

**Bricklayers & Allied Craftsmen Local No. 7 Pension Plan
Checklist Item #08**

Does the application include the plan sponsor's determination of projected insolvency that includes the documentation set forth in section 5 of Revenue Procedure 2016-27? See section 3.03.

Document 8.1 provides the determination of projected insolvency that includes the documentation set forth in section 5 of Revenue Procedure 2016-27.

3.03 Plan Sponsor's Determination of Projected Insolvency

Document 8.1

Determination of Projected Insolvency

The Board of Trustees of the Pension Plan determined, after review of all of the available information and possible reasonable plan changes, that the Pension Plan would become insolvent unless benefits were suspended as required under Internal Revenue Code (IRC) § 432(e)(9)(C)(ii).

United Actuarial Services, Inc., the Pension Plan's actuary, determined that the Pension Fund was in critical status as of May 1, 2008, when the Pension Plan first became subject to compliance with the Pension Protection Act of 2006. In August 2008, the Board of Trustees adopted its initial rehabilitation plan, which was designed to eliminate adjustable benefits in order to reduce the present value of accumulated benefits.

In 2009, the Pension Plan's actuary advised the Board of Trustees that the Pension Plan was facing insolvency by April 30, 2023. In response, the Board of Trustees adopted a new rehabilitation plan, effective May 1, 2010, which continued to make use of the exhaustion of all reasonable measures clause and began attempting to forestall insolvency.

In 2016, the Pension Plan's actuary certified to the Board of Trustees that the Pension Plan was in critical and declining status for the plan year beginning May 1, 2016. The actuary determined that the Pension Plan would be insolvent by the end of the 2024-2025 plan year. The actual certification under the Pension Protection Act is included as Exhibit 3 of Checklist Item #5 of this application. The actuary reached this conclusion even though the Board of Trustees had taken all reasonable measures to avoid insolvency. For more information about the benefit changes and contribution increases undertaken since 2006, see Checklist Item #18 of this application.

The application also provides detailed information on the reasonable measures taken into account in making this determination that the proposed suspension is necessary to avoid insolvency. These are detailed in the following sections of the application:

- For a description of past and current measures taken in order to avoid insolvency over the 10-year period beginning on May 1, 2006, see Checklist Item #18.
- For a discussion of the various factors taken into account during the determination by the Board of Trustees that all reasonable measures had been taken to avoid insolvency prior to filing this application, see Checklist Item #19.
- For information concerning the contribution levels, benefit reductions, measures taken to retain and attract new contributing employers, compensation levels, and competitiveness and other economic factors, see Checklist Items #20 and #21.

- For a description of all other factors taken into account during the Board of Trustees' determination that all reasonable measures had been taken to avoid insolvency prior to filing this application, see Checklist Item #22.