ALASKA IRONWORKERS PENSION PLAN

APPLICATION FOR APPROVAL OF SUSPENSION OF BENEFITS UNDER THE MULTIEMPLOYER PENSION REFORM ACT OF 2014

DECEMBER 19, 2017

JERMAIN, DUNNAGAN & OWENS, P.C.

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SECTION 1. BACKGROUND AND PURPOSE

Pursuant to Internal Revenue Service Revenue Procedure 2017-43 and the Department of the Treasury's final regulations issued under § 432(e)(9) of the Internal Revenue Code of 1986 (the "Code") and published in the Federal Register on April 28, 2016 (the "Regulations"), the Board of Trustees of the Alaska Ironworkers Pension Plan (the "Plan") submits this application and the accompanying Exhibits to the Secretary of the Treasury for approval of suspension of benefits.

§ 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 and has satisfied the criteria set forth in subparagraphs (C), (D), (E), and (F) of § 432(e)(9) of the Code. As explained 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.

SECTION 2. APPLICATION PROCEDURES

2.01 Plan Sponsor Submission.

The Trustees of the Plan submit this application for approval of a proposed benefit suspension under § 432(e)(9). This application is signed and dated by two current Trustees of the Plan, the Chairman and the Secretary of the Board of Trustees, who are authorized by the trust agreement to sign.

2.02 Terms of Plan's Proposed Benefit Suspension.

1) Effective Date.

The Trustees of the Plan propose to make the suspension effective (the "Effective Date") 30 days after the application has been approved and the result of the participant vote has been determined, but no earlier than six months following the submission of this application, and no later than July 1, 2018.

2) Expiration Date.

The proposed benefit suspension will remain in effect indefinitely and will not expire by its own terms.

3) The Proposed Suspension.

This application proposes that 26.5% of the participant's (or beneficiary's) benefit earned as of July 1, 2016 be suspended. The proposed suspension does not provide for different treatment of participants and beneficiaries other than as a result of the application of the individual limitations of §432(e)(9)(D)(i), (ii) and (iii). The amount of benefit due to each individual will be multiplied by 0.735 to calculate the new amount due. Thus, the proposed benefit suspension will treat all those affected equally, other than as provided by the limitations on benefit suspensions under the rules of § 432(e)(9)(D)(i), (ii) and (iii) (the "individual limitations"). The proposed suspension will not treat categories or groups of participants and beneficiaries under the Plan differently from one another, other than as a result of the individual limitations, and will not reduce any benefit below 110% of the level guaranteed by the PBGC. 26 C.F.R. 1.432(e)(9)-1(d)(6), Example 3, suggests that applying the same percentage reduction to all participants and beneficiaries is an equitable distribution of the suspension of benefits.

2.03 Penalties of Perjury Statement. See **Exhibit 1**.

2.04 Public Disclosure Statement. See **Exhibit 1**.

SECTION 3. DEMONSTRATION THAT THE PLAN IS ELIGIBLE FOR SUSPENSION

3.01 Plan Actuary's Certification of Critical and Declining Status.

See **Exhibit 2** for a certification from the Plan's actuary required under § 432(b)(3)(B)(iv) that the Plan is in critical and declining status for the Plan Year commencing July 1, 2017. This certification is supported by the July 1, 2016 actuarial valuation and **Exhibit 3,** the actuary's Supplemental Information to Actuarial Certification for the Plan Year Beginning July 1, 2017, which includes a year-by-year projection of the Plan's available resources and the benefits under the Plan, demonstrating that the Plan is projected to become insolvent at the beginning of Plan Year beginning July 1, 2031. The documentation includes a description of each of the assumptions used including the new entrant profile, the total contribution base units and average contribution rates. The year-by-year projection separately identifies the market value of assets as of the beginning and end of the Plan Years beginning July 1, 2016 through July 1, 2031, and the following cash-flow items for those years: (1) contributions; (2) withdrawal liability payments; (3) benefit payments; (4) administrative expenses; and (5) investment returns.

3.02 Plan Actuary's Certification that the Plan is projected to avoid Insolvency.

See **Exhibit 4** for an Actuarial Certification of Plan Solvency of Proposed Benefit Suspension from the Plan's actuary. This certification includes Exhibit C which is a year-by-year solvency projection that demonstrates that the Plan will become insolvent in the Plan Year ending June 30, 2032. Exhibit D of the certification satisfies the requirements of § 432(e)(9)(C)(i) by providing a plan-year-by-plan-year projection demonstrating the Plan is projected to avoid insolvency within the meaning of § 418E with the proposed benefit suspension going into effect on July 1, 2018. This exhibit also separately identifies the available resources (and the market value of assets and changes in cash flow) during each year.

3.03 Plan Sponsor's Determination of Projected Insolvency.

It is the Trustees' determination under § 432(e)(9)(C)(ii), after consideration of all of the available information and possible plan changes, that the Plan is projected to become insolvent unless benefits are suspended as proposed in this application, even though all reasonable measures to avoid insolvency have been taken.

The Trustees' determination of projected insolvency includes consideration of all measures taken to avoid insolvency over the past 10 plan years. These measures include the adoption of a Rehabilitation Plan following passage of the Pension Protection Act of 2006. The Plan was most recently fully funded in 2002, and prior to that had a funding surplus; however, investment losses due to prevailing market trends in the early 2000s caused the funded ratio to decline to 77.6% in 2006, before recovering slightly up to 82.7% in 2008. Following the stock market crash of 2008, the funded ratio plummeted to 58.2% in 2009. The Plan actuary's report in 2009 stated that in order to avoid further decline, the Plan would need one or more of contribution rate increases; investment returns greater than the actuarial assumption of 6.25%; a contributory hours increase; or reductions in benefits.

Despite all of the Trustees' best efforts, the funded ratio has not recovered significantly from 2009, reaching only 55.4% by 2016, despite reductions in benefits and annual increases in funding contributions.

As the Plan's financial condition continued to deteriorate in recent years, the Trustees have been active in efforts to find a solution to avoid insolvency. Prior to submission of this application, the Trustees and fund professionals consulted with the PBGC and Treasury for assistance and guidance. The Trustees also have been in contact with elected representatives in Congress, who have offered ongoing assistance and support.

Consideration of Specific Plan Factors.

The Trustees' determination under § 432(e)(9)(C)(ii) also includes consideration of the following specified Plan factors over the past 10 years:

- Contribution Levels.

  Contribution rates have risen over the plan's history, reaching $4.75 per hour in 2005; since then, contributions to benefits have remained level at $4.75, but contributions exclusively to funding improvement began in 2006 at $1.00 per hour and have increased steadily since then to $9.00 per hour in 2015, reaching a total contribution rate of $13.75 in 2015, where it remains. The Trustees have determined that further increases to contributions would likely drive contributing employers from the Plan, either through business failure or withdrawal. Further, the total pension contribution rate of $13.75 for the Alaska Ironworkers Pension is already among the highest in the nation for ironworkers' pension funds; for those plans containing ironworkers of "mixed" disciplines, only the locals in Hartford and Newhaven, CT; Rockford, IL; and Detroit, MI had higher pension contribution rates as of 2016. See attached **Exhibit 5.**

  Between 2006 and 2016, the number of active participants in the Plan decreased from 227 to 153, while the number of retirees increased from 522 to 569, and the number of terminated vested participants increased from 73 to 101. These simple demographic changes help explain why the large non-accrual contribution by active employees has not been enough to pull the plan out of its funding deficiency. The number of people paying into the plan has declined while the number of people taking benefits has gone up. The Plan has become a mature plan.

- Benefit accrual levels, including any prior reductions in the rate of benefit accruals.

As demonstrated in the attached Rehabilitation Plan (see Exhibit 16), the Plan has reduced benefit accrual levels from a rate of 1.2% to 1.0% starting in July 2011. The accrual rate was previously reduced from 2.1% to 1.2% of contributions for hours starting in July 2003.

The Trustees have concluded, in consultation with the plan actuary, that any further reduction in the accrual rate beyond those contained in the Rehabilitation Plan would have had a detrimental effect on the Plan by undermining contributing employer's ability to attract and retain qualified employees.

Historical accrual rates have been as follows:

Effective Date	**Rate**
July 1, 1974	5.4% of yearly contributions for benefits
July 1, 2001	2.1% of yearly contributions for benefits
July 1, 2003	1.2% of yearly contributions for benefits
July 1, 2011	1.0% of yearly contributions for benefits

- Prior reductions of adjustable benefits under § 432(e)(8).

Under the Rehabilitation Plan, the Trustees eliminated all of the Plan's adjustable benefits. In large part, these changes were effective as of November 1, 2010.

- Prior benefit suspensions under § 432(e)(9).

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

- Measures taken to retain or attract contributing employers.

It is the determination of the Trustees that no rational employer would be interested signing on to a contract that may result in the assessment of massive withdrawal liability. The only long term participation is from contractors who were under contract when the withdrawal liability was first imposed. Other than that, the financial condition of the Plan makes it effectively impossible to attract local long term Employer participants.

Without the ability to attract new employers, the Trustees have made every effort to retain the contributing employers that it has. The Trustees have determined that any further increases to contributions would lead to the loss of contributing employers, either through bankruptcy or through withdrawal.

- Impact on plan solvency of the subsidies and ancillary benefits, if any, available to active participants.

  The Rehabilitation Plan has eliminated all early retirement subsidies and ancillary benefits.

- Compensation levels of active participants relative to employees in the Participant's same industry.

  Pension contribution rates for active participants in the Plan, $13.75 hourly in 2017, were among the highest in the nation in the industry. For "mixed" ironworkers' pension funds nationwide, only those in Hartford and Newhaven, CT; Chicago and Rockford, IL; Detroit, M; and New York City, NY had higher pension contribution rates as of 2017. See **Exhibit 5** for a comparison of wage and fringe benefit rates in the ironworking trades.

  The other party to the Alaska Ironworkers' contract is the Associated General Contractors of Alaska ("AGC"), an employer organization. AGC has agreements with a number of other trade unions in the construction industry. The total pension contribution rates as of 2017 for other trade unions who have agreements with AGC are as follows:

Laborers:	$17.06
Operating Engineers:	$12.25
Plasterers and Cement Masons:	$11.80
Carpenters:	$14.56
Teamsters:	$11.39
Roofers:	$ 2.91

- Competitive and other economic factors facing contributing employers.

  In the past two years, the State of Alaska has entered into a recession caused by a dramatic fall in the price of oil which has had far-reaching effects on most, if not all, economic activity in Alaska. The oil and gas and construction sectors have been among the hardest-hit.

  According to the Institute of Social and Economic Research (ISER) at the University of Alaska, Anchorage, between 2005 and 2014, the State of Alaska earned an average of 90% of its general fund revenues from oil. When the price of oil fell from $101.78 per barrel in August 2014 to around $48 per barrel just a year later, and as low as $30 a barrel since then, economic activity in Alaska slowed down considerably, and private industry lost a total of 1,518 jobs through March of 2016.

  The Alaskan firm Northern Economics presented a forecast in January of 2017 which stated that Alaska is entering its fifth year of recession, as measured by decline in gross state product, which has fallen 22 percent in that time. That forecast predicted that the recession will continue for three more years, reaching about 6 percent job loss overall, before bottoming out with no immediate recovery. The state economy is declining and isn't predicted to rebound. In addition, population losses are expected, as nearly 30,000 residents are predicted to leave Alaska because of this recession. This forecast does not predict a recovery, but rather a stabilization at a smaller, poorer level, barring the return of oil prices to $100 or more per barrel.

ISER reported in January of 2017 that the construction sector has been one of the sectors most affected by the recession, losing over 600 jobs since 2014. The 2016 Alaska Construction Spending Forecast, also published by ISER, reflected this grim outlook, predicting an 18% total decline in construction spending in Alaska for 2016, including -24% in private industry.

The great slow-down in the construction and oil-and-gas sectors in recent years correspond with the declining contributory hours and active participants in the Plan. Economic forecasts give little reason to expect the situation to turn around. As discussed above in this section, without a suspension of benefits, the Trustees have determined that the Plan's best hope is to forestall insolvency for as long as possible while retaining members and contributing employers in the Plan, and hope that the economy recovers in time to rescue the Plan from insolvency. However, the Trustees find that this hope seems far-fetched. The liquefied natural gas (LNG) pipeline project that the State of Alaska has been proposing, which would have cost in the range of $45-65 billion and would likely generate significant demand for ironworkers, has fallen by the wayside due to cheaper oil. The State's three partners in the project, BP, ConocoPhillips, and ExxonMobil, all pulled out in 2016, stating that the project was "uneconomic."

The State of Alaska has stated its intent to pursue the project on its own, but a large state budget deficit due to the fall in oil revenue seems to make this unlikely. On January 5, 2016, ratings agency Standard & Poor's (S&P) issued a report downgrading the State of Alaska's general obligation credit rating from AAA to AA+, with negative outlook, citing the state budget deficit caused by falling oil prices and the legislature's apparent inability to enact effective fiscal reforms. The S&P report stated that, "[r]eflecting its linkage to the commodity markets, Alaska's economy has begun to contract and is out of step with the U.S. economy, which continues to expand."

That report analyzed Governor Bill Walker's proposal for fiscal reforms to eliminate most of the deficit, but noted that "lawmakers have yet to coalesce around either the governor's proposal or some alternative," and concluded that "[i]n the event policymakers continued to take no action, the current initial rating change most likely represents the first step in a downward migration that would likely accelerate as the state's reserve balances approached depletion."

S&P followed up with a report in June of 2016 putting Alaska's credit on CreditWatch with negative implications, noting that the legislature, then in a special session convened by Governor Walker, had not yet approved fiscal reforms. The legislature declined to implement the reforms and passed a 2017 budget with a deficit of over $4 billion; however, through the use of line item vetoes, Governor Walker vetoed $1.4 billion from that budget, bringing the deficit to under $3 billion and causing S&P to announce it was removing Alaska's general obligation debt from CreditWatch, though outlook remains negative.

Alaska still has not solved its fiscal problems; it has only forestalled them through dramatic budget cuts that have contributed directly to the slow-down in oil and gas and construction projects. Young people looking for work continue to leave the state. Unless the price of oil returns to the vicinity of $100 per barrel, it seems highly unlikely that Alaska's economic activity will very soon return to what it was just a few years ago. In this economic climate, the Trustees of the Alaska Ironworkers Pension Plan have little reason to believe that there will be a large upswing in contributory hours in the Plan in the near future. The Plan is currently falling below the projected contributory hours in the plan actuary's 2014 valuation report which, even then, predicted that the Plan would eventually go insolvent without strong investment returns and a large increase in contributions.

Without the ability to suspend benefits, the Trustees have determined that it is all but certain that the Plan will fail even sooner than previously expected. There is no economic recovery on the horizon.

- Impact of benefit and contribution levels on retaining active participants and bargaining groups under the Plan.

The Trustees have determined that further decreases in benefit levels under the Plan would result in reduced employee and participant retention. The Plan's contributing employers are unable to financially sustain any increase in contribution levels. The active employees may leave the local union if more wages are diverted to pay the funding deficiency because economically speaking, doing union ironwork in Alaska becomes an increasingly poor decision for them and their families. This is not to suggest that the position of the active employees can be fairly categorized as selfish. It is the actives who have born the burden of saving the plan. They have paid $9.00 per hour towards funding improvement from a limited pot of money that could have gone to wages or other benefits, while at the same time the early retirement and disability benefits they once could look forward to have been reduced or eliminated. We have simply reached the end of the road. Neither the actives nor the employers can be reasonably expected to do more than they have done.

- Impact of past and anticipated contribution increases under the Plan on employer attrition and retention levels.

As described above, the impact of past and anticipated contribution increases under the Plan have had a detrimental impact on employer attrition and retention levels. The Trustees have determined that employers will not bear any further contribution increases, and the benefits being earned by actives in the Plan are not nearly substantial enough to bear the costs. Of the $13.75 per hour of pension contributions at present, only $4.75 goes to benefits for actives and it earns the low accrual rate of 1%. This is not a particularly high amount, and, combined with the elimination of all adjustable benefits, the Plan offers relatively little to new participants.

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

4.01 Demonstration that limitations on individual suspensions are satisfied.

(1) (3) Sample Calculations

See **Exhibit 6** for a demonstration of how the proposed suspension satisfies the limitations described in § 432(e)(9)(D)(i), (ii) and (iii). Separate benefit demonstrations supporting the proposed benefit suspensions satisfies the individual limitations set forth in Revenue Procedure 2017-43 Section 4.01.

The following is a summary of the individual demonstrations included to show that the limitations set forth in section 4.01 are properly satisfied.

- Example #1, active participant under age 75
- Example #2, retired participant under age 75
- Example #3, beneficiary under age 75
- Example #4, retired participant between ages 75 and 80
- Example #5, beneficiary between ages 75 and 80
- Example #6, retired participant over age 80
- Example #7, beneficiary over age 80
- Example #8, disabled participant
- Example #9, participant impacted by the 110% of PBGC guarantee limitation between ages 75 and 80
- Example #10, beneficiary impacted by the 110% of PBGC guarantee limitation between ages 75 and 80
- Example #11, participant with a benefit less than 110% of the PBGC guarantee
- Example #12, retired participant impacted by the 110% of PBGC guarantee limitation less than age 75
- Example #13, participant over normal retirement age, not retired, benefit reduction effective at retirement

The proposed suspension does not affect any participant or beneficiary that is at least 80 as of July 31, 2018.

In determining the extent to which any participant's benefit will be reduced pursuant to the Plan's suspension of benefits, no participant's monthly guaranteed benefit, calculated under § 4022A of ERISA, is reduced on account of any of the following limitations or exclusions: (1) the § 4022A(a) exclusion of certain forfeitable benefits; (2) the § 4022A(b)(1)(A) exclusion of certain benefits and benefit increases in effect for less than 60 months; (3) the limitations contained in the § 4022A(c)(2) definition of the accrual rate used for calculating the monthly guaranteed benefit, so that the accrual rate is based on a benefit that is no greater than the monthly benefit payable under the plan at normal retirement age in the form of a single life annuity and is calculated without regard to any reduction under § 411(a)(3)(E) of the Code, divided by years of credited service (limiting credited service to 1 year for any year of participation); (4) the § 4022A(d) limitation that the guaranteed benefit will not exceed the benefit calculated under the plan as reduced under § 411(a)(3)(E) of the Code; and (5) the § 4022A(e) exclusion, pursuant to § 4022(b)(6), of benefits that would not be guaranteed if paid under a single-employer plan.

(2) The proposed suspension does not affect any participant or beneficiary in the Plan that was awarded a disability pension. The Plan currently does not offer a disability benefit. Beginning November 1, 2010 it was removed by the rehabilitation plan. See **Exhibit 7** for provisions that applied prior to November 1, 2010.

4.02(1) <u>Demonstration that the proposed suspension is reasonably estimated to enable the plan to avoid insolvency</u>.

See **Exhibit 4**, the Actuarial Certification of Plan Solvency of Proposed Benefit Suspensions, for a demonstration that, in accordance with § 432(e)(9)(D)(iv), the proposed benefit suspension is reasonably estimated to enable the Plan to avoid insolvency. Please note that the Plan is not a plan described in § 432(e)(9)(B)(v)(I), and accordingly, is not required to use stochastic projections in its illustrations demonstrating that it will avoid insolvency. The report in **Exhibit 4** contains a plan-year-by-plan-year projection demonstrating that the plan is projected to avoid insolvency within the meaning of § 418E for the extended period with the proposed benefit suspensions going into effect on July 1, 2018. It also contains illustrations regarding the plan's solvency ratio and available resources for each year of the relevant period.

4.02(2) <u>Illustration that the proposed suspension is reasonably estimated to achieve the level necessary to avoid insolvency for the extended period utilizing stochastic projections.</u>

The application does not include an illustration utilizing stochastic projections because the plan is not required to appoint a retire representative under §432(e)(9)(B)(v)(I).

4.02(3) <u>Information on the actuarial assumptions used for the illustrations.</u>

See **Exhibit 10** and **Appendix B**.

4.03 <u>Demonstration that the proposed suspension is reasonably estimated to not materially exceed the level necessary to avoid insolvency</u>.

See **Exhibit 4** for a demonstration that, in accordance with 432(e)(9)(D)(iv), the proposed benefit suspension is reasonably estimated to not materially exceed the level necessary to avoid insolvency. The report includes in its Exhibit E a plan-year-by-plan-year projection demonstrating that a suspension of 2% less than proposed would not reasonably be estimated to enable the plan to avoid insolvency. This Exhibit E also calculates the available resources, solvency ratio, market value of assets, contributions, investment earnings, plan benefit payments and expenses for each year of the relevant period.

4.04 Demonstration that the proposed benefit suspension is distributed equitably.

In accordance with § 432(e)(9)(D)(vi), the proposed benefit suspension is distributed in an equitable manner across the Plan's participant and beneficiary population. As described in § 2.02(3) of this application, the Trustees are proposing to suspend the benefits for all of the Plan's participants by twenty six and one-half percent (26.5%) across the board, except where limitations apply based on age, disability, or 110% of the PBGC guarantee. See **Exhibit 8** for a demonstration of the distribution of the benefit suspension.

As illustrated in 26 C.F.R. 1.432(e)(9)-1(d)(6), Example 3, this distributes the proposed benefit suspension equally across the Plan's population, and there is no category or group that is treated differently within the Plan's participant and beneficiary population. Because the distribution does not provide for different treatment for different participants and beneficiaries, none of the factors listed in § 432(e)(9)(D)(vi) were taken into account in designing the Plan's proposed suspension.

The Trustees have determined that a level percentage suspension to all benefits is the fairest option available, as well as being the easiest option to understand, and will have the greatest likelihood of success in this attempt to rescue the Plan. In particular, the employee representatives on the Board believe that any other attempted method of determining the suspension amounts would generate controversy and hard feelings within the group without being more fair.

Using a level across-the-board reduction, all members will be able to understand that their benefit is being reduced by the same percentage as all other members (other than those covered by statutory limitations). Communications will be clear and direct because they will refer to a single percentage suspension.

4.05 Notice.

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

4.05(1) Individual Notices.

See **Appendix A** for each type of notice that will be given to each participant and beneficiary under the Plan; to each employer that has an obligation to contribute to the Plan; and to each employee organization representing participants in the Plan.

4.05(2) Efforts Made to Contact Participants, Beneficiaries and Alternate Payees.

The Board of Trustees for the Pension Fund has up-to-date records for 100% of the participants and beneficiaries. As of this time, there are 2 participants and beneficiaries without good addresses out of 892 total participants, beneficiaries and Alternate Payees in the Pension Fund. If an address is found to be invalid, a list of those with missing addresses would be sent to the Pension Benefit Information Group, the service provider hired by the

Pension Fund to monitor participant death records and locate missing participants. The plan administrator's office also conducts searches using on-line search tools.

4.05(3) Notices will not be delivered electronically.

4.05(4)(a) List of contributing employers.

A list of the contributing employers that have an obligation to contribute to the Plan within the meaning of § 4212(a) of ERISA is attached as **Exhibit 9.**

4.05(4)(b) Employee organization representing participants under the Plan.

The employee organization representing participants under the Plan is the Alaska Ironworkers, Local No. 751.

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

5.01 Measures taken to avoid insolvency.

See Discussion in Section 3.03, above and the Narrative Statement (**Exhibit 12**).

5.02 Plan factors.

See Discussion in Section 3.03, above and the Narrative Statement (**Exhibit 12**).

5.03 How plan factors were taken into account.

See Discussion in Section 3.03, above and the Narrative Statement (**Exhibit 12**).

5.04 Other factors considered.

See Discussion in Section 3.03, above and the Narrative Statement (**Exhibit 12**).

SECTION 6. OTHER REQUIRED INFORMATION

6.01 Ballot.

See **Appendix A** for a proposed ballot package intended to satisfy the requirements of § 432(e)(9)(H)(iii) (without the statement in opposition to the proposed benefit suspension described in § 432(e)(9)(H)(iii)(II), the individualized estimate that was provided as part of the notice described in § 432(e)(9)(F), or the voting procedures as described in 1.432(e)(9)-1(h)(3)(i)(M)).

6.02 Partition.

The Plan is not requesting approval for a partition.

6.03 Description of assumptions used in projections.

The application includes a number of attachments included with this item to fulfill the requirements set forth in Section 6.03 and Appendix B. See Section H of **Exhibit 10** titled "Additional Information for Proposed Benefit Suspensions as of July 1, 2018" and **Appendix B**.

6.04 Ten-year experience for certain critical assumptions.

See **Exhibit 10** prepared by the fund actuary titled "Additional Information for Proposed Benefit Suspensions as of July 1, 2018" ("Report"). Exhibit A of the Report identifies the total contribution, total contribution base units, average contribution rates, withdrawal liability payments and rate of return on assets for the last 10 plan years. This exhibit fulfills the requirements set forth in Revenue Procedure 2017-43, Section 6.04.

6.05 Demonstration of sensitivity of projections.

See **Exhibit 10.** This Report contains the following exhibits:

- Exhibit C, projects the Plan's solvency ratio using a 1.0% lower assumed rate of return
- Exhibit D, projects the Plan's solvency ratio using a 2.0% lower assumed rate of return
- Exhibit E, projects the Plan's solvency ratio assuming that future contribution base units decrease at -8.08% per year. This is the average annual decrease experienced over the 10 plan years preceding the 2016/2017 plan year
- Exhibit F, projects the Plan's solvency ratio assuming that future contribution base units decrease at -9.08% per year. This is the average annual decrease experienced over the 10 plan years preceding the 2016/2017 plan year reduced by 1 percentage point

These exhibits fulfill the requirements set forth in Revenue Procedure 2017-43, Section 6.05.

6.06 Projection of funded percentage.

See **Exhibit 10.** The Report contains Exhibit G which projects the plan accrued liability, assets and funded percentage for each year in the extended period. This exhibit fulfills the requirements set forth in Revenue Procedure 2017-43, Section 6.06.

6.07 Plan sponsor certifications relating to plan amendments.

See **Exhibit 11** for the Trustees' certification that if they receive final authorization to implement the suspension of benefits as described in § 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 § 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 determine that both: (a) all reasonable measures to avoid insolvency continue to be taken during the period of the benefit suspension; and (b) 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 § 432(e)(9)(E).

6.08 Whether a plan is described in § 432(e)(9)(D)(vii)(III).

The Plan is not a plan described in § 432(e)(9)(D)(vii)(III).

6.09 Narrative Statement.

See **Exhibit 12**.

SECTION 7. IDENTIFICATION AND BACKGROUND INFORMATION ON THE PLAN.

7.01 Plan Sponsor.

The Plan Sponsor is the Board of Trustees of the Alaska Ironworkers Pension Plan. The address of the Board is 375 West 36th Avenue, Suite 200, Anchorage, AK 99503. The telephone number is (907) 561-5119. The Board does not have a separate employment identification number.

7.02 Plan Identification.

The name of the Plan is the Alaska Ironworkers Pension Plan. The Plan has been assigned the Plan Number 001. Its Employment Identification Number (EIN) is 91-6123695. The Plan is a multiemployer pension plan within the meaning of Code § 414(f) and ERISA § 3(37).

7.03 Retiree Representative.

The Plan is not required to appoint a Retiree Representative under the Regulations as it is not a plan with 10,000 or more participants.

7.04 Plan's enrolled actuary.

The Plan's enrolled actuary is Mark C. Olleman (EA #17-5636) of Milliman, Inc., located at 1301 Fifth Avenue, Suite 3800, Seattle, WA 98101. The telephone number is (206) 504-5769.

7.05 Power of Attorney.

See **Appendix C**. The Plan's representatives as attorney-in-fact are Charles A. Dunnagan and Robert A. Royce of Jermain, Dunnagan and Owens, P.C.

7.06 Plan documents.

See **Exhibit 13** for the Fund's most recently restated Plan Document, including all amendments, the most recent summary plan description as defined under § 102 of ERISA and any subsequent summaries of material modification, and the Plan's most recent determination letter.

7.07 Collective bargaining and side agreements.

See **Exhibit 14** for excerpts from the collective bargaining agreements and side 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.

7.08 Annual Return.

See **Exhibit 15** for the following sections of the Plan's most recently filed Form 5500: (1) pages 1 and 2 of the Form 5500, (2) the Schedule MB, including attachments, and (3) the Schedule R with attachments.

7.09 Rehabilitation Plan.

See **Exhibit 16** for a copy of the Plan's most recently updated Rehabilitation Plan.

7.10 Valuation reports.

See **Exhibit 17** for the July 1, 2015 actuarial valuation report for the Plan. The July 1, 2016 actuarial valuation is provided as **Exhibit 2**.

7.11 Completed Checklist.

See **Appendix D** for the completed checklist of information required to be included in 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 Charles A. Dunnagan or Robert A. Royce at T: (907) 563-8844.

ALASKA IRONWORKERS PENSION PLAN

Paul McCarr ______________________ 12-15-17

Paul Carr, Chairman — Date
Board of Trustees

______________________ 12/14/17

Allan Harding, Secretary — Date
Board of Trustees