

International Association of Machinists Motor City Pension Fund

EIN/Plan #: 38-6237143/001

Checklist Item #10 – 4.02(1) Demonstration that Proposed Suspension Is Reasonably Estimated to Enable the Plan to Avoid Insolvency

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).

Document 10.1 provides a demonstration that the proposed suspension is reasonably estimated to achieve the level necessary to avoid insolvency for the extended period.

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Document 10.1

Proposed Suspension Is Reasonably Estimated to Enable the Pension Plan to Avoid Insolvency

This application filed on behalf of the Pension Plan includes an actuarial certification of plan solvency under ERISA § 305(e)(9)(c)(i) and IRC Section 432(e)(9)(C)(i) as of the effective date of the proposed benefit suspension, which is January 1, 2018. See Document 7.1 of Checklist Item #7.

Exhibit III of Checklist Item #7 provides an illustration based on the deterministic basis showing that the proposed suspension is reasonably estimated to avoid insolvency throughout the extended period. This illustration provides the market value and solvency ratio for the period beginning on July 1, 2016 and ending on June 30, 2063. As of June 30, 2063, the funding percentage for the Pension Plan is projected to be less than 100%.

The stochastic projections are not required for the Pension Plan. See Revenue Procedure 2016-27, Section 4.02(2).

Exhibit VI of Checklist Item #7 describes the actuarial assumptions and methodology used in the reports filed with this application, as required under Revenue Procedure 2016-27, Section 4.02(3).