/31/2029	596,686,103	166,030,497	9,475,797	(248,424,935)	(7,793,730)	41,724,744	557,698,475	2,334,038,021	25.56%	806,123,410	3.245
14	12/31/2030	557,698,475	170,270,698	9,425,111	(246,827,113)	(7,910,490)	39,013,318	521,669,999	2,287,974,105	24.38%	768,497,112	3.114
15	12/31/2031	521,669,999	169,563,680	9,251,903	(244,737,028)	(8,029,335)	36,352,096	484,071,316	2,239,543,254	23.29%	728,808,344	2.978
16	12/31/2032	484,071,316	168,862,638	8,949,319	(242,506,710)	(8,150,265)	33,573,661	444,799,960	2,189,245,391	22.11%	687,306,669	2.834
17	12/31/2033	444,799,960	168,190,146	8,949,319	(238,860,958)	(8,272,238)	30,735,232	405,541,461	2,137,124,693	20.81%	644,402,420	2.698
18	12/31/2034	405,541,461	167,514,392	4,474,660	(234,880,042)	(8,396,295)	27,742,336	361,996,513	2,084,522,137	19.45%	596,876,554	2.541
19	12/31/2035	361,996,513	166,887,631	-	(230,675,079)	(8,522,438)	24,438,118	314,124,746	2,031,763,571	17.82%	544,799,825	2.362
20	12/31/2036	314,124,746	166,266,861	-	(225,764,323)	(8,650,665)	21,003,801	266,980,420	1,979,085,238	15.87%	492,744,743	2.183
21	12/31/2037	266,980,420	165,712,716	-	(219,974,808)	(8,779,935)	17,659,455	221,597,847	1,927,247,420	13.85%	441,572,655	2.007
22	12/31/2038	221,597,847	165,172,640	-	(213,897,532)	(8,911,290)	14,458,482	178,420,147	1,877,255,828	11.80%	392,317,679	1.834
23	12/31/2039	178,420,147	164,651,382	-	(207,456,351)	(9,044,730)	11,437,147	138,007,594	1,829,583,290	9.75%	345,463,946	1.665
24	12/31/2040	138,007,594	164,117,484	-	(201,213,931)	(9,180,255)	8,615,193	100,346,086	1,784,822,442	7.73%	301,560,017	1.499
25	12/31/2041	100,346,086	163,535,462	-	(194,400,045)	(9,317,865)	6,019,115	66,182,753	1,743,026,799	5.76%	260,582,798	1.340
26	12/31/2042	66,182,753	163,004,478	-	(187,687,715)	(9,457,560)	3,683,427	35,725,384	1,705,059,110	3.88%	223,413,098	1.190
27	12/31/2043	35,725,384	162,491,114	-	(180,813,851)	(9,599,340)	1,632,326	9,435,632	1,671,152,507	2.14%	190,249,483	1.052
28	12/31/2044	9,435,632	161,975,665	-	(173,533,454)	(9,743,205)	(91,115)	INSOLVENT	1,641,833,666	0.57%	161,576,977	0.931

"CY" = current plan year

Revenue Procedure 2016-27 Section 4.03: Demonstration that Proposed Suspension Satisfies the Statutory Requirements

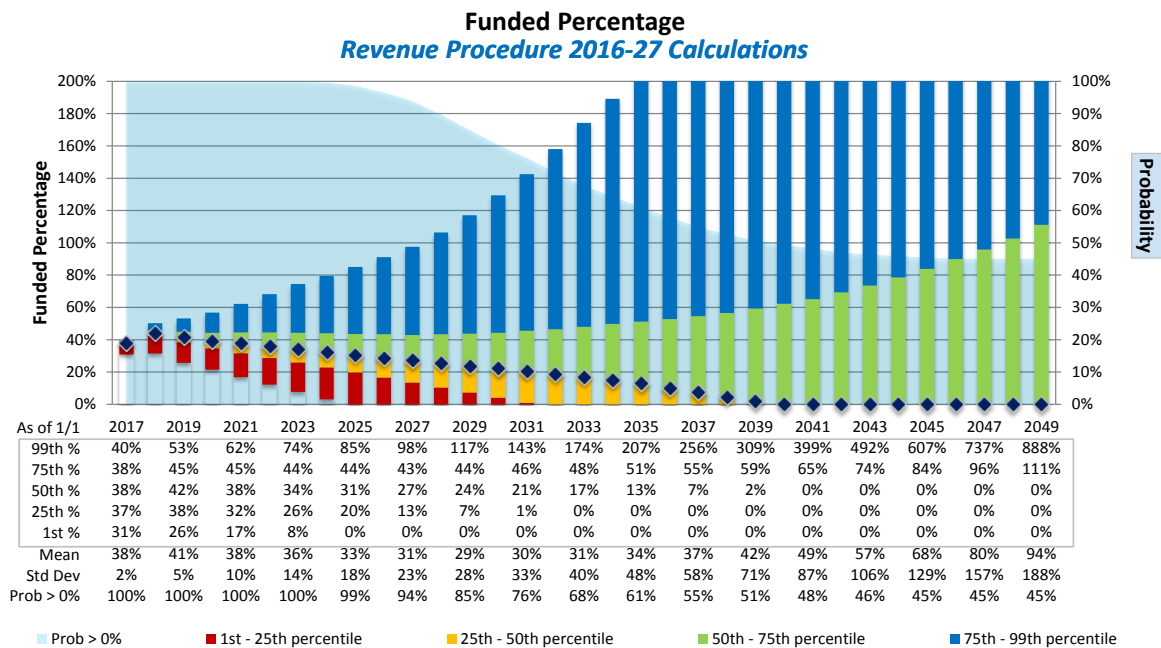
Stochastic Projection:

In the following exhibits, we have included a stochastic projection with 5,000 simulations of investment returns over the extended period.

Stochastic Illustration:

The stochastic projection below is based on the following assumptions, as described in the assumptions for the actuarial projection required under Section 3.02 of Revenue Procedure 2016-27:

Stochastic Assumption	Select	Ultimate
Expected Arithmetic Return	7.19%	8.19%
Standard Deviation	11.50%	11.55%



The probability of avoiding insolvency throughout the extended period is 45%.

**The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA**

EXHIBIT 9

Application Section 4.04(1)(a) - Demonstration that the Proposed Benefit Suspension is Distributed Equally

Section 4.04(1)(a) - Plan Aggregate

<u>Classification</u>	<u>Count</u>	<u>Average Monthly Benefit Before Suspension</u>	<u>Average Monthly Benefit After Suspension</u>
Participant	31096	\$1,285.73	\$1,007.88
Beneficiary	2743	\$663.97	\$578.39
Alternate Payee	790	\$721.90	\$617.54
Total	34629		

Section 4.04(1)(a) - Active

<u>Classification</u>	<u>Count</u>	<u>Average Monthly Benefit Before Suspension</u>	<u>Average Monthly Benefit After Suspension</u>
Participant	8594	\$1,330.81	\$1,073.35
Beneficiary	0	\$0.00	\$0.00
Alternate Payee	98	\$919.95	\$795.52
Total	8692		

Section 4.04(1)(a) - Non-Active

<u>Classification</u>	<u>Count</u>	<u>Average Monthly Benefit Before Suspension</u>	<u>Average Monthly Benefit After Suspension</u>
Participant	22502	\$1,268.51	\$982.87
Beneficiary	2743	\$663.97	\$578.39
Alternate Payee	692	\$721.90	\$617.54
Total	25937		

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section
4.04(1)(a) of Revenue Procedure
2016-27 for Benefit Suspensions
Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 4.04(1)(a) of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the "Plan") assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code ("Code"), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 4.04(1)(a) of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information required by Section 4.04(1)(a) of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended by the Pension Protection Act of 2006 ("PPA"), the Pension Relief Act of 2010 ("PRA 2010"), and the Multiemployer Pension Reform Act of 2014 ("MPRA"). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley T. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James M. Locey, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 4.04(1)(a): Demonstration that Proposed Benefit Suspension is Distributed Equitably

Demonstration that the proposed benefit suspension is distributed equitably

Under Section 4.04(1)(a) of Revenue Procedure 2016-27, the application must include a demonstration that, in accordance with Section 432(e)(9)(D)(vi) of the Code, the proposed benefit suspension is distributed in an equitable manner across the participant and beneficiary population.

For the Plan in the aggregate, the application must include the aggregate present value of the reduction in benefits for all individuals. If the proposed suspension provides for different treatment for different categories or groups (other than as a result of application of the individual limitations), the application must include the aggregate present value of the reduction in benefits for each category or group.

The table below shows the aggregate present value of the reduction in benefits for all individuals and for the two categories of participants subject to the proposed suspensions.

Category	Present Value of Reduction in Benefits
Active	\$129,869,017
Non-Active	\$586,916,185
Total	\$716,785,202

Please note the following:

- *The present values shown in the table above are as of July 1, 2017 and are based on census data as of January 1, 2016.*
- *The present values shown in the table above are based on the same assumptions used in the actuarial projection required under Section 3.02 of Revenue Procedure 2016-27. Please refer to the actuarial projection under Section 3.02 of Revenue Procedure 2016-27 for more information regarding the assumptions.*

Note that this projection, by itself, does not satisfy all the requirements of Section 4.04(1)(a) of Revenue Procedure 2016-27. The additional required information is included in the application.

Application Section 4.04(1)(b) - Demonstration that the Proposed Benefit Suspension is Distributed Equally

Section 4.04(1)(b) - Plan Aggregate

Reduction	Count	Percent
No Reduction	9,750	28.16%
0-10.00%	6,348	18.33%
10.01-20.00%	8,364	24.15%
20.01-30.00%	1,547	4.47%
30.01-40.00%	8,608	24.86%
40.01-50.00%	10	0.02%
50.01-60.00%	2	0.01%
Total	34,629	100.00%

Section 4.04(1)(b) - Active

Reduction	Count	Percent
No Reduction	1,044	12.01%
0-10.00%	1,328	15.28%
10.01-20.00%	6,265	72.09%
20.01-30.00%	54	0.62%
30.01-40.00%	0	0.00%
40.01-50.00%	0	0.00%
50.01-60.00%	0	0.00%
Total	8,691	100.00%

Section 4.04(1)(b) - Non-Active Participants

Reduction	Count	Percent
No Reduction	8,706	33.56%
0-10.00%	5,020	19.35%
10.01-20.00%	2,099	8.09%
20.01-30.00%	1,493	5.76%
30.01-40.00%	8,608	33.19%
40.01-50.00%	10	0.04%
50.01-60.00%	2	0.01%
Total	25,938	100.00%

**The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA**

EXHIBIT 10

Section 4.05(4)(a) - List of Contributing Employers
New York State Teamsters Conference Pension & Retirement Fund

Employer
UNITED PARCEL SERVICE
ABF FREIGHT SYSTEM INC
H P HOOD, LLC
POLLIO DAIRY PRODUCTS CORP/
SYSCO FOOD SERVICES-ALBANY
YRC FREIGHT
UPSTATE NIAGARA COOPERATIVE,IN
HIGH FALLS BREWING COMPANY LLC
EMPIRE MERCHANTS NORTH LLC
SAPUTO DAIRY FOODS, USA
N Y STATE TEAMSTERS COUNCIL
HANSON AGGREGATES NY LLC
NEW PENN MOTOR EXPRESS INC
PALLETTE STONE CORP
BARR TRANSPORTATION CORP
MANITOU CONSTRUCTION CO INC
CALLANAN INDUSTRIES INC
ALLIED WASTE SERVICES OF NORTH
USF HOLLAND INC
LAKE BEVERAGE CORPORATION
DOMINE BUILDERS SUPPLY
TEAMSTERS LOCAL UNION NO 294
ABC SUPPLY CO. INC.
GRAYMONT MATERIALS (NY) INC
CANADA DRY-HACKENSACK/SOUTH PLAINFIELD
CLEMENTE LATHAM CONCRETE CORP./NORTH
STADIUM INTERNATIONAL TRUCKS
TEAMSTERS LOCAL UNION NO 317
MATT BREWING COMPANY
LINDE GAS USA LLC
BONDED CONCRETE INC/NORTH/SOUTH
TEAMSTERS LOCAL UNION NO 264
QUALITY CARRIERS, INC.
SAUNDERS CONCRETE CO INC
CUSHING STONE COMPANY INC.
JAMES DESIDERIO INC
GRANDVIEW CONCRETE CORP
DAIRY FARMERS OF AMERICA
SHAW ENVIRONMENTAL, INC.
TEAMSTERS LOCAL UNION NO 449
COCA COLA BOTTLING CO OF
TEAMSTERS LOCAL UNION NO 118
FIRST TRANSIT, INC.

CRANESVILLE AGGREGATES CO/BLOCK/MIX/MIRON
STAPLES BUSINESS ADVANTAGE
COYNE INTERNATIONAL ENTER CORP
KEELER CONSTRUCTION CO INC
JAMES H MALOY INC
TEAMSTERS LOCAL UNION NO 687
C & M FORWARDING CO INC
LARNED TRUCKING
B. GIAMBRONE & COMPANY, INC.
ELDERLEE, INC.
COPE BESTWAY EXPRESS INC.
ALBANY CONCRETE CO
AIRBORNE FREIGHT CORPORATION
WILLIAM B MORSE LUMBER CO
JOINTA GALUSHA LLC
G & T AIR EXPEDITING SERVICE
VAN AUKEN EXPRESS INC
PARSONS CONSTRUCTORS INC
NEWPORT NEWS SHIPBUILDING
RIFENBURG CONTRACTING CORP.
PENSKE TRUCK LEASING CO LP
WELCH HOLME & CLARK CO, INC.
QUALA SYSTEMS INC
BINGHAMTON GREENE TRUCK LINES
SAFEWAY TRUCKING CORP
BIMBO BAKERIES USA, INC.
AUGUST BOHL CONTRACTING CO.
SYRACUSE BANANA COMPANY
INTERNATIONAL CHIMNEY
BOULTER INDUSTRIAL CONTRACTORS
NYS BUILDING TRADES COUNCIL
J A CARMAN TRUCKING CO INC
BATTENFELD-AMERICAN, INC.
SAM-SON DISTRIBUTION CENTER IN
J H WATTLES INC
ECONOMY PAVING COMPANY INC
PENNZOIL-QUAKER STATE CO D/B/A
BOROUGH OF TOWANDA
ALBANY AREA TRUCKING & ALLIED
MAPLETON AG TRANSPORT
PERRAS-ENVIRONMENTAL
CROSSETT INC
W J W LOGISTICS SERVICE INC
BOROUGH OF WELLSBORO
TEAMSTERS LOCAL UNION NO 529
MID-STATE RACEWAY, INC.
STRATE WELDING SUPPLY CO INC

PECKHAM MATERIALS CORP
TEAMSTERS LOCAL UNION NO 560/
ROBERT H. LAW, INC.
UCC CONSTRUCTORS INC
RICHMOND TOWNSHIP
FLETCHER GRAVEL COMPANY INC
MURZAK ENTERPRISES, INC.
BURT CRANE & RIGGING
WM J. KELLER & SONS CONST CORP
WECKESSER BRICK COMPANY INC
KELLOGG SALES COMPANY D/B/A
THE L C WHITFORD COMPANY INC
MIDWWEST STEEL, INC
RIDGEWAY TRUCKING CORP
MATTHEWS & FIELDS LUMB CO INC
STONE & WEBSTER CONSTRUCTION
BOROUGH OF WESTFIELD
THEATRICAL TEAMSTERS
JONES MOTOR COMPANY INC
BOROUGH OF MANSFIELD
GEORGE C MILLER BRICK
DAGOSTINO BUILDING BLOCKS
BENLIN DISTRIBUTION SVCS INC
SCRANTON'S THRUWAY BUILDERS
CORTLAND READY MIX INC
NIAGARA FRONTIER FOOD TERM INC
WNYCOSH
SEVENSON ENVIRONMENTAL
OTIS EASTERN SERVICE, LLC
ST. LAWRENCE INDUSTRIAL
ASSOCIATED TEXTILE RENTAL SER
NORLITE CORP
GLENS FALLS READY MIX
BOROUGH OF ELKLAND
CITY OF JAMESTOWN BOARD OF
WHITACRE ENGINEERING CO
IROQUOIS ROCK PRODUCTS INC
ESCRO TRANSPORT LTD
FULTON-OSWEGO MOTOR EXPRESS
SEALAND CONTRACTORS
D.A. COLLINS CONSTRUCTION
SYRACUSE TEACHERS ASSOCIATION
JACKSON TOWNSHIP
THE DE PERNO FIRM PC
FOREST MATERIALS INC.
R & J KERR, INC.
EMPIRE WAREHOUSE LLC

CAMPOBELLO CONSTRUCTION CO INC
TRANSERVICE LOGISTICS, INC.
O'BRIEN & GERE INC. OF
JOSEPH A CIMINO FOOD BRKRS INC
F&R UNLIMITED, LLC
KJJ INDUSTRIES, LLC
MALLEY TRUCKING INC
CLOVER LEAF NURSERIES, INC
PRECISION PIPELINE
ALDRIDGE ELECTRIC, INC.
SMITH PACKING COMPANY INC
FORT EDWARD EXPRESS CO INC
DONNELLY CONSTRUCTION, INC
ROBISON & SMITH OF POTSDAM INC
GRIMM BUILDING MATERIALS CO
UTILITY LINE SERVICES
TROY SAND & GRAVEL CO INC
BARNARD/DA COLLINS JV
IRON WORKERS UNION LOCAL 12
JOSEPH R WUNDERLICH INC
ALBANY ASPHALT & AGGREGATES
ROTONDO TRUCKING & WAREHOUSING
C D PERRY & SONS INC
COEYMANS LANDING MARINE SERVIC
CATSKILL CONCRETE COMPANY
NORTHEAST CONTRACTORS, INC
THRUWAY BLDRS OF ORCHARD PARK
YANK WASTE CO., INC.
LEN J CONSTRUCTION, LLC
ADAMS EXPRESS INC.
COMMUNICATIONS WORKERS
SOUTHLAND RENDA JV
DANKO DEVELOPMENT
JOEY'S BROKERAGE
ROCHESTER AREA CONSTRUCTION &
B & S TRUCKING
C.P. WARD, INC
RUSO PRODUCE CO INC
NORTHERN CLEARING, INC.
MINNESOTA LIMITED LLC
YRC FREIGHT
NEW PENN MOTOR EXPRESS INC
USF HOLLAND INC

Left Fund in 2015

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 11

BALLOT
ON THE PROPOSED SUSPENSION OF BENEFITS FOR THE
NEW YORK STATE TEAMSTERS CONFERENCE PENSION AND
RETIREMENT FUND

On [DATE], 2016, the Board of Trustees (“Trustees”) of the New York State Teamsters Conference Pension and Retirement Fund (“Plan”) mailed to you a Notice of Proposed Suspension of Your Pension Benefits (“Notice”). The Notice advised you that the Trustees submitted an application for approval of a suspension of benefits (“Application”) under the Plan to the U.S. Department of the Treasury (“Treasury”) on August 31, 2016. The purpose of the application was to obtain Treasury’s approval of the Trustees’ Pension Preservation Plan (“PPP”), which sets forth the details of the proposed suspension of benefits.

The Notice explained that if Treasury approved the Plan's Application, Active Participants and Non-Active Participants (which includes retirees, terminated vested participants, and beneficiaries of deceased participants) would be given the opportunity to vote on whether the benefit suspensions should go into effect. **On [DATE], Treasury approved the Plan's application to suspend benefits.**

This ballot is designed to assist you in deciding whether to vote to approve the PPP and proposed benefit suspensions. **Please carefully read the information below before casting your vote.** The information below should be considered when deciding whether to vote for or against the suspensions.

The Plan’s Statement in Support

The Board of Trustees has developed the PPP in an effort to save the Plan. The PPP requires the Trustees to reduce pension benefits to prevent the Plan from becoming insolvent (i.e. running out of money). This is a difficult, but necessary action. The Trustees support the proposed suspension, because under the PPP you will receive a larger benefit than you would if the Plan becomes insolvent. Although the exact date is unknown, unless the proposed suspension takes effect, the Plan is projected to become insolvent in 2026. If the Plan becomes insolvent, it is possible that you will not receive your pension. Other pension plans are in similar or worse shape. For some plans, it is too late, and they cannot be saved. Others will have to cut benefits to the maximum amount allowed under the law. By proactively adopting the PPP and reducing pension benefits now rather than waiting until it is too late, the Trustees can still save your pension without reducing pension benefits by the maximum amount. Without the suspensions proposed in the PPP, the Plan’s financial condition is projected to deteriorate to where it is beyond repair.

In addition, the Pension Benefit Guaranty Corporation (“PBGC”), which subsidizes the benefits of insolvent pension plans, might also run out of money in the near future if this Plan and other plans become insolvent. The PBGC has estimated that its Multiemployer Program’s financial resources will be exhausted within ten years, which means the PBGC could become insolvent before the Plan does. If both the Plan and the PBGC become insolvent, your pension benefits

could be reduced to almost zero. It is important to understand that if the Plan becomes insolvent, there is little to no possibility of the benefit suspensions being reinstated or future accruals increasing.

Please know that the PPP reduces pension benefits by the minimum amount necessary to keep the Plan solvent. If the PPP is approved, the Plan is projected to remain solvent and able to pay benefits into the future. For the sake of preserving retirement security for all Plan participants, we urge you to vote to approve the benefit suspensions.

Description of the Proposed Benefit Suspensions

The Board of Trustees proposes the following suspension of benefits. All Active Participants (as defined below) will have their accrued monthly benefits as of June 30, 2017 reduced by 20%. All Non-Active Participants (as defined below) will have their accrued monthly benefits as of June 30, 2017 reduced by 31%.

An Active Participant is an individual who (1) has not retired and entered pay status as of July 1, 2017 and (2) had at least 500 hours of employer contributions submitted to the Plan on their behalf in the 2015 Plan Year, in the 2016 Plan Year, or in the 2017 Plan Year prior to July 1, 2017. All other Plan participants who do not meet the definition of Active Participant on July 1, 2017, including retirees, beneficiaries, and terminated vested participants, are considered Non-Active Participants.

The formula used to determine the amount of the proposed suspension for Active Participants is based on the 20% suspension percentage being applied to each Active Participant's accrued monthly benefit as of June 30, 2017. For example, an Active Participant who has an accrued monthly benefit as of June 30, 2017 equal to a \$3,500 monthly benefit at retirement, would have their \$3,500 benefit multiplied by the suspension percentage, which is 20%. The amount of suspension (\$700) is subtracted from \$3,500, as follows:

A. Projected Pre-Suspension Accrued Monthly Benefit:	\$3,500
B. Suspension Percentage:	20%
C. Amount of Suspension (A x B):	\$700
D. Final Post-Suspension Benefit (A – C):	\$2,800

Note that if you work after July 1, 2017, you will continue to accrue benefits at the rate set forth in your employer's Rehabilitation Plan Schedule. Benefits accrued after July 1, 2017 will not be suspended.

The formula used to determine the amount of the proposed suspension for all Non-Active Participants is based on the 31% suspension percentage being applied to each Non-Active Participant's accrued monthly benefit as of June 30, 2017. For example, a Non-Active Participant, such as a retiree, who is receiving an accrued monthly benefit of \$2,000 per month as of June 30, 2017, would have their \$2,000 monthly benefit multiplied by the suspension percentage, which is 31%. The amount of suspension (\$620) is subtracted from \$2,000, as follows:

A. Projected Pre-Suspension Accrued Monthly Benefit:	\$2,000
B. Suspension Percentage:	31%
C. Amount of Suspension (A x B):	\$620
D. Final Post-Suspension Benefit (A – C):	\$1,380

A Non-Active Participant, such as a terminated vested, who is not yet in pay status but who is projected to receive a \$2,000 monthly benefit based on their accrued monthly benefit as of June 30, 2017 would have the same 31% suspension applied in accordance with the above formula.

Factors Taken into Account in Designing the Benefit Suspensions

In designing the benefit suspensions, the Trustees considered the following factors:

- Accelerating employer withdrawals from the Plan and increasing the risk of additional benefit reductions for participants in and out of pay status;
- Negative reaction by Active Participants that would further prompt withdrawals of Active Participant groups and contributing employers, and Active Participants reasonably likely to withdraw support for the Application;
- History of benefit reductions for Active Participants;
- Amount of benefit;
- Discrepancies/relative benefits as between Active Participants and Non-Active Participants, including subsidized benefits; and
- Differences in historical employer contribution rates/increases as between Active Participants and Non-Active Participants.

Term of Suspensions

The proposed suspension will remain in effect indefinitely.

Plan Insolvency

The Trustees have determined that the Plan will become insolvent unless the proposed suspensions take effect. The Plan actuary has certified that if the suspensions do not take effect, the Plan will become insolvent in the year 2026. The determination of the exact date of insolvency is based on actuarial assumptions and experience that is subject to some uncertainty.

Plan Benefits if the Plan Becomes Insolvent

If the Plan becomes insolvent, the PBGC will help pay pension benefits up to a certain guaranteed amount. However, your pension is likely to be lower than what you would receive under the PPP. That is because under the PPP, the proposed suspensions result in pension benefits that are higher than those guaranteed by the PBGC.

The calculation of the PBGC guaranty is complicated, as it considers both the years of service that have been worked and the rate of benefit accrual the Plan has credited. The maximum monthly benefit the PBGC will guarantee is \$35.75 for each year of service that has been earned.

Thus, for a participant with 30 years of service, the maximum PBGC guarantee is \$1,072.50 per month.

PBGC Insolvency

If the PBGC becomes insolvent, your pension will be lower than what would otherwise be paid if the Plan became insolvent. In fact, if the Plan and PBGC both become insolvent, it is possible that you will not receive any pension at all.

Plan is Projected to Avoid Insolvency if Benefit Suspensions are Implemented

The Plan's actuary has certified that the proposed suspensions are projected to avoid the Plan's insolvency. This projection requires the use of certain assumptions, and the projection is subject to some uncertainty.

Treasury's Approval of the Proposed Pension Preservation Plan

The proposed suspensions in the PPP have already been approved by Treasury, in consultation with the PBGC and the Secretary of Labor.

Failing to Vote

The suspension will go into effect unless a majority of all eligible voters vote to reject the suspension and therefore a failure to vote has the same effect on the outcome of the vote as a vote in favor of the suspension.

☐ **I approve the suspension of benefits.**

☐ **I reject the suspension of benefits.**

Signed: _____

Name (Printed): _____

Date: _____

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 12

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section 6.03 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 6.03 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 6.03 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that the information required by Section 6.03 of Revenue Procedure 2016-27 is not actuarial in nature. As such, this report does not include any actuarial information, just a summary of historical data. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the
Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the
Treasury

James W. Lacey, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 6.03:

Other Required Information

Ten-year experience for certain critical assumptions

Under section 6.03 of Revenue Procedure 2016-27, the application must include experience regarding certain critical assumptions. With respect to each of the 10 plan years immediately preceding the plan year in which the application is submitted, Section 6.03 of Revenue Procedure 2016-27 requires a disclosure that separately identifies:

1. Total contributions
2. Total contribution base units
3. Average contribution rates
4. Withdrawal liability payments
5. Rate of return on plan assets

Revenue Procedure 2016-27, Section 6.03: Ten-year Experience for Certain Critical Assumptions

Plan Year Ending	Total Contributions	Total Contribution Base Units	Average Contribution Rate	Withdrawal Liability Payments	Rate of Return on Plan Assets
12/31/2015	\$ 115,286,154	14,956,634	\$ 7.71	\$ 19,482,803	-0.74%
12/31/2014	108,586,434	15,059,998	7.21	16,663,889	6.05%
12/31/2013	108,206,048	17,669,701	6.12	13,706,316	8.50%
12/31/2012	101,196,818	17,049,078	5.94	17,820,004	14.40%
12/31/2011	92,564,876	17,572,053	5.27	15,389,206	1.78%
12/31/2010	84,188,914	17,960,860	4.69	2,346,687	13.00%
12/31/2009	85,925,231	19,672,667	4.37	2,928,862	26.23%
12/31/2008	100,561,173	22,239,386	4.52	2,614,604	-30.50%
12/31/2007	101,062,928	22,881,218	4.42	3,093,829	8.35%
12/31/2006	95,523,862	23,155,686	4.13	5,416,924	14.45%

Since the drop in contribution base units (hours) associated with the financial crisis in 2008 and 2009, hours have remained steady or slightly declined from 2010 through 2015.

Note that the drop in contribution base units from the 2013 to 2014 plan year is primarily due to the withdrawal of employers who are currently making withdrawal liability payments or have satisfied their withdrawal liability obligation in full. The Trustees believe that the downward trend in contribution base units will not continue, as the withdrawals in 2013 to 2014 were specific, one-time events unlikely to be repeated. Specifically, these withdrawn employers accounted for approximately 2.5 to 3.0 million hours in the 2010 through 2013 years. Factoring out the hours for these withdrawn employers in 2010 through 2013 will result in a steady pattern of hours for the period between 2010 and 2015.

The Trustees are confident that the economic certainty provided to employers under the application to suspend benefits with respect to their future contribution obligations will provide employers with an incentive to remain in the Plan. Likewise, the application to suspend benefits and other communications with Active Participants have shown them that there is long-term hope for the Plan, and it is to their economic advantage to remain Participants.

Revenue Procedure 2016-27 Section 6.03:

Other Required Information

This information, along with other information specific to certain contributing employers, was used by the Board of Trustees and Horizon Actuarial Services to develop the assumption for the decline in the active population. The information specific to certain employers is not included in this application due to the public nature of the application. However, additional information can be supplied to the Department of the Treasury upon request.

The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA

EXHIBIT 13

The New York State Teamsters Conference Pension and Retirement Fund

**Information Required by Section 6.04 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective July 1, 2017**

August 31, 2016



Actuarial Statement

This report provides the information required by Section 6.04 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of July 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2016 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on January 7, 2016.

In preparing this report including information required by Section 6.04 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by the Pension Protection Act of 2006 (“PPA”), the Pension Relief Act of 2010 (“PRA 2010”), and the Multiemployer Pension Reform Act of 2014 (“MPRA”). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James W. Lacey, FSA, EA, MAAA
Consulting Actuary

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Revenue Procedure 2016-27 Section 6.04: Other Required Information

Demonstration of sensitivity of projections

Under Section 6.04 of Revenue Procedure 2016-27, the application must include deterministic projections of the sensitivity of the plan's solvency ratio throughout the extended period to certain key assumptions. The application must include the following separate projections calculated using the same assumptions as those used under Section 4.02(1) of Revenue Procedure 2016-27, except that:

1. The assumed rate of return is reduced by 1 percentage point
2. The assumed rate of return is reduced by 2 percentage points
3. Future contribution base units increase or decrease at a rate equal to the average annual rate of increase or decrease that the plan experienced over the period of years described in Section 6.03 of Revenue Procedure 2016-27
4. Future contribution base units increase or decrease at a rate equal to the average annual rate described in item #3 above reduced by 1 percentage point

On the following pages, we have included four plan-year-by-plan-year deterministic projections of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan.

Revenue Procedure 2016-27 Section 6.04: Other Required Information

Projection 1 – The assumed rate of return is reduced by 1 percentage point

The assumed rate of return used in the projection below is 5.75% per year for ten years and 6.50% thereafter. This projection assumes a rate of return 1 percentage point less than the rate of return assumed in the projection required under Section 4.02(1) of Revenue Procedure 2016-27.

Revenue Procedure 2016-27, Section 6.04: Sensitivity of the Plan's Solvency Ratio

Assumed Investment Return		5.75% for 10 years, 6.50% thereafter				Proposed Benefit Suspensions:						
Effective Date of Proposed Benefit Suspension		7/1/2017				Active Participants		20.0%				
Expiration of Proposed Benefit Suspension		N/A				Non-active Participants		31.0%				
	Plan Year Ending	Beginning Market Value of Assets	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Ending Market Value of Assets	Actuarial Accrued Liability	Funded Percentage	Available Resources	Solvency Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	66,600,585	1,137,123,972	3,311,681,836	37.62%	1,425,374,189	4.945
1	12/31/2017	1,137,123,972	121,451,426	9,586,913	(260,756,505)	(9,853,710)	61,371,937	1,058,924,033	3,306,369,346	34.39%	1,319,680,538	5.061
2	12/31/2018	1,058,924,033	125,299,440	9,570,693	(232,949,423)	(7,136,955)	57,863,165	1,011,570,953	2,583,054,571	41.00%	1,244,520,376	5.342
3	12/31/2019	1,011,570,953	129,104,157	9,497,851	(235,102,412)	(7,235,993)	55,182,908	963,017,465	2,573,839,082	39.30%	1,198,119,877	5.096
4	12/31/2020	963,017,465	132,915,501	9,497,851	(237,371,551)	(6,815,865)	52,447,500	913,690,901	2,561,580,101	37.59%	1,151,062,451	4.849
5	12/31/2021	913,690,901	136,794,009	9,497,851	(240,022,859)	(6,918,030)	49,643,567	862,685,438	2,545,898,575	35.89%	1,102,708,297	4.594
6	12/31/2022	862,685,438	140,066,105	9,497,851	(242,321,394)	(7,022,280)	46,735,746	809,641,466	2,526,107,290	34.15%	1,051,962,860	4.341
7	12/31/2023	809,641,466	143,397,886	9,497,851	(244,243,691)	(7,127,573)	43,723,213	754,889,152	2,502,230,140	32.36%	999,132,843	4.091
8	12/31/2024	754,889,152	146,856,501	9,497,851	(245,606,973)	(7,234,950)	40,632,109	699,033,690	2,474,320,283	30.51%	944,640,663	3.846
9	12/31/2025	699,033,690	150,470,329	9,497,851	(246,453,271)	(7,343,370)	37,496,869	642,702,097	2,442,627,517	28.62%	889,155,368	3.608
10	12/31/2026	642,702,097	154,187,423	9,497,851	(246,404,078)	(7,453,875)	38,845,024	591,374,442	2,407,380,128	26.70%	837,778,520	3.400
11	12/31/2027	591,374,442	157,989,023	9,497,851	(245,911,190)	(7,565,423)	35,644,672	541,029,375	2,369,225,471	24.96%	786,940,565	3.200
12	12/31/2028	541,029,375	161,966,559	9,497,851	(244,705,543)	(7,679,055)	32,537,003	492,646,190	2,328,392,317	23.24%	737,351,733	3.013
13	12/31/2029	492,646,190	166,030,497	9,475,797	(243,043,092)	(7,793,730)	29,573,760	446,889,421	2,285,412,352	21.56%	689,932,513	2.839
14	12/31/2030	446,889,421	170,270,698	9,425,111	(241,470,233)	(7,910,490)	26,783,053	403,987,559	2,240,594,177	19.95%	645,457,793	2.673
15	12/31/2031	403,987,559	169,563,680	9,251,903	(239,420,826)	(8,029,335)	24,028,568	359,381,551	2,193,702,148	18.42%	598,802,376	2.501
16	12/31/2032	359,381,551	168,862,638	8,949,319	(237,240,370)	(8,150,265)	21,163,494	312,966,367	2,145,072,932	16.75%	550,206,737	2.319
17	12/31/2033	312,966,367	168,190,146	8,949,319	(233,684,250)	(8,272,238)	18,236,261	266,385,606	2,094,710,727	14.94%	500,069,856	2.140
18	12/31/2034	266,385,606	167,514,392	4,474,660	(229,803,938)	(8,396,295)	15,163,201	215,337,626	2,043,922,818	13.03%	445,141,564	1.937
19	12/31/2035	215,337,626	166,887,631	-	(225,711,150)	(8,522,438)	11,808,202	159,799,872	1,993,027,459	10.80%	385,511,022	1.708
20	12/31/2036	159,799,872	166,266,861	-	(220,932,891)	(8,650,665)	8,329,199	104,812,376	1,942,254,068	8.23%	325,745,267	1.474
21	12/31/2037	104,812,376	165,712,716	-	(215,299,990)	(8,779,935)	4,915,870	51,361,037	1,892,344,518	5.54%	266,661,027	1.239
22	12/31/2038	51,361,037	165,172,640	-	(209,388,299)	(8,911,290)	1,611,842	INSOLVENT	1,844,281,344	2.78%	209,234,229	0.999

"CY" = current plan year

Revenue Procedure 2016-27 Section 6.04: Other Required Information

Projection 2 – The assumed rate of return is reduced by 2 percentage points

The assumed rate of return used in the projection below is 4.75% per year for ten years and 5.50% thereafter. This projection assumes a rate of return 2 percentage points less than the rate of return assumed in the projection required under Section 4.02(1) of Revenue Procedure 2016-27.

Revenue Procedure 2016-27, Section 6.04: Sensitivity of the Plan's Solvency Ratio

Assumed Investment Return 4.75% for 10 years, 5.50% thereafter
Effective Date of Proposed Benefit Suspension 7/1/2017
Expiration of Proposed Benefit Suspension N/A

Proposed Benefit Suspensions:
Active Participants 20.0%
Non-active Participants 31.0%

	Plan Year Ending	Beginning Market Value of Assets	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Ending Market Value of Assets	Actuarial Accrued Liability	Funded Percentage	Available Resources	Solvency Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	55,017,874	1,125,541,261	3,311,681,836	37.62%	1,413,791,478	4.905
1	12/31/2017	1,125,541,261	121,451,426	9,586,913	(260,756,505)	(9,853,710)	50,148,378	1,036,117,763	3,306,369,346	34.04%	1,296,874,268	4.974
2	12/31/2018	1,036,117,763	125,299,440	9,570,693	(232,949,423)	(7,136,955)	46,716,708	977,618,226	2,583,054,571	40.11%	1,210,567,649	5.197
3	12/31/2019	977,618,226	129,104,157	9,497,851	(235,102,412)	(7,235,993)	43,973,126	917,854,956	2,573,839,082	37.98%	1,152,957,368	4.904
4	12/31/2020	917,854,956	132,915,501	9,497,851	(237,371,551)	(6,815,865)	41,180,976	857,261,868	2,561,580,101	35.83%	1,094,633,418	4.611
5	12/31/2021	857,261,868	136,794,009	9,497,851	(240,022,859)	(6,918,030)	38,329,524	794,942,362	2,545,898,575	33.67%	1,034,965,221	4.312
6	12/31/2022	794,942,362	140,066,105	9,497,851	(242,321,394)	(7,022,280)	35,389,994	730,552,638	2,526,107,290	31.47%	972,874,032	4.015
7	12/31/2023	730,552,638	143,397,886	9,497,851	(244,243,691)	(7,127,573)	32,362,457	664,439,568	2,502,230,140	29.20%	908,683,259	3.720
8	12/31/2024	664,439,568	146,856,501	9,497,851	(245,606,973)	(7,234,950)	29,269,300	597,221,297	2,474,320,283	26.85%	842,828,270	3.432
9	12/31/2025	597,221,297	150,470,329	9,497,851	(246,453,271)	(7,343,370)	26,139,586	529,532,421	2,442,627,517	24.45%	775,985,692	3.149
10	12/31/2026	529,532,421	154,187,423	9,497,851	(246,404,078)	(7,453,875)	26,644,534	466,004,276	2,407,380,128	22.00%	712,408,354	2.891
11	12/31/2027	466,004,276	157,989,023	9,497,851	(245,911,190)	(7,565,423)	23,265,517	403,280,054	2,369,225,471	19.67%	649,191,244	2.640
12	12/31/2028	403,280,054	161,966,559	9,497,851	(244,705,543)	(7,679,055)	19,955,098	342,314,964	2,328,392,317	17.32%	587,020,507	2.399
13	12/31/2029	342,314,964	166,030,497	9,475,797	(243,043,092)	(7,793,730)	16,755,733	283,740,168	2,285,412,352	14.98%	526,783,260	2.167
14	12/31/2030	283,740,168	170,270,698	9,425,111	(241,470,233)	(7,910,490)	13,689,374	227,744,627	2,240,594,177	12.66%	469,214,861	1.943
15	12/31/2031	227,744,627	169,563,680	9,251,903	(239,420,826)	(8,029,335)	10,638,504	169,748,555	2,193,702,148	10.38%	409,169,380	1.709
16	12/31/2032	169,748,555	168,862,638	8,949,319	(237,240,370)	(8,150,265)	7,477,757	109,647,634	2,145,072,932	7.91%	346,888,004	1.462
17	12/31/2033	109,647,634	168,190,146	8,949,319	(233,684,250)	(8,272,238)	4,248,152	49,078,764	2,094,710,727	5.23%	282,763,014	1.210
18	12/31/2034	49,078,764	167,514,392	4,474,660	(229,803,938)	(8,396,295)	878,525	INSOLVENT	2,043,922,818	2.40%	213,550,046	0.929

"CY" = current plan year

Revenue Procedure 2016-27 Section 6.04: Other Required Information

Projection 3 – Future contribution base units increase or decrease at a rate equal to the average annual rate of increase or decrease that the plan experienced over the period of years described in Section 6.03 of Revenue Procedure 2016-27

Based on information supplied by the Fund administrator, the annual rate of change of contribution base units over the last ten years is a decrease of 4.74%. The assumed change in contribution base units used in the projection shown below is a 4.74% annual decrease.

Revenue Procedure 2016-27, Section 6.04: Sensitivity of the Plan's Solvency Ratio

Assumed Investment Return 6.75% for 10 years, 7.50% thereafter
Effective Date of Proposed Benefit Suspension 7/1/2017
Expiration of Proposed Benefit Suspension N/A
Annual Decrease in Contribution Base Units 4.74%

Proposed Benefit Suspensions:
Active Participants 20.0%
Non-active Participants 31.0%

	Plan Year Ending	Beginning Market Value of Assets	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Ending Market Value of Assets	Actuarial Accrued Liability	Funded Percentage	Available Resources	Solvency Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	86,524,274	1,157,047,661	3,311,681,836	37.62%	1,445,297,878	5.014
1	12/31/2017	1,157,047,661	116,280,505	9,586,913	(260,756,505)	(9,853,710)	73,215,648	1,085,520,512	3,306,369,346	34.99%	1,346,277,017	5.163
2	12/31/2018	1,085,520,512	114,874,732	9,570,693	(232,949,859)	(7,136,955)	69,369,738	1,039,248,861	2,582,922,625	42.03%	1,272,198,720	5.461
3	12/31/2019	1,039,248,861	113,318,769	9,497,851	(235,104,220)	(7,235,993)	66,115,377	985,840,646	2,573,563,119	40.38%	1,220,944,865	5.193
4	12/31/2020	985,840,646	111,691,105	9,497,851	(237,376,224)	(6,815,865)	62,392,888	925,230,400	2,561,146,425	38.49%	1,162,606,624	4.898
5	12/31/2021	925,230,400	110,019,541	9,497,851	(240,032,520)	(6,918,030)	58,152,183	855,949,426	2,545,292,075	36.35%	1,095,981,945	4.566
6	12/31/2022	855,949,426	107,798,688	9,497,851	(242,338,820)	(7,022,280)	53,319,407	777,204,271	2,525,310,696	33.89%	1,019,543,092	4.207
7	12/31/2023	777,204,271	105,585,573	9,497,851	(244,272,353)	(7,127,573)	47,860,606	688,748,376	2,501,224,593	31.07%	933,020,728	3.820
8	12/31/2024	688,748,376	103,431,065	9,497,851	(245,651,061)	(7,234,950)	41,766,963	590,558,244	2,473,084,750	27.85%	836,209,305	3.404
9	12/31/2025	590,558,244	101,359,645	9,497,851	(246,517,732)	(7,343,370)	35,036,310	482,590,948	2,441,138,855	24.19%	729,108,680	2.958
10	12/31/2026	482,590,948	99,338,623	9,497,851	(246,494,645)	(7,453,875)	30,752,619	368,231,521	2,405,612,838	20.06%	614,726,166	2.494
11	12/31/2027	368,231,521	97,332,183	9,497,851	(246,034,416)	(7,565,423)	22,113,496	243,575,213	2,367,151,311	15.56%	489,609,629	1.990
12	12/31/2028	243,575,213	95,418,193	9,497,851	(244,868,838)	(7,679,055)	12,731,947	108,675,310	2,325,980,730	10.47%	353,544,148	1.444
13	12/31/2029	108,675,310	93,527,351	9,475,797	(243,254,756)	(7,793,730)	2,598,948	INSOLVENT	2,282,629,813	4.76%	206,483,676	0.849

"CY" = current plan year

Revenue Procedure 2016-27 Section 6.04: Other Required Information

Projection 4 – Future contribution base units increase or decrease at a rate equal to the average annual rate of increase or decrease that the plan experienced over the period of years described in Section 6.03 of Revenue Procedure 2016-27 reduced by 1 percentage point

Based on information supplied by the Fund administrator, the annual rate of change of contribution base units over the last ten years is a decrease of 4.74%. The assumed change in contribution base units used in the projection shown below is a 5.74% annual decrease.

Revenue Procedure 2016-27, Section 6.04: Sensitivity of the Plan's Solvency Ratio

Assumed Investment Return 6.75% for 10 years, 7.50% thereafter
Effective Date of Proposed Benefit Suspension 7/1/2017
Expiration of Proposed Benefit Suspension N/A
Annual Decrease in Contribution Base Units 5.74%

Proposed Benefit Suspensions:
Active Participants 20.0%
Non-active Participants 31.0%

	Plan Year Ending	Beginning Market Value of Assets	Employer Contributions	Withdrawal Liability Payments	Benefit Payments	Administrative Expenses	Net Investment Return	Ending Market Value of Assets	Actuarial Accrued Liability	Funded Percentage	Available Resources	Solvency Ratio
CY	12/31/2016	1,246,018,691	113,400,703	9,633,260	(288,250,217)	(10,279,050)	86,524,274	1,157,047,661	3,311,681,836	37.62%	1,445,297,878	5.014
1	12/31/2017	1,157,047,661	115,054,042	9,586,913	(260,756,505)	(9,853,710)	73,174,255	1,084,252,656	3,306,369,346	34.99%	1,345,009,161	5.158
2	12/31/2018	1,084,252,656	112,456,275	9,570,693	(232,949,276)	(7,136,955)	69,202,554	1,035,395,947	2,582,890,871	41.98%	1,268,345,223	5.445
3	12/31/2019	1,035,395,947	109,760,405	9,497,851	(235,101,184)	(7,235,993)	65,735,313	978,052,340	2,573,258,315	40.24%	1,213,153,524	5.160
4	12/31/2020	978,052,340	107,036,680	9,497,851	(237,366,829)	(6,815,865)	61,710,407	912,114,584	2,560,058,840	38.20%	1,149,481,413	4.843
5	12/31/2021	912,114,584	104,318,268	9,497,851	(240,010,676)	(6,918,030)	57,075,185	836,077,181	2,542,601,157	35.87%	1,076,087,857	4.483
6	12/31/2022	836,077,181	101,114,543	9,497,851	(242,296,207)	(7,022,280)	51,753,879	749,124,967	2,520,072,232	33.18%	991,421,174	4.092
7	12/31/2023	749,124,967	97,979,106	9,497,851	(244,198,576)	(7,127,573)	45,711,025	650,986,800	2,492,394,406	30.06%	895,185,376	3.666
8	12/31/2024	650,986,800	94,941,783	9,497,851	(245,533,722)	(7,234,950)	38,935,504	541,593,266	2,459,584,510	26.47%	787,126,988	3.206
9	12/31/2025	541,593,266	92,048,496	9,497,851	(246,342,316)	(7,343,370)	31,422,843	420,876,770	2,421,820,892	22.36%	667,219,086	2.709
10	12/31/2026	420,876,770	89,238,687	9,497,851	(246,244,735)	(7,453,875)	25,754,680	291,669,378	2,379,191,421	17.69%	537,914,113	2.184
11	12/31/2027	291,669,378	86,491,035	9,497,851	(245,692,034)	(7,565,423)	15,977,632	150,378,439	2,332,304,792	12.51%	396,070,473	1.612
12	12/31/2028	150,378,439	83,865,425	9,497,851	(244,414,762)	(7,679,055)	5,325,988	INSOLVENT	2,281,392,658	6.59%	241,388,648	0.988

"CY" = current plan year