

**APPLICATION FOR APPROVAL OF BENEFIT SUSPENSION FOR
IRON WORKERS LOCAL UNION 16 PENSION FUND
EIN/PN: 52-6148924 / 001**

**Exhibit 7.10 (Checklist Item #41)
Application Checklist**

Response	Checklist Item	Description of item	Page number(s) in application	Exhibit number(s)
Yes	1.	Section 2.01. Does the application include an original signature of the plan sponsor or an authorized representative of the plan sponsor?	1,3	n/a
Yes	2.	Section 2.02. Does the application include a description of the proposed benefit suspension (calculated as if no other limitations apply) that includes: <ul style="list-style-type: none"> the suspension's effective date (and its expiration date, if applicable), a description of the different categories or groups of individuals affected, and how the suspension affects these individuals differently? 	3-4	n/a
Yes	3.	Section 2.03. Does the application include a penalties-of-perjury statement signed by an authorized trustee on behalf of the board of trustees?	4	n/a
Yes	4.	Section 2.04. 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?	5	n/a
Yes	5.	Section 3.01. Does the application include the plan actuary's certification of critical and declining status and the supporting illustrations, including: <ul style="list-style-type: none"> the year-by-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? 	6	Exhibit 3.01a Exhibit 3.01b Exhibit 3.01c
Yes	6.	Section 3.01. Does the application describe the assumptions used?	6	Exhibit 3.01a Exhibit 3.01c
Yes	7.	Section 3.02. Does the application include the plan actuary's certification that the plan is projected to avoid insolvency if the suspension takes effect and the supporting illustrations, including: <ul style="list-style-type: none"> the year-by-year projections demonstrating projected solvency 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? 	6	Exhibit 3.02 Exhibit 3.01c

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Yes	8.	Section 3.03. Does the application include the plan sponsor's determination of projected insolvency that includes the documentation set forth in section 5 of Revenue Procedure 2015-34?	6	n/a
Yes	9.	Section 4.01. Does the application include a demonstration that the limitations on individual suspensions are satisfied, including calculations regarding: <ul style="list-style-type: none"> the guarantee-based limitation, the disability-based limitation, and the age-based limitation? 	8	Exhibit 4.01
Yes	10.	Section 4.02(1). 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?	8	Exhibit 3.02
n/a	11.	Section 4.02(2). Does the application include the illustration utilizing stochastic projections? This illustration is not required if the plan is not required to appoint a retiree representative under § 432(e)(9)(B)(v)(I) and stochastic projections were not used in making the required determination.	9	n/a
Yes	12.	Section 4.03. Does the application include a demonstration that the proposed suspension is not projected to materially exceed the level necessary to avoid insolvency, including illustrations regarding the plan's solvency ratio and available resources?	9	Exhibit 3.02
Yes	13.	Section 4.04. Does the application include a demonstration that the proposed suspension is equitably distributed, including: <ul style="list-style-type: none"> 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), and how any difference in treatment among categories or groups of individuals results from a reasonable application of the relevant factors? 	9-11	Exhibit 4.04(2) Exhibit 4.04(3)
Yes	14.	Section 4.05(1). Does the application include a copy of the actual notices (including redacted sample calculations) that meet the requirements under § 432(e)(9)(F)?	11	Exhibit 4.05(1) Exhibit 4.05(2)

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Yes	15.	Section 4.05(2). Does the application include a description of the efforts that are being taken to contact participants, beneficiaries in pay status, and alternate payees?	11	n/a
N/A	16.	Section 4.05(3). Does the application describe the steps the plan sponsor has taken to ensure that notices delivered electronically are reasonably accessible to the recipients?	12	n/a
Yes	17.	Section 4.05(4). 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?	12	Exhibit 4.05(4)
Yes	18.	Section 5.01. Does the application include information on past and current measures taken to avoid insolvency?	13-14	n/a
Yes	19.	Section 5.02. Does the application include a description of the factors taken into account in the plan sponsor's determination that all reasonable measures were taken to avoid insolvency?	15-19	n/a
Yes	20.	Section 5.03. Does the application describe how the plan sponsor took into account – or did not take into account – the factors listed in section 5.02 in the determination that all reasonable measures were taken to avoid insolvency?	19-21	n/a
Yes	21.	Section 5.03. 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: <ul style="list-style-type: none"> • 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. 	19-21	n/a
Yes	22.	Section 5.04. 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?	21	n/a
Yes	23.	Section 6.01. Does the application include a copy of the proposed ballot?	22	Exhibit 6.01

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No	24.	Section 6.02. Is the plan sponsor requesting approval from the PBGC of a proposed partition under section 4233 of ERISA?	22	n/a
n/a	25.	Section 6.02. If the answer to item 24 is yes, does the application specify the effective date of the proposed partition and include a year-by-year projection of the amount of the reduction in benefit payments attributable to the partition?	22	n/a
Yes	26.	Section 6.03. 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: <ul style="list-style-type: none"> • total contributions, • total contribution base units, average contribution rates, • withdrawal liability payments, and • the rate of return on plan assets. 	22	n/a
Yes	27.	Section 6.04. Does the application include deterministic projections of the sensitivity of the plan's solvency ratio throughout the extended period by taking into account more conservative assumptions of investment experience and future contribution base units than assumed elsewhere in the application?	23	Exhibits 6.04a-d
Yes	28.	Section 6.05. Does the application include deterministic projections for each year in the extended period of (i) the value of plan assets, (ii) the plan's accrued liability, and (iii) the plan's funded percentage?	23	Exhibit 3.02
Yes	29.	Section 6.06. 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: <ul style="list-style-type: none"> • to indicate that the suspension will cease upon the plan sponsor's failure to determine that both all reasonable measures continue to be taken to avoid insolvency and that the plan is projected to become insolvent 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? 	24	n/a

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Yes	30.	Section 6.07. Does the application indicate whether the plan is a plan described in §432(e)(9)(D)(vii)(III) and, if so, how is that fact reflected in the proposed benefit suspension?	24	n/a
Yes.	31.	Section 6.08. Does the application include any other information by the plan sponsor?	24	n/a
Yes	32.	Section 7.01. Does the application include the required plan sponsor information, including: <ul style="list-style-type: none"> • name, address, telephone number, email address • fax number, employer identification number (EIN), and • 3-digit plan number (PN)? 	25	n/a
Yes	33.	Section 7.02. Does the application include the required plan identification information?	25	n/a
n/a	34.	Section 7.03. Does the application include the required retiree representative information (if applicable)?	25	n/a
Yes	35.	Section 7.04. Does the application include the required enrolled actuary information?	25	n/a
Yes	36.	Section 7.05. 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?	25	Exhibit 7.05
Yes	37.	Section 7.06. Does the application include: <ul style="list-style-type: none"> • the required plan documents and any recent amendments, • the most recent determination letter, • the summary plan description (SPD), and • the summaries of material modifications? 	25	Exhibit 7.06a Exhibit 7.06d Exhibit 7.06c Exhibit 7.06d
Yes	38.	Section 7.07. Does the application include the required excerpts from the relevant collective bargaining agreements and side agreements?	26	Exhibit 7.07
Yes	39.	Section 7.08. Does the application include the required excerpts from the most recently filed Form 5500?	26	Exhibit 7.08
Yes	40.	Section 7.09. Does the application include the most recently updated rehabilitation plan?	26	Exhibit 7.09

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Yes	41.	Section 7.10. Does the application include this checklist?	26	Exhibit 7.10

I am submitting this checklist on behalf of the board of trustees of the Ironworkers Local Union 16 Pension Fund, in accordance with the authority provided to me in Exhibit 7.05 (power of attorney) of the application for approval of a proposed suspension of benefits.

Redacted by the U.S. Department of the Treasury

James McKeogh - Authorized Representative

Date

3/25/2016

Enrolled Actuary for the Pension Fund

Title or Authority

**APPLICATION FOR APPROVAL OF A PROPOSED SUSPENSION OF BENEFITS UNDER
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Dear Department of U.S. Treasury Representative:

The Board of Trustees of the Ironworkers Local Union 16 Pension Fund respectfully submits this application for approval of a proposed reduction in benefits in accordance with IRC § 432(e)(9) and Revenue Procedure 2015-34. The Board of Trustees has designated its Chairman, Mr. Thomas Brune, as the authorized Trustee for purposes of attesting and signing certain sections of this application.

The section and exhibit numbers included with this application correspond to those in the Revenue Procedure.

The following Table of Contents is provided to assist in the navigation of the application:

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Respectfully submitted on March 25, 2016,

Redacted by the U.S. Department of the Treasury

Thomas Brune
Union Trustee

Redacted by the U.S. Department of the Treasury

William Beckman
Union Trustee

Redacted by the U.S. Department of the Treasury

Jim Ayersman
Management Trustee

Redacted by the U.S. Department of the Treasury

Ron Mantegna
Management Trustee

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Joseph Honar
Management Trustee

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Section 1. Background and Purpose

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

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

Revenue Procedure 2015-34 prescribes the application process for approval of a proposed benefit suspension in accordance with § 432(e)(9)(G) and provides a model notice that a plan sponsor proposing a benefit suspension may use to satisfy the content and readability requirements of §432(e)(9)(F)(ii) and (iii)(II).

This application is submitted in accordance with Revenue Procedure 2015-34 and the section numbers and exhibits included with this application match those in the Revenue Procedure.

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Section 2. Application Procedures

2.01. Who May Submit Application.

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

I am submitting this application on behalf of the board of trustees of the Ironworkers Local Union 16 Pension Fund, in accordance with the authority provided to me in Exhibit 7.05 of this application (power of attorney).

Redacted by the U.S. Department of the Treasury

James McKeogh - Authorized Representative

2.02. Description of Proposed Benefit Suspension.

- (1) The proposed effective date for the benefit suspension is January 1, 2017.
- (2) The proposed suspension is for an indefinite period of time.
- (3) The following explains how the proposed suspension would apply to various groups of participants, prior to application of the limitations of §432(e)(9)(D)(i), (ii) and (iii). Sections 3-5 of the Participant Notice, attached as Exhibit 4.05(1)a, also include a description of these changes as well as examples.
 - a) All Pensioners and Terminated Vested Participants
 - Proposed reduction in monthly pension benefit is equal to the monthly pension multiplied by the product of (i) the number of years that participant is under age 80 as of January 1, 2017 and (ii) 1.2% if participant had less than 30 service credits at termination, or 0.9% if participant had 30 or more service credits at termination. Proposed reductions are limited to be no more than 50% of the monthly pension.
 - b) Pensioners for whom a partial lump sum was previously distributed
 - Certain participants with commencement dates between August 1, 2003 and March 23, 2012, elected to receive a lump sum distribution with respect to accruals earned for service in excess of 25 years.
 - Proposed reduction in monthly pension benefit is equal to the monthly pension, adjusted to include the monthly amount, the present value of which, was previously distributed as a lump sum, multiplied by the product of items (i) and (ii), as outlined in a) above. Proposed reductions are limited to be no more than 50% of such adjusted monthly pension.

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- This approach is included in the proposed suspension program to more equitably distribute the benefit reductions among the current pensioners.
- c) Surviving Spouses and Beneficiaries
 - Proposed reduction in monthly pension benefit is equal to the monthly pension multiplied by the product of (i) the number of years that surviving spouse/beneficiary is under age 80 as of January 1, 2017 and (ii) 0.6% if deceased participant had less than 30 service credits at termination, or 0.45% if deceased participant had 30 or more service credits at termination. Proposed reductions are limited to be no more than 50% of the monthly pension.
- d) Pensioners, surviving spouses and beneficiaries eligible for thirteenth check
 - Thirteenth checks were eliminated effective June 1, 2012 for pensioners and beneficiaries with effective retirement dates after December 31, 2007.
 - Proposed reduction eliminates the thirteenth check effective January 1, 2017 for pensioners and beneficiaries with effective retirement dates prior to January 1, 2008.
- e) Active Participants as of December 31, 2016 terminating on or prior to January 31, 2019
 - Proposed reduction in accrued monthly pension benefit equal to the accrued benefit as of January 1, 2017 multiplied by the product of (i) the number of years that participant is under age 80 as of termination, (ii) the percentages outlined in a) above, and (iii) a percentage equal to 100%, declining by 4% per month that termination occurs after January 2017. Proposed reductions are limited to be no more than 50% of the accrued monthly pension as of January 1, 2017.
 - For illustration, the percentage described in item (iii) in the preceding bullet is equal to 96% for February 2017 terminations, 92% for March 2017 terminations,..., 8% for December 2018 terminations, 4% for January 2019 terminations, and 0% for terminations on or after February 2019. This phase-out percentage was included in the proposed suspension program to eliminate the incentive for active participants to defer termination/retirement until shortly after January 1, 2017 in order to avoid a benefit suspension.

2.03. Penalties of Perjury.

Under penalties of perjury, I declare that I have examined this request, including 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 by the U.S. Department of the Treasury



Thomas Brune - Authorized Trustee on behalf of board of trustees

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2.04. Public Disclosure.

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

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Thomas Brune - Authorized Trustee on behalf of board of trustees

2.05. Where Application is Being Submitted.

This application is being submitted to www.treasury.gov/mpira.

2.06. Signature.

All signatures required by Revenue Procedure 2015-34 are being submitted electronically in the PDF documents as part of this application. Stamped signatures have not been used.

2.07. Duty to Correct.

The plan sponsor acknowledges that prompt notice will be provided to the Treasury Department if any error in this application is discovered after submission of this application for a suspension of benefits.

Redacted by the U.S. Department of the Treasury

Thomas Brune - Authorized Trustee on behalf of board of trustees

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Section 3. Demonstration that Plan is Eligible for Suspension

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

The Actuary's certification of critical and declining status for the Plan Year beginning January 1, 2016, the Plan Year in which the application is submitted, is provided as Exhibit 3.01a.

Exhibit 3.01b provides supporting information used in developing the January 1, 2016 certification, including a year-by-year projection of the available resources and benefit payments, demonstrating that the plan is projected to become insolvent during the relevant period.

The certification and supporting information are based, in part, on the results of the January 1, 2015 actuarial valuation, which is included as Exhibit 3.01c.

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

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

The certification includes supporting information, including a year-by-year projection of the available resources and benefit payments, demonstrating that the plan is projected to avoid insolvency during the relevant period. The documentation also includes a description of each assumption used, including total contribution base units and average contribution rates.

The certification is based, in part, on the results of the January 1, 2015 actuarial valuation, which is included as Exhibit 3.01c.

3.03 Plan Sponsor's Determination of Projected Insolvency.

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

The plan sponsor's determination that the Plan is projected to become insolvent unless benefits are suspended is based on the January 1, 2016 actuarial certification that the plan is in critical and declining status and projected to become insolvent in the year 2032. The actuarial certification is attached as Exhibit 3.01a. The actuarial certification is, in part, based on the Trustees' outlook of future industry activity which is represented by 275,000 hours of covered employment per year, starting in 2016.

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The plan sponsor determined that all reasonable measures to avoid insolvency have been taken and those reasonable measures are documented as follows:

1. A description of measures taken in order to avoid insolvency over the 10-year period immediately preceding 2016, the plan year in which this application is being submitted, is provided in Section 5.01.
2. Information concerning the contribution levels, adjustable benefit reductions, measures taken to retain and attract new contributing employers, compensation levels and competitiveness and other economic factors is provided in Section 5.02.
3. A description of how the factors listed in Section 5.02 were taken into account is provided in Section 5.03.
4. A description of how any other factors were taken into account in the plan sponsor's determination that all reasonable measures have been taken to avoid insolvency is provided in Section 5.04.

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

4.01 Demonstration that Limitations on Individual Suspensions are Satisfied.

Sample calculations provided as Exhibits 4.01 illustrate how the proposed suspension satisfies the limitations described in §432(e)(9)(D)(i), (ii) and (iii). Sample calculations, without personally identifiable information, are provided for an individual in each group identified in section 2.02(3), with the following exceptions:

1. Only one disability limitation calculation is provided since this limitation applies uniformly to all groups of participants,
2. No age-based limitation calculations are provided for the group identified in section 2.02(3)(b) as there are no participants age 75 or older in this group, and
3. No calculations are provided for the group identified in section 2.02(3)(e) since their suspension can only be determined upon termination of employment.

Each sample calculation illustrates the calculation of the monthly guaranteed benefit under section 4022A of ERISA assuming that no portion of the individual's benefit under the plan is subject to permitted forfeiture under §411(a) but is reduced, if applicable, in accordance with 4022A(a)-(e).

With respect to the limitation on the suspension of benefits based on disability as described in §432(e)(9)(D)(iii), the entire benefit paid with respect to a participant who commenced a pension as a result of disability is treated as a benefit based on disability. Sections 3.10 - 3.12 in the enclosed plan document (Exhibit 7.06a) provide the full definition of disability benefits. Note that the Regular and Alternative Disability Pension benefits were eliminated for active Participants that became totally and permanently disabled on or after January 1, 2014. Participants receiving a disability pension where the onset of the disability was prior to January 1, 2014 are not affected by the proposed suspensions.

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

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

1. An illustration, prepared on a deterministic basis, showing that:
 - a. For each plan year beginning on the effective date of the proposed suspension and throughout an extended period as described in regulations under §432(e)(9), the plan's solvency ratio – the ratio of the plan's available resources (as defined in § 418E(b)(3)) to the scheduled benefits payable under the plan for the plan year – is projected to be at least 1.0.
 - b. If the plan's projected funded percentage at the end of the extended period is less than

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or equal to 100 percent, then neither the plan's solvency ratio nor its available resources are projected to decrease in any of the last five plan years of the extended period.

2. This plan is not described in §432(e)(9)(B)(v)(I). An illustration using stochastic projections has not been provided since plan sponsors of a plan that is not described in §432(e)(9)(B)(v)(I) are not required to use stochastic projections in demonstrating that the plan will avoid insolvency.
3. A description of each of the assumptions used. The actuarial assumptions used for the deterministic projections are the same as those used for purposes of section 3.02 of this application.

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

The attached Exhibit 3.02 illustrates that in accordance with §432(e)(9)(D)(iv), the proposed benefit suspension is reasonably estimated to not materially exceed the level necessary to enable the plan to avoid insolvency.

For this purpose, the assumptions used are the same as those used for purposes of 3.02 of this application.

The demonstration includes an illustration of the measures described in section 4.02(1) of Revenue Procedure 2015-34 showing that, if the dollar amount of the proposed suspension for each participant and beneficiary were reduced by 5 percent, then the proposed suspension would not reasonably be estimated to enable the plan to avoid insolvency.

An illustration per section 4.02(2) of Revenue Procedure 2015-34 is not provided as this plan is not required to provide such an illustration.

4.04 Demonstration that the Proposed Benefit Suspension is Distributed Equitably.

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

4. The proposed suspension applies differently to different categories or groups of individuals. The factors that were taken into account in designing the proposed suspension are summarized in this section along with an explanation of how any differences in the applicable benefit suspension formulas for the different categories or groups of individuals resulted from a reasonable application of these factors.
 - Age and life expectancy – Other than the disability-based and age-based federal limitations on benefit suspensions, the proposed monthly benefit suspensions are based on the participant's age as of January 1, 2017. This will result in a higher percentage reduction in benefit for younger participants. The Board of Trustees determined that younger participants will be able to absorb a larger reduction in their pension since they have a longer period of time to plan and adjust for it.
 - Amount of benefit – The federal benefit suspension limitation that benefits cannot be

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reduced below 110% of the PBGC-guaranteed benefit may limit reductions for certain older retirees whose benefit formula was based on a lower accrual rate. In addition, the proposed suspension program included a limitation that the monthly benefit cannot be reduced by more than 50% in order to limit excessive hardships to plan participants.

- Service Credits – The plan has a history of rewarding long service participants with a more valuable benefit in recognition of their service to the employers in the industry. This has also been used as a retention tool to help keep experienced employees from retiring too soon. To maintain that type of structure, the proposed reductions for inactive participants with 30 or more Service Credits are 25% less than for participants with less than 30 Service Credits.
- Type of benefit (retirees vs survivors) – The proposed reduction in the monthly benefit for survivors is 50% of the proposed reduction for participants. The Trustees felt that survivors are more vulnerable to income fluctuations and decided that a lower reduction was appropriate.
- Extent to which participant or beneficiary is receiving a subsidized or additional benefit – Thirteenth checks were eliminated effective June 1, 2012 for pensioners and beneficiaries with effective retirement dates after December 31, 2007. Under the critical status rules relating to adjustable benefits, the Board of Trustees could not eliminate this additional benefit for those who retired prior to January 1, 2008, until now. The proposed suspension program includes the elimination of the thirteenth check for any remaining retirees, subject to the disability-based and age-based federal limitations.
- History of benefit increases and reductions – Certain participants with commencement dates between August 1, 2003 and March 23, 2012, elected to receive a lump sum distribution with respect to accruals earned for service in excess of 25 years. This option was eliminated when the plan was first certified to be in critical status. The participants who received a partial lump sum have effectively reduced their prospective monthly pension benefit. In order for the benefit suspension to be distributed in an equitable manner, the Board of Trustees decided that the proposed suspensions for such participants be based on an adjusted pension benefit, which includes the monthly pension benefit that was distributed as a lump sum. In effect, the reduction will be based on an amount as if the participant never received a partial lump sum.
- Any discrepancies between active and retiree benefits – As mentioned earlier, the elimination of the thirteenth check for the remaining pensioners will result in more equity between active and retired participants.
- Extent to which active participants are reasonably likely to withdraw support for the plan, accelerating employer withdrawals from the plan and increasing the risk of additional benefit reductions for participants in and out of pay status – The Trustees reviewed the reductions made in the last 10 years and felt that benefits for active participants have already been reduced to very low levels and a further reduction would not be sustainable, as explained in other parts of this application. However, in order to avoid active members taking advantage of this approach, the Trustees included a phase-

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out provision for participants who are active as of January 1, 2017 such that those terminating prior to February 2019 will see a partial suspension in their pension benefit.

5. Since the proposed suspension applies differently to different categories or groups of individuals, Exhibit 4.04(2) provides the following information for the different groups to which the proposed suspension applies:
- the approximate number of individuals in each category or group,
 - the average monthly benefit before and after the suspension for individuals in that category or group, and
 - the aggregate present value of the reduction in benefits for all individuals in that category or group.

Please note that active participants are not summarized in Exhibit 4.04(2) since their benefits are not affected under the proposed suspension (other than the phase-out reductions described in section 2.02(3)(e) of this application, which will not be known until such participants terminate employment). Disabled pensioners are also not included in Exhibit 4.04(2) since suspensions do not apply to this group of participants.

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

4.05 Participant Notice.

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

1. A sample participant notice, without the individualized benefit statement page, is provided as Exhibit 4.05(1). Sample benefit statements (without personally identifiable information), which will be included as the last page of the participant notice, are provided in Exhibits 4.05(2) for each category of participants described in section 2.02(3) of this application.
2. The following efforts have been or are being made by the plan administrator to contact participants, beneficiaries and alternate payees:
 - The Fund has regular and continuing contact with participants, retirees and beneficiaries in the form of periodic mailings of checks, tax forms, annual statements and other required notices.
 - The Fund office staff monitors and corrects addresses on returned mail on a regular basis and updates the Fund's records accordingly. For this mailing, additional review of the name and address file was undertaken which identified approximately 60 individuals with bad or no addresses, mostly individuals who had no recent contributions or activity. The Fund office researched these against the union's – Ironworkers Local Union No. 16 - records and internet searches and reduced the number to approximately 30. A

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third-party locator firm was engaged to research these remaining names and was able to reduce the list of those without valid addresses to just 17 participants. This represents less than 1.5% of the total plan population of approximately 1,100.

3. Notices will be delivered by regular mail and not provided electronically. Therefore, a description of the steps the plan sponsor has taken to ensure that any electronically delivered notices are reasonably accessible to the recipients has not been provided.
4. Exhibit 4.05(4) contains a list of each employer that has an obligation to contribute within the meaning of section 4212(a) of ERISA.
5. The only employee organization representing participants under this plan is the Ironworkers Local Union No. 16, International Association of Bridge, Structural, Ornamental & Reinforcing Iron Workers.

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

This section of the application includes information with respect to the plan sponsor's determination required under section 3.03 of Revenue Procedure 2015-34 that the plan is projected to become insolvent unless benefits are suspended.

5.01 Measures Taken to Avoid Insolvency.

A description of measures taken in order to avoid insolvency over the past 10 plan years immediately preceding 2016, the plan year in which the application is submitted, is provided below:

I. Reductions in Plan Benefits

- Service Pension: Participants who retire prior to June 1, 2012 with at least 25 Service Credits were eligible for a Service Pension, with no reduction for early retirement.

Eligibility and benefit amounts for Participants who retire with a Service Pension on or after June 1, 2012 (but did not have 25 Service Credits as of June 1, 2012) are summarized below:

- Participants who retire June 1, 2012 - December 31, 2013 at age 55 with 30 Service Credits are eligible for a Service Pension, with no benefit reduction for early retirement. Service Pension was eliminated prior to age 55 with 30 Service Credits.
- Participants who retire January 1, 2014 – June 30, 2014 at age 55 with 30 Service Credits are eligible for a Service Pension, with a 6% per year reduction in benefit for retirement prior to age 57.
- Participants who retire after June 30, 2014 at age 55 with 30 Service Credits are eligible for a Service Pension, with a 6% per year reduction in benefit for retirement prior to age 60.

Participants who retire with a Service Pension on or after December 31, 2015 (and had at least 25 Service Credits as of June 1, 2012) are eligible for a Service Pension at any age, with a 2% per year reduction in benefit for retirement prior to age 60, but no more than a 10% total reduction.

- Non-Service Pension (retirement prior to age 65): The benefit for participants who retire on or after January 1, 2016 directly from active service or from terminated status (and who are not eligible for a Service Pension) will be reduced by 6 2/3% per year that retirement precedes normal retirement age, generally age 65. Prior to this change, such reduction was 6% per year prior to age 65.
- Benefit Accruals:
 - Benefit accruals for Service Credits in excess of 25 years were reduced from \$125.33 to \$94.00 for Service Credits earned on or after January 1, 2011.
 - As shown in the table in section 5.02(1)(b), the plan was amended effective January 1, 2008 to increase the benefit rates for Service Credits earned prior to January 1, 2006. Effective June 1, 2012, this benefit increase was rescinded, as allowed for under the law applicable to Critical Status plans, and benefit rates were reduced from \$90.00/\$120.00 to \$87.00/\$116.00 for pre-January 1, 2006 Service Credits up to/over 25 years. This reduction

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also applied starting June 1, 2012 to pensioners and beneficiaries with retirement effective dates between January 1, 2008 and June 1, 2012.

- Benefit accruals were further reduced from \$94.00 to \$88.50 for Service Credits earned between June 1, 2012 and December 31, 2014.
- Benefit accruals were further reduced from \$88.50 to \$50.00 for Service Credits earned on or after January 1, 2015.
- Sixty Month Guarantee: The sixty (60) month payment guarantee was eliminated for participants electing a Single Life Pension effective on or after June 1, 2012. The Plan previously provided that, if an unmarried Participant died within five years of the date on which his or her pension began the monthly pension benefit continued to his or her beneficiary for the balance of five years.
- Disability Pension: The Regular and Alternative Disability Pension benefits were eliminated for active Participants that became totally and permanently disabled on or after January 1, 2014. Participants receiving a disability pension prior to January 1, 2014 were not affected.
- Service Credits: The number of hours needed to accrue a full Service Credit was increased from 1,400 to 1,600, effective January 1, 2015.
- Lump Sum Option: Previously, a Participant could elect to receive 100% or 50% of their pension benefit attributable to Service Credits in excess of 25 years earned prior to January 1, 2011 in the form of a lump sum. This lump sum option was eliminated for all participants who retire on or after March 23, 2012.
- Thirteenth Check: The Plan was amended effective January 1, 2008 and January 1, 2009 to provide a thirteenth check to retirees and beneficiaries with retirement effective dates in 2008 or 2009. Effective June 1, 2012, these benefit increases were rescinded (as allowed for under the law applicable to Critical Status plans) and future thirteenth checks were eliminated for all participants and beneficiaries with effective dates after December 31, 2007. Pensioners and Beneficiaries with pre-2008 effective dates were not affected by this change.
- Post-Retirement Lump Sum Death Benefit: The special \$1,500 death benefit for surviving spouses or beneficiaries of pensioners, which was payable upon the pensioner's death, was eliminated. This elimination is to be effective for deaths occurring after December 31, 2015.

II. Contribution Rate Increases

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

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

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5.02 Plan Factors.

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

- 1) For the 10 plan years immediately preceding 2016, the plan year in which the application is submitted:
 - a) Contribution levels -- contribution rates are summarized in section 5.01 and contribution dollars and hours are summarized in section 6.03 of this application.
 - b) The following is a summary of benefit accrual levels, including any prior reductions in the rate of benefit accruals, for participants retiring directly from active service.

Effective Date	< 25 Service Credits Rate	> 25 Service Credits Rate
Retire between 1/1/06 and 12/31/07	\$87.00 Pre 1/1/06 service \$94.00 1/1/06 – 12/31/07 service Plus 13 th check	\$116.00 Pre 1/1/06 service \$125.33 1/1/06 – 12/31/07 service Plus 13 th check
Retire between 1/1/08 and 5/31/12	\$90.00* Pre 1/1/06 service \$94.00 1/1/06 – 12/31/10 service \$94.00 1/1/11 – 5/31/12 service Plus 13 th check*	\$120.00* Pre 1/1/06 service \$125.33 1/1/06 – 12/31/10 service \$94.00 1/1/11 – 5/31/12 service Plus 13 th check*
	* As part of an adjustable benefits reduction effective 6/1/2012, payments for these retirees were recalculated as if the 1/1/08 increase in accruals for pre 1/1/06 service from \$87/\$116 to \$90/\$120 never occurred. The thirteenth check was also rescinded effective 6/1/2012 for anyone who retired 1/1/2008 or later.	
Retire after 6/1/12	\$87.00 Pre 1/1/06 service \$94.00 1/1/06 – 12/31/10 service \$94.00 1/1/11 – 5/31/12 service \$88.50 6/1/12 – 12/31/14 service \$50.00 Post 12/31/14 service	\$116.00 Pre 1/1/06 service \$125.33 1/1/06 – 12/31/10 service \$94.00 1/1/11 – 5/31/12 service \$88.50 6/1/12 – 12/31/14 service \$50.00 Post 12/13/14 service

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

Active members are currently contributing \$9.70 per hour in return for a \$50.00 monthly accrual rate, payable at age 65. Effectively, active members are substantially subsidizing the pensions for current retirees. For example, a 35 year old member working 1,500 hours per year for 30 years will have \$436,500 contributed over his working career based on an hourly contribution rate of \$9.70. The future value of these contributions at age 65 is about \$1.5 million, assuming 7% interest. At age 65, the present value of the participant's benefit payments of \$1,500 per

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month (i.e., \$50 rate for 30 years of service) is about \$200,000, based on 7% interest and assuming a 20 year life expectancy. This value of the participant's contributions at age 65 ends up being \$1.3 million higher than the value of the participant's pension benefits.

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

The Board of Trustees has reviewed and determined that lowering the current benefit accrual rate would further destabilize the Local 16 union and its ability to retain market share, accelerate the loss of qualified workers, as explained in section (e) below, and would adversely complicate efforts to recruit new members. The Board also notes that in addition to the reduction in the benefit accrual rate, many other reductions have also been made to the overall plan of benefits, as documented in the Rehabilitation Plan and in Section 5.01.

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

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

Local Union No. 16 – one of the Plan's settlors – has been working to retain and attract contributing employers. Local Union No. 16's Business Manager and Business Agent are both very active in trying to organize workers and sign new contractors. The Local Union and the International Union have explored ways to capture work that would not ordinarily be performed under the Local Union's current collective bargaining agreement. This however typically meets with requests to lower the hourly labor package - which includes both wages and fringe benefits - so that the employers can be more competitive in these new markets.

Since the Plan's critical status prevents it from lowering pension contribution rates, pressure is placed on the wages. However, lower wages with a high pension contribution rate is often attractive to neither the employees nor the employers. In fact, some employers have refused to sign a collective bargaining agreement that requires contributions to a defined benefit pension plan. Nonetheless, Local 16 has been able to sign a few new contractors to its collective bargaining agreement. These employers, however, have produced significantly less work than the employers who have terminated their business in recent years as described in Section 6.08 of this application.

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

The Local had approximately 135 different contractors make contributions to the plan over the past six years but by 2015 there were less than 60 who were still active in the area. While most of the remaining 75 contractors from earlier years are still signatory to the Local 16 collective bargaining agreement (which in itself is a positive outcome), they are not able to secure work in Local 16's area.

An additional measure undertaken by Local 16 to capture more work is the establishment of a job-targeting program. The program is funded through assessments of union members. A fund has been established to provide subsidies to signatory employers who successfully bid on jobs in traditionally non-union sectors in which the primary competition is non-union employers. A successful bidder is provided a monetary subsidy from the job-targeting fund to help defray the cost of the union company's higher wages and benefits. The union has targeted several jobs over the last several years and provided several subsidies to employers which translates into more work and more contributions into the Pension Fund.

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

The early retirement benefit for active participants with less than 30 Service Credits does not contain any early retirement subsidies. The early retirement reduction for such participants was increased from 6.00% per year prior to normal retirement age to 6 2/3% per year prior to normal retirement age, effective January 1, 2016.

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

There is also a subsidy available to a very small group (about a dozen) of active participants who had 25 Service Credits as of June 1, 2012. Effective January 1, 2016, their early retirement reduction is 2% per year prior to age 60, but no more than a 10% total reduction. The average age of these thirteen participants as of January 1, 2016 is about 57. Elimination of or a reduction in the early retirement subsidy available for these thirteen participants is not expected to materially affect the plan's projected insolvency. In addition, some of the thirteen participants may retire prior to January 1, 2017, in which case they would be subject to the proposed benefit suspensions.

The only ancillary benefit available to active participants after January 1, 2016 is a pre-retirement death benefit that is available in lieu of the qualified pre-retirement survivor annuity. This benefit is equal to \$300 multiplied by the number of Service Credits, with a minimum benefit of \$2,500 and a maximum benefit of \$7,500. Elimination of this benefit is not expected to materially affect the plan's projected insolvency.

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

A regular union construction iron worker journeyman's wages have risen from \$25.55 an hour on April 1, 2006 to \$27.98 per hour on March 31, 2016. This is a 9.5% increase. During this same time period, contributions into the Pension Fund have increased from \$4.24 per hour in 2006 to \$9.70 per hour on March 31, 2016. This reflects a 129% increase in the contribution rate. To fund the increases in Pension Fund contributions, union iron workers have sacrificed meaningful wage increases for several years. Additionally, in 2012, the bargaining parties shifted \$1.35 per hour in contributions from the Ironworkers Local No. 16 Annuity Fund – a participant directed defined contribution fund – to the Pension Fund.

In October 2015, the U.S. Department of Labor published prevailing wages for Davis Bacon jobs in the Baltimore region. Prevailing iron worker journeymen wages and benefits are beginning to sink below union prevailing wages and benefits. For example, the prevailing wage and benefits for highway construction iron worker journeymen in Baltimore County, compared to the Ironworkers Local 16 wages and benefit, are as follows:

	<u>Wage</u>	<u>Fringes</u>	<u>Total Package</u>
Prevailing Reinforcing Iron	\$27.05	\$17.31	\$44.36
Prevailing Structural Iron	\$26.97	\$15.87	\$42.84
Local 16 Rates	\$27.98	\$18.89	\$46.87

When prevailing wages slip below the union collective bargaining rate, it means union ironworkers must take a cut in wages on these prevailing wages jobs or their employers are priced out of the market. Ultimately it will mean less work in an important segment of the market.

- 4) Competitive and other economic factors facing contributing employers.

Employment opportunities declined precipitously in the Baltimore, Maryland region. US Department of Labor, Bureau of Labor Statistics reports show that between January 2005 and September 2008 unemployment fluctuated within about a 1.5% range from a low of 3.3% to a high of 4.9%. In the beginning of 2009, unemployment began a steady rise to an ultimate high of 8.7% in February 2010. The unemployment rate did not come below 6% until April 2014 and remains at about 5.3% today.

Work for the union iron workers in the Baltimore Metropolitan area and surrounding counties followed this trend. Hours worked by union iron workers declined from a high of 1,018,739 to a low of 338,670 in 2015, a 67% decrease. Unlike the rebound in jobs and work in the population in general as evidenced by the decline in the Baltimore area unemployment rate through 2014, the union iron worker hours did not and have not begun to rise. The hours continued to fall through 2015 and are projected to further decline in 2016 and beyond. The hours worked by union represented employees for which contributions were paid into the Pension Fund over the past several years are as follows:

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<u>Year</u>	<u>Hours</u>	<u>Year</u>	<u>Hours</u>
2006	708,979	2011	487,474
2007	984,204	2012	428,620
2008	1,018,739	2013	448,231
2009	763,680	2014	402,261
2010	436,405	2015	338,670

There are several factors that contribute to this continued decline in hours. The types of work performed in the union sector, particularly industrial work, has yet to rebound and will likely never rebound to 2007-2009 levels. Sparrows Point, a vast complex in Baltimore County which housed a steel mill and related facilities, generated large amounts of work for union iron workers. It is estimated that at various times work at Sparrows Point generated between 13% and 22% of the hours reported by union contractors to the Pension Fund in any one year. Employers who performed all or most of their work at Sparrows Point reported hours as high as 135,341 hours in 2007, 164,623 hours in 2008 and 116,329 hours in 2011 but reported zero hours in 2014 and 2015.

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

In addition, the lack of work in the industry in the Baltimore region means that there is less work to go around for the Baltimore region employers. Employers are competing for a piece of a dwindling pie.

5.03 How Plan Factors were Taken Into Account.

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

- 1) The factors listed under section 5.02 of this application were taken into account in the plan sponsor's determination that all reasonable measures have been taken to avoid insolvency, as follows:
 - a) Contribution levels -- Contribution levels are comprised of the contribution rates multiplied by hours of covered employment. Section 5.02(3) addresses how contribution rates were taken into account by the plan sponsor. Section 5.02(4) address how industry activity was taken into account by the plan sponsor.

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- b) Benefit accrual levels -- Section 5.02(1)(b) addresses how the benefit accrual rates were taken into account by the plan sponsor.
- c) Prior reductions of adjustable benefits under § 432(e)(8) -- Section 5.01 lists all of the benefit reductions made by the plan sponsor in the last 10 years, including reductions in adjustable benefits. Other than an early retirement subsidy available to certain participants and a small ancillary death benefit, both explained in Section 5.02(2), the plan sponsor has reduced plan benefits for past service to the fullest extent of the law.

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

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

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

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

To increase market share, the Ironworkers Local No. 16 and their signatory employers will have to capture areas of the market in which they do not currently work. These markets are dominated by non-union contractors who typically pay lower wages and benefits. Any additional raise in the Pension Fund contribution rate will further price the union companies out of these markets and discourage new employers from signing collective bargaining agreements that will subject them to unsustainable, high contribution rates and potential withdrawal liability.

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

Increases in pension contribution rates far outpaced wage rate increases in an attempt to avoid plan insolvency. Benefits and benefit accruals were significantly reduced or eliminated to the point where, as illustrated in Section 5.02(1)(b), benefits accruals are 51% less (or 73% less, when reflecting the increase in hours needed to earn one full year of credited service) of what they were prior to 2006. It was determined that further reduction of benefits and future

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increases of contribution rates would discourage individuals to continue to work in the industry and would discourage new employers from signing bargaining agreements. In addition, the Fund has already felt the effects of some large employers completely closing their operations. Hours, which are the basis by which contributions are made to the Plan, are decreasing each year and it was determined that this trend could not be reversed if the pension contribution rate continued to rise while benefits earned by the active participants continued to decline. As previously noted, the union wage and contribution rate has already, for at least some work, slipped below the prevailing wage rate on public projects. If this trend continues, the union will lose market share on prevailing wage jobs because their employers will not be competitive on jobs that are supposed to have a level playing field with respect to labor costs. This would be devastating for the union companies and union workers.

5.04 Other Factors Considered.

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

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Section 6. Other Required Information

6.01 Ballot.

Exhibit 6.01 contains the proposed ballot intended to satisfy the requirements of § 432(e)(9)(H)(iii) (without the statement in opposition to the proposed benefit suspension described in § 432(e)(9)(H)(iii)(II) or the individualized estimate that was provided as part of the notice described in § 432(e)(9)(F)).

6.02 Partition.

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

6.03 Ten-year Experience for Certain Critical Assumptions.

Provided are specific measurements with respect to each of the 10 plan years immediately preceding the plan year in which the application is submitted:

Year	Total Contribution	Contribution Base Units	Local 16 Contribution Rate	Withdrawal Liability Payments	Rate of Return on Plan Assets
2006	\$ 3,016,400	708,979	\$ 4.11	\$ 0	12.8%
2007	\$ 4,271,053	984,204	\$ 4.31	\$ 0	5.7%
2008	\$ 4,918,127	1,018,739	\$ 4.65	\$ 0	-23.0%
2009	\$ 4,248,121	763,680	\$ 5.48	\$ 0	5.8%
2010	\$ 2,961,780	436,405	\$ 6.45	\$ 0	10.8%
2011	\$ 3,556,900	487,474	\$ 7.08	\$ 0	1.8%
2012	\$ 3,651,961	428,620	\$ 7.95	\$ 0	11.4%
2013	\$ 3,942,119	448,231	\$ 8.58	\$ 0	17.6%
2014	\$ 4,039,977	402,261	\$ 8.99	\$ 0	7.2%
2015	\$ 3,455,247	338,670	\$ 9.58	\$ 0	4.3%

The 'Total Contribution' values for 2006-2014 in the table above are taken from the annual audited financial statements, which are calculated on an accrual basis, representing contributions for work performed during each plan year, net of incoming and outgoing reciprocated amounts. 2015

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contributions are estimated based on financial information provided by the administrator, since the 2015 audited financial statements were not available at the time of the submission of this application.

The 'Contribution Base Units' in the table above represent covered employment hours reported to the fund office, on an accrual basis, representing contributions for work performed during each plan year.

The 'Local 16 Contribution Rate' in the table above is the estimated average Local 16 contribution rate during each plan year. Contribution rate increases have generally occurred on either April 1, May 1, or June 1. The contribution rates as of each effective date are listed in Section 5.01.

Dividing Total Contribution by Contribution Base Units will not equal the Local 16 Contribution Rate since the Total Contribution amount reflects adjustments for incoming and outgoing reciprocated contributions, which may be at rates that are different from the Local 16 rates.

6.04 Demonstration of Sensitivity of Projections.

Exhibits 6.04a-d demonstrate the plan's solvency ratio throughout the extended period under four sets of deterministic projections, as summarized below. These four projections are based on the same assumptions as those used under section 4.02(1) of this application, except that:

- The assumed rate of return is reduced by 1 percentage point.
- The assumed rate of return is reduced by 2 percentage points.
- Future contribution base units decrease at a rate of 4.5% per year, equal to the average annual rate of decrease that the plan experienced over the 10 plan years immediately preceding 2016, the plan year in which the application is submitted.
- Future contribution base units decrease at a rate of 5.5% per year, equal to the average annual rate of decrease of 4.5% that the plan experienced over the 10 plan years immediately preceding 2016, the plan year in which the application is submitted, adjusted by 1 percentage point.

6.05 Projection of Funded Percentage.

The illustration entitled "Documentation of Solvency Ratio and Available Resources During Extended Period, Reflecting Proposed Suspension of Benefits" in Exhibit 3.02 provides an illustration, prepared on a deterministic basis, of the projected value of plan assets, the accrued liability of the plan (calculated using the unit credit funding method) and the funded percentage for each year in the extended period.

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6.06 Plan Sponsor Certifications Relating to Plan Amendments.

The plan sponsor certifies that if it receives final authorization to implement the suspension as described in §432(e)(9)(H)(vi) and chooses to implement the authorized suspension, then, in addition to the plan amendment implementing the suspension, the following plan amendments will be timely adopted and not modified at any time thereafter before the suspension of benefits expires:

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

Redacted by the U.S. Department of the Treasury

Thomas Brune - Authorized Trustee on behalf of board of trustees

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

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

6.08 Optional Additional Information.

The plan sponsor is providing additional information in this section, as follows:

- The reasons the plan is in critical and declining status are documented in Section 5 of this application as well as in the Rehabilitation Plan and the Actuarial Certification of the plan's critical and declining status, which are attached as separate exhibits.
- It is important to note that the decline in hours of covered employment, as outlined in Section 5, also resulted in a decline in active participants in the pension fund. As illustrated in Section 4.1 of the January 1, 2015 actuarial report (Exhibit 3.01c / Checklist Item #5), the number of active participants decreased from 440 as of January 1, 2006 to 261 as of January 1, 2015. During the same timeframe, the number of inactive participants increased from 757 to 845 and the corresponding ratio of inactive to active participants increased from 172% to 324%. This significant shift exacerbated the plan's funding problem, which resulted in the Board of Trustees having to significantly increase contribution rates and lower benefits.

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Section 7. Identification and Background Information on the Plan

7.01 Plan Sponsor Information.

Sponsor Name	Board of Trustees of Ironworkers Local Union 16 Pension Fund
Sponsor EIN/PN	52-6148924 / 001
Address	8600 LaSalle Road, Suite 624, Towson, MD 21286
Telephone	(410) 828-5282 (Fund Office)
Email	Redacted by the U.S.
Fax	(410) 828-5464

7.02 Plan Identification.

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

7.03 Retiree Representative.

The Board of Trustees has not selected a retiree representative.

7.04 Plan's Enrolled Actuary.

Actuary Name	James J. McKeogh
Enrollment Number	14-02963
Company	The McKeogh Company
Address	200 Barr Harbor Drive, West Conshohocken, PA 19428
Telephone	Redacted by the
Fax	U.S. Department
Email	Redacted by the U.S. Department of the Treasury

7.05 Power of Attorney.

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

7.06 Plan Documents.

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

- Exhibit 7.06a -- most recent plan document and plan amendments
- Exhibit 7.06b -- most recent determination letter issued to the plan
- Exhibit 7.06c -- most recent summary plan description (SPD)
- Exhibit 7.06d -- all of the subsequent ERISA 204(h) Notices, which satisfy the Summary of Material Modifications (SMM) notification requirements.

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7.07 Collective Bargaining and Side Agreements.

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

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

7.08 Annual Return.

Exhibit 7.08 contains the following excerpts from the most recently filed Form 5500, the Form 5500 for the Plan Year ending December 31, 2014:

- Pages 1 and 2 of the Form 5500, without attachments or schedules
- The Schedule MB, including attachments
- The Schedule R, including attachments

7.09 Rehabilitation Plan.

Exhibit 7.09 contains the most recently updated rehabilitation plan described in § 432(e)(3). The January 1, 2016 rehabilitation plan includes just one contribution/benefit schedule, which applies to all employers.

7.10 Completed Checklist.

A completed checklist of information required to be included in the application is provided as Exhibit 7.10.