CHECKLIST - IS THE SUBMISSION COMPLETE?

APPLICATION FOR APPROVAL OF BENEFIT SUSPENSION FOR MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND

Response	Item number	Description of item	Page number in application
Yes No N/A	1.	Does the application include an original signature of the plan sponsor or an authorized representative of the plan sponsor? See section 2.01 of this revenue procedure.	14
Yes No N/A	2.	Does the application include a description of the proposed benefit suspension - calculated as if no other limitations apply - that includes: • the suspension's effective date (and its expiration date, if applicable), • whether the suspension provides for different treatment of participants and beneficiaries, • a description of the different categories or groups of individuals affected, and • how the suspension affects these individuals differently? See section 2.02 of this revenue procedure.	1-2 Exhibit 9
Yes No N/A	3.	Does the application include a penalties-of-perjury statement signed by an authorized trustee on behalf of the board of trustees? See Section 2.03 of this revenue procedure.	2, Exhibit 1
Yes No N/A	4.	Does the application include a statement, signed by an authorized trustee on behalf of the board of trustees, acknowledging that the application and the application's supporting material will be publicly disclosed on the Treasury Department's website? See section 2.04 of this revenue procedure.	2, Exhibit 2
Yes No N/A	5.	Does the application include the plan actuary's certification of critical and declining status and the supporting illustrations, including: • the plan-year-by-plan-year projections demonstrating projected insolvency during the relevant period, and • separately identifying the available resources (and the market value of assets and changes in cash flow) during each of those years? See section 3.01 of this revenue procedure.	2, Exhibit 3

Yes No N/A	6.	Does the application include the plan actuary's certification that, taking into account the proposed suspension and, if applicable, a proposed partition, the plan is projected to avoid insolvency if the suspension takes effect, and the supporting illustrations, including: • the plan-year-by-plan-year projections demonstrating projected solvency during the relevant period, • separately identifying the available resources (and the market value of assets and changes in cash flow) during each of those years? See section 3.02 of this revenue procedure.	3, Exhibit 4
Yes No N/A	7.	Does the application include the plan sponsor's determination of projected insolvency that includes the documentation set forth in section 5 of the revenue procedure? See section 3.03 of this revenue procedure.	3, Exhibit 5, Appendix B
Yes No N/A	8	Does the application include a demonstration that the limitations on individual suspensions are satisfied, including a description of each benefit based on disability, as defined under the plan, that is paid to an individual under the plan (without regard to whether the disability benefits are available to newly disabled participants) and calculations regarding: • the guarantee-based limitation, • the disability-based limitation, • the age-based limitation, taking into account the guarantee-based limitation, and • if applicable, the age-based limitation taking into account both the guarantee-based limitation and the disability-based limitation? See section 4.01 of this revenue procedure.	3-4, Exhibit 6
Yes No N/A	9.	Does the application include a demonstration that the proposed suspension is reasonably estimated to achieve the level necessary to avoid insolvency for the extended period, including illustrations regarding the plan's solvency ratio and available resources? See section 4.02(1) of this revenue procedure.	4, Exhibit 7
Yes No N/A	10.	Does the application include an illustration that the proposed suspension is reasonably estimated to achieve the level necessary to avoid insolvency for the extended period utilizing stochastic projections? (This illustration is optional if the plan is not required to appoint a retiree representative under § 432(e)(9)(B)(v)(I).) See section 4.02(2) of this revenue procedure.	
Yes No N/A	11.	Does the application include a demonstration that the proposed suspension is not projected to materially exceed the level necessary to avoid insolvency, including: • the plan-year-by-plan-year projections demonstrating projected insolvency during the relevant period, and • a separate identification of the available resources (and the market value of assets and changes in cash flow) during each of those years? See section 4.03 of this revenue procedure.	4, Exhibit 8

Yes No N/A	12.	Does the application include a demonstration that the proposed suspension is equitably distributed, including: • information on the effect of the suspension on the plan in the aggregate, • information on the effect of the suspension for different categories or groups, • a list of the factors taken into account, • an explanation of why none of the factors listed in § 432(e)(9)(D)(vi) were taken into account (if applicable), • for each factor taken into account that is not one of the factors listed in § 432(e)(9)(D)(vi), an explanation why the factor is relevant, and • an explanation of how any difference in treatment among categories or groups of individuals results from a reasonable application of the relevant factors? See section 4.04 of this revenue procedure.	5, Exhibit 9
Yes No N/A	13.	Does the application include a copy of the notices (excluding personally identifiable information) that meet the requirements under § 432(e)(9)(F)? See section 4.05(1) of this revenue procedure.	5-6, Appendix A
Yes No N/A	14.	Does the application include a description of the efforts that are being taken to contact participants, beneficiaries in pay status, and alternate payees? See section 4.05(2) of this revenue procedure.	6
Yes No N/A	15.	Does the application describe the steps the plan sponsor has taken to ensure that notices delivered electronically are reasonably accessible to the recipients? See section 4.05(3) of this revenue procedure.	
Yes No N/A	16.	Does the application include a list of each employer who has an obligation to contribute under the plan and each employee organization representing participants under the plan? See section 4.05(4) of this revenue procedure.	6, Exhibit 10
Yes No N/A	17.	Does the application include information on past and current measures taken to avoid insolvency? See section 5.01 of this revenue procedure.	6-7, Exhibit 5
Yes No N/A	18.	Does the application include information regarding the plan factors described in § 432(e)(9)(C)(ii), for the past 10 plan years immediately preceding the plan year in which the application is submitted? See section 5.02 of this revenue procedure.	7, Exhibit 11
Yes No N/A	19.	Does the application describe how the plan sponsor took into account – or did not take into account – the factors listed in section 5.02 of this revenue procedure in the determination that all reasonable measures were taken to avoid insolvency? See section 5.03 of this revenue procedure.	6-10, Exhibit 5
Yes No N/A	20.	Does the application describe how the plan sponsor took into account - or did not take into account - in the determination that all reasonable measures have been taken to avoid insolvency, the impact of: • benefit and contribution levels on retaining active participants and bargaining groups under the plan, and • past and anticipated contribution increases under the plan on employer attrition and retention levels? See section 5.03 of this revenue procedure.	9

Yes No N/A	21.	Does the application include a discussion of any other factors the plan sponsor took into account including how and why those factors were taken into account? See section 5.04 of this revenue procedure.	9-10
Yes No N/A	22.	Does the application include a copy of the proposed ballot, excluding the information regarding the statement in opposition, the individualized estimate, and the voting procedures? See section 6.01 of this revenue procedure.	10, Exhibit 12
Yes No N/A	23.	Does the application indicate whether the plan sponsor is requesting approval from PBGC of a proposed partition under section 4233 of ERISA? See section 6.02 of this revenue procedure.	
Yes No N/A	24.	If the answer to item 23 is yes, does the application specify the effective date of the proposed partition and include a plan-year-by-plan-year projection of the amount of the reduction in benefit payments attributable to the partition? See section 6.02 of this revenue procedure.	
Yes No N/A	25.	Does the application include: • a description of each of the assumptions used in the projections required under sections 3.01, 3.02, 4.02(1), 4.02(2), and 4.03 of this revenue procedure, • supporting evidence for the selection of those assumptions, and • an explanation of any differences among the assumptions used for various purposes? See section 6.03 and Appendix B of this revenue procedure.	10, Appendix B
Yes No N/A	26.	Does the application describe the plan's experience with certain critical assumptions, including a disclosure for each of the 10 plan years immediately preceding the application that separately identifies: • the total contributions, • the total contribution base units, • the average contribution rates, • the withdrawal liability payments, and • the rate of return on plan assets? See section 6.04 of this revenue procedure.	10, Exhibit 11
Yes No N/A	27.	Does the application include deterministic projections of the sensitivity of the plan's solvency ratio throughout the extended period by taking into account the more conservative assumptions of investment experience and future contribution base units than assumed elsewhere in the application? See section 6.05 of this revenue procedure.	10-11, Exhibit 13
Yes No N/A	28.	Does the plan include deterministic projections for each year in the extended period of: • the value of plan assets, • the plan's accrued liability, and • the plan's funded percentage? See section 6.06 of this revenue procedure.	11, Exhibit 14

Yes No N/A	29.	Does the application include the plan sponsor's representation that, if it receives the Treasury Department's final authorization to suspend and then chooses to implement the suspension, it will also amend the plan: • to provide that the suspension will cease upon the plan sponsor's failure to maintain a written record of its annual determination that (i) all reasonable measures continue to be taken to avoid insolvency and (ii) the plan would not be projected to avoid insolvency without a suspension, • to require that any future benefit improvements must satisfy § 432(e)(9)(E), and • to specify that the plan sponsor will not modify these amendments, notwithstanding any other provision of the plan document? See section 6.07 of this revenue procedure.	11, Exhibit 15
Yes No N/A	30.	Does the application indicate whether the plan is a plan described in § 432(e)(9)(D)(vii) and, if it is, how that is reflected in the proposed benefit suspension? See section 6.08.	11
Yes No N/A	31	Does the application include a narrative statement of the reasons the plan is in critical and declining status? See section 6.09.	11-12
Yes No N/A	32.	Does the application include the required plan sponsor identification and contact information? See section 7.01 of this revenue procedure.	12
Yes No N/A	33.	Does the application include the required plan identification information? See section 7.02 of this revenue procedure.	12
Yes No N/A	34.	Does the application include the required retiree representative information (if applicable)? See section 7.03 of this revenue procedure.	
Yes No N/A	35.	Does the application include the required enrolled actuary information? See section 7.04 of this revenue procedure.	12-13
Yes No N/A	36.	Does the application include a designation of power of attorney for each authorized representative who will represent the plan sponsor in connection with the application? See section 7.05 and Appendix C of this revenue procedure.	13, Exhibit 16
Yes No N/A	37.	Does the application include: • the required plan documents • any recent amendments • the summary plan description (SPD) • any summary of material modifications, and • the most recent determination letter? See section 7.06 of this revenue procedure.	13, Exhibit 17
Yes No N/A	38.	Does the application include the required excerpts from the relevant collective bargaining agreements and side agreements? See section 7.07 of this revenue procedure.	13, Exhibit 18

Yes No N/A	39.	Does the application include the required excerpts from the most recently filed Form 5500? See section 7.08 of this revenue procedure.	13, Exhibit 19
Yes No N/A	40.	Does the application include the most recently updated rehabilitation plan? See section 7.09 of this revenue procedure.	13, Exhibit 5
Yes No N/A	41	Does the application include the two most recent actuarial valuation reports? See section 7.10 of this revenue procedure.	13, Exhibit 20
Yes No N/A	42.	Does the application include this checklist, completed and placed on top of the application? See section 7.11 of this revenue procedure and this Appendix D.	13, Exhibit 20
Yes No N/A	43.	If the application is being submitted for resubmission review, does the application include: • cross-references to information in the prior application with respect to information that has not changed from the prior application, • a statement that the application is being submitted for resubmission review, and • the date on which the Treasury Department indicated that the application is a candidate for resubmission review? See section 8 of this revenue procedure.	

ERNEST SOEHL

ROCCO MORONGELLO

[redacted]

Date: June 25, 2018

Date: June 25, 2018

MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND APPLICATION FOR SUSPENSION OF BENEFITS

SECTION 1. BACKGROUND AND PURPOSE

Pursuant to Revenue Procedure 2017-43 ("Revenue Procedure") and the Department of the Treasury's final regulations issued under section 432(e)(9) of the Internal Revenue Code of 1986 ("Code"), 26 U.S.C. § 432(e)(9), and published in the Federal Register on April 28, 2016, 81 Fed. Reg. 25540 (collectively, "Regulations"), the Board of Trustees ("Trustees") of the Mid-Jersey Trucking Industry and Local 701 Pension Fund ("Plan" or "Fund") submits this Application, and the accompanying Exhibits and Appendices, to the Secretary of the Treasury for approval of a suspension of benefits.

Section 432(e)(9)(G) of the Code provides that the Secretary of the Treasury shall approve an application for approval of a suspension of benefits upon finding that the Plan is eligible for the benefit suspension and has satisfied the criteria set forth in subparagraphs (C), (D), (E) and (F) of section 432(e)(9) of the Code. As set forth below, the Plan is eligible to suspend benefits and has satisfied each of the enumerated criteria. Therefore, the Trustees respectfully request that the Secretary approve this Application to suspend benefits.

SECTION 2. APPLICATION PROCEDURES

.01 Plan sponsor submission.

The Trustees, as Plan Sponsor, submit this Application for approval of a proposed benefit suspension under Code section 432(e)(9). This Application is signed and dated by the Union and Employer Co-Chair Trustees, who are both authorized to sign and are current members of the Board of Trustees.

.02 Terms of proposed benefit suspension.

1) Effective Date

The effective date of the proposed benefit suspension is April 1, 2019.

2) Expiration Date

The proposed benefit suspension will not expire by its own terms.

3) Different Treatment of Participants and Beneficiaries

The proposed benefit suspension provides for different treatment for Active Participants and Non-Active Participants. See Treasury Regulation 1.432(e)(9)-1(d)(6)(ii)(B)(10). Active Participants for this purpose are those Plan participants: (1) who were not in pay status as of January 1, 2018, (2) who earned at least 1 Pension Credit during the 2017 calendar year, and (3) whose last Contributing Employer had not withdrawn from the Fund as of December 31, 2017. All other participants and beneficiaries are considered Non-Active Participants.

The Trustees have identified 5 different groups of Active Participants and 5 different groups of Non-Active Participants, based on Treasury Regulations 1.432(e)(9)-1(d)(6)(iv) and (v), to ensure that the suspensions are equitably allocated. These 10 groups are listed in Exhibit 9. Active Participants hired after June 30, 2009, when benefit accrual levels were reduced by 50% by the Trustees, will have no benefit suspension. All other Active Participants (Group 10) will experience benefit suspensions because the Trustees believe that benefit levels before July 2009 were too high and, therefore, Active Participants hired before then should incur a benefit suspension.

Active Participants: The proposed benefit suspension for Active Participants will be calculated as follows:

(1) take the difference between (a) the monthly accrued benefit earned through December 31, 2017, and (b) Pension Credits earned through December 31, 2017 times $17.50; and

(2) apply the necessary adjustments for early commencement and payment forms.

(3) The proposed benefit suspension is subject to the limitations described in Code sections 432(e)(9)(D)(i), (ii) and (iii).

Non-Active Participants: The proposed benefit suspension for Non-Active Participants will be calculated as follows:

(1) take the difference between (a) the monthly benefit payable at normal retirement age, and (b) Pension Credits earned by the participant times $12.75; and

(2) apply the necessary adjustments for early or delayed commencement, payment forms and vesting percentage.

(3) The proposed benefit suspension is subject to the limitations described in Code Sections 432(e)(9)(D)(i), (ii) and (iii).

.03 <u>Penalties of perjury statement</u>.

Please refer to **Exhibit 1**.

.04 <u>Public disclosure statement</u>.

Please refer to **Exhibit 2.**

SECTION 3. DEMONSTRATION THAT PLAN IS ELIGIBLE FOR SUSPENSION

.01 <u>Plan actuary's certification of critical and declining status</u>.

The Plan actuary certified the Plan to be in critical and declining status as defined in Code section 432(b)(6) for the plan year commencing June 1, 2017. Please see **Exhibit 3** for a copy of the actuarial certification and the supporting documents. The supporting documentation for the certification includes a plan-year-by-plan-year projection of the Plan's available resources and the benefits that are due under the Plan, demonstrating that the Plan is projected to become insolvent during the plan year commencing June 1, 2029. The plan-year-by-plan-year projection separately identifies the market value of assets as of the beginning and end of each plan year beginning June 1, 2017 through the insolvency year, and the following cash flow items for those years: (1) contributions; (2) withdrawal liability payments; (3) benefit payments; (4) administrative expenses; and (5) net investment returns. Please refer to **Appendix B** for a complete list of actuarial assumptions used for the projections.

.02 Plan actuary's certification that the plan is projected to avoid insolvency.

Please see **Exhibit 4** for the Plan actuary's certification that the Plan is projected to avoid insolvency taking into account the proposed benefit suspension, and assuming that the proposed benefit suspension continues indefinitely. The supporting documentation includes a plan-year-by-plan-year projection of the available resources and the benefits that are due under the Plan demonstrating the avoidance of insolvency of the Plan over the extended period. The plan-year-by-plan-year projection separately identifies the market value of assets as of the beginning and end of the initial period and of each subsequent plan year in the extended period and the following cash flow items for those years: (1) contributions; (2) withdrawal liability payments; (3) benefit payments; (4) administrative expenses; and (5) net investment returns. The initial period begins April 1, 2018. Please refer to **Appendix B** for a complete list of actuarial assumptions used for the projections.

.03 Plan sponsor's determination of projected insolvency.

The Trustees determined that, in accordance with section 432(e)(9)(C)(ii) of the Code and after a review of all available information and possible Plan changes, the Plan is projected to become insolvent unless benefits are suspended, even though all reasonable measures to avoid insolvency have been taken. The reasonable measures taken to avoid insolvency are set forth in the Plan's Rehabilitation Plan, **Exhibit 5**.

The Trustees have included additional documentation and information in Section 5 of this Application illustrating their determination of projected insolvency and the reasonable measures taken into account in making the determination that the proposed suspensions are necessary to avoid insolvency.

SECTION 4. DEMONSTRATION THAT THE PROPOSED SUSPENSION SATISFIES THE STATUTORY REQUIREMENTS

.01 Demonstration that limitations on individual suspensions are satisfied.

Please refer to **Exhibit 6** for a demonstration of how the proposed suspension satisfies the limitations described in sections 432(e)(9)(D)(i), (ii) and (iii) of the Code as required under the Revenue Procedure. **Exhibit 6** includes:

1) A sample calculation applying the guarantee-based limitation under section 432(e)(9)(D)(i) of the Code for an individual in each category or group identified in the Revenue Procedure.

2) A sample calculation applying the disability-based limitation under section 432(e)(9)(D)(iii) of the Code for an individual in each category or group identified in accordance with the Revenue Procedure.
3) A sample calculation applying the age-based limitation under section 432(e)(9)(D)(ii) of the Code for an individual in each category or group identified in accordance with the Revenue Procedure.

.02 Demonstration that the proposed suspension is reasonably estimated to enable the plan to avoid insolvency.

Please refer to **Exhibit 7** for a demonstration that, in accordance with section 432(e)(9)(D)(iv) of the Code, the proposed benefit suspension is reasonably estimated to enable the Plan to avoid insolvency. **Exhibit 7** includes:

1) An illustration, prepared on a deterministic basis, showing that:

   (a) For each plan year during the extended period, the plan's solvency ratio, *i.e.*, the ratio of the Plan's available resources to the scheduled benefit payments under the Plan for the plan year, is projected to be at least 1.0.
   (b) The Plan's projected funding percentage at the end of the extended period is greater than 100 percent.

2) Stochastic projections are neither required nor provided.

3) Information on the actuarial assumptions used for the illustrations is provided in **Appendix B**.

.03 Demonstration that the proposed suspension is reasonably estimated to not materially exceed the level necessary to avoid insolvency.

Please refer to **Exhibit 8** for a demonstration that, in accordance with section 432(e)(9)(D)(iv) of the Code, the proposed benefit suspension is reasonably estimated to not materially exceed the level necessary to enable the Plan to avoid insolvency. Please refer to **Appendix B** for a complete list of actuarial assumptions. The demonstration in **Exhibit 8** includes an illustration, prepared on a deterministic basis, of the Plan's available resources and solvency ratio as described in section 4.02(1) of the Revenue Procedure showing the proposed suspension would not reasonably be estimated 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.

.04 Demonstration that the proposed benefit suspension is distributed equitably.

Please refer to **Exhibit 9** for a demonstration that, in accordance with section 432(e)(9)(D)(vi) of the Code, the proposed benefit suspension is distributed in an equitable manner across the participant and beneficiary population.

1) **Exhibit 9** includes the following information:

   (a) The number of participants, beneficiaries, and alternate payees; the average monthly benefit before suspension; the average monthly benefit after the suspension (determined taking into account the individual limitations); and the aggregate present value of the reduction in benefits for all individuals.
   (b) A demonstration of the distribution of the benefit suspension, expressed as a count of individuals whose benefits are not reduced, and a count of individuals whose benefits are reduced by a percentage that falls within a series of ranges of 10%.

2) Since the proposed suspension provides for different treatment for different categories (other than as a result of application of the individual limitations), the following information is included in **Exhibit 9**:

   (a) The information described in Sections 4.04(1)(a) and (b) of the Revenue Procedure 2017-43 for Active Participants and Non-Active Participants.
   (b) The factors the Trustees considered in designing the proposed benefit suspensions to be distributed in an equitable manner across the participant and beneficiary population.
   (c) Why different treatment of groups results from a reasonable application of the relevant factors.

.05 <u>Notice</u>.

1) Individual Notices.

Please refer to **Appendix A** for a copy of the notice sent to employers that have an obligation to contribute to the Plan and to the employee organization representing participants under the Plan. See **Appendix A** for each type of actual notice that will be given to each participant, beneficiary and alternate payee under the Plan. The Plan has included the following six (6) sample actual notices.

1. Non-Active Participant, Beneficiary, Alternate Payee in pay status subject to suspensions.
2. Active Participant, hasn't reached Normal Retirement Date, not in pay status, and subject to suspensions.
3. Non-Active Participant, hasn't reached Normal Retirement Date, not in pay status, and subject to suspensions.
4. Active Participant, reached Normal Retirement Date, not in pay status, and subject to suspensions.
5. Non-Active Participant, reached Normal Retirement Date, not in pay status, and subject to suspensions.
6. Any Participant not subject to a benefit suspension.

2) Efforts made to contact Participants, Beneficiaries and Alternate Payees.

The Trustees will make all reasonable efforts to contact all participants, beneficiaries of deceased participants, and alternate payees of the Plan (regardless of whether their benefits are proposed to be suspended) pursuant to the Regulations and in satisfaction of their fiduciary duties under ERISA. Specifically, the Trustees will provide notice to the last known address of the participant, beneficiary or alternate payee on file with the Plan, using the same address the Trustees used to distribute the Plan's most recent annual funding notice. If the notice is returned as undeliverable, the Trustees will contact the local union representing Plan participants in an attempt to locate those missing individuals for whom the notice was returned as undeliverable. Further, if still necessary to locate missing individuals, the Trustees will request contact information from the plan administrators of any other employee benefit plans that the Trustees reasonably believe may have information useful for locating the missing individuals. Lastly, the Trustees will then use an internet search tool, a credit reporting agency and a commercial service to search for those remaining individuals for whom they were not able to otherwise obtain updated information. The Trustees will mail a notice to individuals within five (5) days of locating them.

3) Electronic delivery of notices will not be used.

4) Please refer to **Exhibit 10** for a list of:

(a) Each contributing employer as of the date of this Application that has an obligation to contribute to the Plan within the meaning of section 4212(a) of ERISA.

(b) Each employee organization representing participants under the Plan.

SECTION 5. PLAN SPONSOR DETERMINATION RELATING TO REASONABLE MEASURES TAKEN TO AVOID INSOLVENCY

.01 Measures taken to avoid insolvency

The Fund's Board of Trustees has taken the following measures to avoid insolvency over the 10-year period from June 1, 2007 to May 31, 2017:

1) In 2009, the Board amended the Plan to reduce future accruals by 50% for Pension Credits earned after June 30, 2009 for employees of all employers.

2) In 2009, the Board amended the Plan to freeze Pension Credits for employees of YRC Worldwide Inc. for service between September 1, 2009 and May 31, 2011, and in August 2011, the Board amended the Plan to limit the number of Pension Credits for employees of YRC Worldwide Inc. for service earned on and after June 1, 2011.

3) In March 2012, the Board amended the Plan to limit lump-sum payments of a participant's accrued benefit to the portion of the benefit earned before April 1, 2012.

4) In November, 2017, the Board amended the Plan to provide that beginning in 2018, benefits subject to the Code Section 415(b) limitations will not be adjusted on an annual basis as the limitations increase.

5) On April 9, 2018, the Trustees adopted a Rehabilitation Plan that eliminated all adjustable benefits for Non-Active Participants (See Exhibit 5 for a copy of the Rehabilitation Plan).

.02 <u>Plan factors</u>

1) For the 10 plan years immediately preceding the plan year in which the application is submitted, the following information is submitted:

   (a) Contribution levels.
   The information concerning contribution levels for the past 10 years is included in **Exhibit 11**.

   (b) Levels of benefit accruals, including any prior reductions in the rate of benefit accruals.
   The information concerning levels of benefit accruals for the past 10 years is included in the last three pages of the actuarial valuation reports contained in **Exhibit 20**.

   (c) Prior reductions, if any, of adjustable benefits under section 432(e)(8).
   Please see **Exhibit 5**, the Fund's Rehabilitation Plan adopted on April 9, 2018.

   (d) There have been no prior suspension of benefits under section 432(e)(9).

   (e) The measures undertaken by the Trustees to retain or attract contributing employers. The Rehabilitation Plan (Exhibit 5) was structured with an eye towards retaining current contributing employers by not asking for contribution increases. It was feared that any amount of increased contributions under the Rehabilitation Plan would be more than offset by future contributions not made by withdrawing employers who cannot or will not support another contribution increase to the Plan. The union bargaining agents have tried to bargain new employers into the Plan, but have met stiff resistance from prospective employers since the 2008 market downturn.

2) <u>The impact on the Plan's solvency of the subsidies and ancillary benefits, if any, available to active participants</u>. The Plan actuary has determined that removing the subsidies and ancillary benefits available to active participants would have an immaterial effect on the solvency of the Fund. For a more detailed analysis of the potential cost impact, please see Section III C of the Rehabilitation Plan. In addition, the Trustees have determined that if these benefits were to be made unavailable to active participants, this action could cause a rush to retire by those eligible to immediately retire, resulting in an increase in the liabilities of the Plan as compared to continuing to provide the subsidized and ancillary benefits to active participants. Furthermore, contributing employers would have a hard time replacing retiring active participants in the current market, further straining the employers' and Plan resources.

3) <u>Compensation levels of active participants relative to employees in the Participants' industry generally</u>.

   Wages of active participants in the industry are at a competitive disadvantage because of their employers' contribution levels required to fund the Plan.

4) <u>Competitive and other economic factors facing contributing employers</u>.

   Contributing employers are at a competitive disadvantage because of the declining contribution base and unfunded liabilities of the Plan.

.03 <u>How Plan factors were taken into account</u>.

1) Contribution levels

   Contribution levels were taken into account based on the Fund's actual employer contributions for the plan year ended May 31, 2018. As shown in Appendix B, total contributions are based on hours of covered employment multiplied by the employer's contribution rate.

2) Benefit accrual levels, including any prior reductions in the rate of benefit accruals.

   The Trustees increased benefit accrual levels in the late 1990s to keep pace with the increase in Plan assets as a result of strong investment returns generated by the stock market. However, Plan assets declined significantly because of poor stock market returns in 2001 and 2002 and the stock market crash of 2008. This caused the Trustees to adopt a 50% decrease in benefit accrual levels for covered service after June 30, 2009.

3) Prior reductions of adjustable benefits under section 432(e)(8).

   Under the Rehabilitation Plan, the Trustees have reduced all adjustable benefits under the Plan for Non-Active Participants. The Trustees expect that these reductions will remain in effect for the indefinite future.

4) Prior benefit suspensions under section 432(e)(9).

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

5) Measures taken to retain or attract contributing employers.

   The Plan has had difficulty since at least 2009 in attracting new employers, especially because of the decline in the Plan's funding level and the shortage of qualified drivers. Therefore, the Trustees have focused on taking steps to retain the current contributing employers. For example, the Rehabilitation Plan does not include future increases to contributions because of the Trustees' concern this would lead to the loss of some current employers.

6) The impact on the Plan's solvency of the subsidies and ancillary benefits, if any, available to active participants.

   The Trustees, after consultation with the Fund actuary, have determined that the long-run solvency of the Fund is best served by continuing to offer active participants the Plan's current level of benefit subsidies and ancillary benefits. See the Fund actuary's cost benefit impact analysis in the Rehabilitation Plan.

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

   Wages are generally lower for Active Participants compared to wages of employees who do not have access to defined benefit plans or other benefit plans. Total compensation packages are generally higher for Active Participants compared to employees in the industry who do not have availability to an array of employee benefit plans and are generally in line with employees in the industry with similar benefit packages.

8) Competitive and other economic factors facing contributing employers.

   Competitive and other economic factors facing contributing employers in a Teamsters' defined benefit plan have been well documented in public forums for the past several years. We will provide them upon request if needed.

9) The impact of benefit and contribution levels on retaining active participants and bargaining groups under the Plan.

   The Trustees have determined that increasing contribution levels and decreasing benefit levels for active participants would have a detrimental impact on retaining active participants and bargaining groups in the Plan. The benefit levels were cut in half in 2009 for active participants in response to the 2008 market downturn. The Trustees believe that the actives bear the burden of saving the Plan and the benefit levels of active employees is not high enough for them to withstand a further reduction in their benefit levels for future service under the Plan. Similarly, it would be detrimental to the goal of retaining active participants and bargaining groups in the Plan if more wages are diverted to the Plan at the expense of potential wage increases.

10) The impact of past and anticipated contribution increases under the Plan on employer attrition and retention levels.

   The Trustees have determined that past employer contribution increases under the Plan had a negative impact on employer attribution and retention levels. For example, a high hourly contribution rate resulted in a major contributing employer not making contributions to the Fund for a two-year period (July 2009 to August 2011) and then resuming contributions at a significantly lower hourly contribution rate. Therefore, the Rehabilitation Plan does not provide for contribution increases.

.04 Other factors considered

The Trustees considered the demographics of the Fund participants and the declining state of the industry to ensure that all reasonable measures have been taken to avoid insolvency.

SECTION 6. OTHER REQUIRED INFORMATION

.01 Ballot.

The Trustees have adopted the attached proposed ballot to satisfy the requirements of 432(e)(9)(H)(iii). **Exhibit 12**.

.02 Partition.

The Trustees are not requesting approval from the Pension Benefit Guaranty Corporation of a proposed partition of the Plan under section 4233 of ERISA.

.03 Actuarial assumptions used for projections.

1) Please refer to **Appendix B** for a list of actuarial assumptions used in the projections required under sections 3.01, 3.02, 4.02(1) and 4.03 of the Revenue Procedure.
2) Please refer to **Appendix B** for the supporting evidence for the selection of the actuarial assumptions.
3) Within this Application only one set of assumptions is used.

.04 Ten-year experience for certain critical assumptions.

Please refer to **Exhibit 11** for the following information for each of the 10 plan years immediately preceding the plan year beginning on June 1, 2017:

1) Total contributions.
2) Total contribution base units.
3) Average contribution rates.
4) Withdrawal liability payments.
5) Rate of return on plan assets.

.05 Demonstration of sensitivity of projections.

Please refer to **Exhibit 13** for the deterministic projections of the sensitivity of the Plan's solvency ratio throughout the extended period, using the same assumptions as for the projections under section 4.02(1) of the Revenue Procedure, except that:

1) The assumed rate of return is reduced by 1 percentage point.
2) The assumed rate of return is reduced by 2 percentage points.
3) Future contribution base units decrease at a rate equal to the average annual rate of decrease that the plan experienced over the last ten years.

4) Future contribution base units decrease at a rate equal to the average annual rate of decrease that the plan experienced over the last ten years reduced by 1 percentage point.

.06 Projection of funded percentage.

Please refer to **Exhibit 14** for 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.

.07 Plan sponsor certifications relating to plan amendments.

See **Exhibit 15** for the Trustees' certification that if the Trustees receive final authorization to implement the suspension as described in section 432(e)(9)(H)(vi) and, if the Trustees choose to implement the authorized suspension, then, in addition to the plan amendment implementing the suspension, the following plan amendments will be timely adopted and not modified at any time thereafter before the suspension of benefits expires:

1) A plan amendment providing that, in accordance with section 432(e)(9)(C)(ii), the benefit suspension will cease as of the first day of the first plan year following the plan year in which the Trustees fail to maintain a written record of its determination that both:

    a) all reasonable measures to avoid insolvency continue to be taken during the period of benefit suspension.
    b) The Plan would not be projected to avoid insolvency if no suspension of benefits were applied under the Plan.

2) A Plan amendment providing that any future benefit improvements will satisfy the requirements of section 432(e)(9)(E).

.08 Whether a plan is described in section 432(e)(9)(D)(vii).

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

.09 Narrative statement.

The Fund was certified to be in Critical and Declining Status for its 2017 plan year primarily due to a shrinking contribution base and heavy investment losses in 2001, 2002 and 2008 during times when the Fund had extensive negative cash flows. The Fund primarily covers truck drivers in the mid/northern New Jersey area, an industry that has experienced a significant decline in employment over the last 10 years. Specifically, over the last 10 years, the Fund has experienced a 64% decrease in active participants, causing a 40% decrease in employer contribution income. Employers have experienced great difficulty in finding new hires to replace retiring workers, causing a disproportionate number of retirees as compared to active participants.

The number of active participants has declined from 376 as of June 1, 2007 to 130 as of June 1, 2017. This has resulted in a growing trend of declining employer contributions.

Moreover, contributions from current employers were approximately $1,393,488 for the plan year ended May 31, 2017 as compared to $4,008,725 for the plan year ended May 31, 2007. The aggregate benefits paid to participants and beneficiaries were $32,657,650 for the plan year ended May 31, 2017 as compared to $29,742,525 for the plan year ended May 31, 2007.

As a result, there has been a major decline in Fund assets over the past 10 years. Also, the Fund's assets were significantly adversely affected by the 2008-2009 stock market decline in the past 10 years. The market value of Fund assets that was $396.4 million as of June 1, 2007, is now approximately $237.6 million as of June 1, 2017.

As part of the Fund's Rehabilitation Plan, the Board considered the possibility of increased employer contributions to improve the solvency of the Fund. The Fund's actuary determined that, with no changes to the Fund's current plan of benefits, for the Fund to emerge from Critical and Declining Status by May 31, 2030, employer contribution rates would have to be increased by 45% annually for each of the next 10 years, ultimately increasing to a rate that is more than 40 times the current contribution rate. By comparison, the Fund's actuary has determined that, even with a 50% reduction in future benefit accruals for all active participants and the elimination of all adjustable benefits, under Code section 432(e)(8), employer contribution rates would still have to be increased by approximately 44% per year for each of the next 10 plan years for the Fund to emerge from Critical and Declining Status by May 31, 2030. As part of the Rehabilitation Plan, the Board reduced certain adjustable benefits.

In summary, the cumulative result of these negative changes and trends is that the Fund is now in Critical and Declining Status and will become insolvent in 2030, unless the benefit reductions proposed by the Board are approved by the Secretary of the Treasury.

SECTION 7. IDENTIFICATION AND BACKGROUND INFORMATION ON THE PLAN

.01 Plan Sponsor.

Board of Trustees of the Mid-Jersey Trucking Industry and Local 701 Pension Fund
2003 US Route 130, Suite A,
No. Brunswick, NJ 08902
Tel. (732) 297-3900

.02 Plan identification.

Mid-Jersey Trucking Industry and Local 701 Pension Fund
The EIN is 13-6043977. The Plan number is 001.
The Plan is a multiemployer defined benefit pension plan under section 414(f) of the Code.

.03 Retiree representative. None because the Plan has fewer than 10,000 participants.

.04 Plan's enrolled actuary.

Dewey A. Dennis, FCA, MAAA
Enrollment Number 17-05712
First Actuarial Consulting, Inc.
1501 Broadway, Suite 1728
New York, NY 10036
Telephone: (212) 395-9559

.05 Power of Attorney.

See attached **Exhibit 16**.

.06 Plan documents

See attached **Exhibit 17.**

.07 Collective bargaining and side agreements.

See attached **Exhibit 18.**

.08 Annual return.

See attached **Exhibit 19**.

.09 Rehabilitation plan.

See attached **Exhibit 5.**

.10 Valuation reports.

The two most recent actuarial reports are attached. Please refer to attached **Exhibit 20**.

.11 Completed checklist.

See attached **Exhibit 21.**

Thank you for your consideration of this Application.

Very truly yours,

THE BOARD OF TRUSTEES OF THE MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND

Signature: [redacted]
Name: [redacted]
Title: Union Trustee
Date: June 25, 2018

Signature: [redacted]
Name: [redacted]
Title: [redacted]
Date: June 25, 2018

20636400v1

Exhibit 1
Penalties of Perjury Statement

Under penalties of perjury, I declare that I have examined this application of the Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund, including the accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete.

[redacted]

Date: June 25, 2018

Date: June 25, 2018

Exhibit 2
Public Disclosure Statement

I acknowledge that, pursuant to § 432(e)(9)(G)(ii), the application for approval of the proposed suspension of benefits under the Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund, and the application's supporting material, will be publicly disclosed through publication on the Treasury Department website.

[redacted]

Date: June 25, 2018

Date: June 25, 2018

EXHIBIT 3

PLAN ACTUARY'S CERTIFICATION OF CRITICAL AND DECLINING STATUS

MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND

APPLICATION FOR BENEFIT SUSPENSIONS

Information Required by Section 3.01 of Revenue Procedure 2017-43

Plan Actuary's Certification of Critical and Declining Status

On August 29, 2017, the Plan was certified to be in critical and declining status as defined in §432(b)(6) of the Internal Revenue Code for the plan year beginning June 1, 2017. The Plan is not expected to emerge from critical status. The PPA actuarial certification for the plan year beginning June 1, 2017 is in the Appendix of this report. Please note that the results of that certification are somewhat different from the results contained in Item 1 of this report because some of the assumptions used for the certification are different than those used herein, particularly the investment return assumption, as 7.5% per annum for each future year was assumed in the certification.

Item 1 of this report contains a plan year-by-plan year projection of the available resources as defined in §418E(b)(3) of the Internal Revenue Code and the benefits that are due under the Plan, demonstrating that the Plan is projected to become insolvent during the period described in §432(b)(6). The market value of assets at the beginning and end of the plan year, the contributions, the withdrawal liability payments, the benefit payments, the administrative expenses and the net investment returns are identified for each plan year.

Item 2 of this report contains expected benefit payments separately identified with respect to current retirees and beneficiaries, terminated-vested participants who are not currently receiving benefits, currently active participants, and future new entrants.

The undersigned actuaries of First Actuarial Consulting, Inc., meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

In our opinion, all the calculations were performed in accordance with the generally accepted actuarial principles and practices and this report is complete and accurate and complies with the reasonable actuarial-assumption rules.

[redacted]

Dewey A. Dennis, F.C.A., M.A.A.A.	Nadine Solntseva, F.C.A. M.A.A.A.
Enrolled Actuary No. 17-05712	Enrolled Actuary No. 17-07546

Item 1 - Projection of Plan's Available Resources

Plan Year ending in		**2018**[1]	**2019**	**2020**	**2021**
Assumed Rate of Return		6.71%	6.71%	6.71%	6.71%
Market Value of Assets - beginning of period		233,891,068	231,230,025	215,794,501	199,681,319
Employer Contributions		248,615	1,411,380	1,369,456	1,416,876
Withdrawal Liability Payments attributable	to past wdl	0	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(5,362,665)	(31,972,380)	(31,623,356)	(31,283,676)
Administrative Expenses		(133,333)	(760,500)	(721,158)	(731,975)
Net Investment Return		2,586,340	14,510,834	13,486,734	12,418,164
Market Value of Assets - end of Plan Year		231,230,025	215,794,501	199,681,319	182,875,850

Plan Year ending in		**2022**	**2023**	**2024**	**2025**
Assumed Rate of Return		6.71%	6.66%	6.63%	6.50%
Market Value of Assets - beginning of Plan Year		182,875,850	165,303,479	146,952,151	127,817,819
Employer Contributions		1,386,635	1,363,556	1,340,478	1,254,953
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(30,893,421)	(30,398,941)	(29,900,904)	(29,458,726)
Administrative Expenses		(742,954)	(754,099)	(765,410)	(776,891)
Net Investment Return		11,302,227	10,063,014	8,816,362	7,410,979
Market Value of Assets - end of Plan Year		165,303,479	146,952,151	127,817,819	107,623,276

[1] Reflects the period from April 1, 2018 through May 31, 2018.
Other columns reflect the periods from June 1st through May 31st.

Item 1 - Projection of Plan's Available Resources (cont'd)

Plan Year ending in		**2026**	**2027**	**2028**	**2029**
Assumed Rate of Return		6.41%	6.32%	7.32%	7.28%
Market Value of Assets - beginning of Plan Year		107,623,276	86,580,236	64,675,201	42,357,952
Employer Contributions		1,260,770	1,260,770	1,251,170	1,228,092
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(28,921,338)	(28,373,835)	(27,910,280)	(27,343,818)
Administrative Expenses		(788,545)	(800,373)	(812,379)	(824,564)
Net Investment Return		6,030,931	4,633,261	3,779,098	2,153,088
Market Value of Assets - end of Plan Year		86,580,236	64,675,201	42,357,952	18,945,892

Plan Year ending in		**2030**
Assumed Rate of Return		7.28%
Market Value of Assets - beginning of Plan Year		18,945,892
Employer Contributions		1,138,949
Withdrawal Liability Payments attributable	to past wdl	1,375,142
	to future wdl	0
Benefit Payments		(26,716,815)
Administrative Expenses		(836,933)
Net Investment Return		467,817
Market Value of Assets - end of Plan Year		INSOLVENT

Item 2 – Expected Benefit Payments

Plan Year ending May 31,	Benefit Payments Attributable To				
	Retirees and Beneficiaries as of 6/1/2017	Terminated Vesteds as of 6/1/2017	Active Participants as of 6/1/2017	New Entrants after 6/1/2017	Total Benefit Payments
2018[1]	5,188,334	137,289	37,042	0	5,362,665
2019	30,491,413	1,029,304	451,663	0	31,972,380
2020	29,839,792	1,134,664	648,900	0	31,623,356
2021	29,158,219	1,252,706	872,751	0	31,283,676
2022	28,445,270	1,331,251	1,116,900	0	30,893,421
2023	27,702,825	1,392,623	1,303,493	0	30,398,941
2024	26,962,854	1,427,116	1,509,718	1,216	29,900,904
2025	26,203,303	1,580,451	1,670,479	4,493	29,458,726
2026	25,425,087	1,694,198	1,791,474	10,579	28,921,338
2027	24,628,683	1,814,179	1,912,082	18,891	28,373,835
2028	23,814,721	2,035,387	2,030,401	29,771	27,910,280
2029	22,983,891	2,147,187	2,163,358	49,382	27,343,818
2030	22,136,996	2,216,496	2,285,949	77,374	26,716,815

[1] Reflects the period from April 1, 2018 through May 31, 2018.
Other rows reflect the periods from June 1st through May 31st.

Appendix to Exhibit 03 – Information Required by Section 3.01 of Revenue Procedure 2017-43

First Actuarial Consulting, Inc.

Telephone: (212) 395-9555
Facsimile: (212) 869-2233
E-Mail: ddennis@factuarial.com

1501 Broadway
Suite 1728
New York, NY 10036

MEMORANDUM

To: Secretary of the Treasury

From: Dewey A. Dennis

CC: Mr. Giancarlo Prezioso, Fund Manager, Mid-Jersey Trucking Industry and Local 701 Pension Fund

Date: August 29, 2017

Subject: Mid-Jersey Trucking Industry and Local 701 Pension Fund
– Status as of June 1, 2017

Plan Identification:

Name of the Plan:	Mid-Jersey Trucking Industry and Local 701 Pension Fund
EIN/Plan Number:	13-6043977/001
Plan Sponsor:	Board of Trustees of the Mid-Jersey Trucking Industry 2003 US Route 130, Suite A, No. Brunswick, NJ 08902 Phone: (732) 297-3900
Plan Year:	2017 (beginning 6/1/2017 and ending 5/31/2018)

A table of the actuarial assumptions and the methodology used for this certification is included in the attachments to this certification as Exhibit A. The above captioned pension fund does not have an accumulated funding deficiency for the plan year beginning June 1, 2017, but it is projected to have such an accumulated funding deficiency within the 4 succeeding plan years as outlined in Exhibit C of the attachments to this certification. In addition, the above captioned pension fund is currently not projected to avoid insolvency over a twenty-year period starting with the 2017 plan year.

As called for under Internal Revenue Code Section 432, as amended by the Multiemployer Pension Reform Act of 2014, I certify that the above captioned pension fund is in critical and declining status for the 2017 plan year.

Respectfully submitted,

[redacted]

Dewey A. Dennis, EA, MAAA
Enrolled Actuary No. 17-05712

8/29/2017
Date of Signature

Attachments

N:\Fact\Local 701\val\6.1.2017 certification\Actuarial_certification_L701_2017.doc

Exhibit A. ACTUARIAL ASSUMPTIONS /METHODS

Actuarial Assumptions

Interest Rates

Valuation	7.50% per annum
ASC 960	7.50% per annum
Withdrawal Liability	7.50% per annum

Mortality

RP2000 mortality table set forward three years projected with scale AA on a fully generational basis for healthy participants. RP2000 Disabled mortality table for disabled participants.

The tables specified in IRC Section 431(C)(6)(D)(iv)&(v) were employed to develop Current Liability.

Retirement Rates

For those eligible to retire, the retirement rates are as follows:

Age	Rate	Age	Rate
40-44	5%	62	50%
45-49	15	63-69	75
50-59	50	70 and over	100
60-61	45		

Termination Rates

The termination rates are assumed to follow the published T-6 table. Sample rates are as follows:

Age	Rate
20	7.94%
30	7.40
40	6.11
50	3.62
60 and over	0.13

Disability Rates

Sample rates are as follows:

Age	Rate	Age	Rate
25	0.05%	45	0.18%
30	0.05	50	0.40
35	0.06	55	0.85
40	0.09	60	1.74

Administrative Expenses

$600,000 payable at the beginning of the year.

A. ACTUARIAL ASSUMPTIONS /METHODS (cont'd)

Maximum Benefits	It is assumed that the maximum benefit limitation under the IRC will not increase in the future.
Marriage	80% of participants are assumed to be married. Husbands are assumed to be three years older than wives.
Form of Payment	Participants are assumed to elect the normal form for married and single participants.
New Entrants	New entrants are anticipated at a level sufficient to maintain a stable composition of membership.
Cost-of-Living Adjustment	None.
Future Increases in Benefit Limits	None.
Benefits Not Included in the Valuation	None.
Prorata Pensions	25% of the accrued benefit liability for inactive participants without vested rights in the database is included in the Actuarial Accrued Liability to estimate emerging liability for pro-rata pensions commencing in the future.

A. ACTUARIAL ASSUMPTIONS /METHODS (cont'd)

Actuarial Methods

Cost Method

The Entry Age Normal Cost Method is employed in this valuation. Under this method, the normal cost is the annual level dollar contribution that would have been required from the age of plan entry in order to fund the participant's retirement, termination and ancillary benefits if the current plan provisions had always been in effect. The actuarial accrued liability is the present value of all future benefits for inactive participants and is the excess of the present value of all future benefits over the present value of future normal costs for active participants. The present value of all future benefits is determined by discounting to the valuation date, the total future expected cash flow from the plan using the aforementioned actuarial assumptions. The present value of future normal costs is determined by discounting to the valuation date, all of the normal costs anticipated to result from future valuations using the aforementioned actuarial assumptions. The normal cost and actuarial accrued liability for the entire plan are the sums of the individually computed normal costs and actuarial accrued liabilities for all current plan participants.

For purposes of developing the funded ratio prescribed under the 2006 Pension Protection Act (PPA), the Traditional Unit Credit cost method is employed. Under this method, an "accrued benefit" is calculated as of the beginning of the year and is projected as of the end of the year for each benefit that may be payable in the future. The "accrued benefit" is based on the plan's accrual formula and upon service as of the beginning or end of the year. For benefits where the plan's accrual formula is not relevant, benefits are assumed to accrue on a straight-line basis over the period during which the employee earns credited service. The actuarial accrued liability is the present value of the "accrued benefit" as of the beginning of the year for active participants and is the present value of all benefits for other participants. The normal cost is the present value of the difference between the "accrued benefit" as of the beginning and the "accrued benefit" projected to the end of the year. The normal cost and actuarial accrued liability for the plan are the sums of the individually computed normal costs and actuarial accrued liabilities for all plan participants.

The determination of funded status as of June 1, 2017 reflects a projection of the June 1, 2016 actuarial valuation of the Fund. For this projection and for the projection of the Funding Standard Account under the PPA, we have assumed that all of the actuarial assumptions outlined above would be realized in each year of the projections. Furthermore, underlying these projections are the following assumptions, adopted after conferral with the Fund Administrator and Board of Trustees regarding their expectations concerning the Plan membership's demographic composition going forward:

A. ACTUARIAL ASSUMPTIONS /METHODS (cont'd)

(a) that the continuing active membership would remain stable at its current level, after reflecting the withdrawal of Shore Point Distribution as of May 1, 2017.

(b) that, for the plan year ending May 31, 2017, continuing active members will have earned twelve additional Pension Credits for the year.

As a result of these assumptions, our projection of the Funding Standard Account presumes that 1) employer contributions will remain at their most recently measured levels, assuming that Shore Point Distributions withdrawal liability contributions will be equivalent to the employer contributions that had been paying, and 2) normal cost will be adjusted to reflect the withdrawal of Shore Point Distribution.

Asset Method

The Five-Year Weighted Average of Asset Gains/Losses Method is used in this valuation. The actuarial value of assets was initially set to Market Value as of June 1, 2004 and is subsequently determined by adjusting the market value of assets to reflect the asset gains and losses (the difference between expected investment return and actual investment return) during each of the previous five years (subsequent to June 1, 2004) at the rate of 20% per year (10% per year for 10 years for the 2008 net investment loss). The actuarial value is subject to a restriction that it not be less than 80% or more than 120% of market value.

For purposes of developing the PPA projections as of June 1, 2017, the Fund auditor has provided us with an unaudited financial statement of assets as of May 31, 2017.

Exhibit B DEVELOPMENT OF FUNDED PERCENTAGE AT 6/1/2017 - DRAFT

Computation of Actuarial Value of Assets

Investment Gain /(Loss)

1. Market value of assets as of June 1, 2016			$238,242,493
2. Expected return on market value of assets	Amount	Weight for Timing	Weighted Amount
(a) Contributions during 2016 plan year	$2,568,773	1/2	$1,284,387
(b) Benefits paid	(32,657,650)	13/24	(17,689,560)
(c) Administrative expenses	(626,033)	1/2	(313,017)
(d) Total			($16,718,190)
(e) Weighted market value of assets during 2016: (1) + 2(d)			$221,524,303
(f) Expected return (2e) x 7.50%			16,614,323
3. Actual Return			
(a) Market value of assets as of June 1, 2016			($238,242,493)
(b) Contributions for prior plan year			(2,568,773)
(c) Benefits paid and administrative expenses			33,283,683
(d) Market value of assets as of June 1, 2017			237,597,217
(e) Actual Return			$30,069,634
4. **Investment gain /(loss),** 3(e)-2(f)			**$13,455,311**

Actuarial Value of Assets

1. Market value of assets as of June 1, 2017 — $237,597,217

2. Deferred gain /(loss)

	Plan Year Ending	Investment Gain /(Loss)	Percent Recognized	Percent Deferred	Deferred Gain /(Loss)
(a)	2009	($90,767,215)	90%	10%	($9,076,722)
(b)	2014	21,504,764	80%	20%	4,300,953
(c)	2015	(6,845,615)	60%	40%	(2,738,246)
(d)	2016	(32,488,518)	40%	60%	(19,493,111)
(e)	2017	13,455,311	20%	80%	10,764,249
(f)	Total:				($16,242,877)

3. Assets minus deferred gain /(loss), (1)-(2)(f)	$253,840,094
4. Corridor for actuarial value of assets	
(a) 80% of market value of assets	$190,077,774
(b) 120% of market value of assets	285,116,660
5. **Actuarial value of assets as of June 1, 2017** (3), not less than (4)(a) nor greater than (4)(b)	**$253,840,094**

Note: The figures on this page were developed from unaudited assets as of 5/31/2017.

Ex. B DEVELOPMENT OF FUNDED PERCENTAGE AT 6/1/2017 cont'd - DRAFT

In order to estimate the actuarial accrued liability as of June 1, 2017 under the Traditional Unit Credit funding method, we performed a one-year projection valuation on our actuarial software program that developed the Plan's liabilities for the June 1, 2016 actuarial valuation. For this one-year projection, we assumed that all of the actuarial assumptions listed in Exhibit A were realized for the projection year (with the exception of the asset return assumption, where the actual unaudited returns were used).

This one-year projection yielded an actuarial accrued liability under the Traditional Unit Credit funding method of $333,293,583 as of June 1, 2017. The ratio of Actuarial Value of Assets to the projected actuarial accrued liability is 76.16% ($253,840,094 divided by $333,293,583).

N:\Fact\Local 701\val\6.1.2017\certification\Exhibit_B.doc

Exhibit C - Funding Standard Account Projection

Mid-Jersey Trucking Industry and Local No. 701 Pension Fund
Funding Standard Account projection

	Plan Year Beginning June 1,							
	2016	2017	2018	2019	2020	2021	2022	2023
Charges								
Normal Cost	1,749,561	1,265,297	1,265,297	1,265,297	1,265,297	1,265,297	1,265,297	1,265,297
Amortization Charges	28,227,817	24,219,622	23,187,642	23,099,660	23,509,634	23,364,088	23,364,088	23,220,094
Interest	2,248,303	1,911,369	1,833,970	1,827,372	1,858,120	1,847,204	1,847,204	1,836,404
Total Charges	32,225,681	27,396,288	26,286,909	26,192,329	26,633,051	26,476,589	26,476,589	26,321,795
Credits								
Prior Year's Credit Balance	76,077,983	65,254,906	58,449,491	47,421,337	27,450,710	5,541,564	(17,526,579)	(42,324,832)
Contributions	2,568,773	2,568,773	2,568,773	2,568,773	2,568,773	2,568,773	2,568,773	2,568,773
Amortization Credits	12,122,468	12,122,468	7,637,155	0	0	304,863	304,863	304,863
Interest	6,711,363	5,899,632	5,052,827	3,652,929	2,155,132	534,811	(1,195,300)	(3,055,169)
Total Credits	97,480,587	85,845,779	73,708,246	53,643,039	32,174,615	8,950,011	(15,848,243)	(42,506,365)
Credit Balance (Funding Deficiency)	65,254,906	58,449,491	47,421,337	27,450,710	5,541,564	(17,526,579)	(42,324,832)	(68,828,160)

The PPA test looks at the current year (2017) and the subsequent six years (through 2023) for a funding deficiency.
This Plan fails the test since there is a funding deficiency projected for the 2021 Plan year.

Further projections show that the Plan should be able to pay all benefit payments over the projection period if all assumptions are met over that time.

N:\Fact\Local 701\val 6.1.2017\certification\[g_1_ava_FSA_cert.xls]FSA full rec

EXHIBIT 4

PLAN ACTUARY'S CERTIFICATION THAT THE PLAN IS PROJECTED TO AVOID INSOLVENCY

MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND

APPLICATION FOR BENEFIT SUSPENSIONS

Information Required by Section 3.02 of Revenue Procedure 2017-43

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

On August 29, 2017, the Plan was certified to be in critical and declining status for the plan year beginning June 1, 2017 as defined in §432(b)(6) of the Internal Revenue Code. The plan is not expected to emerge from critical status.

The Trustees are submitting an application to the Treasury to suspend benefits under §432(e)(9). The purpose of this report is to provide information required in Section 3.02 of Revenue Procedure 2017-43 and to certify that the Plan is projected to avoid insolvency within the meaning of §418E, taking into account the proposed benefit suspension.

Item 1 of this report contains a plan-year-by-plan-year projection of the available resources as defined in §418E(b)(3) of the Internal Revenue Code and the benefits that are due under the plan, demonstrating that the plan is projected to avoid insolvency, taking into account the proposed benefit suspension, over the extended period described in §432(e)(9)-1(d)(5)(ii)(C). The market value of assets at the beginning and end of each plan year, the contributions, the withdrawal liability payments, the benefit payments, the administrative expenses and the net investment returns are identified for each plan year.

Item 2 of this report contains expected benefit payments, taking into account the proposed benefit suspension, separately identified with respect to current retirees and beneficiaries, terminated-vested participants who are not currently receiving benefits, currently active participants, and future new entrants.

The full list of actuarial assumptions and methods and the supporting documentation is in the separate report labeled "Appendix B – Information on Actuarial Assumptions and Methods".

The undersigned actuaries of First Actuarial Consulting, Inc. meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. All the calculations were performed in accordance with our understanding of generally accepted actuarial principles and practices and this report, to our knowledge, is complete and accurate and complies with the reasonable actuarial-assumption rules.

The undersigned actuaries certify that the Plan is projected to avoid insolvency within the meaning of Section 418E of the IRC over the extended period described in §432(e)(9)-1(d)(5)(ii)(C) if the proposed benefit suspensions are taken into account.

[redacted]

Dewey A. Dennis, F.C.A., M.A.A.A.	Nadine Solntseva, F.C.A. M.A.A.A.
Enrolled Actuary No. 17-05712	Enrolled Actuary No. 17-07546

Item 1 - Projection of Plan's Available Resources

Plan Year ending in		2018[1]	2019	2020	2021
Assumed Rate of Return		6.71%	6.71%	6.71%	6.71%
Market Value of Assets - beginning of period		233,891,068	231,230,025	217,421,869	211,192,832
Employer Contributions		248,615	1,411,380	1,369,456	1,416,876
Withdrawal Liability Payments attributable	to past wdl	0	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(5,362,665)	(30,397,838)	(22,165,711)	(21,822,923)
Administrative Expenses		(133,333)	(760,500)	(721,158)	(731,975)
Net Investment Return		2,586,340	14,563,660	13,913,234	13,507,994
Market Value of Assets - end of Plan Year		231,230,025	217,421,869	211,192,832	204,937,946

Plan Year ending in		2022	2023	2024	2025
Assumed Rate of Return		6.71%	6.71%	6.71%	6.71%
Market Value of Assets - beginning of Plan Year		204,937,946	198,620,510	192,308,259	186,003,684
Employer Contributions		1,386,635	1,363,556	1,340,478	1,254,953
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(21,436,144)	(20,986,764)	(20,535,145)	(20,108,804)
Administrative Expenses		(742,954)	(754,099)	(765,410)	(776,891)
Net Investment Return		13,099,885	12,689,914	12,280,360	11,868,372
Market Value of Assets - end of Plan Year		198,620,510	192,308,259	186,003,684	179,616,456

[1] Reflects the period from April 1, 2018 through May 31, 2018.
Other columns reflect the periods from June 1st through May 31st.

Item 1 - Projection of Plan's Available Resources (cont'd)

Plan Year ending in		**2026**	**2027**	**2028**	**2029**
Assumed Rate of Return		6.71%	6.71%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		179,616,456	173,288,834	167,022,081	162,385,584
Employer Contributions		1,260,770	1,260,770	1,251,170	1,228,092
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(19,630,625)	(19,149,103)	(18,738,803)	(18,271,312)
Administrative Expenses		(788,545)	(800,373)	(812,379)	(824,564)
Net Investment Return		11,455,636	11,046,811	12,288,373	11,945,793
Market Value of Assets - end of Plan Year		173,288,834	167,022,081	162,385,584	157,838,735

Plan Year ending in		**2030**	**2031**	**2032**	**2033**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		157,838,735	153,335,051	148,955,780	144,742,759
Employer Contributions		1,138,949	1,140,778	1,122,787	1,164,778
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,371,076	1,358,876
	to future wdl	0	0	0	0
Benefit Payments		(17,789,010)	(17,322,498)	(16,800,918)	(16,369,461)
Administrative Expenses		(836,933)	(849,487)	(862,229)	(875,162)
Net Investment Return		11,608,168	11,276,794	10,956,263	10,647,126
Market Value of Assets - end of Plan Year		153,335,051	148,955,780	144,742,759	140,668,916

Item 1 - Projection of Plan's Available Resources (cont'd)

Plan Year ending in		**2034**	**2035**	**2036**	**2037**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		140,668,916	136,755,796	133,036,646	129,543,774
Employer Contributions		1,162,949	1,156,776	1,156,776	1,171,853
Withdrawal Liability Payments attributable	to past wdl	1,358,876	1,358,876	1,358,876	1,358,876
	to future wdl	0	0	0	0
Benefit Payments		(15,895,832)	(15,397,647)	(14,888,805)	(14,380,083)
Administrative Expenses		(888,290)	(901,614)	(915,138)	(928,866)
Net Investment Return		10,349,177	10,064,459	9,795,419	9,544,486
Market Value of Assets - end of Plan Year		136,755,796	133,036,646	129,543,774	126,310,040

Plan Year ending in		**2038**	**2039**	**2040**	**2041**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		126,310,040	122,273,228	118,078,553	114,062,833
Employer Contributions		1,171,853	1,171,853	1,171,853	1,162,253
Withdrawal Liability Payments attributable	to past wdl	339,719	0	0	0
	to future wdl	0	0	0	0
Benefit Payments		(13,878,848)	(13,375,780)	(12,876,185)	(12,351,916)
Administrative Expenses		(942,799)	(956,940)	(971,295)	(985,864)
Net Investment Return		9,273,263	8,966,192	8,659,907	8,368,068
Market Value of Assets - end of Plan Year		122,273,228	118,078,553	114,062,833	110,255,374

Item 1 - Projection of Plan's Available Resources (cont'd)

Plan Year ending in		2042	2043	2044	2045
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		110,255,374	106,577,084	103,097,840	99,831,994
Employer Contributions		1,162,253	1,162,253	1,162,253	1,162,253
Withdrawal Liability Payments attributable	to past wdl	0	0	0	0
	to future wdl	0	0	0	0
Benefit Payments		(11,928,707)	(11,447,643)	(10,967,388)	(10,513,213)
Administrative Expenses		(1,000,652)	(1,015,662)	(1,030,897)	(1,046,360)
Net Investment Return		8,088,816	7,821,808	7,570,186	7,334,083
Market Value of Assets - end of Plan Year		106,577,084	103,097,840	99,831,994	96,768,757

Plan Year ending in		2046	2047	2048	2049
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		96,768,757	93,920,200	91,293,481	88,892,624
Employer Contributions		1,162,253	1,162,253	1,162,253	1,160,424
Withdrawal Liability Payments attributable	to past wdl	0	0	0	0
	to future wdl	0	0	0	0
Benefit Payments		(10,062,301)	(9,620,281)	(9,190,698)	(8,780,084)
Administrative Expenses		(1,062,056)	(1,077,986)	(1,094,156)	(1,110,568)
Net Investment Return		7,113,547	6,909,295	6,721,744	6,550,882
Market Value of Assets - end of Plan Year		93,920,200	91,293,481	88,892,624	86,713,278

Item 2 – Expected Benefit Payments

Plan Year ending May 31,	Benefit Payments Attributable To: Retirees and Beneficiaries as of 6/1/2017	Terminated Vesteds as of 6/1/2017	Active Participants as of 6/1/2017	New Entrants after 6/1/2017	Total Benefit Payments
2018[1]	5,188,334	137,289	37,042	0	5,362,665
2019	28,954,846	1,001,410	441,582	0	30,397,838
2020	20,671,217	933,476	561,018	0	22,165,711
2021	20,046,772	1,020,378	755,773	0	21,822,923
2022	19,399,854	1,070,176	966,114	0	21,436,144
2023	18,735,590	1,122,934	1,128,240	0	20,986,764
2024	18,077,565	1,148,080	1,308,285	1,215	20,535,145
2025	17,410,195	1,243,514	1,450,602	4,493	20,108,804
2026	16,735,442	1,326,386	1,558,217	10,580	19,630,625
2027	16,054,851	1,409,795	1,665,566	18,891	19,149,103
2028	15,370,130	1,567,776	1,771,125	29,772	18,738,803
2029	14,683,022	1,649,610	1,889,294	49,386	18,271,312
2030	13,995,322	1,715,537	2,000,768	77,383	17,789,010
2031	13,308,897	1,823,942	2,078,451	111,208	17,322,498
2032	12,625,580	1,862,463	2,165,922	146,953	16,800,918
2033	11,947,388	1,962,746	2,271,617	187,710	16,369,461
2034	11,276,421	2,023,759	2,357,304	238,348	15,895,832
2035	10,614,614	2,067,675	2,420,048	295,310	15,397,647
2036	9,963,922	2,090,875	2,481,523	352,485	14,888,805
2037	9,326,434	2,100,027	2,547,121	406,501	14,380,083
2038	8,704,129	2,111,506	2,600,626	462,587	13,878,848
2039	8,098,728	2,129,183	2,621,787	526,082	13,375,780
2040	7,511,642	2,152,848	2,616,072	595,623	12,876,185
2041	6,944,278	2,127,703	2,613,978	665,957	12,351,916
2042	6,397,876	2,166,295	2,630,668	733,868	11,928,707
2043	5,873,469	2,156,400	2,613,505	804,269	11,447,643
2044	5,371,806	2,133,495	2,576,127	885,960	10,967,388
2045	4,893,596	2,106,642	2,537,012	975,963	10,513,213
2046	4,439,368	2,055,747	2,499,840	1,067,346	10,062,301
2047	4,009,521	2,010,896	2,444,478	1,155,386	9,620,281
2048	3,604,580	1,960,875	2,380,102	1,245,141	9,190,698
2049	3,224,888	1,899,316	2,312,267	1,343,613	8,780,084

[1] Reflects the period from April 1, 2018 through May 31, 2018.
Other rows reflect the periods from June 1st through May 31st.

EXHIBIT 5

REHABILITATION PLAN

REHABILITATION PLAN
FOR THE
DEFINED BENEFIT PLAN OF THE MID-JERSEY TRUCKING INDUSTRY AND TEAMSTERS LOCAL 701 PENSION AND ANNUITY FUND

I. Introduction

Under the Employee Retirement Income Security Act ("ERISA"), on August 29, 2017, the actuary of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund ("Fund") certified that the Fund's defined benefit plan ("Plan") is in Critical Status for the Plan Year beginning June 1, 2017.

As required by law, the Board of Trustees sent a Notice of Critical Status ("Notice"), to participants, beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation ("PBGC") and the Department of Labor, advising, in part, that (1) the Fund is in Critical Status for the 2017 Plan Year; (2) all non-level benefits previously available under the Fund's Plan of benefits, including certain lump sum benefits or any other payments in excess of the monthly amount paid under a single life annuity, are not payable in the form effective as of the date of the Notice; and (3) employers participating in the Fund ("Employers") are obligated to pay a 5% contribution surcharge to the Fund, effective for contributions due to the Fund for work performed on or after November 1, 2017. The 5% surcharge will increase to 10% on June 1, 2018 and will continue until the earlier of (1) the date the Fund emerges from Critical Status; or (2) the date the Employer enters into a new collective bargaining agreement ("CBA") with the Union consistent with the Schedule in this Rehabilitation Plan.

Generally, the Fund must emerge from Critical Status by the end of its ten year Rehabilitation Period, as defined by ERISA. The Fund's Rehabilitation Period will begin on June 1, 2020 and end on May 31, 2030. However, the Fund's Board of Trustees has determined that based on all reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot reasonably be expected to emerge from critical status by the end of the Rehabilitation Period. Pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees is adopting this Rehabilitation Plan to forestall possible insolvency (as defined by ERISA Section 4245).

The Schedule of contribution increases and benefit reductions attached to this Rehabilitation Plan ("Schedule") will be provided to the bargaining parties no later than the thirtieth day after the Board of Trustees adopts this Rehabilitation Plan. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the Schedule. If the bargaining parties cannot reach an agreement concerning the adoption of the Schedule, the Schedule is to be treated as the default schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii).

This Rehabilitation Plan is based on the reasonable projections of the Fund's liabilities using June 1, 2016 database and on reasonable assumptions about how the Fund's assets will change in the coming years, particularly as a result of changes in the Fund's investment returns, which are dependent on the financial markets. The Board of Trustees will update this

Rehabilitation Plan, as required by law. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

II. Alternatives Considered for Emerging From Critical Status During the Rehabilitation Period

The Board of Trustees considered reasonable measures for emerging from Critical Status during the Rehabilitation Period. The alternatives considered include projections by the Fund's Actuary that are based on reasonable actuarial assumptions. For instance, the Fund's Actuary determined that, with no changes to the Fund's current plan of benefits ("Plan"), for the Fund to emerge from Critical Status by the end of the Rehabilitation Period, Employer contribution rates would have to be increased by 45% annually for each of the next ten years, ultimately increasing to a rate that is more than 40 times of the current contribution rate. The Fund's Actuary has determined that, even with a 50% reduction in future benefit accruals and the elimination of all adjustable benefits, Employer contribution rates would still have to be increased by approximately 44% per year for each of the next ten years for the Fund to emerge from Critical Status by the end of the Rehabilitation Period.

The Board determined that these and any similar measures were not reasonable. Specifically, the Board determined that such measures are unlikely to be agreed upon by the bargaining parties, and therefore the likely outcome of collective bargaining over these types of alternatives would be negotiated withdrawals from the Fund. In this regard, the Fund's Actuary determined that, if a mass withdrawal were to occur, and all withdrawal liability payments were collected (which is extremely unlikely), the Fund would not emerge from Critical Status and would become insolvent (as defined by ERISA Section 4245) in the plan year ending in 2030. The Fund's Actuary also determined that, if a mass withdrawal were to occur, in the more likely case that 50% of withdrawal liability payments were collected, the Fund would become insolvent (as defined by ERISA Section 4245) in the plan year ending in 2029.

III. Schedule of Reasonable Measures to Forestall the Fund's Date of Insolvency

The Board of Trustees has determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, given the combination of required contribution increases and benefit reductions necessary for the Fund to emerge from Critical Status by the end of the Rehabilitation Period, the Fund cannot be reasonably expected to emerge from Critical Status by the end of the Rehabilitation Period. Therefore, the Trustees are adopting a Rehabilitation Plan described under Section 305(e)(3)(A)(ii) that consists of reasonable measures to forestall the date of the Fund's possible insolvency.

A. General Information. The Schedule contains the contribution increases and benefit reductions that will be necessary for the Fund to forestall insolvency, by delaying the projected date of insolvency from 2030, in the case of a mass withdrawal, to 2031. The Schedule described herein will also be treated as the Default Schedule for the purposes of ERISA Section

305(e)(3)(C) since the Default Schedule described in Section 305(e)(1) would not be a reasonable measure.

B. Contributions. As outlined below, the Board of Trustees has determined that the benefit cuts included in this Schedule are expected to be sufficient to forestall the Fund's possible insolvency past the estimated date the Fund would be insolvent if there was mass withdrawal of all of the Fund's contributing employers, which the Board had determined is likely to occur if the Fund does not utilize Section 305(e)(3)(A)(ii). With respect to contributions, the Board has reviewed the contribution history of each contributing employer whose CBA expires in the next year. Specifically, of the seven employers contributing to the Fund pursuant to a CBA, four have CBAs that expire during the 2018 plan year. Of the Fund's approximately 155 active participants, these four employers, in the aggregate, employ approximately 112 actives participants. If the Board were to require a one-time contribution increase of 5%, it would only raise an additional $36,800 from these four employers during the 2018 plan year, assuming the employers agree to adopt this Schedule. However, the Board believes that the more likely result is that the employers will choose to withdraw from the Fund and would likely be unable to pay their withdrawal liability in full or, to the extent applicable, would not pay their full withdrawal liability due to operation of limitations provided in ERISA Section 4219 (c)(1)(B). If all contributing employers agreed to a one-time 5% increase, including the employers that participate pursuant to written agreement other than a CBA, the increased assets would total only $81,000. The Board has concluded that this *de minimus* increase is insufficient to justify the risk that the majority of these employers will withdraw from the Fund and be unable to pay their withdrawal liability in full.

As a result, contribution rates will remain at the rates in the CBA in effect at the time this Schedule is adopted

C. Benefits.

The following adjustable benefits shall be eliminated for all participants who have an Annuity Starting Date on or after May 15, 2018 and did not earn at least 120 Hours of Service during each of the three years (defined as 12 consecutive month periods) ending with the month immediately preceding the participant's Annuity Starting Date:

1. Disability Benefit not yet in pay status.
2. 60-Month Certain guarantee.
3. Subsidized Joint & Survivor Annuity for married Participants.
4. Commencement of new retirement benefits will not be permitted prior to age 55.
5. Pre-Retirement Death, Accidental Death and Dismemberment Benefits except as required by law for surviving spouses.
6. The subsidized portion of the Early Retirement Benefit and Service Pension for all years of service.
7. Post-Retirement death benefits for Participants and Beneficiaries.
8. Lump sum payment option for the benefits earned prior to April 1, 2012.

Note: Items 5 and 8 are eliminated for all Participants with an Annuity Starting Date on or after May 15, 2018 regardless of the number of hours worked.

As of April 30 2017, there were approximately 220 participants actively working in covered employment. The Board of Trustees believes that eliminating these adjustable benefits for active participants will likely cause the mass retirement of most of those 92 participants who are currently eligible to retire or will be eligible to retire before June 1, 2018. The Fund's actuary has determined that while the cost of continuing to provide these benefits to active participants is approximately $5.6 million, if all active participants who are eligible to currently retire, do retire, the Fund's benefit liability would be increased by approximately $6.6 million, more than offsetting the entire cost-savings of the adjustable benefits. Moreover, the Board believes that were a mass retirement to occur, it is more likely than not to result in very little, if any, replacement hiring by contributing employers, and the further contraction of the covered industry. Specifically both the Union and contributing employers have noted significant difficulty in hiring new drivers to fill current vacancies. If all the eligible active participants were to retire within the next 30 days, it is extremely unlikely that even half of these retirees will be replaced, leaving both the Fund and the industry in an even worse position.

IV. Actions to be Taken by the Board of Trustees

The Fund's Board of Trustees will review the Fund's Rehabilitation Plan, including the Schedules, as required by law and will update the Rehabilitation Plan as required by law. In addition, the Board of Trustees will consider all options available to the Fund, including but not limited to, obtaining an amortization period extension under Section 431(d) of the Internal Revenue Code, reducing Fund expenditures that may assist the Fund in forestalling insolvency, or exploring a merger with another plan.

V. Annual Standards for Meeting the Requirements of this Rehabilitation Plan

With the implementation of these changes, the Board of Trustees will make adequate progress, to the extent based on reasonable financial markets activity and other relevant factors, toward enabling the Fund to forestall insolvency and will monitor the Fund's contribution rates annually as compared to the costs of operating the Fund.

Resolution Confirming Adoption Of Rehabilitation Plan For The Defined Benefit Plan Of The Mid-Jersey Trucking Industry And Teamsters Local 701 Pension And Annuity Fund For The 2017 Plan Year

Whereas, pursuant to Section 305 of the Employee Retirement Income Security Act ("ERISA") as amended by the Pension Protection Act of 2006 ("PPA"), the Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund ("Plan") was certified to be in Critical Status for the Plan Year beginning June 1, 2017.

Whereas, the PPA requires pension plans in Critical Status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan.

Now Therefore, this is to confirm that we, the Board of Trustees, adopted the Rehabilitation Plan attached hereto, on April 9, 2018.

Date: 4-9-2018

Date: 4/9/18

[redacted]

367446v1

20583168v6

EXHIBIT 6

DEMONSTRATION THAT THE PROPOSED SUSPENSION SATISFIES STATUTORY REQUIREMENTS

MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND APPLICATION FOR SUSPENSION OF BENEFITS

SECTION 4.01(2)(a) – Description of each benefit based on disability

Below is an excerpt from pages 18 and 19 of the Fund's plan document describing the disability benefits of those currently receiving disability benefits under the Plan and also for those projected to become disabled in the future under the Plan.

Section 4.12. Disability Pension – Eligibility
A Participant shall be entitled to retire on a Disability Pension on and after January 1, 1975, if he meets the following requirements:

(a) He has not attained age 53; and

(b) He has at least one hundred twenty (120) Pension Credits; and

(c) He has completed at least one hundred twenty (120) Hours of Service in the twelve (12) consecutive Month period preceding the onset of his disability; and

(d) He has been determined to be permanently and totally disabled by the Trustees as defined in Section 4.14.

Section 4.13. Disability Pension – Amount
The monthly amount of the Disability Pension is the amount of the Early Retirement Pension and is computed as if the Participant had attained the age of fifty-three (53).

A Disability Pension shall be payable commencing with the first day of the seventh Month following the onset of the disability and continuing thereafter for life, so long as the permanent and total disability continues.

Notwithstanding any provision of the Plan to the contrary, the Disability Pension will be paid as a Qualified Joint and Survivor Annuity, or subject to waiver in accordance with Section 5.02 or any other benefit having an equivalent Actuarial Present Value benefit payment form that would be available to the Participant under the Plan if he or she were retiring at Normal Retirement Age (or, if the Participant is then eligible for it as described in Section 4.04, Early Retirement).

For the benefit conversion factors to be used when the Participant is retiring with a Disability Pension, see Section 5.10.

Section 4.14. Definition of Total and Permanent Disability

An Employee shall be deemed to be permanently and totally disabled only if the Participant is qualified for a disability income benefit under the Federal Social Security Act.

Section 4.15. Physical Examination

A Participant applying for a Disability Pension may be required to submit to an examination by a physician or physicians selected by the Trustees, and may be required to submit to re-examination periodically as the Trustees may direct until his 53rd birthday. The Trustees may in their sole and absolute discretion require, or accept, as sole proof of total disability or continued total disability a determination by the Social Security Administration that the Employee is entitled to a Social Security Disability benefit.

Below is a summary of the enclosed sample calculations:

	Guarantee Based Limitation - Full	Guarantee Based Limitation - Partial	Benefits Paid on Disability	Age-Based Limitations (ages 75-79)	Age-Based Limitation (over age 80)
Current Retiree or Beneficiary	None	None	Sample 1	Sample 3	Sample 4
Spouse of Current Retiree	None	None	None	Sample 5	Sample 6
Future Retiree	None	None	Sample 2	None	None

There are no participants impacted by the scenarios where “None” appears in the chart.

All current retirees receiving their benefits under the disability provision have no contingent beneficiary.

		Sample 1 Disabled
1.	Date of Birth	4/7/1944
2.	Monthly Benefit	$856.80
3.	Pension Credits	207.00
4.	Payment Form	Life Annuity with 60 Payments Guaranteed
5.	Early Retirement Factor	0.5600
6.	Payment Form Factor	1.0000
7.	Delayed Retirement Factor[1]	1.0000
8.	Vesting Percentage	100.00%
9.	Proposed Benefit After Suspension: $12.75 x (3)x(5)x(6)x(7)x(8), not more than (2)	$856.80
10.	Proposed Suspension: (2) - (9)	$0.00
11.	Disability Based Limitation	Applies
12.	Guarantee Based Limitation	
	a) Nominal Accrual Rate: (2) / [(3)/12] / (7)	$49.67
	b) PBGC Guarantee Benefit	$616.69
13.	Maximum Allowable Suspension: $0, if (11) is "Applies", or (2) - 110% of (12)(b), not less than $0	$0.00
14.	Suspension Amount: minimum of (10) and (13)	$0.00
15.	Suspension Effective Date	4/1/2019
16.	Age on Suspension Effective Date	74.9167
17.	Months Until Age 80[2]	60
18.	Applicable Percentage: (12) / 60, not greater than 100%	100.000%
19.	Final Benefit Suspension: (14) x (19)	$0.00
20.	Monthly Benefit After Suspension: (2) - (19)	$856.80

[1] Applicable if a member retired after age 60 and did not work in suspendable employment.

[2] Number of months during the period beginning with the month after the month in which the suspension of benefits is effective and ending with the month during which the member attains age 80, per Regulation 1.432(e)(9)-1(d)(3).

Sample 2

Future Retiree - Benefits Based on Disability

1.	Date of Birth	12/4/1976
2.	Monthly Accrued Benefit as of December 31, 2017 (unadjusted for form and early/late commencement)	$4,332.87
3.	Pension Credits as of December 1, 2017	223.00
BENEFITS PAYABLE IN UNREDUCED FORM		
4.	Proposed Benefit After Suspension: $17.50 x (3), not more than (2)	$3,902.50
5.	Proposed Suspension: (2) - (4)	$430.37
6.	Disability Based Limitation	Applies
7.	Guarantee Based Limitation	
	a) Nominal Accrual Rate: (2) /[(3)/12]	$233.16
	b) PBGC Guarantee Benefit	$664.35
8.	Maximum Allowable Suspension: $0 if (6) is "Applies", otherwise (2) - 110% of (12)(b), not less than $0	$0.00
9.	Suspension Amount: minimum of (10) and (13)	$0.00
10.	Suspension Effective Date	4/1/2019
11.	Age on Suspension Effective Date	42.2500
12.	Months Until Age 80[1]	452
13.	Applicable Percentage: (12) / 60, not greater than 100%	100.000%
14.	Final Benefit Suspension: (14) x (19)	$0.00
15.	Monthly Benefit After Suspension: (2) - (19)	$4,332.87

[1] Number of months during the period beginning with the month after the month in which the suspension of benefits is effective and ending with the month during which the member attains age 80, per Regulation 1.432(e)(9)-1(d)(3).

Sample 3

Retiree - Age Based Limitation (75-79)

1.	Date of Birth	3/13/1941
2.	Monthly Benefit	$12,213.90
3.	Pension Credits	420.00
4.	Payment Form	Life Annuity with 60 Payments Guaranteed
5.	Early Retirement Factor	1.0000
6.	Payment Form Factor	1.0000
7.	Delayed Retirement Factor[1]	1.0000
8.	Vesting Percentage	100.00%
9.	Proposed Benefit After Suspension: $12.75 x (3)x(5)x(6)x(7)x(8), not more than (2)	$5,355.00
10.	Proposed Suspension: (2) - (9)	$6,858.90
11.	Disability Based Limitation	N/A
12.	Guarantee Based Limitaiton	
	a) Nominal Accrual Rate: (2) / [(3)/12] / (7)	$348.97
	b) PBGC Guarantee Benefit	$1,251.25
13.	Maximum Allowable Suspension: (2) - 110% of (12)(b), not less than $0	$10,837.53
14.	Suspension Amount: minimum of (10) and (13)	$6,858.90
15.	Suspension Effective Date	4/1/2019
16.	Age on Suspension Effective Date	78.0000
17.	Months Until Age 80[2]	23
18.	Applicable Percentage: (12) / 60, not greater than 100%	38.333%
19.	Final Benefit Suspension: (14) x (19)	$2,629.25
20.	Monthly Benefit After Suspension: (2) - (19)	$9,584.65

[1] Applicable if a member retired after age 60 and did not work in suspendable employment.

[2] Number of months during the period beginning with the month after the month in which the suspension of benefits is effective and ending with the month during which the member attains age 80, per Regulation 1.432(e)(9)-1(d)(3).

Sample 4

Retiree - Age Based Limitation (over age 80)

1.	Date of Birth	8/10/1938
2.	Monthly Benefit	$6,859.12
3.	Pension Credits	236.00
4.	Payment Form	100% Joint-and-Survivor Annuity
5.	Early Retirement Factor	1.0000
6.	Payment Form Factor	0.8100
7.	Delayed Retirement Factor[1]	1.0000
8.	Vesting Percentage	100.00%
9.	Proposed Benefit After Suspension: $12.75 x (3)x(5)x(6)x(7)x(8), not more than (2)	$2,437.29
10.	Proposed Suspension: (2) - (9)	$4,421.83
11.	Disability Based Limitation	N/A
12.	Guarantee Based Limitation	
	a) Nominal Accrual Rate: (2) / [(3)/12] / (7)	$348.77
	b) PBGC Guarantee Benefit	$703.08
13.	Maximum Allowable Suspension: (2) - 110% of (12)(b), not less than $0	$6,085.73
14.	Suspension Amount: minimum of (10) and (13)	$4,421.83
15.	Effective Suspension Date	4/1/2019
16.	Age on Effective Suspension Date	80.5833
17.	Months Until Age 80[2]	0
18.	Applicable Percentage: (12) / 60, not greater than 100%	0.000%
19.	Final Benefit Suspension: (14) x (19)	$0.00
20.	Monthly Benefit After Suspension: (2) - (19)	$6,859.12

[1] Applicable if a member retired after age 60 and did not work in suspendable employment.

[2] Number of months during the period beginning with the month after the month in which the suspension of benefits is effective and ending with the month during which the member attains age 80, per Regulation 1.432(e)(9)-1(d)(3).

Sample 5

Contingent Beneficiary of a Retiree - Age Based Limitation (75-79)

1.	Date of Birth (Member)	9/16/1939
2.	Date of Birth (Beneficiary)	6/12/1942
3.	Monthly Benefit Payable to Member	$3,104.55
4.	Payment Form	Joint-and-Survivor Annuity
5.	Monthly Benefit Payable to Beneficiary	$3,079.71
6.	Pension Credits	115.0000
7.	Early Retirement Factor	1.0000
8.	Payment Form Factor	1.0000
9.	Continuation Factor	0.9920
10.	Delayed Retirement Factor[1]	1.0000
11.	Vesting Percentage	100.00%
12.	Benefit After Proposed Suspension (to member): $12.75 x (6)x(7)x(8)x(10)x(11), not more than (3)	$1,466.25
13.	Benefit After Proposed Suspension (to beneficiary): (9) x (12)	$1,454.52
14.	Proposed Suspension (Beneficiary): (5) - (13)	$1,625.19
15.	Disability Based Limitation	N/A
16.	Guarantee Based Limitation	
	a) Nominal Accrual Rate (Beneficiary): (5) /[(6)/12] / (10)	$321.36
	b) PBGC Guarantee Benefit (Beneficiary)	$342.60
17.	Maximum Allowable Suspension: (5) - 110% of (16)(b), not less than $0	$2,702.85
18.	Suspension Amount: minimum of (14) and (17)	$1,625.19
19.	Suspension Effective Date	4/1/2019
20.	Member's Age on Suspension Effective Date	79.5000
21.	Months Until Age 80[2] (member)	5
22.	Applicable Percentage: (21) / 60, not greater than 100%	8.333%
23.	Final Benefit Suspension: (18) x (22)	$135.43
24.	Monthly Benefit After Suspension Payable to Beneficiary: (5) - (23)	$2,944.28

[1] Applicable if a member retired after age 60 and did not work in suspendable employment.

[2] Number of months during the period beginning with the month after the month in which the suspension of benefits is effective and ending with the month during which the member attains age 80, per Regulation 1.432(e)(9)-1(d)(3).

Sample 6

Contingent Beneficiary of a Retiree - Age Based Limitation (over age 80)

1.	Date of Birth (Member)	3/31/1938
2.	Date of Birth (Beneficiary)	8/1/1943
3.	Monthly Benefit Payable to Member	$4,129.64
4.	Payment Form	100% Joint-and-Survivor Annuity
5.	Monthly Benefit Payable to Beneficiary	$4,129.64
6.	Pension Credits	142.00
7.	Early Retirement Factor	1.0000
8.	Payment Form Factor	0.7680
9.	Delayed Retirement Factor[1]	1.0000
10.	Vesting Percentage	100.00%
11.	Benefit After Proposed Suspension (to member): $12.75 x (6)x(7)x(8)x(9)x(10), not more than (3)	$1,390.46
12.	Benefit After Proposed Suspension (to beneficiary): 100% of (11)	$1,390.46
13.	Proposed Suspension (Beneficiary): (5) - (12)	$2,739.18
14.	Disability Based Limitation	N/A
15.	Guarantee Based Limitation	
	a) Nominal Accrual Rate (Beneficiary): (5) / [(6)/12] / (9)	$348.98
	a) PBGC Guarantee Benefit (Beneficiary)	$423.04
16.	Maximum Allowable Suspension: (5) - 110% of (15)(b), not less than $0	$3,664.30
17.	Suspension Amount: minimum of (13) and (16)	$2,739.18
18.	Suspension Effective Date	4/1/2019
19.	Member's Age on Suspension Effective Date	81.0000
20.	Months Until Age 80[2] (member)	0
21.	Applicable Percentage: (20) / 60, not greater than 100%	0.000%
22.	Final Benefit Suspension: (17) x (21)	$0.00
23.	Monthly Benefit After Suspension Payable to Beneficiary: (5) - (22)	$4,129.64

[1] Applicable if a member retired after age 60 and did not work in suspendable employment.

[2] Number of months during the period beginning with the month after the month in which the suspension of benefits is effective and ending with the month during which the member attains age 80, per Regulation 1.432(e)(9)-1(d)(3).

EXHIBIT 7

DEMONSTRATION THAT PROPOSED SUSPENSION IS REASONABLY ESTIMATED TO ENABLE THE PLAN TO AVOID INSOLVENCY

MID-JERSEY TRUCKING INDUSTRY AND LOCAL 701 PENSION FUND APPLICATION FOR BENEFIT SUSPENSIONS

Information Required by Section 4.02 of Revenue Procedure 2017-43

June 2018

Actuarial Statement

On August 29, 2017, the Plan was certified to be in critical and declining status as defined in §432(b)(6) of the Internal Revenue Code for the plan year beginning June 1, 2017. The Plan is not expected to emerge from critical status.

The Trustees are submitting an application to the Treasury to suspend benefits under §432(e)(9). The purpose of this report is to provide information required by Section 4.02 of the Revenue Procedure 2017-43, the demonstration that the proposed suspension is reasonably estimated to enable the Plan to avoid insolvency.

Item 1 of this report contains an illustration, prepared on a deterministic basis, showing that for each plan year during the extended period described in §1.432(e)(9)-1(d)(5)(ii)(C), the Plan's solvency ratio – the ratio of the Plan's available resources (as defined in §418E(b)(3)) to the scheduled benefit payments under the Plan for the plan year – is projected to be at least 1.0.

The full list of actuarial assumptions and methods and the supporting documentation is in the separate report labeled "Appendix B – Information on Actuarial Assumptions and Methods".

The undersigned actuaries of First Actuarial Consulting, Inc. meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

In our opinion, all the calculations were performed in accordance with our understanding of generally accepted actuarial principles and practices and this report, to our knowledge, is complete and accurate and complies with the reasonable actuarial assumption rules.

[redacted]

Dewey A. Dennis, EA, FCA, MAAA
Enrolled Actuary No. 17-05712

Nadine Solntseva, EA, FCA, MAAA
Enrolled Actuary No. 17-07546

Item 1 – Projection of Plan's Solvency Ratio

Plan Year ending in	2018[1]	2019	2020	2021
Assumed Rate of Return	6.71%	6.71%	6.71%	6.71%
Market Value of Assets - beginning of period	233,891,068	231,230,025	217,421,869	211,192,832
Employer Contributions	248,615	1,411,380	1,369,456	1,416,876
Withdrawal Liability to past wdl	0	1,375,142	1,375,142	1,375,142
Payments attributable to future wdl	0	0	0	0
Benefit Payments	(5,362,665)	(30,397,838)	(22,165,711)	(21,822,923)
Administrative Expenses	(133,333)	(760,500)	(721,158)	(731,975)
Net Investment Return	2,586,340	14,563,660	13,913,234	13,507,994
Market Value of Assets - end of Plan Year	231,230,025	217,421,869	211,192,832	204,937,946
Solvency Ratio	43.61	7.61	9.81	9.68

Plan Year ending in	2022	2023	2024	2025
Assumed Rate of Return	6.71%	6.71%	6.71%	6.71%
Market Value of Assets - beginning of Plan Year	204,937,946	198,620,510	192,308,259	186,003,684
Employer Contributions	1,386,635	1,363,556	1,340,478	1,254,953
Withdrawal Liability to past wdl	1,375,142	1,375,142	1,375,142	1,375,142
Payments attributable to future wdl	0	0	0	0
Benefit Payments	(21,436,144)	(20,986,764)	(20,535,145)	(20,108,804)
Administrative Expenses	(742,954)	(754,099)	(765,410)	(776,891)
Net Investment Return	13,099,885	12,689,914	12,280,360	11,868,372
Market Value of Assets - end of Plan Year	198,620,510	192,308,259	186,003,684	179,616,456
Solvency Ratio	9.56	9.46	9.36	9.25

[1] Reflects the period from April 1, 2018 through May 31, 2018.
Other columns reflect the periods from June 1st through May 31st.

Item 1 – Projection of Plan's Solvency Ratio (cont'd)

Plan Year ending in		2026	2027	2028	2029
Assumed Rate of Return		6.71%	6.71%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		179,616,456	173,288,834	167,022,081	162,385,584
Employer Contributions		1,260,770	1,260,770	1,251,170	1,228,092
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,375,142	1,375,142
	to future wdl	0	0	0	0
Benefit Payments		(19,630,625)	(19,149,103)	(18,738,803)	(18,271,312)
Administrative Expenses		(788,545)	(800,373)	(812,379)	(824,564)
Net Investment Return		11,455,636	11,046,811	12,288,373	11,945,793
Market Value of Assets - end of Plan Year		173,288,834	167,022,081	162,385,584	157,838,735
Solvency Ratio		9.15	9.05	8.91	8.89

Plan Year ending in		2030	2031	2032	2033
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		157,838,735	153,335,051	148,955,780	144,742,759
Employer Contributions		1,138,949	1,140,778	1,122,787	1,164,778
Withdrawal Liability Payments attributable	to past wdl	1,375,142	1,375,142	1,371,076	1,358,876
	to future wdl	0	0	0	0
Benefit Payments		(17,789,010)	(17,322,498)	(16,800,918)	(16,369,461)
Administrative Expenses		(836,933)	(849,487)	(862,229)	(875,162)
Net Investment Return		11,608,168	11,276,794	10,956,263	10,647,126
Market Value of Assets - end of Plan Year		153,335,051	148,955,780	144,742,759	140,668,916
Solvency Ratio		8.87	8.85	8.87	8.84

Item 1 – Projection of Plan's Solvency Ratio (cont'd)

Plan Year ending in		**2034**	**2035**	**2036**	**2037**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		140,668,916	136,755,796	133,036,646	129,543,774
Employer Contributions		1,162,949	1,156,776	1,156,776	1,171,853
Withdrawal Liability Payments attributable	to past wdl	1,358,876	1,358,876	1,358,876	1,358,876
	to future wdl	0	0	0	0
Benefit Payments		(15,895,832)	(15,397,647)	(14,888,805)	(14,380,083)
Administrative Expenses		(888,290)	(901,614)	(915,138)	(928,866)
Net Investment Return		10,349,177	10,064,459	9,795,419	9,544,486
Market Value of Assets - end of Plan Year		136,755,796	133,036,646	129,543,774	126,310,040
Solvency Ratio		8.85	8.88	8.94	9.01

Plan Year ending in		**2038**	**2039**	**2040**	**2041**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		126,310,040	122,273,228	118,078,553	114,062,833
Employer Contributions		1,171,853	1,171,853	1,171,853	1,162,253
Withdrawal Liability	to past wdl	339,719	0	0	0
Payments attributable	to future wdl	0	0	0	0
Benefit Payments		(13,878,848)	(13,375,780)	(12,876,185)	(12,351,916)
Administrative Expenses		(942,799)	(956,940)	(971,295)	(985,864)
Net Investment Return		9,273,263	8,966,192	8,659,907	8,368,068
Market Value of Assets - end of Plan Year		122,273,228	118,078,553	114,062,833	110,255,374
Solvency Ratio		9.10	9.14	9.17	9.23

Item 1 – Projection of Plan's Solvency Ratio (cont'd)

Plan Year ending in		**2042**	**2043**	**2044**	**2045**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		110,255,374	106,577,084	103,097,840	99,831,994
Employer Contributions		1,162,253	1,162,253	1,162,253	1,162,253
Withdrawal Liability	to past wdl	0	0	0	0
Payments attributable	to future wdl	0	0	0	0
Benefit Payments		(11,928,707)	(11,447,643)	(10,967,388)	(10,513,213)
Administrative Expenses		(1,000,652)	(1,015,662)	(1,030,897)	(1,046,360)
Net Investment Return		8,088,816	7,821,808	7,570,186	7,334,083
Market Value of Assets - end of Plan Year		106,577,084	103,097,840	99,831,994	96,768,757
Solvency Ratio		9.24	9.31	9.40	9.50

Plan Year ending in		**2046**	**2047**	**2048**	**2049**
Assumed Rate of Return		7.75%	7.75%	7.75%	7.75%
Market Value of Assets - beginning of Plan Year		96,768,757	93,920,200	91,293,481	88,892,624
Employer Contributions		1,162,253	1,162,253	1,162,253	1,160,424
Withdrawal Liability	to past wdl	0	0	0	0
Payments attributable	to future wdl	0	0	0	0
Benefit Payments		(10,062,301)	(9,620,281)	(9,190,698)	(8,780,084)
Administrative Expenses		(1,062,056)	(1,077,986)	(1,094,156)	(1,110,568)
Net Investment Return		7,113,547	6,909,295	6,721,744	6,550,882
Market Value of Assets - end of Plan Year		93,920,200	91,293,481	88,892,624	86,713,278
Solvency Ratio		9.62	9.76	9.93	10.12
Actuarial Accrued Liability (eoy)					70,175,466
Funded Percentage (eoy)					123.57%