

Sheet Metal Workers Local Pension Plan
Application for Proposed Benefit Suspension as of May 1, 2019
Demonstration that Proposed Suspension is Equitably Distributed

4.04(1) - Information for the Plan in Aggregate

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants*</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees**</u> | <u>Total</u> |
|--|----------------------------|--|-----------------|-----------------|----------------------|---------------------------|---------------|
| Counts as of May 1, 2017 | 655 | 377 | 408 | 18 | 89 | 17 | 1,564 |
| Average Monthly Benefit Before Proposed Suspension | \$594 | \$539 | \$993 | \$641 | \$367 | \$473 | \$671 |
| Average Monthly Benefit After Proposed Suspension | \$473 | \$392 | \$856 | \$641 | \$355 | \$472 | \$549 |
| Percentage Change in Average Monthly Benefit (all) | -20% | -27% | -14% | 0% | -3% | 0% | -18% |
| Percentage Change in Average Monthly Benefit (only those impacted) | -24% | -35% | -24% | 0% | -19% | -1% | -27% |
| Present Value of Benefits Before Proposed Suspension*** | \$31,514,352 | \$17,267,763 | \$48,958,646 | \$1,319,123 | \$3,460,534 | \$1,098,919 | \$103,619,337 |
| Present Value of Benefits After Proposed Suspension*** | \$24,946,428 | \$13,002,250 | \$42,203,500 | \$1,319,123 | \$3,402,563 | \$1,097,922 | \$85,971,786 |
| Reduction in Present Value of Benefits Due to Proposed Suspension*** | \$6,567,924 | \$4,265,513 | \$6,755,146 | \$0 | \$57,971 | \$997 | \$17,647,551 |

*Does not match counts shown in May 1, 2017 actuarial valuation as there is one terminated vested participant over age 70 that was excluded from the valuation.

**Excluding 9 alternate payees that are not in payment status. The average benefits and present value of benefits for these deferred alternate payees are included with the active and terminated vested participants.

***Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> | |
|--|---------------|---|
| No reduction^ | 1,127 | ^Includes 154 actives with \$0 accrued benefit, 440 participants with benefits below 110% of the PBGC guaranteed benefit (63 of which are over age 80), 18 disabled participants and 64 participants over age 80 (with benefits above 110% of the PBGC guaranteed benefit). |
| Greater than 0% but less than 10% | 72 | |
| At least 10% but less than 20% | 86 | |
| At least 20% but less than 30% | 100 | |
| At least 30% but less than 40% | 94 | |
| At least 40% but less than 50% | 42 | |
| At least 50% but less than 60% | 28 | |
| At least 60% but less than 70% | 13 | |
| At least 70% but less than 80% | 2 | |
| 80% or more | 0 | |
| Total number of participants impacted by proposed suspension | 437 | |
| Grand total | 1,564 | |

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4.04(2) - Information for the Category 1 (Retired/Terminated between May 1, 1987 – April 30, 1990)

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees</u> | <u>Total</u> |
|--|----------------------------|---|-----------------|-----------------|----------------------|-------------------------|--------------|
| Counts as of May 1, 2017 | 0 | 1 | 1 | 0 | 0 | 0 | 2 |
| Average Monthly Benefit Before Proposed Suspension | \$0 | \$169 | \$192 | \$0 | \$0 | \$0 | \$181 |
| Average Monthly Benefit After Proposed Suspension | \$0 | \$169 | \$192 | \$0 | \$0 | \$0 | \$181 |
| Percentage Change in Average Monthly Benefit (all) | n/a | 0% | 0% | n/a | n/a | n/a | 0% |
| Percentage Change in Average Monthly Benefit (only those impacted) | n/a | 0% | 0% | n/a | n/a | n/a | 0% |
| Present Value of Benefits Before Proposed Suspension* | \$0 | \$34,737 | \$1,469 | \$0 | \$0 | \$0 | \$36,206 |
| Present Value of Benefits After Proposed Suspension* | \$0 | \$34,737 | \$1,469 | \$0 | \$0 | \$0 | \$36,206 |
| Reduction in Present Value of Benefits Due to Proposed Suspension* | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

*Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> |
|--|--|
| No reduction^ | 2 ^Includes 2 participants with benefits below 110% of the PBGC guaranteed benefit (1 is over age 80). |
| Greater than 0% but less than 10% | 0 |
| At least 10% but less than 20% | 0 |
| At least 20% but less than 30% | 0 |
| At least 30% but less than 40% | 0 |
| At least 40% but less than 50% | 0 |
| At least 50% but less than 60% | 0 |
| At least 60% but less than 70% | 0 |
| At least 70% but less than 80% | 0 |
| 80% or more | 0 |
| Total number of participants impacted by proposed suspension | 0 |
| Grand total | 2 |

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4.04(2) - Information for the Category 2 (Retired/Terminated between May 1, 1984 – April 30, 1987)

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees</u> | <u>Total</u> |
|--|----------------------------|---|-----------------|-----------------|----------------------|-------------------------|--------------|
| Counts as of May 1, 2017 | 0 | 5 | 2 | 0 | 1 | 0 | 8 |
| Average Monthly Benefit Before Proposed Suspension | \$0 | \$272 | \$237 | \$0 | \$212 | \$0 | \$256 |
| Average Monthly Benefit After Proposed Suspension | \$0 | \$272 | \$237 | \$0 | \$212 | \$0 | \$256 |
| Percentage Change in Average Monthly Benefit (all) | n/a | 0% | 0% | n/a | 0% | n/a | 0% |
| Percentage Change in Average Monthly Benefit (only those impacted) | n/a | 0% | 0% | n/a | 0% | n/a | 0% |
| Present Value of Benefits Before Proposed Suspension* | \$0 | \$272,578 | \$5,149 | \$0 | \$9,206 | \$0 | \$286,933 |
| Present Value of Benefits After Proposed Suspension* | \$0 | \$272,578 | \$5,149 | \$0 | \$9,206 | \$0 | \$286,933 |
| Reduction in Present Value of Benefits Due to Proposed Suspension* | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

*Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> |
|--|---|
| No reduction^ | 8 ^Includes 3 participants with benefits below 110% of the PBGC guaranteed benefit (all 3 are over age 80). |
| Greater than 0% but less than 10% | 0 |
| At least 10% but less than 20% | 0 |
| At least 20% but less than 30% | 0 |
| At least 30% but less than 40% | 0 |
| At least 40% but less than 50% | 0 |
| At least 50% but less than 60% | 0 |
| At least 60% but less than 70% | 0 |
| At least 70% but less than 80% | 0 |
| 80% or more | 0 |
| Total number of participants impacted by proposed suspension | 0 |
| Grand total | 8 |

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4.04(2) - Information for the Category 3 (Retired/Terminated between May 1, 1987 – April 30, 1990)

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees</u> | <u>Total</u> |
|--|----------------------------|---|-----------------|-----------------|----------------------|-------------------------|--------------|
| Counts as of May 1, 2017 | 0 | 1 | 5 | 0 | 3 | 0 | 9 |
| Average Monthly Benefit Before Proposed Suspension | \$0 | \$200 | \$497 | \$0 | \$228 | \$0 | \$374 |
| Average Monthly Benefit After Proposed Suspension | \$0 | \$200 | \$497 | \$0 | \$228 | \$0 | \$374 |
| Percentage Change in Average Monthly Benefit (all) | n/a | 0% | 0% | n/a | 0% | n/a | 0% |
| Percentage Change in Average Monthly Benefit (only those impacted) | n/a | 0% | 0% | n/a | 0% | n/a | 0% |
| Present Value of Benefits Before Proposed Suspension* | \$0 | \$28,152 | \$24,988 | \$0 | \$48,180 | \$0 | \$101,320 |
| Present Value of Benefits After Proposed Suspension* | \$0 | \$28,152 | \$24,988 | \$0 | \$48,180 | \$0 | \$101,320 |
| Reduction in Present Value of Benefits Due to Proposed Suspension* | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

*Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> |
|--|---|
| No reduction^ | 9 ^Includes 7 participants with benefits below 110% of the PBGC guaranteed benefit (all 7 are over age 80) and 1 participant over age 80 (with benefits above 110% of the PBGC guaranteed benefit). |
| Greater than 0% but less than 10% | 0 |
| At least 10% but less than 20% | 0 |
| At least 20% but less than 30% | 0 |
| At least 30% but less than 40% | 0 |
| At least 40% but less than 50% | 0 |
| At least 50% but less than 60% | 0 |
| At least 60% but less than 70% | 0 |
| At least 70% but less than 80% | 0 |
| 80% or more | 0 |
| Total number of participants impacted by proposed suspension | 0 |
| Grand total | 9 |

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4.04(2) - Information for the Category 4 (Retired/Terminated between May 1, 1990 – April 30, 1994)

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees</u> | <u>Total</u> |
|--|----------------------------|---|-----------------|-----------------|----------------------|-------------------------|--------------|
| Counts as of May 1, 2017 | 0 | 17 | 18 | 2 | 6 | 0 | 43 |
| Average Monthly Benefit Before Proposed Suspension | \$0 | \$157 | \$497 | \$203 | \$297 | \$0 | \$321 |
| Average Monthly Benefit After Proposed Suspension | \$0 | \$157 | \$497 | \$203 | \$297 | \$0 | \$321 |
| Percentage Change in Average Monthly Benefit (all) | n/a | 0% | 0% | 0% | 0% | n/a | 0% |
| Percentage Change in Average Monthly Benefit (only those impacted) | n/a | 0% | 0% | 0% | 0% | n/a | 0% |
| Present Value of Benefits Before Proposed Suspension* | \$0 | \$277,734 | \$571,723 | \$39,870 | \$127,014 | \$0 | \$1,016,341 |
| Present Value of Benefits After Proposed Suspension* | \$0 | \$277,734 | \$571,723 | \$39,870 | \$127,014 | \$0 | \$1,016,341 |
| Reduction in Present Value of Benefits Due to Proposed Suspension* | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

*Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> |
|--|---------------|
| No reduction^ | 43 |
| Greater than 0% but less than 10% | 0 |
| At least 10% but less than 20% | 0 |
| At least 20% but less than 30% | 0 |
| At least 30% but less than 40% | 0 |
| At least 40% but less than 50% | 0 |
| At least 50% but less than 60% | 0 |
| At least 60% but less than 70% | 0 |
| At least 70% but less than 80% | 0 |
| 80% or more | 0 |
| Total number of participants impacted by proposed suspension | 0 |
| Grand total | 43 |

^Includes 25 participants with benefits below 110% of the PBGC guaranteed benefit (14 are over age 80), 2 disabled participants, and 10 participants over age 80 (with benefits above 110% of the PBGC guaranteed benefit).

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4.04(2) - Information for the Category 5 (Retired/Terminated between May 1, 1994 – April 30, 2003)

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees</u> | <u>Total</u> |
|--|----------------------------|---|-----------------|-----------------|----------------------|-------------------------|--------------|
| Counts as of May 1, 2017 | 0 | 35 | 96 | 9 | 38 | 3 | 181 |
| Average Monthly Benefit Before Proposed Suspension | \$0 | \$507 | \$975 | \$358 | \$303 | \$312 | \$702 |
| Average Monthly Benefit After Proposed Suspension | \$0 | \$400 | \$943 | \$358 | \$303 | \$312 | \$664 |
| Percentage Change in Average Monthly Benefit (all) | n/a | -21% | -3% | 0% | 0% | 0% | -5% |
| Percentage Change in Average Monthly Benefit (only those impacted) | n/a | -35% | -12% | 0% | 0% | 0% | -21% |
| Present Value of Benefits Before Proposed Suspension* | \$0 | \$1,909,643 | \$9,085,885 | \$281,971 | \$1,090,605 | \$90,189 | \$12,458,292 |
| Present Value of Benefits After Proposed Suspension* | \$0 | \$1,530,529 | \$8,763,316 | \$281,971 | \$1,090,605 | \$90,189 | \$11,756,610 |
| Reduction in Present Value of Benefits Due to Proposed Suspension* | \$0 | \$379,113 | \$322,569 | \$0 | \$0 | \$0 | \$701,682 |

*Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

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| <u>Percentage reduction in benefits</u> | <u>Number</u> |
|---|---------------|
| No reduction^ | 151 |
| ^Includes 52 participants with benefits below 110% of the PBGC guaranteed benefit (27 are over age 80), 5 disabled participants, and 46 participants over age 80 (with benefits above 110% of the PBGC guaranteed benefit). | |
| Greater than 0% but less than 10% | 11 |
| At least 10% but less than 20% | 7 |
| At least 20% but less than 30% | 3 |
| At least 30% but less than 40% | 3 |
| At least 40% but less than 50% | 2 |
| At least 50% but less than 60% | 3 |
| At least 60% but less than 70% | 1 |
| At least 70% but less than 80% | 0 |
| 80% or more | 0 |
| Total number of participants impacted by proposed suspension | <u>30</u> |
| Grand total | 181 |

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4.04(2) - Information for the Category 6 (Retired/Terminated between May 1, 2003 – July 31, 2009)

Part a

| | <u>Active Participants</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees</u> | <u>Total</u> |
|--|----------------------------|---|-----------------|-----------------|----------------------|-------------------------|--------------|
| Counts as of May 1, 2017 | 0 | 147 | 165 | 3 | 31 | 5 | 351 |
| Average Monthly Benefit Before Proposed Suspension | \$0 | \$627 | \$1,142 | \$927 | \$404 | \$359 | \$848 |
| Average Monthly Benefit After Proposed Suspension | \$0 | \$461 | \$912 | \$927 | \$402 | \$359 | \$671 |
| Percentage Change in Average Monthly Benefit (all) | n/a | -26% | -20% | 0% | -1% | 0% | -21% |
| Percentage Change in Average Monthly Benefit (only those impacted) | n/a | -35% | -24% | 0% | -4% | 0% | -28% |
| Present Value of Benefits Before Proposed Suspension* | \$0 | \$7,819,807 | \$23,574,858 | \$329,811 | \$1,489,050 | \$227,134 | \$33,440,659 |
| Present Value of Benefits After Proposed Suspension* | \$0 | \$5,997,819 | \$19,089,302 | \$329,811 | \$1,481,100 | \$227,134 | \$27,125,166 |
| Reduction in Present Value of Benefits Due to Proposed Suspension* | \$0 | \$1,821,987 | \$4,485,556 | \$0 | \$7,950 | \$0 | \$6,315,493 |

*Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> | |
|--|---------------|--|
| No reduction^ | 197 | ^Includes 67 participants with benefits below 110% of the PBGC guaranteed benefit (11 are over age 80), 3 disabled participants, and 7 participants over age 80 (with benefits above 110% of the PBGC guaranteed benefit). |
| Greater than 0% but less than 10% | 26 | |
| At least 10% but less than 20% | 28 | |
| At least 20% but less than 30% | 36 | |
| At least 30% but less than 40% | 28 | |
| At least 40% but less than 50% | 12 | |
| At least 50% but less than 60% | 14 | |
| At least 60% but less than 70% | 8 | |
| At least 70% but less than 80% | 2 | |
| 80% or more | 0 | |
| Total number of participants impacted by proposed suspension | <u>154</u> | |
| Grand total | 351 | |

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4.04(2) - Information for the Category 7 (Retired/Terminated on or after August 1, 2009)

Part a

| | <u>Active Participants*</u> | <u>Terminated Vested Participants</u> | <u>Retirees</u> | <u>Disabled</u> | <u>Beneficiaries</u> | <u>Alternate Payees**</u> | <u>Total</u> |
|--|-----------------------------|---|-----------------|-----------------|----------------------|---------------------------|--------------|
| Counts as of May 1, 2017 | 501 | 171 | 121 | 4 | 10 | 9 | 816 |
| Average Monthly Benefit Before Proposed Suspension | \$777 | \$520 | \$917 | \$1,282 | \$591 | \$590 | \$742 |
| Average Monthly Benefit After Proposed Suspension | \$618 | \$360 | \$794 | \$1,282 | \$497 | \$589 | \$592 |
| Percentage Change in Average Monthly Benefit (all) | -20% | -31% | -13% | 0% | -16% | 0% | -20% |
| Percentage Change in Average Monthly Benefit (only those impacted) | -24% | -35% | -28% | 0% | -33% | -1% | -27% |
| Present Value of Benefits Before Proposed Suspension*** | \$31,514,352 | \$6,925,113 | \$15,694,574 | \$667,471 | \$696,480 | \$781,596 | \$56,279,586 |
| Present Value of Benefits After Proposed Suspension*** | \$24,946,428 | \$4,860,700 | \$13,747,553 | \$667,471 | \$646,459 | \$780,599 | \$45,649,210 |
| Reduction in Present Value of Benefits Due to Proposed Suspension*** | \$6,567,924 | \$2,064,413 | \$1,947,021 | \$0 | \$50,021 | \$997 | \$10,630,376 |

*Excluding 154 active participants that entered the Plan after July 31, 2013 because those participants have not earned any benefits under the Plan and thus, are not impacted by the proposed reduction.

**Excluding 9 alternate payees that are not in payment status. The average benefits and present value of benefits for these deferred alternate payees are included with the active and terminated vested participants.

***Estimated as of May 1, 2019 based on a 6.5% valuation interest rate and assumptions described in Exhibit K of the report titled "Report of Required Actuarial Information - Application for Proposed Benefit Suspensions as of May 1, 2019".

Part b

| <u>Percentage reduction in benefits</u> | <u>Number</u> | |
|--|---------------|--|
| No reduction^ | 563 | ^Includes 284 participants with benefits below 110% of the PBGC guaranteed benefit (1 is over age 80) and 4 disabled participants. Excludes 154 actives with \$0 accrued benefits. |
| Greater than 0% but less than 10% | 35 | |
| At least 10% but less than 20% | 51 | |
| At least 20% but less than 30% | 61 | |
| At least 30% but less than 40% | 63 | |
| At least 40% but less than 50% | 28 | |
| At least 50% but less than 60% | 11 | |
| At least 60% but less than 70% | 4 | |
| At least 70% but less than 80% | 0 | |
| 80% or more | 0 | |
| Total number of participants impacted by proposed suspension | <u>253</u> | |
| Grand total | 816 | |