

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

Exhibit 6

**Demonstration that the Proposed Suspension Is Reasonably
Estimated To Not Materially Exceed the Level Necessary to Avoid
Insolvency Pursuant to IRC Section 432(e)(9)(D)(iv)**



Western Pennsylvania Teamsters and Employers Pension Fund

Exhibit 6


Demonstration that the Proposed Suspension Is Reasonably Estimated To Not Materially Exceed the Level Necessary to Avoid Insolvency Pursuant to IRC Section 432(e)(9)(D)(iv)

The attached projections demonstrate that based upon the assumptions provided in Exhibit 11, the actuarial certification regarding sufficiency of the benefit suspensions, the benefit suspension being requested in this application does not materially exceed the amount of suspensions required to avoid such an insolvency.

The projections demonstrate that the Fund is not reasonably 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) 5% of the reduction in the monthly payment proposed for that participant or beneficiary, or (2) 2% of the participant's or beneficiary's monthly payment prior to the Plan's proposed suspension.

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 or its representatives. We relied upon the data as submitted, without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information which would have had a material effect on the results of this valuation was overlooked.

Therefore, 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.



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

September 24, 2018

Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration that Proposed Suspension does not Materially Exceed Level Necessary 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	\$569,766,298	\$546,525,387	\$522,607,727
2. Actuarial Value at Beginning of Year	N/A	633,727,381	586,348,234	562,608,765	537,770,837
<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	34,543,889	33,258,359	32,331,817	31,318,708
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	66,718,612	124,835,981	105,274,014	102,444,594	99,537,044
b. Terminated Vested Participants	2,260,331	5,739,398	7,371,242	9,030,245	10,588,192
c. Current Active Participants	1,491,093	2,475,803	7,021,642	9,233,292	11,525,107
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	569,766,298	546,525,387	522,607,727	498,028,547
<u>Available Resources</u> (1+3+4+5+6-8)	677,268,104	702,817,480	666,192,285	643,315,858	619,678,890
<u>Solvency Ratio</u>	4.81	5.28	5.57	5.33	5.09
<u>Accrued Liability</u>	N/A	1,429,704,965	1,406,921,220	1,398,148,100	1,388,035,284
<u>Funded Percentage</u>	N/A	44.33%	41.68%	40.24%	38.74%

File 6 Ex 6 Not Materially Exceed 0003



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration that Proposed Suspension does not Materially Exceed Level Necessary 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	\$498,028,547	\$472,662,013	\$446,940,100	\$420,986,231	\$394,867,675
2. Actuarial Value at Beginning of Year	510,417,608	483,479,758	456,290,407	428,958,211	401,555,502
<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	30,214,616	29,024,581	27,766,493	26,445,834	25,075,105
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	96,533,175	93,376,928	90,136,487	86,840,759	83,475,741
b. Terminated Vested Participants	12,069,796	13,469,834	14,817,257	16,097,134	17,195,237
c. Current Active Participants	13,870,072	16,223,644	18,596,805	21,029,622	23,410,414
d. Future New Entrants	0	28,891	53,946	90,441	139,495
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)	472,662,013	446,940,100	420,986,231	394,867,675	368,913,182
<u>Available Resources</u> (1+3+4+5+6-8)	595,135,056	570,039,397	544,590,726	518,925,631	493,134,069
<u>Solvency Ratio</u>	4.86	4.63	4.41	4.18	3.97
<u>Accrued Liability</u>	1,376,428,031	1,363,361,513	1,348,906,824	1,332,956,230	1,315,419,135
<u>Funded Percentage</u>	37.08%	35.46%	33.83%	32.18%	30.53%

File 6 Ex 6 Not Materially Exceed 0004



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration that Proposed Suspension does not Materially Exceed Level Necessary 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	\$368,913,182	\$345,938,782	\$323,498,624	\$301,763,292	\$281,096,299
2. Actuarial Value at Beginning of Year	374,415,426	348,514,995	324,095,031	301,188,700	280,031,858
<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	25,986,483	24,293,369	22,646,293	21,063,799	19,577,506
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	80,021,971	76,573,600	73,082,139	69,562,548	66,001,332
b. Terminated Vested Participants	18,081,101	18,965,579	19,765,908	20,471,951	21,070,514
c. Current Active Participants	25,620,097	27,805,391	29,921,177	31,963,606	33,907,715
d. Future New Entrants	206,083	295,838	408,309	545,487	709,645
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>	345,938,782	323,498,624	301,763,292	281,096,299	262,000,964
(1+3+4+5+6-7d-8)					
<u>Available Resources</u>	469,868,034	447,139,032	424,940,825	403,639,891	383,690,170
(1+3+4+5+6-8)					
<u>Solvency Ratio</u>	3.79	3.62	3.45	3.29	3.15
<u>Accrued Liability</u>	1,296,496,251	1,276,523,406	1,255,468,926	1,233,446,635	1,210,522,475
<u>Funded Percentage</u>	28.88%	27.30%	25.81%	24.42%	23.13%

File 6 Ex 6 Not Materially Exceed 0005



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration that Proposed Suspension does not Materially Exceed Level Necessary 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	\$262,000,964	\$244,777,851	\$230,177,886	\$218,714,482	\$209,586,010
2. Actuarial Value at Beginning of Year	261,010,104	243,856,012	229,319,003	217,910,631	208,828,116
<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	18,218,922	17,024,515	16,042,328	15,270,600	14,532,502
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	62,479,618	58,948,719	55,432,613	51,937,661	48,505,885
b. Terminated Vested Participants	21,537,625	21,888,984	22,170,788	22,327,130	22,397,412
c. Current Active Participants	35,653,364	37,166,614	38,462,020	39,607,829	40,542,129
d. Future New Entrants	914,107	1,159,899	1,469,548	1,835,030	2,249,894
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)	244,777,851	230,177,886	218,714,482	209,586,010	198,135,332
<u>Available Resources</u> (1+3+4+5+6-8)	365,362,565	349,342,102	336,249,451	325,293,660	311,830,652
<u>Solvency Ratio</u>	3.03	2.93	2.86	2.81	2.74
<u>Accrued Liability</u>	1,186,851,842	1,162,713,393	1,138,489,526	1,114,419,649	1,090,770,305
<u>Funded Percentage</u>	21.99%	20.97%	20.14%	19.55%	19.15%

File 6 Ex 6 Not Materially Exceed 0006



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration that Proposed Suspension does not Materially Exceed Level Necessary 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	\$198,135,332	\$189,297,975	\$181,703,988	\$175,262,063	\$170,088,848
2. Actuarial Value at Beginning of Year	197,416,985	188,616,162	181,054,842	174,641,786	169,493,164
<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	13,772,210	13,165,163	12,648,369	12,221,062	11,890,498
<u>Disbursements</u>					
7. Benefit Payments					
a. Current Retirees & Beneficiaries	45,129,446	41,820,582	38,595,126	35,456,935	32,424,956
b. Terminated Vested Participants	22,416,177	22,345,088	22,182,966	21,949,649	21,630,061
c. Current Active Participants	41,250,888	41,850,837	42,299,820	42,621,271	42,832,560
d. Future New Entrants	2,741,799	3,327,879	4,001,824	4,762,155	5,627,939
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> (1+3+4+5+6-7d-8)	189,297,975	181,703,988	175,262,063	170,088,848	166,262,138
<u>Available Resources</u> (1+3+4+5+6-8)	300,836,285	291,048,374	282,341,799	274,878,858	268,777,654
<u>Solvency Ratio</u>	2.70	2.66	2.64	2.62	2.62
<u>Accrued Liability</u>	1,067,851,197	1,045,917,092	1,024,599,251	1,004,029,562	984,286,809
<u>Funded Percentage</u>	18.49%	18.03%	17.67%	17.39%	17.22%

File 6 Ex 6 Not Materially Exceed 0007



Western Pennsylvania Teamsters and Employers Pension Fund

Demonstration that Proposed Suspension does not Materially Exceed Level Necessary 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	\$166,262,138	\$163,916,677	\$163,125,128	\$163,948,491	\$166,489,654	\$170,809,879
2. Actuarial Value at Beginning of Year	165,686,407	163,356,313	162,575,228	163,403,847	165,944,761	170,258,950
<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	11,664,490	11,550,770	11,554,259	11,681,032	11,937,194	12,328,081
<u>Disbursements</u>						
7. Benefit Payments						
a. Current Retirees & Beneficiaries	29,498,800	26,704,218	24,042,491	21,521,986	19,150,075	16,932,732
b. Terminated Vested Participants	21,226,720	20,745,875	20,221,238	19,632,655	18,991,298	18,300,926
c. Current Active Participants	42,887,071	42,765,768	42,484,168	42,024,875	41,388,875	40,586,170
d. Future New Entrants	6,596,559	7,723,038	8,977,894	10,348,512	11,862,901	13,486,302
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)	163,916,677	163,125,128	163,948,491	166,489,654	170,809,879	176,992,895
<u>Available Resources</u> (1+3+4+5+6-8)	264,125,827	261,064,027	259,674,282	260,017,682	262,203,028	266,299,025
<u>Solvency Ratio</u>	2.64	2.67	2.71	2.78	2.87	2.98
<u>Accrued Liability</u>	965,419,441	947,535,780	930,655,104	914,784,506	899,990,570	886,282,227
<u>Funded Percentage</u>	17.16%	17.24%	17.47%	17.86%	18.44%	19.21%

File 6 Ex 6 Not Materially Exceed 0008



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

Stochastic Projection of Proposed Suspension - 28% Cut

<u>Year Beginning January 1</u>	Probability of Remaining Solvent Through the Year and All Prior Years	<u>Year Beginning January 1</u>	Probability of Remaining Solvent Through the Year and All Prior Years
2018	100.0%	2034	78.5%
2019	100.0%	2035	75.6%
2020	100.0%	2036	73.2%
2021	100.0%	2037	71.0%
2022	100.0%	2038	68.8%
2023	100.0%	2039	67.1%
2024	100.0%	2040	65.7%
2025	100.0%	2041	64.3%
2026	99.9%	2042	63.2%
2027	99.5%	2043	62.1%
2028	98.2%	2044	61.4%
2029	96.2%	2045	60.6%
2030	93.1%	2046	59.9%
2031	89.5%	2047	59.3%
2032	85.4%	2048	59.0%
2033	81.6%		

File 6 Ex 6 Not Materially Exceed 0009

