

International Association of Machinists Motor City Pension Fund

EIN/Plan #: 38-6237143/001

Checklist Item #5 – 3.01 Plan Actuary’s Certification of Critical and Declining Status as of July 1, 2016

Does the application include the plan actuary’s certification of critical and declining status and the supporting illustrations, including:

- *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.

Document 5.1 provides the certification of critical and declining status of the Pension Plan’s actuary.

Supplemental reports that include year-by-year solvency projections and the market value of assets, contributions, investment earnings, benefit payments and plan expenses are provided in Document 5.2, Exhibits I, II, III. The reports are based on the actuary’s interpretation of the requirements under Revenue Procedure 2016-27, Section 3.01. Please refer to the July 1, 2016 actuarial certification in Document 5.1, pages 5.2 and 5.3, and the July 1, 2015 actuarial valuation report in Document 39.2(1), pages 39.58 to 39.63, for a description of the assumptions used.

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Document 5.1

Actuary’s Certification of Critical and Declining Status

The following is the Pension Plan’s Actuarial Certification of Plan Status as of July 1, 2016, as required under Internal Revenue Code (IRC) §432. This certification, which designated the Pension Plan as meeting the “critical and declining status” for the current plan year, was filed on September 29, 2016.



September 28, 2016

Board of Trustees
International Association of Machinists Motor City Pension Fund
Troy, Michigan

Re: 2016 Actuarial Certification Under the Pension Protection Act

Dear Trustees:

The following information is intended to comply with the annual certification requirements of IRC section 432, with respect to the funded status of the International Association of Machinists Motor City Pension Fund.

Identifying Information

Plan Name: International Association of Machinists Motor City Pension Fund
 EIN/Plan #: 38-6237143/001
 Plan year of Certification: year beginning July 1, 2016
 Plan Sponsor: Board of Trustees of I. A. of M. Motor City Pension Fund
 Sponsor Address: 700 Tower Drive, Suite 300, Troy, Michigan 48098-2835
 Sponsor Telephone: (248) 813-9800
 Enrolled Actuary Name: Paul Bullock
 Enrollment Number: **Redacted by**
 Actuary Address: 11590 N. Meridian St., Suite 610, Carmel, IN 46032
 Actuary Telephone: (317) 580-8652

Certification of Plan Status

I certify that the above-named Plan is in the following status as of July 1, 2016 (all that apply are checked):

Safe--Neither Endangered nor Critical Status _____
 Safe Due to Special Rule _____
 Endangered Status _____
 Seriously Endangered Status _____
 Projected to be in Critical Status within 5 years _____
 Critical Status _____
 Critical and Declining Status X

Board of Trustees

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September 28, 2016

This certification is based on the following results:

Projected funded ratio as of July 1, 2016:	57.9%
Previously emerged from critical status using IRC Section 432(e)(4)(B)(2) special emergence rule:	No
First projected deficiency:	June 30, 2017
At least 8 year of benefit payments in plan assets:	Yes
Year of projected insolvency:	2025-26 plan year
Ratio of inactive to active participants:	7.75

Certification of Scheduled Progress

I certify that the above-named Plan has made the scheduled progress as outlined in the 2008 rehabilitation plan as of July 1, 2016. Projections indicate that the Plan is not projected to emerge from Critical at the end of the rehabilitation plan period as specified in the 2008 rehabilitation plan. This rehabilitation plan, however, includes the use of the "exhaustion of all reasonable measures" clause of IRC 432(e)(3)(A)(ii). Therefore, we interpret scheduled progress for this Plan to mean continuing to use all reasonable measures to forestall insolvency and such consideration was made in the past year.

These certifications are intended to be in good faith compliance with the necessary disclosures for certification and represent my best estimate of the Plan's funded position.

Basis for Result

The certifications utilize the assumptions, methods, plan provisions and demographic data as disclosed in the July 1, 2015 actuarial valuation report with the following exceptions:

- Based on the June 30, 2016 unaudited financial statements provided by the plan administrator, the asset return for the 2015-16 plan year is assumed to be -1.35%. We also updated the contributions, benefit payments, and expenses for the 2015-16 plan year based on these financial statements.
- For the period July 1, 2016 through June 30, 2025, plan assets were assumed to return 6.75% per year, with 7.50% per year assumed thereafter.

United Actuarial Services, Inc.
Actuaries and Consultants

Board of Trustees

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September 28, 2016

- We have added the anticipated withdrawal liability payments from Bill Wink Chevrolet beginning July 1, 2016 of \$13,477 per quarter for 56 quarters.
- We have added the anticipated withdrawal liability payments from Edward C. Levy Company beginning July 1, 2016 of \$84,226 for 36 quarters, then a \$54,600 final payment.
- We have added the anticipated withdrawal liability payments from Superior Materials beginning July 1, 2016 of \$53,943 for 5 quarters, then \$32,590 for 1 quarter, then \$30,081 for 8 quarters, then \$19,868 for 1 quarter, then \$14,652 for 3 quarters, and then a \$13,475 final payment.
- We have added the anticipated withdrawal liability payments from Doan Construction beginning July 1, 2016 of \$4,250 for 68 quarters, then a \$2,263 final payment.
- Consistent with our projections of future industry activity, 5,910 weeks were assumed for the plan year beginning in 2016, and for each plan year thereafter. For the 2015-16 plan year, we used an estimated actual figure of 6,034 weeks.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. We will have a full update of the Plan's funded position with the next valuation report.

Sincerely,

Redacted by the U.S. Department of the Treasury

Paul Bullock, ASA, EA, MAAA
Vice President
Enrollment Number: 14-05770

Date of Signature: _____

9/28/2016

cc: Secretary of the Treasury
Mr. Duane Menter, Administrator
Mr. Michael Mills, Fund Counsel
Mr. Douglas Wesley, Auditor
Ms. Elizabeth Edwards, Plan Associate

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International Association of Machinists Motor City Pension Fund

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Document 5.2

Supplemental Reports

Exhibit I – Solvency Projection

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning July 1, 2016 through June 30, 2026

Plan Year Ending	1. Beginning Assets	2. Employer Contributions	3. EWL Payments	4. Benefit Payments	5. Expenses	6. Investment Income	7. Ending Assets	8. Resources (1)+(2)+(3)-(5)+(6)	Solvency Ratio (8)/(4)
6/30/2016	\$50,999,106	\$1,623,302	\$8,160,599	\$8,685,665	\$243,732	\$(692,797)	\$51,160,813	\$59,846,478	6.890
6/30/2017	\$51,160,813	\$1,590,055	\$626,162	\$9,203,288	\$240,000	\$3,209,734	\$47,143,476	\$56,346,763	6.122
6/30/2018	\$47,143,476	\$1,590,055	\$557,969	\$9,113,435	\$240,000	\$2,939,295	\$42,877,359	\$51,990,794	5.705
6/30/2019	\$42,877,359	\$1,590,055	\$530,986	\$8,992,906	\$240,000	\$2,654,489	\$38,419,983	\$47,412,889	5.272
6/30/2020	\$38,419,983	\$1,590,055	\$505,938	\$8,957,276	\$240,000	\$2,353,973	\$33,672,672	\$42,629,949	4.759
6/30/2021	\$33,672,672	\$1,590,055	\$454,075	\$8,905,024	\$240,000	\$2,033,543	\$28,605,321	\$37,510,345	4.212
6/30/2022	\$28,605,321	\$1,590,055	\$411,005	\$8,845,044	\$240,000	\$1,692,067	\$23,213,404	\$32,058,448	3.624
6/30/2023	\$23,213,404	\$1,590,055	\$411,005	\$8,849,688	\$240,000	\$1,327,956	\$17,452,732	\$26,302,420	2.972
6/30/2024	\$17,452,732	\$1,590,055	\$411,005	\$8,794,735	\$240,000	\$940,966	\$11,360,022	\$20,154,757	2.292
6/30/2025	\$11,360,022	\$1,590,055	\$411,005	\$8,745,462	\$240,000	\$531,371	\$4,906,990	\$13,652,452	1.561
6/30/2026	\$4,906,990	\$1,590,055	\$127,562	\$8,645,112	\$240,000	\$99,568	Insolvent	\$6,484,175	0.750

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EXHIBIT II - Breakdown of Benefit Payouts for Exhibit I

Plan Year Ending	Actives	Vested Terminations	Retired	New Entrants
6/30/2016	\$16,893	\$647,702	\$8,021,071	\$0
6/30/2017	\$61,347	\$663,371	\$8,478,570	\$0
6/30/2018	\$113,680	\$751,090	\$8,248,665	\$0
6/30/2019	\$168,589	\$793,382	\$8,030,935	\$0
6/30/2020	\$229,395	\$902,568	\$7,825,313	\$0
6/30/2021	\$301,005	\$988,565	\$7,615,422	\$32
6/30/2022	\$372,643	\$1,071,301	\$7,400,938	\$162
6/30/2023	\$443,222	\$1,224,493	\$7,181,588	\$385
6/30/2024	\$513,653	\$1,323,207	\$6,957,156	\$719
6/30/2025	\$585,118	\$1,431,671	\$6,727,488	\$1,185
6/30/2026	\$647,613	\$1,503,164	\$6,492,524	\$1,811

Exhibit III – Projected Total Contribution Base Units and Average Contribution Rates

Plan Year Ending	Total Contribution Base Units	Contribution Rate
6/30/2016	6034	\$269.03
6/30/2017	5910	\$269.04
6/30/2018	5910	\$269.04
6/30/2019	5910	\$269.04
6/30/2020	5910	\$269.04
6/30/2021	5910	\$269.04

Plan Year Ending	Total Contribution Base Units	Contribution Rate
6/30/2022	5910	\$269.04
6/30/2023	5910	\$269.04
6/30/2024	5910	\$269.04
6/30/2025	5910	\$269.04
6/30/2026	5910	\$269.04