Sheet Metal Workers Local Pension Plan

Supplemental Information to Actuarial Certification for the Plan Year Beginning May 1, 2017

Prepared by:

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Supplemental Information to Actuarial Certification for the Plan Year Beginning May 1, 2017 of the Sheet Metal Workers Local Pension Plan

This supplement to the Actuarial Certification for the Plan Year Beginning May 1, 2017 for the Sheet Metal Workers Local Pension Plan (the "Plan") has been completed in accordance with our understanding of IRC §432(e)(9) (including §1.432(e)(9)-1 and Revenue Procedure 2017-43).

Purpose of the Report

This supplement is meant to fulfill the additional disclosure requirements laid out in Revenue Procedure 2017-43 Section 3.01 which are not explicitly shown in the original certification. This information is based on the Actuarial Certification for the Plan Year Beginning May 1, 2017 dated July 28, 2017.

Limited Distribution

Milliman's work is prepared solely for the internal business use of the Board of Trustees Sheet Metal Workers Local Pension Plan (the "Plan Sponsor") and the Plan's Trustees and may not be provided to third parties without our prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a release, subject to the following exceptions:

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Any third party recipient of this work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

Reliance

In preparing the report, we relied on our Actuarial Certification for the Plan Year Beginning May 1, 2017 dated July 28, 2017 and our May 1, 2016 Actuarial Valuation.

Limited Use

Actuarial computations presented here were prepared to meet the requirement set forth in IRC §432(e)(9) (taking into account §1.432(e)(9)-1 and Revenue Procedure 2017-43).

Actuarial computations for other purposes may yield significantly different results from those shown in this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on plan funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

Certification

In our opinion, each assumption used, other than those assumptions mandated directly by the Internal Revenue Code and regulations thereon, is individually reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, such other assumptions offer our best estimate of anticipated experience under the Plan.

On the basis of the foregoing, we hereby certify that to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States promulgated by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,

[redacted]

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March 9, 2018
Date

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A. Solvency Projection

The following table shows the plan-year-by-year market value of assets projection to insolvency. The plan years ending April 30, 2017 through April 30, 2032 are shown.

	Plan year beginning May 1	2016	2017	2018	2019	2020	2021	2022	2023
1.	Market value of assets (beginning of year)	$39,751,795	$41,448,047	$41,654,170	$41,585,151	$40,511,338	$39,119,455	$37,343,994	$35,258,224
2.	Employer contributions	3,914,858	3,850,000	3,850,000	3,115,000	3,115,000	3,115,000	3,325,000	3,325,000
3.	Withdrawal liability payments	0	0	0	0	0	0	0	0
4.	Benefit payments								
	a. Current retirees and beneficiaries	n/a	5,196,475	5,086,973	4,972,683	4,853,793	4,710,455	4,578,739	4,439,206
	b. Terminated vested participants	n/a	329,423	515,557	620,222	697,571	829,063	1,028,232	1,187,428
	c. Current actives	n/a	377,444	573,224	809,505	1,084,149	1,372,391	1,696,115	1,996,734
	d. New entrants	n/a	0	0	0	0	0	0	0
	e. Total	5,349,550	5,903,342	6,175,754	6,402,410	6,635,513	6,911,909	7,303,086	7,623,368
5.	Administrative expenses	352,156	359,199	366,383	373,711	381,185	388,809	396,585	404,517
6.	Investment returns	3,483,100	2,618,664	2,623,118	2,587,308	2,509,815	2,410,257	2,288,901	2,142,827
7.	Market value of assets (end of year) (1) + (2) + (3) - (4e) - (5) + (6)	$41,448,047	$41,654,170	$41,585,151	$40,511,338	$39,119,455	$37,343,994	$35,258,224	$32,698,166
8.	Available resources (1) + (2) + (3) - (5) + (6)	$46,797,597	$47,557,512	$47,760,905	$46,913,748	$45,754,968	$44,255,903	$42,561,310	$40,321,534
9.	Solvency ratio (8) / (4e)	8.75	8.06	7.73	7.33	6.90	6.40	5.83	5.29

	Plan year beginning May 1	2024	2025	2026	2027	2028	2029	2030	2031
1.	Market value of assets (beginning of year)	$32,698,166	$29,734,424	$26,411,941	$22,648,125	$18,510,444	$13,989,348	$9,082,882	$3,848,794
2.	2. Employer contributions	3,325,000	3,325,000	3,325,000	3,325,000	3,325,000	3,325,000	3,325,000	3,325,000
3.	3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4.	4. Benefit payments								
	a. Current retirees and beneficiaries	4,295,982	4,146,152	3,991,173	3,832,222	3,668,969	3,501,908	3,331,562	3,158,498
	b. Terminated vested participants	1,287,270	1,335,942	1,474,944	1,553,242	1,617,443	1,689,308	1,697,918	1,750,898
	c. Current actives	2,261,952	2,515,807	2,741,753	2,939,031	3,140,244	3,315,171	3,476,228	3,605,391
	d. New entrants	0	0	0	0	0	0	0	0
	e. Total	7,845,204	7,997,901	8,207,870	8,324,495	8,426,656	8,506,387	8,505,708	8,514,787
5.	Administrative expenses	412,607	420,859	429,276	437,862	446,619	455,551	464,662	473,955
6.	Investment returns	1,969,069	1,771,277	1,548,330	1,299,676	1,027,179	730,472	411,282	70,478
7.	Market value of assets (end of year) (1) + (2) + (3) - (4e) - (5) + (6)	$29,734,424	$26,411,941	$22,648,125	$18,510,444	$13,989,348	$9,082,882	$3,848,794	Insolvent
8.	Available resources (1) + (2) + (3) - (5) + (6)	$37,579,628	$34,409,842	$30,855,995	$26,834,939	$22,416,004	$17,589,269	$12,354,502	n/a
9.	Solvency ratio (8) / (4e)	4.79	4.3	3.76	3.22	2.66	2.07	1.45	n/a

B. Projected Total Contribution Base Units and Contribution Rates

The following table shows the assumed contribution base units (hours) and contribution rate used to produce the Actuarial Certification for the Plan Year Beginning May 1, 2017.

Plan Year Beginning May 1	Total Contribution Base Units (hours)	Average Contribution Rate (Hourly)
2017	1,100,000	$3.50
2018	1,100,000	$3.50
2019	890,000	$3.50
2020	890,000	$3.50
2021	890,000	$3.50
2022	950,000	$3.50
2023	950,000	$3.50
2024	950,000	$3.50
2025	950,000	$3.50
2026	950,000	$3.50
2027	950,000	$3.50
2028	950,000	$3.50
2029	950,000	$3.50
2030	950,000	$3.50
2031	950,000	$3.50

C. New Entrant Profile

Although the active population is assumed to remain stable, no assumption was made with respect to the demographic characteristics of new entrants as benefit accruals have been suspended since August 1, 2013.