

**WESTERN PENNSYLVANIA TEAMSTERS AND
EMPLOYERS PENSION FUND
SUSPENSION APPLICATION**

Exhibit 3

**Plan Actuary's Certification
That the Plan is Projected to Avoid Insolvency Pursuant to IRC Section
432(e)(9)(C)(i)**



Western Pennsylvania Teamsters and Employers Pension Fund

Exhibit 3

Plan Actuary's Certification That the Plan is Projected to Avoid Insolvency Pursuant to IRC Section 432(e)(9)(C)(i)

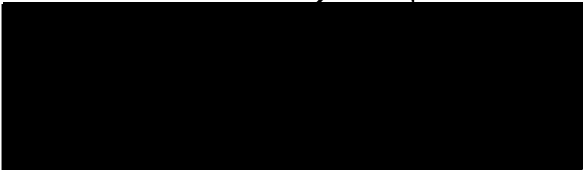
The attached deterministic projections demonstrate that based upon the assumptions outlined in Exhibit 11, the benefit suspension being requested in this application is sufficient to avoid Plan insolvency. While the plan does not achieve a 100% funded ratio by then end of the 30-year extended period December 31, 2048, both the Available Resources and the Solvency Ratios improve continually during the last 5 years. In addition, stochastic projections demonstrate that reflecting variance in investment return, the probability that the plan will avoid insolvency as a result of the proposed suspension is greater than 50%.

This certification was prepared on behalf of the Western Pennsylvania Teamsters and Employers Pension Fund based on employee data, asset statements and plan documents provided by the Plan Sponsor. We relied upon the data submitted without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information would have a material effect on the results.

To the best of our knowledge and belief, the information presented in this certification is complete and accurate, and each assumption used represents our best estimate of anticipated experience under the Plan. The actuarial assumptions used are generally the same as those used in the January 1, 2018 actuarial valuation and are described in more detail in Exhibit 11 along with any exceptions.

The assumptions utilized in this submission and described in Exhibit 11 have been selected for the purpose of determining projected benefit payments and assets that will be used to evaluate the projected solvency of the Plan. We have selected assumptions that reflect the Plan's experience, where appropriate, and general population demographics and trends where Plan experience is not available. We believe that the information provided, including the assumptions and methods utilized, are in accordance with generally accepted actuarial principles and practices, including Actuarial Standards of Practice (ASOP) Nos. 4, 23, 27, 35, 41 and 44. We are not aware of any deviations from the ASOPs in the preparation of the analysis and results provided herein.

Future actuarial experience and measurements may differ significantly from the current measurements presented in this submission due to such factors as plan experience differing from that anticipated by the economic and demographic assumptions. We have provided analysis in this submission using alternative assumptions as set forth in the regulations for benefit suspensions for multiemployer plans in IRC Sec. 1.432(e)(9)-1(d)(5).



Randee W. Sekol, EA, MAAA, MSPA, FCA
Enrolled Actuary No. 17-03192

September 24, 2018

Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Insolvency without Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2028

Plan Year Beginning	7/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Plan Year Ending	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
<u>Asset Values</u>					
1. Market Value at Beginning of Year	\$627,595,751	\$606,798,069	\$557,694,057	\$507,620,126	\$454,643,683
2. Actuarial Value at Beginning of Year	N/A	633,727,381	574,212,491	523,403,006	469,092,104
<u>Income</u>					
3. Employer Contributions	27,257,870	54,886,490	55,881,873	56,925,797	57,995,119
4. Current Withdrawal Income	4,978,114	9,990,755	9,950,755	9,950,755	9,916,843
5. Future Withdrawal Income	0	263,425	539,219	826,970	1,125,946
6. Net Investment Income	19,558,843	34,184,454	31,722,173	29,061,284	26,113,242
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	66,718,612	131,656,864	127,035,872	123,635,887	120,281,313
b. Terminated Vested Participants	2,260,332	7,042,035	9,250,835	11,443,782	13,522,583
c. Current Active Participants	1,491,093	6,064,921	8,674,869	11,415,340	14,244,076
d. Future New Entrants	0	0	0	0	0
8. Administrative Expenses	2,122,474	3,665,316	3,206,375	3,246,240	3,286,405
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	606,798,069	557,694,057	507,620,126	454,643,683	398,460,456
<u>Available Resources</u> (1+3+4+5+6-8)	677,268,104	702,457,877	652,581,702	601,138,692	546,508,428
<u>Solvency Ratio</u>	4.81	4.85	4.50	4.10	3.69
<u>Accrued Liability</u>	N/A	1,754,810,560	1,747,191,234	1,738,000,316	1,726,840,131
<u>Funded Percentage</u>	N/A	36.11%	32.86%	30.12%	27.16%



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Insolvency without Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2028

Plan Year Beginning Plan Year Ending	1/1/2023 <u>12/31/2023</u>	1/1/2024 <u>12/31/2024</u>	1/1/2025 <u>12/31/2025</u>	1/1/2026 <u>12/31/2026</u>	1/1/2027 <u>12/31/2027</u>	1/1/2028 <u>12/31/2028</u>
<u>Asset Values</u>						
1. Market Value at Beginning of Year	\$398,460,456	\$338,711,128	\$275,572,716	\$208,973,576	\$138,759,844	\$65,041,640
2. Actuarial Value at Beginning of Year	409,626,760	347,785,040	282,707,896	214,337,795	142,539,061	67,441,206
<u>Income</u>						
3. Employer Contributions	59,116,902	60,293,957	61,528,637	62,827,808	64,201,625	65,643,576
4. Current Withdrawal Income	9,663,655	9,663,655	9,663,655	9,663,655	9,663,655	9,659,913
5. Future Withdrawal Income	1,437,514	1,761,907	2,099,309	2,450,266	2,815,212	3,194,384
6. Net Investment Income	22,851,297	19,257,786	15,326,460	11,040,655	6,388,615	1,872,628
<u>Disbursements</u>						
7. Benefit Payments						
a. Current Retirees & Beneficiaries	116,860,020	113,327,112	109,666,693	105,912,069	102,082,546	98,189,749
b. Terminated Vested Participants	15,505,479	17,386,057	19,199,013	20,920,189	22,403,525	23,624,116
c. Current Active Participants	17,126,375	20,009,100	22,894,135	25,831,782	28,682,338	31,298,170
d. Future New Entrants	0	26,480	50,032	84,305	130,371	193,141
8. Administrative Expenses	3,326,822	3,366,968	3,407,328	3,447,771	3,488,531	3,528,664
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	338,711,128	275,572,716	208,973,576	138,759,844	65,041,640	INSOLVENT
<u>Available Resources</u> (1+3+4+5+6-8)	488,203,002	426,321,465	360,783,449	228,680,381	144,475,139	63,385,604
<u>Solvency Ratio</u>	3.27	2.83	2.38	1.50	0.94	0.41
<u>Accrued Liability</u>	1,713,321,274	1,697,422,040	1,679,163,414	1,658,485,296	1,635,330,889	1,609,939,435
<u>Funded Percentage</u>	23.26%	19.95%	16.41%	12.60%	8.49%	4.04%

File 3 Ex 3 Avoidance of Insolvency 0004



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Solvency with Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2048

Plan Year Beginning	7/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Plan Year Ending	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
<u>Asset Values</u>					
1. Market Value at Beginning of Year	\$627,595,751	\$606,798,069	\$570,467,670	\$548,801,092	\$526,600,221
2. Actuarial Value at Beginning of Year	N/A	633,727,381	587,053,295	564,902,003	541,805,184
<u>Income</u>					
3. Employer Contributions	27,257,870	54,886,490	55,881,873	56,925,797	57,995,119
4. Current Withdrawal Income	4,978,114	9,990,755	9,950,755	9,950,755	9,916,843
5. Future Withdrawal Income	0	263,425	539,219	826,970	1,125,946
6. Net Investment Income	19,558,843	34,564,350	33,347,202	32,522,524	31,623,636
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	66,718,612	121,878,535	103,969,874	101,155,116	98,263,485
b. Terminated Vested Participants	2,260,331	5,621,168	7,259,929	8,887,563	10,414,085
c. Current Active Participants	1,491,093	4,870,569	6,951,605	9,139,370	11,404,443
d. Future New Entrants	0	0	0	0	0
8. Administrative Expenses	2,122,474	3,665,148	3,204,219	3,244,868	3,285,453
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	606,798,069	570,467,670	548,801,092	526,600,221	503,894,299
<u>Available Resources</u> (1+3+4+5+6-8)	677,268,104	702,837,941	666,982,500	645,782,270	623,976,312
<u>Solvency Ratio</u>	4.81	5.31	5.64	5.42	5.20
<u>Accrued Liability</u>	N/A	1,410,257,908	1,386,682,460	1,377,848,315	1,367,698,273
<u>Funded Percentage</u>	N/A	44.94%	42.34%	41.00%	39.61%



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Solvency with Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2048

Plan Year Beginning	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
Plan Year Ending	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>	<u>12/31/2027</u>
<u>Asset Values</u>					
1. Market Value at Beginning of Year	\$503,894,299	\$480,571,306	\$457,076,820	\$433,549,261	\$410,072,581
2. Actuarial Value at Beginning of Year	516,355,172	491,491,720	466,557,824	441,675,395	416,932,654
<u>Income</u>					
3. Employer Contributions	59,116,902	60,293,957	61,528,637	62,827,808	64,201,625
4. Current Withdrawal Income	9,663,655	9,663,655	9,663,655	9,663,655	9,663,655
5. Future Withdrawal Income	1,437,514	1,761,907	2,099,309	2,450,266	2,815,212
6. Net Investment Income	30,647,415	29,600,232	28,501,396	27,357,964	26,183,982
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	95,276,712	92,140,090	88,921,342	85,648,648	82,308,723
b. Terminated Vested Participants	11,865,125	13,235,418	14,553,640	15,805,645	16,879,230
c. Current Active Participants	13,720,464	16,043,124	18,384,162	20,783,479	23,132,523
d. Future New Entrants	0	28,889	53,944	90,438	139,492
8. Administrative Expenses	3,326,178	3,366,716	3,407,468	3,448,163	3,489,203
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	480,571,306	457,076,820	433,549,261	410,072,581	386,987,884
<u>Available Resources</u> (1+3+4+5+6-8)	601,433,607	578,524,341	555,462,349	532,400,791	509,447,852
<u>Solvency Ratio</u>	4.98	4.76	4.56	4.35	4.16
<u>Accrued Liability</u>	1,356,085,960	1,343,086,993	1,328,792,211	1,313,080,819	1,295,851,314
<u>Funded Percentage</u>	38.08%	36.59%	35.11%	33.64%	32.17%



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Solvency with Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2048

Plan Year Beginning	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032
Plan Year Ending	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>	<u>12/31/2032</u>
<u>Asset Values</u>					
1. Market Value at Beginning of Year	\$386,987,884	\$367,251,706	\$348,316,870	\$330,367,620	\$313,781,300
2. Actuarial Value at Beginning of Year	392,674,192	369,913,493	348,918,177	329,737,707	312,623,872
<u>Income</u>					
3. Employer Contributions	65,643,576	67,348,311	69,121,684	70,962,930	72,866,029
4. Current Withdrawal Income	9,659,913	9,632,735	9,474,527	9,362,948	9,362,948
5. Future Withdrawal Income	3,194,384	3,496,592	3,811,825	4,140,527	4,482,581
6. Net Investment Income	27,441,817	25,998,066	24,620,619	23,329,035	22,155,986
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	78,882,545	75,462,760	72,002,422	68,516,095	64,990,679
b. Terminated Vested Participants	17,743,963	18,608,963	19,391,264	20,081,784	20,667,125
c. Current Active Participants	25,313,778	27,472,229	29,563,791	31,584,801	33,510,340
d. Future New Entrants	206,078	295,831	408,300	545,475	709,632
8. Administrative Expenses	3,529,504	3,570,756	3,612,129	3,653,605	3,695,193
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	367,251,706	348,316,870	330,367,620	313,781,300	299,075,875
<u>Available Resources</u> (1+3+4+5+6-8)	489,398,070	470,156,653	451,733,397	434,509,455	418,953,651
<u>Solvency Ratio</u>	4.01	3.86	3.72	3.60	3.49
<u>Accrued Liability</u>	1,277,292,702	1,257,736,188	1,237,148,441	1,215,640,028	1,193,272,716
<u>Funded Percentage</u>	30.74%	29.41%	28.20%	27.12%	26.20%



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Solvency with Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2048

Plan Year Beginning	1/1/2033	1/1/2034	1/1/2035	1/1/2036	1/1/2037
Plan Year Ending	<u>12/31/2033</u>	<u>12/31/2034</u>	<u>12/31/2035</u>	<u>12/31/2036</u>	<u>12/31/2037</u>
<u>Asset Values</u>					
1. Market Value at Beginning of Year	\$299,075,875	\$286,567,318	\$277,023,231	\$270,975,523	\$267,642,702
2. Actuarial Value at Beginning of Year	297,978,368	285,524,124	276,027,184	270,017,539	266,712,489
<u>Income</u>					
3. Employer Contributions	74,848,974	76,918,729	79,073,341	81,307,534	83,621,914
4. Current Withdrawal Income	9,192,149	9,190,205	9,180,596	7,865,885	1,578,866
5. Future Withdrawal Income	4,838,600	5,209,242	5,595,279	5,997,000	6,415,086
6. Net Investment Income	21,134,093	20,301,011	19,706,080	19,348,972	19,054,445
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	61,506,151	58,014,630	54,540,092	51,088,831	47,701,827
b. Terminated Vested Participants	21,123,895	21,467,019	21,742,366	21,895,032	21,963,859
c. Current Active Participants	35,241,194	36,743,308	38,031,046	39,171,509	40,103,221
d. Future New Entrants	914,089	1,159,877	1,469,521	1,834,999	2,249,855
8. Administrative Expenses	3,737,044	3,778,440	3,819,979	3,861,840	3,903,725
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	286,567,318	277,023,231	270,975,523	267,642,702	262,390,525
<u>Available Resources</u> (1+3+4+5+6-8)	405,352,647	394,408,065	386,758,548	381,633,073	374,409,287
<u>Solvency Ratio</u>	3.41	3.36	3.34	3.35	3.34
<u>Accrued Liability</u>	1,170,196,994	1,146,685,727	1,123,115,103	1,099,719,605	1,076,759,131
<u>Funded Percentage</u>	25.46%	24.90%	24.58%	24.55%	24.77%



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Solvency with Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2048

Plan Year Beginning	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042
Plan Year Ending	<u>12/31/2038</u>	<u>12/31/2039</u>	<u>12/31/2040</u>	<u>12/31/2041</u>	<u>12/31/2042</u>
<u>Asset Values</u>					
1. Market Value at Beginning of Year	\$262,390,525	\$260,180,395	\$259,670,502	\$260,800,227	\$263,719,754
2. Actuarial Value at Beginning of Year	261,480,385	259,285,953	258,786,443	259,921,217	262,839,873
<u>Income</u>					
3. Employer Contributions	86,024,314	85,517,104	85,026,230	84,554,607	84,095,678
4. Current Withdrawal Income	0	0	0	0	0
5. Future Withdrawal Income	6,850,523	7,056,725	6,994,781	6,916,217	6,821,603
6. Net Investment Income	18,768,479	18,668,511	18,693,723	18,845,724	19,134,388
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	44,371,360	41,109,348	37,931,241	34,840,603	31,855,970
b. Terminated Vested Participants	21,982,148	21,912,772	21,754,300	21,526,476	21,214,010
c. Current Active Participants	40,812,089	41,413,693	41,866,134	42,192,762	42,410,484
d. Future New Entrants	2,741,755	3,327,827	4,001,765	4,762,089	5,627,864
8. Administrative Expenses	3,946,094	3,988,593	4,031,569	4,075,091	4,118,973
<u>Market Value at End of Year</u>	260,180,395	259,670,502	260,800,227	263,719,754	268,544,122
(1+3+4+5+6-7d-8)					
<u>Available Resources</u>	370,087,747	367,434,142	366,353,667	367,041,684	369,652,450
(1+3+4+5+6-8)					
<u>Solvency Ratio</u>	3.37	3.41	3.47	3.55	3.66
<u>Accrued Liability</u>	1,054,538,232	1,033,307,354	1,012,693,276	992,823,482	973,772,514
<u>Funded Percentage</u>	24.80%	25.09%	25.55%	26.18%	26.99%



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration of Solvency with Proposed Suspension Projection for Plan Years beginning July 1, 2018 through December 31, 2048

Plan Year Beginning	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048
Plan Year Ending	<u>12/31/2043</u>	<u>12/31/2044</u>	<u>12/31/2045</u>	<u>12/31/2046</u>	<u>12/31/2047</u>	<u>12/31/2048</u>
<u>Asset Values</u>						
1. Market Value at Beginning of Year	\$268,544,122	\$275,448,218	\$284,549,076	\$295,956,359	\$309,825,214	\$326,274,005
2. Actuarial Value at Beginning of Year	267,656,975	274,547,346	283,627,564	295,006,837	308,839,859	325,244,536
<u>Income</u>						
3. Employer Contributions	83,650,930	83,219,816	82,806,566	82,405,591	82,016,946	81,643,154
4. Current Withdrawal Income	0	0	0	0	0	0
5. Future Withdrawal Income	6,711,748	6,585,134	6,442,293	6,283,123	6,106,969	5,913,736
6. Net Investment Income	19,570,388	20,164,582	20,925,330	21,862,439	22,986,059	24,305,927
<u>Disbursements</u>						
7. Benefit Payments						
a. Current Retirees & Beneficiaries	28,976,673	26,227,932	23,610,773	21,133,242	18,802,414	16,624,003
b. Terminated Vested Participants	20,819,696	20,349,247	19,835,884	19,259,911	18,632,129	17,956,117
c. Current Active Participants	42,472,647	42,360,181	42,088,495	41,640,193	41,016,130	40,226,271
d. Future New Entrants	6,596,475	7,722,944	8,977,790	10,348,397	11,862,775	13,486,164
8. Administrative Expenses	4,163,479	4,208,370	4,253,964	4,300,555	4,347,735	4,395,825
<u>Market Value at End of Year</u> (1+3+4+5+6-7d-8)	275,448,218	284,549,076	295,956,359	309,825,214	326,274,005	345,448,442
<u>Available Resources</u> (1+3+4+5+6-8)	374,313,709	381,209,380	390,469,301	402,206,957	416,587,453	433,740,997
<u>Solvency Ratio</u>	3.79	3.94	4.13	4.35	4.61	4.91
<u>Accrued Liability</u>	955,585,385	938,366,852	922,133,407	906,890,066	892,701,067	879,573,616
<u>Funded Percentage</u>	28.01%	29.26%	30.76%	32.53%	34.60%	36.98%



Actuarial Solvency Certification under IRC Section 432(e)(9)(C)(i)

Stochastic Projection of Proposed Suspension

<u>Year Beginning January 1</u>	Probability of Remaining Solvent Through the Year and <u>All Prior Years</u>	<u>Year Beginning January 1</u>	Probability of Remaining Solvent Through the Year and <u>All Prior Years</u>
2018	100.0%	2034	81.9%
2019	100.0%	2035	79.3%
2020	100.0%	2036	77.1%
2021	100.0%	2037	75.2%
2022	100.0%	2038	73.5%
2023	100.0%	2039	71.7%
2024	100.0%	2040	70.3%
2025	100.0%	2041	69.0%
2026	99.9%	2042	68.0%
2027	99.7%	2043	67.2%
2028	98.8%	2044	66.4%
2029	97.2%	2045	65.7%
2030	94.6%	2046	65.0%
2031	91.6%	2047	64.6%
2032	88.3%	2048	64.2%
2033	84.8%		

