

**Second Application for
Approval of Suspension of Benefits**

for the

**Western States Office and Professional
Employees Pension Fund**

Dated: August 24, 2017

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Western States Office and Professional Employees Pension Fund

Section 1. Background and Purpose

Pursuant to Internal Revenue Service Revenue Procedure 2016-27 and the Department of the Treasury's final regulations (§1.432(e)(9)-1) (the "Final Regulations") issued under Section 432(e)(9) of the Internal Revenue Code of 1986 (the "Code"), the Board of Trustees ("Trustees") of the Western States Office and Professional Employees Pension Fund (the "Plan") submits this Second Application for Approval of Suspension of Benefits, with the accompanying exhibits, to the Secretary of the Treasury. The Plan's initial application for suspension of benefits dated February 15, 2017 was withdrawn by the Plan sponsor on August 11, 2017 in contemplation of filing this second application.

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 explained below, the Plan is eligible to suspend benefits and has satisfied each of the enumerated criteria set forth in the Code and under the Final Regulations. Therefore, the Trustees respectfully request that the Secretary approve this application to suspend benefits.

Western States Office and Professional Employees Pension Fund

Section 2. Application Procedures

.01 Plan Sponsor Submission

The Board of Trustees of the Plan submits this application for approval of a proposed benefit suspension under Section 432(e)(9) of the Code. This application is signed and dated by both a Union and an Employer Trustee, who are both authorized to sign on behalf of the Board of Trustees and are current members of the Board of Trustees.

.02 Terms of Plan's Proposed Benefit Suspension

(1) Effective Date

In accordance with Section 1.432(e)(9)-1(g)(1)(v)(A) of the Final Regulations, the Trustees propose an effective date for the benefit suspension which is as soon as is administratively practicable and after the Secretary issues final approval of the suspension (the "Effective Date"). The Trustees recognize that the Final Regulations require the proposed effective date of the suspension to be at least nine months after the date on which the application is submitted. For the purposes of the actuarial calculations, demonstrations and illustrations set forth in this application, a June 1, 2018 effective date for the Plan's proposed benefit suspensions has been assumed.

(2) Expiration Date

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

(3) The Proposed Benefit Suspension

The Plan's proposed benefit suspension reduces all participants' benefits by 30% subject to the limitations on benefit suspensions under the rules of Sections 432(e)(9)(D)(i), (ii) and (iii). The proposed suspension will not treat categories or groups of participants and beneficiaries under the Plan differently from one another, except to the extent required by law.

(4) Different Treatment of Participants and Beneficiaries

Not applicable.

.03 Penalties of Perjury Statement

See Exhibit 1.

.04 Public Disclosure Statement

See Exhibit 1.

.05 Submission of Application

This application has been submitted to the Secretary via www.treasury.gov/mpira pursuant to the requirements of Revenue Procedure 2016-27.

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.06 Signature

The signatures required for this application have been submitted electronically in Portable Document Format.

.07 Duty to Correct

The Plan hereby acknowledges that if, after submission of the application, any error is discovered, the Trustees shall provide prompt notice of same to the Treasury Department.

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Section 3. Demonstration that the Plan is Eligible for Suspension

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

See Exhibit 2 for a certification from the Plan's actuary required under Section 432(b)(3) that the Plan is in critical and declining status for the Plan Year commencing January 1, 2017. Included with this certification is documentation supporting the actuarial certification of status, including 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 during the 2034 Plan Year. The documentation includes a description of each of the assumptions used, including 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 2017 Plan Year and the 2034 Insolvency Year, 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.

.02 Plan Actuary's Certification that the Plan is Projected to Avoid Insolvency

See Exhibit 3 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 year-by-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 40 Plan Years, which ends with the 2056 Plan Year. The documentation includes a description of each of the assumptions used, including the new entrant profile, total contribution base units (hours) and average contribution rates. Also included with this certification is the Plan's year-by-year projection that separately identifies the market value of assets as of the beginning and end of each year in the extended period and the following cash-flow items for each of those years: (1) contributions; (2) withdrawal liability payments; (3) benefit payments; (4) administrative expenses; and (5) investment returns.

.03 Plan Sponsor's Determination of Projected Insolvency

It is the Trustees' determination under Section 432(e)(9)(C)(ii) 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 Plan has included documentation and exhibits with this application illustrating the Trustees' determination of projected insolvency.

(1) All measures taken to avoid insolvency over the past 10 years

The Trustees' determination includes consideration of all measures taken to avoid insolvency over the past 10 plan years. These measures included reductions in accruals, various amendments to the Plan to modify or eliminate certain benefits and the adoption of a Rehabilitation Plan following passage of the Pension Protection Act of 2006. On March 31, 2009, the Plan was first certified by its actuary to be in "critical status," and the Trustees adopted a Rehabilitation Plan on October 16, 2009, effective January 1, 2010, which was amended and incorporated into the Plan document.

Western States Office and Professional Employees Pension Fund

Section 3. Demonstration that the Plan is Eligible for Suspension (Continued)

The initial Rehabilitation Plan made the following changes to the Plan effective January 1, 2010:

1. The benefit accrual level was reduced from 1.80% to 0.75% of contributions.
2. The Normal Retirement Age was increased from age 62 to 65 for benefits earned on or after January 1, 2010.
3. The Rule of 80 Retirement option was eliminated.
4. Early Retirement subsidies for participants not yet in pay status were eliminated.
5. Replaced the existing Disability Benefit and Alternate Disability Benefit (described in Exhibit 4) not yet in pay status with a benefit equal to 50% of earned benefits payable to age 55.
6. Optional forms of benefit were limited to a straight life annuity, joint and 50% survivor annuity and actuarially equivalent annuities.
7. Pre-retirement Death Benefit for single participants changed from a 60-month guarantee to a lump sum benefit equal to \$500 per year of service up to a maximum of \$5,000.

The Trustees, each year in consultation with the Plan's actuary, reviewed and updated the Rehabilitation Plan to reflect the worsening condition of the Plan due in large part to employer withdrawals despite initially strong investment returns. After consideration, the Trustees updated the Rehabilitation Plan in 2010 to reflect a higher than assumed investment return and to extend the Rehabilitation Period from 13 years to 25 years. This change significantly lowered the annual growth rate and ultimate level of supplemental contributions needed to satisfy the requirements of a Rehabilitation Plan.

The Trustees updated the Rehabilitation Plan again in 2012 to adopt a "forestall insolvency" Rehabilitation Plan and cap supplemental contributions at 80%. It was determined that the significant supplemental contributions were driving away current and potential new employers due to the financial hardship. The Trustees were also concerned about a potential mass withdrawal.

Finally, the Trustees made changes to the Plan's withdrawal liability policy (moving from the Rolling-five allocation method to the Presumptive allocation method). This change was made to insulate potential new employers from legacy Unfunded Vested Benefit liability, thus reducing the risk / exposure that potential new employers would bear by joining an underfunded Plan under the prior withdrawal liability allocation method.

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Section 3. Demonstration that the Plan is Eligible for Suspension (Continued)

(2) Consideration of specific Plan factors

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

- Contribution levels

In developing the Rehabilitation Plan, the Trustees considered contribution levels, and the fact that additional contribution increases beyond those required likely would drive more contributing employers from the Plan, either through business failure or withdrawal.

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

The Plan drastically reduced benefit accrual levels from 3.65% of contributions prior to January 1, 1997 to 0.75% of contributions beginning January 1, 2010. The Trustees concluded, in consultation with the Plan's 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.

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

As noted above, under the Rehabilitation Plan the Rule of 80 Retirement option (early retirement) was eliminated, Early Retirement subsidies for participants not yet in pay status were eliminated, and optional forms of benefit were limited to a straight life annuity, joint and 50% survivor annuity and actuarial equivalent annuities.

- Prior benefit suspensions under Section 432(e)(9)

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

- Measures taken to retain or attract contributing employers

After the 2008 recession, many employers withdrew from the Plan due to a slow recovery in business. The Trustees received feedback from employers concerning the financial burden the significant supplemental contributions under the Rehabilitation Plan placed on them. In an effort to retain employers, the Board reduced the required supplemental contributions by reflecting higher than expected investment returns and extending the Rehabilitation period from 13 to 25 years. Although this lowered the required contributions, the level of contributions was still too high for most employers, causing some of them to withdraw from the Plan. The Trustees ultimately capped the supplemental contributions at 80%. Over this time, the Trustees, with the assistance of the Plan's actuary, studied and implemented what they determined to be appropriate contribution level increases and benefit reductions in an effort to retain the contributing employers already in the Plan.

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Section 3. Demonstration that the Plan is Eligible for Suspension (Continued)

The local unions and Trustees made a concerted effort to attract new employers. Together, they also worked to encourage current employers to remain in the Plan. To aid in that end, the Trustees changed the withdrawal liability allocation method from the Rolling-five method to the Presumptive method. This change insulates new employers from inheriting costs from legacy employers. Despite these efforts, the local unions participating in the Plan have not been successful in negotiating new employers into the Plan.

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

As noted, the Rehabilitation Plan eliminated all subsidies and ancillary benefits available to non-retired participants of the Plan. The Plan's solvency has been impacted almost entirely by the legacy costs of participants receiving accrued benefits or that retired prior to the Plan falling into critical status.

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

The Plan has not conducted a formal study to analyze the relative compensation levels of active participants in the Plan as compared to compensation levels for other (presumably non-union) employees in the same industry. However, the Trustees, comprised of former and current union officials and management representatives, have taken notice that annually compounding increases in contributions required under the Rehabilitation Plan has generally led to an overall flattening, and in many cases a decline in compensation levels for active Plan participants, as the pension contribution increases required under the Rehabilitation Plan outpaced the increases able to be negotiated in the overall wage package.

- Competitive and other economic factors facing contributing employers

A variety of competitive and economic factors over the past 25-30 years have affected the Plan's contributing employers and directly impacted the Plan's finances. The Plan had over 500 contributing employers in the mid-1980's which decreased to just over 400 employers by the late 1980's and has been decreasing from approximately 350 employers since the late 1990's. The Plan has approximately 180 employers as of the date of this application.

Consolidated Freightways was a significant contributing employer in the Plan until it went bankrupt in late 2002. This resulted in a substantial decrease in employer contributions to the Plan.

Another significant employer, Northwest Natural Gas, joined the Plan in 2005 at a low contribution rate. The intent of bringing them into the Plan at a low rate was that their contribution rate would increase over time. Due to the market crash in 2008, their contribution rate was never increased (other than the 5% and 10% surcharge) and they withdrew from the Plan at the end of 2013.

Western States Office and Professional Employees Pension Fund

Section 3. Demonstration that the Plan is Eligible for Suspension (Continued)

There has been a steady decline in the number of the Plan's contributing employers and the Plan's financial condition since falling into critical status. Many of the Plan's participants are office staff working for local unions. With the continued decline in union jobs, the need for office staff working at the local union offices has declined, resulting in job loss, consolidation/merger of unions, and other cost cutting.

While there may be some ongoing attrition of active members, the vast majority of employers currently participating in the Plan only have 1 or 2 participating employees, where the employer itself is a larger entity. Should we see active headcounts decline, those reductions will generally result in partial / complete withdrawal liability assessments, and the contributions received by the Plan will generally remain at current levels.

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

As noted, decreases in benefit levels under the Plan would have drastically reduced employee and participant retention. The Plan's contributing employers have been unable to financially support or sustain any additional increase in contribution levels.

- 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.

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Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements

.01 Demonstration that Limitations on Individual Suspensions are Satisfied

See Exhibit 4 for a demonstration of how the proposed suspension satisfies the limitations described in Sections 432(e)(9)(D)(i), (ii) and (iii). The attached exhibit includes three separate illustrations required under this Section 4.01 of the Revenue Procedure including: (1) a sample calculation applying the 110 percent limitation under Section 432(e)(9)(D)(i) for the Plan's participants; (2) a sample calculation applying the age-based limitations of Section 432(e)(9)(D)(ii); and (3) a sample calculation applying the disability limitation under Section 432(e)(9)(D)(iii). Two additional illustrations are provided to demonstrate the full proposed cut without limitation and the age-based limitation for a participant at least age 80.

.02 Demonstration that the Proposed Suspension is Reasonably Estimated to Enable the Plan to Avoid Insolvency

See Exhibit 5 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. Please note that the Plan is not a plan described in Section 432(e)(9)(B)(v)(I) so it is not required to use stochastic projections in its illustrations demonstrating that it will avoid insolvency.

.03 Demonstration that the Proposed Suspension is Reasonably Estimated to not Materially Exceed the Level Necessary to Avoid Insolvency

See Exhibit 6 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. Specifically, the demonstration includes an illustration, prepared on a deterministic basis, showing that, if the dollar amount of the proposed suspension for each participant and beneficiary were reduced (but not below zero) by the greater of (1) 5% of the reduction in the monthly payment proposed for that participant or beneficiary, or (2) 2% of the participant's or beneficiary's monthly payment prior to the Plan's proposed suspension, then the proposed suspension would not reasonably be estimated to enable the Plan to avoid insolvency.

.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. As described in Section 2.02(3) of this application, the Plan's proposed benefit suspension is to reduce all participants' benefits by 30%, subject to the individual limitations imposed by law. As such, 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 except to the extent required by law. Although all of the factors listed in Section 432(e)(9)(D)(vi)(I) through (XI) were considered, ultimately the Trustees decided to treat all participants equally in designing the Plan's proposed suspension.

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Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

As of January 1, 2017, the Plan had 7,416 participants, beneficiaries, and alternate payees, including 7,191 participants, 207 beneficiaries, and 18 alternate payees. The counts have been adjusted to reflect known deaths after January 1, 2017 and any corresponding new beneficiaries. Before a suspension of benefits, the average monthly benefit is \$750.66. After a suspension of benefits, and taking into account the individual limitations imposed by law, the average monthly benefit would be \$584.57. The aggregate present value of the reduction in benefits for all individuals is \$114,232,706 (valued as of January 1, 2017 based upon the funding assumptions). The chart below shows the distribution of the benefit suspension, including the number of individuals whose benefits will not be reduced and the number whose benefit reductions will fall within a series of ranges in 10% increments.

| Distribution of the Benefit Suspension | | | | | |
|--|-------------|----------------------|-----------------------|-----------------------|-------|
| | Not Reduced | Reduction >0%, ≤ 10% | Reduction >10%, ≤ 20% | Reduction >20%, ≤ 30% | Total |
| Active | 89 | 180 | 107 | 429 | 805 |
| Terminated Vested | 748 | 282 | 140 | 1,633 | 2,803 |
| Retiree | 1,035 | 696 | 388 | 1,358 | 3,477 |
| Disabled | 106 | 0 | 0 | 0 | 106 |
| Beneficiary | 126 | 44 | 17 | 18 | 205 |
| Alternate Payee | 9 | 7 | 0 | 2 | 18 |
| Deferred Beneficiary | 0 | 2 | 0 | 0 | 2 |
| Total | 2,113 | 1,211 | 652 | 3,440 | 7,416 |

.05 Notice

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

(1) Individual Notices.

See Appendix B for a copy of the sample Individual Notices that will be sent to all participants, beneficiaries and alternate payees under the Plan via USPS mail on August 25, 2017, one business day following the day the Application is filed. A copy of the Notice will also be mailed to all contributing employers and employee organizations representing Plan participants but without the personalized estimate.

The Notice of Application was prepared based on the Model Notice provided in Revenue Procedure 2016-27. In addition, the Trustees have prepared 12 separate Individual Estimate formats covering the following groups of participants:

1. Individual in pay status who is age 75 or younger and has a proposed suspension
2. Individual in pay status who is older than age 75 but younger than 80 and has a proposed suspension

Western States Office and Professional Employees Pension Fund

Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

3. Individual with a proposed suspension who is not yet in pay status and is below normal retirement age
4. Individual with a proposed suspension who is not yet in pay status and is above normal retirement age
5. Individual with a proposed suspension that is lower than 110% of the PBGC guarantee and is in pay status
6. Individual with a proposed suspension that is lower than 110% of the PBGC guarantee who is not yet in pay status and is below normal retirement age
7. Individual with a proposed suspension that is lower than 110% of the PBGC guarantee who is not yet in pay status and is above normal retirement age
8. Individual in pay status whose benefits are not proposed to be suspended due to reduction falling below 110% of the PBGC guarantee
9. Individual not yet in pay status, and below normal retirement age, whose benefits are not proposed to be suspended due to reduction falling below 110% of the PBGC guarantee
10. Individual not yet in pay status, and above normal retirement age, whose benefits are not proposed to be suspended due to reduction falling below 110% of the PBGC guarantee
11. Individual in pay status whose benefits are not proposed to be suspended due to disability
12. Individual in pay status whose benefits are not proposed to be suspended due to age

(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. 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 use the Plan's missing participant procedures to attempt to locate those missing individuals for whom the notice was returned as undeliverable. Those procedures include contacting the applicable Union local for location information. For individuals that cannot be located with updated information provided by the Union, the procedures include using electronic and on-line searches, and the use of professional locator services like Pension Benefit Information and Accurint. The Trustees will mail notices to individuals within five days of locating them. Notices will not be delivered electronically.

(3) Notices will not be delivered electronically.

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Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

(4) List of Contributing Employers.

The following is a list of the contributing employers that have an obligation to contribute to the Plan within the meaning of Section 4212(a) of ERISA:

- ABF FREIGHT SYSTEM
- AFT WASHINGTON, AFL-CIO
- AMALGAMATED TRAN DIV 587
- AMALGAMATED TRANSIT 1555
- AMALGAMATED TRANSIT 192
- AMERICAN POSTAL WRKRS
- ARCHDIOCESE OF PDX
- ASBESTOS WORKERS #28
- ASBESTOS WORKERS #36
- AWPPW
- BAC PACIFIC NW ADC
- BAKERS LOCAL 114
- BAKERS UNION LOCAL 125
- BAKERY & CONF WRKRS #9
- BAY AREA LONGSHOREMEN'S
- BERKELY FARMS/DEAN FOODS
- BLDG & CONSTR TRADES CNCL
- BOILERMAKERS #101
- BOILERMAKERS LOCAL 242
- BOILERMAKERS LOCAL 500
- BREMERTON METAL TRADES
- BRICKLAYERS & AC LOCAL #7
- BRICKLAYERS & ALLIED
- BROAD & GUSMAN LLP
- BUESCHER, GOLDMANN, KELMAN
- CALIF FED OF TEACHERS
- CARPENTERS INDUST COUNCIL, UBC
- CARPENTERS LOCAL 81
- CEMENT MASONS LOCAL 555
- CHABOT FED CREDIT UNION
- CNTL LABOR COUN. ALAMEDA CTY ALF-CIO
- COAST LONGSHORE DIVISION
- COLO BLDG & CONST TRADES

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Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

- COLUMBIA PAC BLDG TRADES
- CONST. & GEN LABORERS LOCAL 185
- CWA #7777
- CWA LOCAL 7800
- CWA LOCAL 7901
- CWA LOCAL 9415
- CWA LOCAL 9423
- DAVID B CONDON PLC
- DAVID C CHVATAL, CPA
- DAVIS COWELL & BOWE LLP
- DENVER FIREFIGHTERS #858
- DENVER PLUMBERS JT
- DENVER THEATER STG EES #7
- DISTRIC LODGE W-24 IAMW
- DMC INSURANCE ADMIN, INC
- ELEVATORS CONSTRUCTORS
- FOUNDATION FOR FAIR CONTR
- GEORGE BIANCHI CONSTRUCTION
- GLAZIERS #188
- GREATER SEATTLE AREA
- HEALTHNET SERVICES
- HOD CARRIERS & GEN LABORERS #242
- HORIZON LINES
- IAM & AEROSPACE LODGE 933
- IAM 751
- IAM DISTRICT LODGE 776
- IAMAW LOCAL LODGE 1886
- IBEW & UNITED WORKERS FCU
- IBEW JATC
- IBEW LOCAL 1116
- IBEW LOCAL 180
- IBEW LOCAL 302
- IBEW LOCAL 332
- IBEW LOCAL 340
- IBEW LOCAL 387
- IBEW LOCAL 46
- IBEW LOCAL 48
- IBEW LOCAL 483

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Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

- IBEW LOCAL 570
- IBEW LOCAL 574
- IBEW LOCAL 595
- IBEW LOCAL 640
- IBEW LOCAL 68
- IBEW LOCAL 76
- IBEW LOCAL 76 FCU
- IBEW LOCAL 89
- ILWU INTERNATIONAL
- ILWU LOCAL 10
- ILWU LOCAL 19
- ILWU LOCAL 40
- ILWU LOCAL 52
- ILWU LOCAL 6
- ILWU LOCAL UNION 8
- ILWU/WAREHOUSE UNION 34
- ILWU-PMA WELFARE PLAN
- INTL ALLIANCE OF THEATRICAL STAGE #15
- INTL ASSC OF HEAT & FROST
- INTL TRANSPORT WRKRS FED
- INTL UNION OF PAINTER DIST COUN 15
- INTL UNION OPRNG ENG LU9
- INTNL UNION OF ELEV. CONST. #25
- IRONWORKERS #24
- IRON WORKERS LOCAL 75
- IRONWORKERS LOCAL 118
- IRONWORKERS LOCAL 155
- IRONWORKERS LOCAL 29
- IRONWORKERS LOCAL 378
- IRONWORKERS LOCAL 516
- IUPAT DIST COUNCIL #5
- JOURNEYMEN PLUMBERS & GASFITTERS #3
- LABORERS COMMUNITY SERV AGENCY
- LABORERS' LOCAL 440
- LABORERS LOCAL 73
- LINOLEUM/CRPT LAYERS 1236
- LOS RIOS COLLEGE
- LOWER COLUMBIA LONGSHORE

Western States Office and Professional Employees Pension Fund

Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

- LUMBER/SAWMILL WRKRS 2949
- MACHINISTS LODGE 190
- MACHINISTS/BOILERMKRS FCU
- MANOR MGMT SERVICES
- MARIN LUTHER KING JR CTY LABR COUNCIL
- N CA DIST CNCL LABORERS
- N CAL CEMENT MASONS JATC
- NAT ASSOC OF LTR CARRIES
- NECA-IBEW TRAINING TRUST
- NORTHWEST LABOR PRES
- NW OREGON LABOR COUNCIL
- OP ENGRS LU 3-MULTI SVCS
- OPEIU LOCAL 11
- OPEIU LOCAL 277
- OPEIU LOCAL 29
- OPEIU LOCAL 30
- OPEIU LOCAL 8
- OPERATING ENGINEERS 428
- OPERATING ENGINEERS JATC
- OR & SW WA PAINTERS
- OR FEDERATION OF NURSES
- OR ST BUILD & CNST TRD CO
- OREGON AFL-CIO
- P & P TRAINING
- P & S CREDIT UNION
- PAC NW IRONWORKERS FCU
- PAINTERS LOCAL 10
- PHOENIX SHEET METAL JATC
- PIEDMONT GROCERY CO
- PIERCE CO CENT LBR CNCL
- PILE DRIVERS 196
- PIPEFITTERS JATC
- PLUMBER & STEAMFITTERS LOCAL 44
- PLUMBERS & PIPEFTRS #525
- PLUMBERS & PIPEFTRS 442
- PLUMBERS & PIPEFTRS JAC LOCAL \$447
- PLUMBERS & PIPEFTS 447
- PORTLAND LOCAL 8 FCU

Western States Office and Professional Employees Pension Fund

Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

- PREFERRED MECHANICAL
- PUGET SOUND ELEC APPR TRAINING TRUST
- RICHMOND SANITARY SVC
- ROADWAY EXPRESS
- S CLARA/S BENITO COUNTIES
- SACRAMENTO CTRL LBR CNCL
- SAN JOAQ CALAVERAS
- SANTA CLARA CTY ELEC JATC
- SEATTLE AREA PLUMBING
- SEATTLE BLDG CONST TRADES
- SEATTLE LABOR TEMPLE ASSOC
- SHEET METAL JATC
- SHEET METAL WORKERS #16
- SHEET METAL WORKERS #312
- SHEET METAL WORKERS 259
- SOUTH BAY CENTRAL LBR CNC
- SPRINKLER FTRS & APPR 699
- SW REGIONAL COUNCIL
- SW WA ELECTRICAL JATC
- U.A. LOCAL #290
- U.A. LOCAL #290 TRAINING
- UA #447 PIPE TRADES
- UAW LOCAL 276
- UFCW LOCAL 555
- UNITE HERE LOCAL 483
- UNITE HERE LOCAL 49
- UNITED ADVANTAGE NW FCU
- UNITED ASSOC LOCAL 140
- UNTED ASSOC OF PIPEFITTERS 208
- UTAH STATE AFL-CIO
- W.W. CEMENT MASONS JATC
- WA STATE BLDG & CON TRADES COUN
- WA STATE LBR COUNCIL
- WOODWORKERS IAM & AW LODGE W38

Western States Office and Professional Employees Pension Fund

Section 4. Demonstration that the Plan's Proposed Suspension Satisfies the Statutory Requirements (Continued)

- (5) List of employee organizations representing participants under the Plan.

The following is a list of the employee organizations representing participants under the Plan:

- OPEIU LOCAL 11
- OPEIU LOCAL 277
- OPEIU LOCAL 29
- OPEIU LOCAL 30
- OPEIU LOCAL 8
- OPEIU Local 251
- OPEIU Local 3
- OPEIU Local 381
- OPEIU Local 537

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Section 5. Plan Sponsor's Determination Relating to Reasonable Measures Taken to Avoid Insolvency

.01 Measures Taken to Avoid Insolvency

See Discussion in Section 3.03, above.

.02 Plan Factors

See Discussion in Section 3.03, above, and Exhibit 8 for a 10-year history of the contribution levels. The Plan's rate of benefit accrual was drastically reduced from 3.65% prior to January 1, 1997 to 0.75% effective January 1, 2010, as shown in the chart below:

| Contribution Service Period | Benefit Percentage on Annual Contributions | |
|---|--|---------------|
| | Up to and including \$6,240 | Above \$6,240 |
| 1. Prior to January 1, 1997 | 3.65% | 0.00% |
| 2. January 1, 1997, through December 31, 2000 | 3.65% | 1.80% |
| 3. January 1, 2001, through December 31, 2002 | 3.20% | 1.80% |
| 4. January 1, 2003, through December 31, 2003 | 2.20% | 1.80% |
| 5. January 1, 2004, through December 31, 2009 | 1.80% | 1.80% |
| 6. January 1, 2010 and thereafter | 0.75% | 0.75% |

.03 How Plan Factors were Taken into Account

See Discussion in Section 3.03, above.

.04 Other Factors Considered

See Discussion in Section 3.03, above.

Western States Office and Professional Employees Pension Fund

Section 6. Other Required Information

.01 Ballot

See Exhibit 7 for a proposed ballot intended to satisfy the requirements of Section 432(e)(9)(H)(iii) (without the statement in opposition to the proposed benefit suspension described in Section 432(e)(9)(H)(iii)(II) or the individualized estimate that was provided as part of the notice described in Section 432(e)(9)(F)).

.02 Partition

The Trustees are not requesting approval of a proposed partition from the PBGC.

.03 Ten-Year Experience for Certain Critical Assumptions

See Exhibit 8 for a disclosure of the Plan's experience with respect to 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, separately identifying (1) total contributions, (2) total contribution base units, (3) average contribution rates, (4) withdrawal liability payments, and (5) rate of return on Plan assets.

.04 Demonstration of Sensitivity of Projections

See Exhibit 9 for the following separate projections of the Plan's solvency throughout the extended period: (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 a 0% change year over year to a 10.8% annual reduction based on the Plan's experience over the prior 10 plan years; and (4) a change in the assumed future contribution base units from a 0% change year over year to an 11.8% annual reduction.

.05 Projection of Funded Percentage

See Exhibit 10 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 2056 Plan Year.

.06 Plan Sponsor Certifications Relating to Plan Amendments

See Exhibit 11 for the Trustees' certification that if they receive final authorization to implement the proposed 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 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 Section 432(e)(9)(E).

Western States Office and Professional Employees Pension Fund

Section 6. Other Required Information (Continued)

.07 Whether a Plan is Described in Section 432(e)(9)(D)(vii)

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

.08 Optional Additional Information

None.

Western States Office and Professional Employees Pension Fund

Section 7. Identification and Background Information on the Plan

.01 Plan Sponsor

The Plan Sponsor is the Board of Trustees of the Western States Office and Professional Employees Pension Fund. The address of the Board is 1220 S.W. Morrison St., Suite 300, Portland, Oregon 97205-2222. The Trustees' telephone number is (503) 222-7694 or (800) 413-4928. Its email address is wsope@aibpa.com and its fax number is (503) 228-0149. The Board does not have a separate employer identification number.

.02 Plan Identification

The name of the Plan is the Western States Office and Professional Employees Pension Fund. The Plan has been assigned the Plan Number 001. Its Employer Identification Number (EIN) is 94-6076144. The Plan is a multiemployer pension plan within the meaning of Code Section 414(f) and ERISA Section 3(37).

.03 Retiree Representative

The Plan is not required to appoint a Retiree Representative under the Final Regulations as it is not a plan with 10,000 or more participants. The Trustees have not elected to appoint a Retiree Representative though one member of the Board of Trustees is a retiree currently receiving a benefit from the Plan.

.04 Plan's Enrolled Actuary

See Exhibit 12 for the Plan's Enrolled Actuary information.

.05 Power of Attorney

See Exhibit 13. The Plan's representatives are Joseph L. Reinhart of Joseph L. Reinhart, P.C. and Paul L. Graf, A.S.A., E.A., M.A.A.A. of Rael & Letson.

.06 Plan Documents

See Exhibit 14 for the Plan's most recently restated Plan Document, the most recent summary plan description as defined under section 102 of ERISA and any subsequent summaries of material modification, and the Plan's most recent determination letter. The Plan has not been amended since May 31, 2016.

.07 Collective Bargaining and Side Agreements

See Exhibit 15 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.

.08 Annual Return

See Exhibit 16 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.

Western States Office and Professional Employees Pension Fund

Section 7. Identification and Background Information on the Plan (Continued)

.09 Rehabilitation Plan

See Exhibit 17 for a copy of the Plan's most recently updated Rehabilitation Plan.

.10 Valuation Report

See Exhibit 18 for a copy of the Plan's two most recent actuarial valuation reports.

.11 Completed Checklist

See Appendix A for the completed checklist of information required to be included in the Plan's application. Pursuant to the requirements of Revenue Procedure 2016-27, Appendix A has been placed on top of the application.

.12 Request for a Meeting

We respectfully request an in-person meeting or conference call to discuss the issues involved if the Secretary is not inclined to approve the Plan's application.

Western States Office and Professional Employees Pension Fund

The Trustees very much appreciate the 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 Plan's trust counsel, Joseph L. Reinhart, at (503) 530-8384 or the Plan actuary, Paul L. Graf, at (206) 445-1852.

Very truly yours,

Redacted by the U.S. Department of
the Treasury

Michael Parmelee, Co-Chair
Authorized Trustee on behalf of the Board of
Trustees for the Western States Office and
Professional Employees Pension Fund

8-24-2017

Date

Suzanne Mode, Co-Chair
Authorized Trustee on behalf of the Board of
Trustees for the Western States Office and
Professional Employees Pension Fund

Date

Western States Office and Professional Employees Pension Fund

The Trustees very much appreciate the 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 Plan's trust counsel, Joseph L. Reinhart, at (503) 530-8384 or the Plan actuary, Paul L. Graf, at (206) 445-1852.

Very truly yours,

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Michael Parmelee, Co-Chair

Authorized Trustee on behalf of the Board of Trustees for the Western States Office and Professional Employees Pension Fund

Suzanne Mode, Co-Chair

Authorized Trustee on behalf of the Board of Trustees for the Western States Office and Professional Employees Pension Fund

8/24/17

Date

Date