

**APPLICATION FOR APPROVAL OF A PROPOSED SUSPENSION OF BENEFITS UNDER
IRONWORKERS LOCAL UNION 16 PENSION FUND
EIN/PN: 52-6148924 / 001**

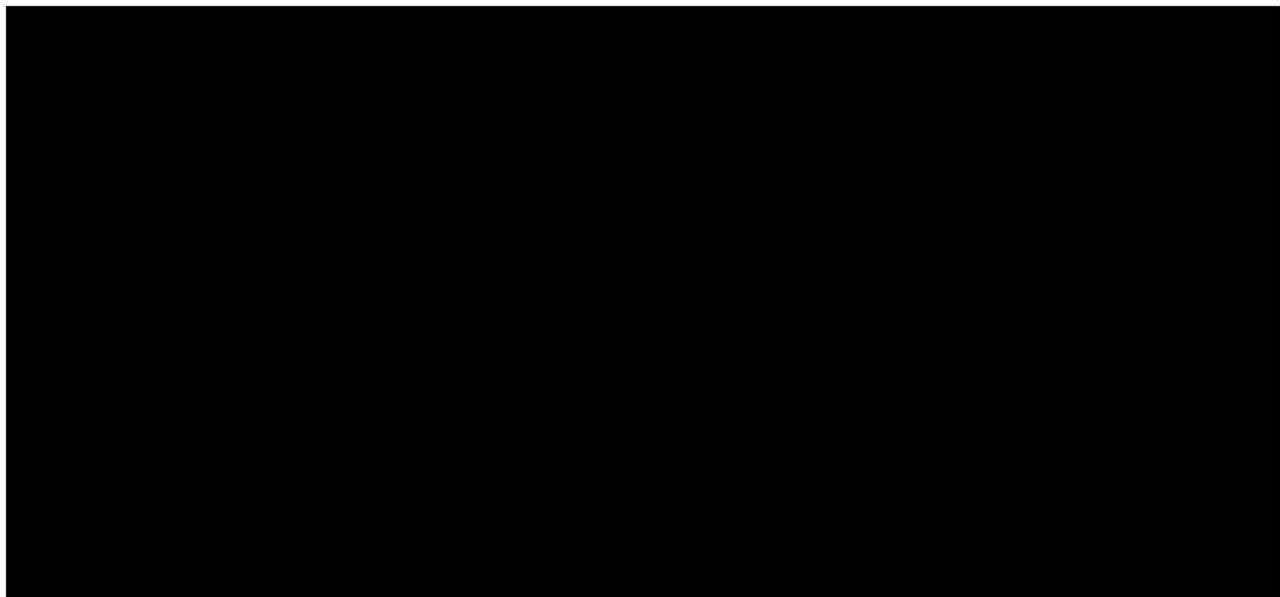
Dear U.S. Department of the Treasury Representative:

The Board of Trustees of the Ironworkers Local Union 16 Pension Fund respectfully submits this application for approval of a proposed reduction in benefits in accordance with IRC § 432(e)(9) and Revenue Procedure 2017-43. The Board of Trustees has designated its Chairman, Mr. Raymond Cleland, as the authorized Trustee for purposes of attesting and signing certain sections of this application.

The section and exhibit numbers included with this application correspond to those in the Revenue Procedure, if not otherwise noted.

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Respectfully submitted on December 28, 2017.



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Section 1. Background

Section 201 of the Multiemployer Pension Reform Act of 2014, Division O of the Consolidated and Further Continuing Appropriations Act, 2015, Public Law 113-235 (128 Stat. 2130 (2014)) (MPRA), amended the Internal Revenue Code (Code) and the Employee Retirement Income Security Act of 1974, Public Law 93-406 (88 Stat. 829 (1974)), as amended (ERISA), to permit the sponsor of a multiemployer defined benefit plan in critical and declining status to suspend benefits in certain situations.

In particular, MPRA amended § 432(e)(9) of the Code and section 305(e)(9) of ERISA to permit the sponsor of a multiemployer defined benefit plan in critical and declining status to submit to the Secretary of the Treasury (Secretary) a proposal to suspend benefits in certain situations. MPRA requires the Secretary to approve a plan sponsor's proposed suspension if the plan is eligible for the proposed suspension and the proposed suspension satisfies § 432(e)(9)(C) through (F).

Revenue Procedure 2017-43 prescribes the application process for approval of a proposed benefit suspension in accordance with § 432(e)(9)(G) and provides a model notice that a plan sponsor proposing a benefit suspension may use to satisfy the content and readability requirements of §432(e)(9)(F)(ii) and (iii)(II).

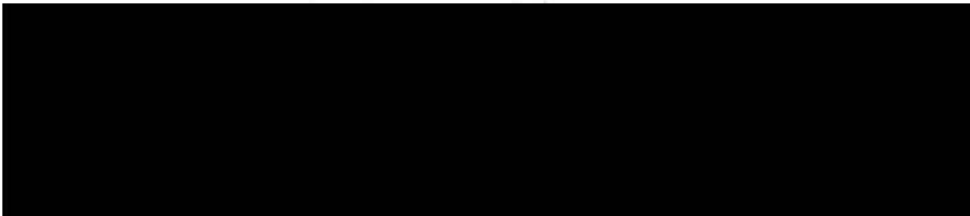
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Section 2. Application Procedures

2.01. Who May Submit an Application.

The application is being submitted by James McKeogh, the enrolled actuary for the plan. Mr. McKeogh is an authorized representative of the plan sponsor, as indicated in the power of attorney exhibit (Exhibit 7.05). The current members of the Board of Trustees have also signed this application on page 1.

I am submitting this application on behalf of the Board of Trustees of the Ironworkers Local Union 16 Pension Fund in accordance with the authority provided to me in Exhibit 7.05 of this application (power



2.02. Terms of Proposed Benefit Suspension.

- (1) The proposed effective date for the benefit suspension is October 1, 2018.
- (2) The proposed suspension is for an indefinite period of time.
- (3) The proposed suspension providing for different treatment of participants and beneficiaries is explained below. This explanation of the proposed suspension is prior to the application of the individual limitations per §432(e)(9)(D)(i), (ii) and (iii).
 - a) Elimination of the Thirteenth Check
 - The proposed reduction eliminates the thirteenth check for all pensioners, surviving spouses and beneficiaries who are receiving a thirteenth check, with the last such check to be issued in January 2018.
 - b) Reduction of the Monthly Pension
 - Pensioners and Terminated Vested Participants as of October 1, 2018

For participants who have not previously received a partial lump sum distribution¹, the proposed reduction in the monthly pension benefit is the monthly pension benefit multiplied by the product of (i) 0.125% and (ii) the number of months between age 80 and participant's age (expressed in years and completed months) as of October 1, 2018. This reduction is limited to be no more than 50% of the monthly pension.

For participants who have previously received a partial lump sum distribution, the proposed reduction in the monthly pension benefit is based on an adjusted monthly pension. The

¹ Partial Lump Sum Distribution: Certain participants with commencement dates between August 1, 2003 and March 23, 2012, elected to receive a lump sum distribution with respect to accruals earned for service in excess of 25 years.

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adjusted monthly pension is equal to the monthly pension that would have been paid had there been no lump sum distribution. The reduction is the adjusted monthly pension multiplied by the product of (i) 0.125% and (ii) the number of months between age 80 and participant's age (expressed in years and completed months) as of October 1, 2018. This reduction is capped at 50% of such adjusted monthly pension.

- Surviving Spouses and Beneficiaries receiving a pension as of October 1, 2018

For a person receiving benefits as a surviving spouse or beneficiary as of October 1, 2018, the proposed reduction in the monthly pension benefit is the monthly pension benefit multiplied by the product of (i) 0.0625% and (ii) the number of months between age 80 and such person's age (expressed in years and completed months) as of October 1, 2018. This reduction is capped at 50% of the monthly pension benefit.

- Active Participants as of October 1, 2018

For active participants as of October 1, 2018 who leave covered employment prior to November 1, 2020, the proposed reduction in the accrued monthly pension benefit is the accrued benefit as of October 1, 2018 multiplied by the product of (i) 0.125%, (ii) the number of months between age 80 and participant's age (expressed in years and completed months) as of cessation of covered employment, and (iii) a percentage equal to 100%, less 4% per month that cessation of covered employment occurs after October 2018. This reduction is capped at 50% of the accrued monthly pension as of October 1, 2018. "Leave covered employment" and "cessation of covered employment" means a participant starts his or her pension, dies, or incurs a one-year break in service as defined by the Plan.

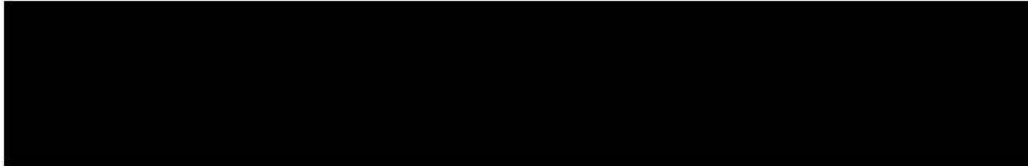
There is no proposed reduction in benefits for active participants that leave covered employment on or after November 1, 2020.

- (4) In addition to the individual limitations under §432(e)(9)(D)(i), (ii), and (iii), the proposed suspension shall not reduce a participant's pension benefit below 110% of the PBGC guaranteed amount, where the PBGC guaranteed amount is calculated based on the participant's benefit which reflects the chosen form of payment and any applicable adjustment for early or late retirement.

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2.03. Penalties of Perjury.

Under penalties of perjury, I declare that I have examined this application, including the accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts



2.04. Public Disclosure.

I acknowledge that pursuant to IRC 432(e)(9)(G)(ii), the application for approval of the proposed suspension of benefits, and the application's supporting material, will be publicly disclosed through publication on the Treasury Department website.



Raymond Cleland - Authorized Trustee on behalf of Board of Trustees

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Section 3. Demonstration that Plan is Eligible for Suspension

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

The Actuary's certification of critical and declining status for the Plan Year beginning January 1, 2017, the Plan Year in which the application is submitted, is provided as Exhibit 3.01a.

Exhibit 3.01b provides supporting information used in developing the January 1, 2017 certification, including a year-by-year projection of the available resources and benefit payments (by participant status), demonstrating that the plan is projected to become insolvent during the relevant period.

The certification and supporting information are based, in part, on the results of the January 1, 2016 and January 1, 2017 actuarial valuations, which are included as Exhibits 7.10a and 7.10b.

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

The attached Exhibit 3.02 is the Actuary's certification to the plan sponsor that the plan is projected to avoid insolvency within the meaning of IRC § 418E, reflecting the proposed benefit suspension and assuming that the proposed suspension continues indefinitely.

The certification includes supporting information, including a plan-year-by-plan-year projection of the available resources and benefit payments (by participant status), demonstrating that the plan is projected to avoid insolvency during the relevant period.

The certification is based on the results of the January 1, 2017 actuarial valuation (Exhibit 7.10b) along with certain assumption changes as outlined in Exhibit 3.02 and in Part 3 of Exhibit 6.03.

3.03 Plan Sponsor's Determination of Projected Insolvency.

Pursuant to § 432(e)(9)(C)(ii), the Board of Trustees has determined that the Plan is projected to become insolvent unless benefits are suspended, even though all reasonable measures to avoid insolvency have been taken.

The plan sponsor's determination is based, in part, on the documentation in Section 5 of this application. The plan sponsor's determination is also based on the January 1, 2017 actuarial certification that the plan is in critical and declining status and projected to become insolvent.

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Section 4. Demonstration that the Proposed Suspension Satisfies the Statutory Requirements

4.01 Demonstration that Limitations on Individual Suspensions are Satisfied.

Sample calculations provided as Exhibit 4.01 illustrate how the proposed suspension satisfies the guarantee-based limitations described in §432(e)(9)(D)(i). Sample calculations without personally identifiable information are provided for an individual currently receiving benefits, a contingent beneficiary of an individual currently receiving benefits, and a future retiree. Each sample calculation illustrates the calculation of the monthly guaranteed benefit under section 4022A of ERISA assuming that no portion of the individual's benefit under the plan is subject to permitted forfeiture under §411(a) but is reduced in accordance with 4022A(a)-(e), if applicable.

The Plan provided the Regular and Alternative Disability Pension benefits to active Participants that became totally and permanently disabled prior to January 1, 2014. Sections 3.10 - 3.12 in the plan document (Exhibit 7.06a) contain the full definition of disability benefits. With respect to the limitation on the suspension of benefits based on disability as described in §432(e)(9)(D)(iii), the entire benefit paid with respect to a participant who commenced a pension because of disability is treated as a benefit based on disability. Therefore, Participants with disability onset dates prior to January 1, 2014 are not affected by the proposed suspensions. Only one disability limitation calculation is provided since the limitation applies uniformly to all disabled retirees.

Sample calculations provided as Exhibit 4.01 illustrate how the proposed suspension satisfies the age-based limitations described in §432(e)(9)(D)(ii), taking into account the guarantee-based limitation. For each category identified in Section 2.02(3) with individuals who are over age 75, sample calculations are provided for (i) an individual aged 75-79 who is currently receiving benefits, (ii) a contingent beneficiary of an individual aged 75-79 who is currently receiving benefits, and (iii) a future retiree.

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

The attached Exhibit 3.02 provides a demonstration that the proposed benefit suspension is reasonably estimated to enable the plan to avoid insolvency in accordance with §432(e)(9)(D)(iv). Note the following:

1. The demonstration includes an illustration prepared on a deterministic basis showing that:
 - a. For each plan year beginning on the effective date of the proposed suspension and throughout an extended period as described in regulations under § 1.432(e)(9)-1(d)(5)(ii)(C), the plan's solvency ratio is projected to be at least 1.0. The solvency ratio is the ratio of the plan's available resources (as defined in § 418E(b)(3)) to the scheduled benefits payable under the plan for the plan year.
 - b. If the plan's projected funded percentage at the end of the extended period is less than or equal to 100 percent, then neither the plan's solvency ratio nor its available resources are projected to decrease in any of the last five plan years of the extended period.

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2. The actuarial assumptions used for the deterministic projections are outlined in Exhibit 6.03.
3. The extended period is the period beginning October 1, 2018 and ending December 31, 2050.
4. An illustration using stochastic projections is not provided since this plan is not a plan described in §432(e)(9)(B)(v)(I).

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

The attached Exhibit 3.02 illustrates that in accordance with §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.

For this purpose, the actuarial assumptions used are outlined in Exhibit 6.03.

The demonstration includes an illustration of the measures described in section 4.02(1) of Revenue Procedure 2017-43 showing that the proposed suspension would not reasonably be estimated to enable the plan to avoid insolvency if the dollar amount of the proposed suspension for each participant and beneficiary were reduced (but not below zero) by the greater of—

- (1) five percent of the reduction in the periodic payment proposed for that participant or beneficiary; or
- (2) two percent of the participant's or beneficiary's periodic payment determined without regard to the reduction proposed in the application.

An illustration using stochastic projections is not provided since this plan is not a plan described in §432(e)(9)(B)(v)(I).

4.04 Demonstration that the Proposed Benefit Suspension is Distributed Equitably.

In accordance with §432(e)(9)(D)(vi), the Board of Trustees has determined that the proposed benefit suspension is distributed in an equitable manner across the participant and beneficiary population.

1. For the plan in the aggregate:
 - (a) Exhibit 4.04(1) shows the number of participants, average benefits, and the reduction in the present value of benefits as a result of suspensions.
 - (b) Exhibit 4.04(2) provides a summary of the distribution of the benefit suspension in the aggregate for those whose benefits are not reduced and those whose benefits are reduced. The distribution shows a count of the individuals who have no reduction, a reduction of 10 percent or less, a reduction of 20 percent or less but more than 10 percent, etc.

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2. For the groups of individuals for which the proposed suspension provides different treatment:
- (a) For each group described in Section 2.02(3) of the revenue procedure, Exhibit 4.04(1) shows the number of participants, average benefits, and the reduction in the present value of benefits as a result of suspensions.

For each group described in Section 2.02(3) of the revenue procedure, Exhibit 4.04(2) provides a demonstration of the distribution of the benefit suspension within each different group of individuals referred to in the prior section, taking into account the effect of the individual limitations under § 432(e)(9)(D)(i), (ii), and (iii). The distribution shows a count of the individuals who have no reduction, a reduction of 10 percent or less, a reduction of 20 percent or less but more than 10 percent, etc.

- (b) The proposed suspension applies differently to different categories or groups of individuals. The factors that were considered in designing the proposed suspension are summarized in this section along with an explanation of how any differences in the applicable benefit suspension formulas for the different categories or groups of individuals resulted from a reasonable application of these factors.
- Age and life expectancy – Other than the disability-based and age-based federal limitations on benefit suspensions, the proposed monthly benefit suspensions are based on the participant’s age as of October 1, 2018. This will result in a higher percentage reduction in benefit for younger participants. The Board of Trustees determined that younger participants will be able to absorb a larger reduction in their pension since they have a longer period of time to plan and adjust for it.
 - Amount of benefit – The federal benefit suspension limitation that benefits cannot be reduced below 110% of the PBGC-guaranteed benefit may limit reductions for certain older retirees whose benefit formula was based on a lower accrual rate. In addition, the proposed suspension program includes a limitation that the monthly benefit (not counting the thirteenth check) cannot be reduced by more than 50% in order to limit excessive hardships to plan participants.
 - Type of benefit (retirees vs survivors) – The proposed reduction in the monthly benefit for survivors is 50% of the proposed reduction for participants. The Trustees felt that survivors are more vulnerable to income fluctuations and decided that a lower reduction was appropriate.
 - Extent to which participant or beneficiary is receiving a subsidized or additional benefit – Thirteenth checks were eliminated effective June 1, 2012 for pensioners and beneficiaries with effective retirement dates after December 31, 2007. Under the critical status rules relating to adjustable benefits, the Board of Trustees could not eliminate this additional benefit for those who retired prior to January 1, 2008, until now. The proposed suspension program includes the elimination of the thirteenth check for any remaining retirees, subject to the disability-based and age-based federal limitations.

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- History of benefit increases and reductions – Certain participants with commencement dates between August 1, 2003 and March 23, 2012, elected to receive a lump sum distribution with respect to accruals earned for service in excess of 25 years. This option was eliminated when the plan was first certified to be in critical status. The participants who received a partial lump sum have effectively reduced their prospective monthly pension benefit. In order for the benefit suspension to be distributed in an equitable manner, the Board of Trustees decided that the proposed suspensions for such participants be based on an adjusted pension benefit, which includes the monthly pension benefit that was distributed as a lump sum. In effect, the reduction will be based on an amount as if the participant never received a partial lump sum.
- Any discrepancies between active and retiree benefits – As mentioned earlier, the elimination of the thirteenth check for the remaining pensioners will result in more equity between active and retired participants. Section 5.01 contains a summary of benefit reductions made in the last 10 years, most of which affected active participants only. Benefit reductions for active participants included, but were not limited to, a reduction in future rate of accrual, an increase in the number of hours required to attain full and partial service credits, an increase in the age and service eligibility requirements for an unreduced service pension, the elimination of a subsidized form of payment, and the elimination of the disability benefit.
- Extent to which active participants are reasonably likely to withdraw support for the plan, accelerating employer withdrawals from the plan and increasing the risk of additional benefit reductions for participants in and out of pay status – The Trustees reviewed the benefit reductions made in the last 10 years (see Section 5.01) and felt that benefits for active participants have already been reduced to very low levels and a further reduction would not be sustainable, as explained in other parts of this application. However, in order to avoid a situation where there is a substantial advantage, and thus a certain amount of inequity, in commencing a pension on the effective date of the proposed suspension compared to commencing a pension the day before, the Trustees included a phase-out provision for participants who are active as of October 1, 2018 such that those leaving covered employment prior to November 2020 will see a partial suspension in their pension benefit. This phase-out percentage was included in the proposed suspension program to eliminate the incentive for active participants to defer termination/retirement until shortly after October 1, 2018 to avoid a benefit suspension.

The Board of Trustees has reviewed and determined that lowering the current benefit accrual rate for active participants would further destabilize the membership and its ability to retain market share, accelerate the loss of qualified workers and would adversely complicate efforts to recruit new members. This is further explained in section 5.02(1)(e).

The Trustees also reviewed the contribution rate increases made in the last 10 years (see Section 5.01) and believe that further increases are not sustainable. As explained in Section 5.02(1)(b), active members are already substantially subsidizing the pensions for

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current retirees. As summarized in the illustration in Section 5.02(1)(b), the accumulated value of an active participant's contributions at age 65 can be \$1.3 million higher than the value of the participant's pension benefits.

- (c) Not applicable.
- (d) All the factors used for the purpose of determining an equitable distribution of benefit suspensions originated in § 432(e)(9)(D)(vi).

4.05 Participant Notice.

The Plan sponsor's method for satisfying the notice requirements under § 432(e)(9)(F) is documented as follows:

1. A sample participant notice, without the individualized benefit statement page, is provided as Exhibit 4.05(1)a. Sample benefit statements (without personally identifiable information) which will be included as the last page of the participant notice are provided in Exhibits 4.05(1)b for each category of participants described in section 2.02(3) of this application.
2. The following efforts have been or are being made by the plan administrator to contact participants, beneficiaries and alternate payees:
 - The Fund has regular and continuing contact with participants, retirees and beneficiaries in the form of periodic mailings of checks, tax forms, annual statements and other required notices.
 - The Fund office staff monitors and corrects addresses on returned mail on a regular basis and updates the Fund's records accordingly. At this time, there are less than ten (10) individuals with bad or no addresses, mostly individuals who had no recent contributions or activity. The Fund office researched these against the union's records, internet searches, and via the use of a third-party locator firm. They represent less than 1% of the total plan population of approximately 1,100.
3. Notices will be delivered by regular mail and not provided electronically. Therefore, a description of the steps the plan sponsor has taken to ensure that any electronically delivered notices are reasonably accessible to the recipients has not been provided.
4. Lists of each employer that has an obligation to contribute and each employee organization representing participants under the plan:
 - (a) Exhibit 4.05(4) contains a list of employers that have an obligation to contribute within the meaning of section 4212(a) of ERISA.
 - (b) The only employee organization representing participants under this plan is the Ironworkers Local Union No. 5, International Association of Bridge, Structural, Ornamental & Reinforcing Iron Workers, successor to Ironworkers Local Union No. 16, due to a merger of local union affiliates by the International Union effective January 1, 2017.

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

This section of the application includes information with respect to the plan sponsor's determination required under section 3.03 of Revenue Procedure 2017-43 that the plan is projected to become insolvent unless benefits are suspended.

5.01 Measures Taken to Avoid Insolvency.

A description of measures taken to avoid insolvency over the 10 plan years immediately preceding 2017, the plan year in which the application is submitted, is provided below:

I. Reductions in Plan Benefits

- Service Pension: Eligibility and benefit amounts for Participants who retire with a Service Pension are summarized below:

For participants who did not have 25 Service Credits as of June 1, 2012:

- As of June 1, 2012, eligibility for the Service Pension was changed to retirement at age 55 with 30 Service Credits.
- Participants who retired during the period from June 1, 2012 to December 31, 2013 at age 55 with 30 Service Credits were eligible for a Service Pension, with no reduction for early retirement.
- Participants who retired during the period from January 1, 2014 to June 30, 2014 at age 55 with 30 Service Credits were eligible for a Service Pension, with a 6% per year reduction for retirement prior to age 57.
- Participants who retire after June 30, 2014 at age 55 with 30 Service Credits are eligible for a Service Pension, with a 6% per year reduction for retirement prior to age 60.

For participants who had 25 Service Credits as of June 1, 2012:

- Participants who retired between June 1, 2012 and December 31, 2015 were eligible for a Service Pension at any age, with no reduction for early retirement.
- Participants who retire on or after December 31, 2015 are eligible for a Service Pension at any age, with a 2% per year reduction in benefit for retirement prior to age 60, but no more than a 10% total reduction.
- Non-Service Pension (retirement prior to age 65): The benefit for participants who retire on or after January 1, 2016 and who are not eligible for a Service Pension is reduced by 6 2/3% per year that retirement precedes normal retirement age, generally age 65. Prior to this change, the reduction was 6% per year prior to age 65.

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- Benefit Accruals:
 - Benefit accruals for Service Credits in excess of 25 years were reduced from \$125.33 to \$94.00 for Service Credits earned on or after January 1, 2011.
 - As shown in the table in section 5.02(1)(b), the plan was amended effective January 1, 2008 to increase the benefit rates for Service Credits earned prior to January 1, 2006. Effective June 1, 2012, this benefit increase was rescinded, as allowed for under the law applicable to Critical Status plans, and benefit rates were reduced from \$90.00/\$120.00 to \$87.00/\$116.00 for pre-January 1, 2006 Service Credits up to/over 25 years. This reduction also applied starting June 1, 2012 to pensioners and beneficiaries with retirement effective dates between January 1, 2008 and June 1, 2012.
 - Benefit accruals were further reduced from \$94.00 to \$88.50 for Service Credits earned between June 1, 2012 and December 31, 2014.
 - Benefit accruals were further reduced from \$88.50 to \$50.00 for Service Credits earned on or after January 1, 2015.
- Sixty-Month Guarantee: The sixty-month payment guarantee was eliminated for participants electing a Single Life Pension effective on or after June 1, 2012. The Plan previously provided that, if an unmarried Participant died within five years of the date on which his or her pension began the monthly pension benefit continued to his or her beneficiary for the balance of five years.
- Disability Pension: The Regular and Alternative Disability Pension benefits were eliminated for active Participants that became totally and permanently disabled on or after January 1, 2014. Participants receiving a disability pension prior to January 1, 2014 were not affected.
- Service Credits: The number of hours needed to accrue a full Service Credit was increased from 1,400 to 1,600, effective January 1, 2015.
- Lump Sum Option: Previously, a Participant could elect to receive 100% or 50% of their pension benefit attributable to Service Credits in excess of 25 years earned prior to January 1, 2011 in the form of a lump sum. This lump sum option was eliminated for all participants who retire on or after March 23, 2012.
- Thirteenth Check: The Plan was amended effective January 1, 2008 and January 1, 2009 to provide a thirteenth check to retirees and beneficiaries with retirement effective dates in 2008 or 2009. Effective June 1, 2012, these benefit increases were rescinded (as allowed for under the law applicable to Critical Status plans) and future thirteenth checks were eliminated for all participants and beneficiaries with retirement effective dates after December 31, 2007. Pensioners and Beneficiaries with pre-2008 retirement effective dates were not affected by this change.
- Post-Retirement Lump Sum Death Benefit: The special \$1,500 death benefit payable upon the pensioner's death was eliminated. This elimination was effective for deaths occurring after December 31, 2015.

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II. Contribution Rate Increases

The following increases in the hourly pension contribution rate were made:

<u>Effective Date</u>	<u>Contribution Rate</u>		<u>Effective Date</u>	<u>Contribution Rate</u>
5/1/2006	\$ 4.24		4/1/2011	\$ 7.20
5/1/2007	\$ 4.34		4/1/2012	\$ 8.20
5/1/2008	\$ 4.80		4/1/2013	\$ 8.70
4/9/2009	\$ 5.70		6/1/2014	\$ 9.20
4/1/2010	\$ 6.70		4/1/2015 & later	\$ 9.70

III. 2016 Application for Suspension of Benefits

In March 2016, the Board of Trustees filed an application with the U.S. Department of Treasury to suspend benefits. Treasury denied the application, primarily on the basis that some of the Board of Trustees' assumptions were overly optimistic with respect to the contributions and benefit payments the Plan would experience over the next 30 years. This application is being submitted with modified assumptions that address Treasury's concerns. These assumptions are documented in Exhibit 6.03.

5.02 Plan Factors.

In accordance with §432(e)(9)(C)(ii), the following factors were considered in the plan sponsor's determination that all reasonable measures have been taken to avoid insolvency:

- 1) For the 10 plan years immediately preceding 2017, the plan year in which the application is submitted:
 - a) Contribution levels - - contribution rates are summarized in section 5.01 and contribution dollars and hours are summarized in section 6.04 of this application.
 - b) Benefit accrual levels - - the following is a summary of benefit accrual levels, including any prior reductions in the rate of benefit accruals, for participants retiring directly from active service.

<u>Effective Date</u>	<u>< 25 Service Credits Rate</u>	<u>> 25 Service Credits Rate</u>
Retire between 1/1/06 and 12/31/07	\$87.00 Pre 1/1/06 service \$94.00 1/1/06 – 12/31/07 service Plus 13 th check	\$116.00 Pre 1/1/06 service \$125.33 1/1/06 – 12/31/07 service Plus 13 th check
Retire between 1/1/08 and 5/31/12	\$90.00* Pre 1/1/06 service \$94.00 1/1/06 – 12/31/10 service \$94.00 1/1/11 – 5/31/12 service Plus 13 th check*	\$120.00* Pre 1/1/06 service \$125.33 1/1/06 – 12/31/10 service \$94.00 1/1/11 – 5/31/12 service Plus 13 th check*
	* As part of an adjustable benefits reduction effective 6/1/2012, payments for these retirees were recalculated as if the 1/1/08 increase in accruals for pre 1/1/06 service from \$87/\$116 to \$90/\$120 never occurred. The thirteenth check was also rescinded effective 6/1/2012 for anyone who retired 1/1/2008 or later.	

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<u>Effective Date</u>	<u>< 25 Service Credits Rate</u>	<u>> 25 Service Credits Rate</u>
Retire after 6/1/12	\$87.00 Pre 1/1/06 service	\$116.00 Pre 1/1/06 service
	\$94.00 1/1/06 – 12/31/10 service	\$125.33 1/1/06 – 12/31/10 service
	\$94.00 1/1/11 – 5/31/12 service	\$94.00 1/1/11 – 5/31/12 service
	\$88.50 6/1/12 – 12/31/14 service	\$88.50 6/1/12 – 12/31/14 service
	\$50.00 Post 12/31/14 service	\$50.00 Post 12/13/14 service

Reflecting the elimination of the thirteenth check, future accruals for less than 25 Service Credits have been lowered by 51% since January 1, 2006 (i.e., \$94 rate with the thirteenth check versus \$50 rate without the thirteenth check). Similarly, reflecting the elimination of the thirteenth check, future accruals for more than 25 Service Credits have been lowered by 63% (i.e., \$125.33 rate with the thirteenth check versus the \$50 rate without the thirteenth check).

Active members are currently contributing \$9.70 per hour in return for a \$50.00 monthly accrual rate, payable at age 65. Effectively, active members are substantially subsidizing the pensions for current retirees. For example, a 35 year old member working 1,500 hours per year for 30 years will have \$436,500 in contributions made on his behalf over his working career based on an hourly contribution rate of \$9.70. The future value of these contributions at age 65 is about \$1.5 million, assuming 7% interest. At age 65, the present value of the participant's benefit payments of \$1,500 per month (i.e., \$50 rate for 30 years of service) is about \$200,000, based on 7% interest and assuming a 20-year life expectancy. This value of the participant's contributions at age 65 is \$1.3 million higher than the value of the participant's pension benefits.

In addition to the benefit accrual rates listed in Section 5.02(1)(b), it is important to note that the hours required to earn one full year of credited service has been increased from 1,050 in 2006 to 1,600 in 2015, a 52% increase. A participant working 1,050 hours in 2006 would have accrued a full year of service at the \$94 rate (for service less than 25 years) while the same participant would have accrued one half year of service at the \$50 rate, or \$25, which represents a 73% reduction when compared to the \$94 accrual.

The Board of Trustees has reviewed this information and determined that lowering the current benefit accrual rate would further destabilize the Local and its ability to retain market share, accelerate the loss of qualified workers and would adversely complicate efforts to recruit new members. This is explained further in section (e) below. The Board also notes that in addition to the reduction in the benefit accrual rate, many other reductions have also been made to the plan of benefits, as documented in the Rehabilitation Plan and in Section 5.01.

- c) Prior reductions of adjustable benefits under § 432(e)(8) - - provided in section 5.01 of this application.
- d) Prior suspensions of benefits under § 432(e)(9) - - there have been no prior suspensions of benefits under § 432(e)(9).
- e) Measures undertaken by the plan sponsor to retain or attract contributing employers:

The Plan Sponsor – the Board of Trustees – is limited in its ability to take actions which would

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help retain or attract contributing employers other than offering an attractive pension benefit and a low hourly contribution rate, which it is currently unable to do. If the Board could reduce or eliminate withdrawal liability this would help attract new contractors but the Plan's critical and declining status make this an impossibility.

Local Union No. 5 – one of the Plan's settlors – has been working to retain and attract contributing employers. Local Union No. 5's Business Agents are very active in trying to organize workers and sign new contractors. The Local Union and the International Union have explored ways to capture work that would not ordinarily be performed under the Local Union's current collective bargaining agreement. This however typically meets with requests to lower the hourly labor package - which includes both wages and fringe benefits - so that the employers can be more competitive in these new markets.

Since the Plan's critical status prevents it from lowering pension contribution rates, pressure is placed on the wages. However, lower wages with a high pension contribution rate is often attractive to neither the employees nor the employers. In fact, some employers have refused to sign a collective bargaining agreement that requires contributions to a defined benefit pension plan. Nonetheless, Local 5 has been able to sign a few new contractors to its collective bargaining agreement. These employers, however, have produced significantly less work than the employers who have terminated their business in recent years.

Further complicating the effort to increase contributions to the Pension Plan is the loss of qualified workers. Many Local 5 members working in the former Local 16 geographic area have decided to retire or otherwise leave the industry in the face of declining work opportunities, stagnant wages and higher pension costs with a lower benefit accrual rate.

The geographic area covered by the Ironworkers Local Union 16 Pension Fund at one time prior to 2015 had about 140 different contractors make contributions to the plan but by 2016/2017 there were about 60 who were still active in the area. While most of the remaining contractors from earlier years are still signatory to the Local 5 collective bargaining agreement (which in itself is a positive outcome), they are not able to consistently secure work in the area covered by the Pension Fund.

An additional measure undertaken is the establishment and continuation of a job-targeting program. The program is funded through assessments of union members. A fund has been established to provide subsidies to signatory employers who successfully bid on jobs in traditionally non-union sectors in which the primary competition is non-union employers. A successful bidder is provided a monetary subsidy from the job-targeting fund to help defray the cost of the union company's higher wages and benefits. The union has targeted several jobs over the last several years and provided several subsidies to employers which translates into more work and more contributions into the Pension Fund.

While it has been a challenging environment to attract new employers, the work opportunities have improved in the Baltimore, MD area and there are additional projects "on the books" for the coming year as discussed in more detail under paragraph (4). Accordingly, the Local Union, and in turn the Trustees, believe hours will eventually stabilize.

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- 2) The impact on plan solvency of the subsidies and ancillary benefits, if any, available to active participants.

For participants who retire at age 55 or later with 30 or more Service Credits, the early retirement reduction is 6.00% per year prior to age 60. The subsidy contained in this benefit has been greatly reduced over the past few years. For example, for retirements prior to June 1, 2012, some participants received an unreduced pension upon completion of 25 Service Credits and other participants received an unreduced pension upon age 50 with 30 or more Service Credits. Elimination of or a reduction in this early retirement subsidy would not prevent the plan from being projected to become insolvent.

For retirements prior to June 1, 2012, participants with 25 or more Service Credits were eligible to retire with an unreduced pension at any age. For retirements on or after June 1, 2012, participants with 25 or more Service Credits as of June 1, 2012 continued to be eligible for an unreduced pension at any age (this group became known as the grandfathered group) and for all other participants, eligibility for an unreduced pension was changed to attainment of age 60 with 30 or more Service Credits. As of June 1, 2012, there were approximately 30 grandfathered participants who had not started their pension. Additionally, grandfathered participants retiring on or after January 1, 2016 became subject to an early retirement reduction of 2% per year prior to age 60, up to a maximum 10% reduction. As of December 2017, there are 11 grandfathered participants who had not started their pension. The average age of these 11 participants as of December 1, 2017 is 59. A reduction in the early retirement subsidy available for these grandfathered participants is expected to have a de minimis effect on the plan's projected insolvency.

The only ancillary benefit available to active participants after January 1, 2016 is a pre-retirement death benefit. This benefit is available to unmarried participants and to married participants in lieu of the qualified pre-retirement survivor annuity. The benefit is equal to \$300 multiplied by the number of Service Credits, with a minimum benefit of \$2,500 and a maximum benefit of \$7,500. There were 8 participants whose beneficiaries were paid this benefit over the last 10 years, for a total payout of \$25,903 over the past 10 years. Elimination of this benefit is expected to have a de minimis effect on the plan's projected insolvency.

Please note that the Pension Protection Act does not require that Rehabilitation Plans established for Critical Status plans eliminate all actuarial subsidies and/or enhancements from the plan of benefits. The Board of Trustees is tasked with establishing a program that balances reductions in benefits with the survival and health of the Local Union. For example, the subsidy for active participants with 30 years of Service Credits is an important feature of the Plan that is meant to attract new members and retain existing members until at least that age. Additionally, certain subsidies have a much higher cost than others. For example, the pre-retirement death benefit outlined above has very little cost and the Trustees consider this modest benefit for unmarried participant beneficiaries as a fairness issue given the generous pre-retirement benefit for married participants.

- 3) Compensation levels of active participants relative to employees in the participants' industry generally.

A regular union construction iron worker journeyman's wages have risen from \$25.55 an hour in

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2006 to \$28.48 per hour in 2017, an 11.5% increase. During this same time period, contributions into the Pension Fund have increased from \$4.24 per hour in 2006 to \$9.70 per hour in 2017, a 129% increase. To fund the increases in Pension Fund contributions, union iron workers have sacrificed meaningful wage increases for a number of years. Additionally, in 2012, the bargaining parties shifted \$1.35 per hour in contributions from the Ironworkers Local No. 16 Annuity Fund – a participant directed defined contribution fund – to the Pension Fund.

4) Competitive and other economic factors facing contributing employers.

Employment opportunities declined precipitously in the Baltimore, Maryland region. US Department of Labor, Bureau of Labor Statistics (“BLS”) reports show that between January 2005 and September 2008 unemployment fluctuated within about a 1.5% range from a low of 3.3% to a high of 4.9%. In the beginning of 2009, unemployment began a steady rise to an ultimate high of 8.7% in February 2010. The unemployment rate did not come below 6% until April 2014. The BLS reported unemployment rate for the Baltimore, MD metropolitan area in September 2017 stands at 3.7%.

Work for the union iron workers in the Baltimore Metropolitan area and surrounding counties initially followed this trend. Hours worked by union iron workers declined 65% from a high of 1,017,997 in 2008 to a low of 352,830 in 2016 as shown below:

<u>Year</u>	<u>Non-Recip. Hours</u>	<u>% Change</u>	<u>Recip-In Hours</u>	<u>% Change</u>	<u>Total Hours</u>	<u>% Change</u>
2006	662,262		51,955		714,217	
2007	950,386	44%	34,587	-33%	984,973	38%
2008	985,019	4%	32,978	-5%	1,017,997	3%
2009	763,680	-22%	21,093	-36%	784,773	-23%
2010	437,650	-43%	25,185	19%	462,835	-41%
2011	487,474	11%	43,040	71%	530,515	15%
2012	428,620	-12%	36,530	-15%	465,151	-12%
2013	449,514	5%	24,149	-34%	473,664	2%
2014	403,083	-10%	52,336	117%	455,419	-4%
2015	339,966	-16%	63,007	20%	402,972	-12%
2016	264,418	-22%	88,412	40%	352,830	-12%
2017*	261,000	-1%	94,000	6%	355,000	1%

*Estimated

There are several factors that contribute to this continued decline in hours. The types of work performed in the union sector, particularly industrial work, have yet to rebound and may never rebound to 2007-2009 levels. Sparrows Point, a vast complex in Baltimore County which housed a steel mill and related facilities, generated large amounts of work for union iron workers. It is estimated that at various times work at Sparrows Point generated between 13% and 22% of the hours reported by union contractors to the Pension Fund in any one year. Employers who

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performed all or most of their work at Sparrows Point reported hours as high as 135,341 hours in 2007, 164,623 hours in 2008 and 116,329 hours in 2011 but reported zero hours in 2014 and 2015.

Sparrows Point went through some turbulent times with a new company – RG Steel LTD - buying the facility in 2011, promptly filing for bankruptcy in May 2012, and eventually going out of business. The facilities at Sparrows Point were sold to liquidators and have since been shuttered and dismantled. At least three employers (AS&L Industrial Services, Quality Industrial Contracting and B Moore Industrial) who derived most of their work from Sparrows Point have since gone out of business. Since these companies operated in the construction industry, they were not responsible for any withdrawal liability. In addition, given that the industrial operations at Sparrows Point are permanently lost, these hours cannot be recaptured.

There are some positive signs for the future, however, that hours will stabilize and potentially rise. Attached as Exhibit 5.02 is a letter from Victor Cornellier, the President of the Employer's Association outlining several jobs on the books that should provide work opportunities to the participants in this Plan. He projects over 450,000 hours of work over the next two to three years in addition to normal flow of projects that are typically worked by union contractors.

While the industrial work at Sparrows Point has disappeared, the land at Sparrows Point is being repurposed and developed. Tradepoint Atlantic has been developing the site over the past several years since it purchased it in 2014. Tradepoint has promised to give union contractors an opportunity to bid on jobs on this site as they develop. While there is no guarantee at this time that all work will be performed with union contractors, and indeed some recent jobs have not been awarded to iron worker union contractors, there is the potential for capturing work in the future.

One promising project in the wings is the construction of a \$1.4 billion mid-Atlantic, offshore wind farm and accompanying onshore facilities, which received the final approval from the State of Maryland this past summer. See <http://www.baltimoresun.com/news/maryland/environment/bs-md-offshore-wind-projects-20170525-story.html>. While the project has run into some resistance from Ocean City officials, see <http://www.baltimoresun.com/news/maryland/politics/blog/bs-md-wind-farm-fight-20170721-story.html>, there is a good possibility it will get back on track at some point in the near future. There have been verbal commitments from the wind farm developers that this project will be performed with union contractors.

Finally, the merger of Local 16 into Local 5 in 2017 provides some potential for increased work opportunities for the members of Local 5 who work in the Baltimore area and whose contributions are paid to the Ironworkers Local No. 16 Pension Fund. Due to reciprocity agreements, when the Baltimore members work in the Washington, D.C. area, their contributions are reciprocated to the Local 16 Pension Fund. Due to the proximity of Baltimore to Washington, DC and the significant amount of work in the DC area, a substantial amount of contributions have been reciprocated in the past to the Local 16 Pension Fund from DC area work (see Section 5.02(4)). With the merger of the local union, the Baltimore members will not only have work opportunities in DC due to their geographic proximity but they will now have first priority due to their membership within the same local union. This factor is expected to provide additional stability in the Local 16 Pension fund hours.

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5.03 How Plan Factors were Taken Into Account.

A description of how plan factors were taken into account in the plan sponsor's determination that all reasonable measures have been taken to avoid insolvency is provided below:

- 1) The factors listed under section 5.02 of this application were considered in the plan sponsor's determination that all reasonable measures have been taken to avoid insolvency, as follows:
 - a) Contribution levels - - Contribution levels are comprised of the contribution rates multiplied by hours of covered employment. Section 5.02(3) addresses how contribution rates were considered by the plan sponsor. Section 5.02(4) address how industry activity was considered by the plan sponsor.
 - b) Benefit accrual levels - - Section 5.02(1)(b) addresses how the benefit accrual rates were considered by the plan sponsor.
 - c) Prior reductions of adjustable benefits under § 432(e)(8) - - Section 5.01 lists all the benefit reductions made by the plan sponsor in the last 10 years, including reductions in adjustable benefits.

On March 16, 2012, the plan actuary certified the plan to be in Critical Status for the first time. In addition to making reductions in adjustable benefits to the 2012 plan of benefits, the Board of Trustees utilized the five-year look-back rule to rescind the January 1, 2008 benefit increases for all participants, including prospectively for retirees.

- d) Measures undertaken by the plan sponsor to retain or attract contributing employers - - Section 5.02(1)(e) provides supporting information in relation to this item.

In addition, the plan sponsor considered whether the plan could add the ERISA § 4210 free look rule to provide an exception to the withdrawal liability rules for new employers, as this could be a useful tool in attracting new employers. Upon review, it was determined that the ratio of plan assets to benefit payments was less than eight to one, which is one of the conditions required to implement the free look rule.

- 2) The factors described in § 432(e)(9)(C)(ii)(VIII) (the impact of benefit and contribution levels on retaining active participants and bargaining groups under the plan), and the factors described in §432(e)(9)(C)(ii)(IX) (the impact of past and anticipated contribution increases under the plan on employer attrition and retention levels) were considered in the plan sponsor's determination that all reasonable measures have been taken to avoid insolvency, as follows:

As previously noted, there are some positive signs that large projects will be approved and commenced in the coming years. Large projects however, often create peaks and valleys. To have sustained work, the union and its signatory employers need to increase their market share. To increase market share, the Ironworkers Local No. 5 and their signatory employers will have to capture areas of the market in which they do not currently work. These markets are dominated by non-union contractors who typically pay lower wages and benefits. Any additional raise in the Local 16 Pension Fund contribution rate will further price the union companies out of these markets and discourage new employers from signing collective bargaining agreements that will subject them to unsustainable, high contribution rates and potential withdrawal liability. This is true even for the larger projects, which will have non-union competitors vying for the work.

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In addition, any further stagnation of union wages will discourage non-unionized workers from joining the union. Workers, particularly young workers, will first look for competitive wages. High pension fund contribution rates will have little, if any, positive effect on their decision to join the union. In short, increasing pension contribution rates even further at this time will have the effect of discouraging individuals and companies from joining the union iron worker sector and will further decrease the Pension Fund's funding, which is simply not an option.

Increases in pension contribution rates far outpaced wage rate increases in an attempt to avoid plan insolvency. Benefits and benefit accruals were significantly reduced or eliminated to the point where, as illustrated in Section 5.02(1)(b), benefits accruals are 73% less (when reflecting the increase in hours needed to earn one full year of credited service) than what they were prior to 2006. It was determined that further reduction of benefits and future increases of contribution rates would discourage individuals to continue to work in the industry and would discourage new employers from signing bargaining agreements.

In addition, the Fund has already felt the effects of some large employers completely closing their operations. Hours, which are the basis by which contributions are made to the Plan, were decreasing each year and it was determined that this trend could not be reversed if the pension contribution rate continued to rise while benefits earned by the active participants continued to decline.

5.04 Other Factors Considered.

The plan sponsor considered many factors in determined that all reasonable measures have been taken to avoid insolvency. Those factors are summarized in Sections 5.01, 5.02, and 5.03 of this application.

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Section 6. Other Required Information

6.01 Ballot.

Exhibit 6.01 contains the proposed ballot intended to satisfy the requirements of § 432(e)(9)(H)(iii). Per the instructions in the revenue procedure, the proposed ballot does not contain the statement in opposition to the proposed benefit suspension described in § 432(e)(9)(H)(iii)(II) or the individualized estimate that was provided as part of the notice described in § 432(e)(9)(F).

6.02 Partition.

The plan sponsor is not requesting approval from the PBGC of a proposed partition under section 4233 of ERISA.

6.03 Actuarial Assumptions Used for Projections.

Section 6.2 of Exhibit 7.10a contains a description of the actuarial assumptions used for the January 1, 2017 funding valuation and the PPA Certification for the Plan Year beginning January 1, 2017 (in accordance with Section 3.01 of this revenue procedure).

Section 6.2 of Exhibit 7.10b contains a description of the actuarial assumptions used for the January 1, 2017 funding valuation. These assumptions were also used for Sections 3.02, 4.02(1), 4.02(2), and 4.03 of this revenue procedure. Section 1.6 of Exhibit 7.10b contains an explanation of the differences between the sets of assumptions used for the January 1, 2016 and January 1, 2017 valuations.

Exhibit 6.03 contains a description of the assumptions used for projections required under 3.02, 4.02(1), 4.02(2), and 4.03 of this revenue procedure. Supporting evidence for the selection of these assumptions is also provided in this exhibit.

6.04 Ten-year Experience for Certain Critical Assumptions.

The specific measurements with respect to each of the 10 plan years immediately preceding the plan year in which the application is submitted are shown below. Beneath the table are explanations for some of the items.

Year	Total Contribution	Contribution Base Units	Effective Contribution Rate	Average Local 16 Contribution Rate	Withdrawal Liability Payments	Rate of Return on Plan Assets
2007	\$ 4,271,053	984,973	\$ 4.34	\$ 4.31	\$ 0	5.7%
2008	\$ 4,918,127	1,017,997	\$ 4.83	\$ 4.65	\$ 0	-23.0%
2009	\$ 4,248,121	784,773	\$ 5.41	\$ 5.48	\$ 0	5.8%

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Year	Total Contribution	Contribution Base Units	Effective Contribution Rate	Average Local 16 Contribution Rate	Withdrawal Liability Payments	Rate of Return on Plan Assets
2010	\$ 2,961,780	462,835	\$ 6.40	\$ 6.45	\$ 0	10.8%
2011	\$ 3,556,900	530,515	\$ 6.70	\$ 7.08	\$ 0	1.8%
2012	\$ 3,651,961	465,151	\$ 7.85	\$ 7.95	\$ 0	11.4%
2013	\$ 3,942,119	473,664	\$ 8.32	\$ 8.58	\$ 0	17.6%
2014	\$ 4,039,977	455,419	\$ 8.87	\$ 8.99	\$ 0	7.2%
2015	\$ 3,829,054	402,972	\$ 9.50	\$ 9.58	\$ 0	4.0%
2016	\$ 3,144,697	352,830	\$ 8.91	\$ 9.70	\$ 0	8.2%

The “Total Contribution” values in the table above are taken from the annual audited financial statements which are calculated on an accrual basis. These values represent contributions for work performed each plan year, net of incoming and outgoing reciprocated amounts.

The “Contribution Base Units” in the table above represent covered employment hours reported to the fund office on an accrual basis for work performed each plan year.

The “Effective Contribution Rate” in the table above equals Total Contribution divided by Contribution Base Units. This rate reflects the combined effect of incoming and outgoing reciprocated contributions, which are at rates that are different from the non-reciprocated rates.

The “Average Local 16 Contribution Rate” in the table above is the average contribution rate for non-reciprocated work performed during each plan year. Contribution rate increases have generally occurred on either April 1, May 1, or June 1. The contribution rates as of each effective date are listed in Section 5.01.

6.05 Demonstration of Sensitivity of Projections.

Exhibits 6.05a-d demonstrate the plan’s solvency ratio throughout the extended period under four sets of deterministic projections, as summarized below. These four projections are based on the same assumptions as those used under section 4.02(1) of this application, except that:

- The assumed rate of return is reduced by 1 percentage point.
- The assumed rate of return is reduced by 2 percentage points.
- Future contribution base units decrease at a rate of 4.6% per year, equal to the average annual rate of decrease that the plan experienced over the 10 plan years immediately preceding 2017, the plan year in which the application is submitted.
- Future contribution base units decrease at a rate of 5.6% per year, equal to the average annual

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rate of decrease of 4.6% that the plan experienced over the 10 plan years immediately preceding 2017, the plan year in which the application is submitted, reduced by 1 percentage point.

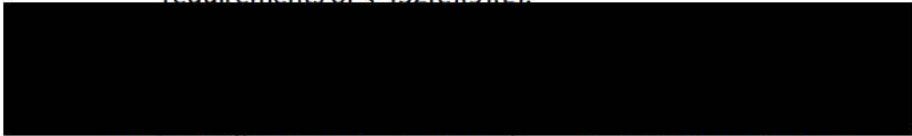
6.06 Projection of Funded Percentage.

The illustration entitled "Documentation of Solvency Ratio and Available Resources During Extended Period, Reflecting Proposed Suspension of Benefits" in Exhibit 3.02 provides an 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 extended period.

6.07 Plan Sponsor Certifications Relating to Plan Amendments.

The plan sponsor certifies that if it receives final authorization to implement the suspension as described in §432(e)(9)(H)(vi) and chooses 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:

- A plan amendment providing that in accordance with §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 plan sponsor fails to determine that both:
 - All reasonable measures to avoid insolvency continue to be taken during the period of the benefit suspension.
 - The plan is projected to become insolvent unless benefits continue to be suspended.
- A plan amendment providing that any future benefit improvements must satisfy the requirements of § 432(e)(9)(F).


Raymond Cleland - Authorized Trustee on behalf of Board of Trustees

6.08 Whether a Plan is Described in § 432(e)(9)(D)(vii)(III).

This plan is not a plan described in § 432(e)(9)(D)(vii)(III).

6.09 Narrative Statement Regarding Critical & Declining Status

The plan sponsor is including the following narrative statement of the reasons the plan is in critical and declining status, and any other information that is relevant to the application:

- The reasons the plan is in critical and declining status are documented in Section 5 of this application as well as in the Rehabilitation Plan and the Actuarial Certification of the plan's critical and declining status, which are attached as separate exhibits.
- It is important to note that the decline in hours of covered employment, as outlined in Section 5,

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also resulted in a decline in active participants in the pension fund. As illustrated in Section 4.1 of the January 1, 2017 actuarial report (Exhibit 7.10b / Checklist Item #41), the number of active participants decreased from 440 as of January 1, 2006 to 189 as of January 1, 2017. During the same timeframe, the number of inactive participants increased from 757 to 877 and the corresponding ratio of inactive to active participants increased from 172% to 464%. This significant shift exacerbated the plan's funding problem, which resulted in the Board of Trustees having to significantly increase contribution rates and lower benefits.

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Section 7. Identification and Background Information on the Plan

7.01 Plan Sponsor Information.

Sponsor Name	Board of Trustees of Ironworkers Local Union 16 Pension Fund
Sponsor EIN/PN	52-6148924 / 001
Address	8600 LaSalle Road, Suite 624, Towson, MD 21286
Telephone	(410) 828-5282 (Fund Office)
Email	kcole@zenith-american.com
Fax	(410) 828-5464

7.02 Plan Identification.

Plan Name	Ironworkers Local Union 16 Pension Fund
Plan EIN/PN	52-6148924 / 001

7.03 Retiree Representative.

The Board of Trustees has not selected a retiree representative.

7.04 Plan's Enrolled Actuary.

Actuary Name	James J. McKeogh
Enrollment Number	17-02963
Company	The McKeogh Company
Address	200 Barr Harbor Drive, West Conshohocken, PA 19428
Telephone	484-530-0692
Fax	484-530-0713
Email	Jim.McKeogh@mckeogh.com

7.05 Power of Attorney.

Designation of power of attorney for all authorized representatives who will represent the plan sponsor in connection with the application is provided as Exhibit 7.05.

7.06 Plan Documents.

The following information is provided as Exhibits 7.06a-c:

- Exhibit 7.06a -- most recent plan document and plan amendments
- Exhibit 7.06b -- most recent summary plan description (SPD)
- Exhibit 7.06c -- most recent determination letter issued to the plan

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7.07 Collective Bargaining and Side Agreements.

Excerpts from the collective bargaining agreement pursuant to which the plan is maintained are provided as Exhibit 7.07.

The required excerpts contain language from the collective bargaining agreement that are relevant to the plan or the proposed suspension.

7.08 Annual Return.

Exhibit 7.08 contains the following excerpts from the most recently filed Form 5500, the Form 5500 for the Plan Year ending December 31, 2016:

- Pages 1 and 2 of the Form 5500, without attachments or schedules
- The Schedule MB, including attachments
- The Schedule R, including attachments
- The accountant's report under section 103(a)(3) of ERISA

7.09 Rehabilitation Plan.

Exhibit 7.09 contains the most recently updated rehabilitation plan described in § 432(e)(3). The rehabilitation plan includes just one contribution/benefit schedule, which applies to all employers.

7.10 Valuation Reports.

Exhibits 7.10a and 7.10b contain the January 1, 2016 and January 1, 2017 valuation reports, respectively.

7.11 Completed Checklist.

A completed checklist of information required to be included in the application is provided as Exhibit 7.11.