New York State Teamsters Conference Pension & Retirement Fund

Report to the Retiree Representative

Application for Approval of Benefit Suspensions under the Multiemployer Pension Reform Act of 2014

Prepared by:
CBIZ Savitz

December 2016

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CBIZ Savitz

Mr. Tom Baum
Retiree Representative
New York State Teamsters Conference
Pension & Retirement Fund
Email: info@nystfretireereptbaum.com

Dear Mr. Baum:

On August 31, 2016, the Fund's Board of Trustees submitted an application for Approval of Benefit Suspensions under the Multiemployer Pension Reform Act of 2014.

CBIZ Savitz has worked diligently with you to review the Fund's actuarial reports, to ensure the actuarial standards of practice were properly followed during the process, and to assist you in uncovering alternative Benefit Suspension options for Trustee consideration.

This report highlights only certain aspects of our review and it may not be appropriate to be used for other purposes. This document should not be provided to other parties, partially or in its entirety, without consulting CBIZ Savitz as to the appropriateness of the document for use by these other parties.

In performing our review, CBIZ Savitz has relied upon participant data, funding projections, and financial information provided to us by the Plan Administrator, Plan Actuary, and other organizations designated by the Trustees. While we did not audit or attempt to recreate the information provided, we have reviewed it for reasonableness and have no reason to believe the information is inaccurate, incomplete, or insufficient for the purposes intended.

The actuaries who participated in this engagement meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are qualified to render the actuarial opinions contained herein.

Our analysis has been performed independently as all relationships with the Plan's stakeholders and associates are strictly professional. There are no aspects of any of our relationships that impaired the objectivity of our work.

As always, we will be pleased to review this report with you at your convenience.

Respectfully submitted,

CBIZ Savitz

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Backgound and Approach

In December of 2014, The Multiemployer Pension Reform Act of 2014 (“MPRA”) was signed into law, making significant changes to the Pension Protection Act of 2006 (“PPA”). Notably, MPRA created a new “Zone Status” called Critical and Declining, which generally applies to multiemployer pension funds projected to be insolvent in the next 15 to 20 years.

Funds in the Critical and Declining Zone Status may elect to suspend (with certain limitations) selected benefits previously accrued under the plan. Among other requirements, a participant vote is needed and an Application for Benefit Suspension (“Benefit Suspension”) must be made to, and approved by, the Department of Treasury before any suspension can be effective.

The New York State Teamsters Conference Pension & Retirement Fund (“Fund” or “Plan”) was certified in the Critical and Declining Zone Status for 2016 and the Fund’s Trustees subsequently explored benefit suspensions under MPRA.

Since the Fund has more than 10,000 participants, the law requires the appointment of a Retiree Representative who advocates for the interests of the retired and deferred vested participants and beneficiaries of the Plan throughout the Benefit Suspension application and approval process.

In order to understand and navigate the complexity of both the Plan and MPRA, the Retiree Representative retained legal and actuarial support. The legal team from Spivak Lipton primarily consists of Eric Greene and Denis Duffey. The actuarial team from CBIZ Savitz comprises Joseph Hicks, Bryan McCormick, and Justin Clinger. These three actuaries have a combined experience of 47 years and have been working together at CBIZ Savitz for over ten years.

During the engagement, the Retiree Representative’s legal and actuarial teams collaborated to obtain Plan information and review the Plan’s condition. They also assisted the Retiree Representative in reviewing various Benefit Suspension proposals considered by the Trustees and in evaluating how these proposals would impact different participants.

In performing our work, CBIZ Savitz did <u>not</u> reproduce the actuarial analysis, valuation results, or actuarial models provided by the Fund’s Actuary, Horizon Actuarial Services, LLC (“Horizon”). Therefore, in supporting the Retiree Representative as described above, our participation was focused on the following areas:

- Attendance at and participation in selected meetings and conference calls
- Reviewing the actuarial assumptions and methods used for projecting the effect of Benefit Suspensions for reasonableness and appropriateness for that purpose
- Confirming the applicable Actuarial Standards of Practice (“ASOPs”) have been considered during the application process
- Commenting on the applicability and implementation of MPRA and the associated final regulations
- Confirming there are no apparent defects in Horizon’s analysis

Throughout the Benefit Suspension application process and after its submission, we have provided actuarial consulting (requesting and reviewing analysis from Horizon), we have assisted in reviewing concerns submitted by participants, and we have suggested additional options and assumptions that should be considered by all parties throughout this process.

Summary of Selected Meetings

As Actuary to the Retiree Representative, we participated in various meetings and conference calls. Selected information regarding these events follows. While these summaries are abbreviated, they nonetheless provide an overview of the approach and time dedicated to the review of the proposed Benefit Suspensions.

February 8, 2016

- CBIZ Savitz interviewed with Mr. Baum at the Local 294 Office in Albany.
- Mr. Baum stated he required assistance from an actuary who is proactive, responsive, and would give this task the attention it deserved and needed.
- On February 10, Mr. Baum selected CBIZ Savitz to assist him through the Benefit Suspension process, indicating he was confident CBIZ Savitz met his requirements.

February 18, 2016

- Fund Trustees Subcommittee meeting in Albany.
- Briefed on the situation currently facing the Fund. Learned about the Fund's history, including information about its funded status, benefit structure, and outlook.
- Horizon explained the 2016 zone certification categorized the Fund as being in the Critical and Declining Zone due in part to an arbitrator's ruling that future contribution increases required under the Plan's Rehabilitation Plan were unsustainably high. As a result of this arbitration, a lower contribution increase assumption was used, resulting in a projected insolvency in approximately 10 years. Based on the timing of the projected insolvency, the Fund moved from Critical Status to Critical and Declining Status.
- Briefed on the actuarial assumptions currently used, the solvency projections for the Fund, and the preliminary levels of benefit suspensions necessary to enable the Fund to avoid insolvency.

March 30, 2016

- Meeting at the Fund Office in Syracuse with various union and employer representatives.
- Fund's Executive Administrator presented the situation facing the Fund.
- A thorough history of the Fund back to the 1990's was provided.
- There was significant explanation of the reasons for the Fund's current funded position including discussion about the changing active participant and employer demographics and the impact of the 2008 financial markets.

April 9, 2016

- Retiree meeting in Albany with a similar format to the March 30th meeting.
- Fund's Executive Administrator presented the situation facing the Fund.
- A thorough history of the Fund back to the 1990's was provided.
- There was significant explanation of the reasons for the Fund's current funded position.

April 14, 2016

- Attended full Board of Trustees meeting in Syracuse.
- Preliminary MPRA application structure and surrounding issues discussed, including the actuarial assumptions used for projecting the effect of Benefit Suspensions.
- Extensive discussion of the actuarial assumptions and the projection modeling provided to Mr. Baum, his professionals, and the Trustees, including discussion of the following factors:
    - Capital market assumptions and investment return
    - Future employment levels
    - Projected contribution increases
    - Projected Fund expenses
- Different scenarios modelled for the projected funded status of the Fund under different Benefit Suspension levels for active, terminated vested, retired, and "orphaned" participants (those employed by an employer that has left the Fund without paying its withdrawal liability).
- Trustees explored various Benefit Suspension scenarios including ways of approaching disabled participants and beneficiaries on a survivor pension.

May 19, 2016

- Attended full Board of Trustees meeting in Syracuse.
- Discussed issues and applicability of the final MPRA regulations and Treasury's rejection of the Central States ("CS") Benefit Suspension application.

June 10, 2016

- Attended Subcommittee meeting in Albany.
- Further discussion of the actuarial assumptions under consideration, especially in light of the CS application rejection.
- CS application was rejected in large part due to its investment assumption of a 7.5% rate of return on assets with no change or allowance for the declining cash flow or the fact that many investment advisors predict lower asset returns over the short term.
- Horizon assumed a lower rate of investment return for the Benefit Suspension application. Specifically, 6.75% was recommended for the first ten projection years before increasing to 7.5% as the long term assumption for the projection.
- Horizon's recommendation was based on the asset allocation, the Horizon Actuarial Survey of Capital Market Assumptions, and considered the possibility of adverse experience.
- Horizon also represented that valuing Plan liabilities at 8.5% was still appropriate for valuation purposes based on the ASOPs that recognize different assumptions are appropriate for different purposes.
- Determination made that Benefit Suspensions for orphaned participants would be no greater due to the final regulations and the CS rejection.

July 13, 2016

- Updated assumptions and modelling provided by Horizon.
  - Mortality
  - Investment return
  - Contribution rates
  - Active population assumptions
- After extensive discussion regarding the actuarial assumptions, updated assumptions were used to create the final model resulting in the Benefit Suspensions below, pending the second quarter investment results.
  - 20% for active participants
  - 31% for deferred vested and retired participants

August 4, 2016

- Attended Board of Trustees meeting in Syracuse.
- Decisions on Benefit Suspensions and all actuarial assumptions were finalized
- Mr. Baum and his team thoroughly questioned the modelling and requested specific scenarios.
- Board voted to use the following Benefit Suspension levels in its MPRA application
  - 20% for active participants
  - 31% for deferred vested and retired participants.

August 23, 2016

- Attended Board of Trustees meeting in Syracuse.
- Trustees and Fund professionals discussed the application and the need to ensure the application meets all MPRA requirements and final regulations.
- CBIZ Savitz and Spivak Lipton were provided the opportunity to review the draft submission later that week and confirmed that the application was consistent with what had been agreed upon by the Trustees.

August 31, 2016

- MPRA Benefit Suspension application filed with the Department of the Treasury.

Various Dates Subsequent To Application Filing

- Attended informational town-hall meetings for retirees, inactive vested participants, and beneficiaries in Albany, Rochester, Syracuse, Potsdam, and Binghamton.
- Answered participant questions and discussed the application process and Benefit Suspensions.

Key Assumptions and Modelling

The ASOPs guide actuaries rendering actuarial opinions and providing actuarial services. The ASOPs identify what an actuary should consider, document, and disclose when performing an actuarial assignment. Accredited actuaries rendering actuarial services in the United States are expected to abide by the ASOPs as well as the Code of Professional Conduct.

In performing our role as actuarial consultant to the Retiree Representative, CBIZ Savitz operated within the construct of the relevant ASOPs.

- ASOP 1, Introductory Actuarial Standard of Practice
- ASOP 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions
- ASOP 23, Data Quality
- ASOP 27, Selection of Economic Assumptions for Measuring Pension Obligations
- ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations
- ASOP 41, Actuarial Communications
- ASOP 44, Selection and Use of Asset Valuation Methods for Pension Valuations

In performing its role as Fund Actuary, Horizon is also required to operate within the construct of the ASOPs. CBIZ Savitz did not reproduce the actuarial analysis provided by Horizon to the Fund. However, based on the information presented to us throughout this process, we have no reason to believe the requirements set forth in the ASOPs have been overlooked in their work.

In performing our review, CBIZ Savitz relied upon participant data, funding projections, and financial information provided to us by the Plan Administrator and other organizations designated by the Plan Administrator. We did not audit the information provided, but we have reviewed it for reasonableness and have no reason to believe that the information is incomplete or insufficient for the purposes intended.

Different actuaries may have different expectations regarding future economic and demographic experience for a plan. When reviewing another actuary's work, it is not the role of the reviewing actuary to require that each assumption precisely match the reviewing actuary's best estimate of future experience. Instead, the reviewing actuary should evaluate the assumptions and methods to determine if the assumptions are within a reasonable range that another reasonable actuary might have chosen. Therefore, while we may deem a specific assumption acceptable, that does not necessarily mean that assumption is precisely the same as what CBIZ Savitz may have selected for this purpose.

The following are the key assumptions used by Horizon to value Plan liabilities and project the Plan's funded status over the appropriate projection period. In this review, we provide the assumptions used for the annual actuarial valuation report or applicable Plan certification, the assumptions used in the Benefit Suspension application, and our commentary on each assumption.

It is noteworthy that measurements for different purposes may often require an actuary to use different assumptions, even if the measurement is being performed on the same group of participants using the same plan provisions. The purpose of the measurement, as well as any regulatory requirements for the measurement, can affect the assumption selection process. In the case of a Benefit Suspension application, the measurement purpose differs significantly from the annual actuarial valuation report.

Investment Return Assumption

Prior to Application: 8.50% per annum, compounded annually, net of investment expense for determining costs and liabilities.

Benefit Suspension Application: For the first ten years, 6.75% per annum, compounded annually, net of investment expense, and 7.50% per annum thereafter, compounded annually, net of investment expense for projecting market value of assets.

CBIZ Savitz comments: In many ways, future investment returns are the determinative factor that will most impact the Plan solvency desired through Benefit Suspensions under MPRA. If future investment returns do not meet the assumed returns, additional Benefit Suspensions may be necessary, or the Fund may face insolvency even with the requested Benefit Suspensions.

The investment return assumption was the subject of rigorous review and significant analysis during this process. In selecting the assumption, Horizon considered historical data, the views of the Fund's investment advisors (Meketa Investment Group), and the Horizon Actuarial Survey of Capital Market Assumptions. The survey was of particular interest since it was specifically cited in the Treasury Department's denial of the CS application.

Horizon provided two memos setting forth why the investment return assumption used in the Benefit Suspension application was warranted. These memos:

1. Reference and distinguish the Fund from the deficiencies of the investment return assumption used for CS.
2. Review the Fund's investment advisor's projected future return assumption, at different levels, along with the probability the Fund achieves each future investment return benchmark.
3. Discuss the results of the 2015 Horizon Actuarial Survey of Capital Market Assumptions, and how the Fund's investment allocation performs based on that survey.
4. Reflect the more-recently released 2016 Horizon Actuarial Survey of Capital Market Assumptions providing additional reasons justifying the select-and-ultimate assumption, including the materiality of investment returns in the early years of the projection and possible changes in asset allocation as a result of the declining cash flow.

CBIZ Savitz believes the investment return assumption selected by the Fund's actuary for purposes of projecting the long-term solvency of the plan is reasonable and meets the requirements under the ASOPs and final regulations.

Participant and Beneficiary Mortality Assumption

Prior to Application: For healthy participants and beneficiaries, the sex distinct RP-2000 Blue Collar Mortality Tables projected to 2006 with Scale BB. For disabled participants, the sex distinct RP-2000 Disabled Mortality Tables projected to 2006 with Scale BB.

Benefit Suspension Application: Sex distinct RP-2014 Mortality Table with Blue Collar Adjustment, loaded by 15% and projected generationally with 50% of Scale MP-2015.

CBIZ Savitz comments: Prior to the Benefit Suspension application, the mortality table used by Horizon was most recently updated in the 2015 actuarial valuation. Upon our request, Horizon provided the mortality study used to justify the 2015 mortality table selection that resulted in the use of the RP-2000 Blue Collar Mortality Tables projected to 2006 with Scale BB, which is a mortality improvement scale published by the Society of Actuaries in 2012.

The study showed that the experience of the Fund in 2011, 2012 and 2013 was closely aligned with the RP-2000 Blue Collar Mortality Tables projected with 3 years of Scale BB. For purposes of the 2015 actuarial valuation, Horizon chose to project the mortality for 6 years, rather than the 3 years suggested by the Fund's experience, to allow for the possibility of future improvement beyond the observed results.

For purposes of the MPRA application, Horizon recommended using the Fund's significant experience to modify the RP-2014 Mortality Table with Blue Collar Adjustment to reflect the Fund's experience. Based on this update, Horizon chose to use the RP-2014 Mortality Table with Blue Collar Adjustment, loaded by 15% and projected generationally with 50% of scale MP-2015.

Based on the Fund's study, the choice of mortality table appears to be reasonable for the purpose of this calculation. Although we were only presented with the aforementioned study, it is our understanding that Horizon has looked at the subsequent years' data and believes that an adjustment to the table is fully credible.

Significant discussion was given to using a modified mortality improvement scale. Horizon made it clear that this Fund's mortality improvement traditionally lags the general population and that is expected to continue. In addition to CBIZ Savitz' own experience, it is worth noting that other large studies show that multiemployer plan experience has lagged that of the general population as well as the data used in the most recent SOA study. While it would appear that the use of the full improvement scale would also be justifiable, CBIZ Savitz does not find the use of a reduced scale to be unreasonable, overly optimistic, or biased.

Expected Active Population Base Assumption

Prior to Application: This assumption is not applicable to the annual actuarial valuation report. However, it is applicable to the annual actuarial zone status certification. For the 2016 zone status certification, the number of all active participants working at every employer was expected to decrease by 2% per year.

Benefit Suspension Application: The number of all active participants not employed by UPS, ABF, or YRCW is projected to decrease by 2% per year, and all other participant counts are expected to remain level.

CBIZ Savitz comments: This assumption is set by the Trustees, in good faith, based on their knowledge of their industry and projected activity in that industry.

After extensive discussion, the Trustees agreed to again perform a detailed review of this assumption. After careful consideration, the Trustees adopted a new assumption that more completely reflects their expectation of future employment levels by separating those employers whom the Trustees believe will remain at their current level of participation from those employers who may be more likely to show a decline or withdrawal.

The Fund's employer-by-employer and demographic data show there has been a decrease in the level of employment over the last ten years. However, this decrease has been due primarily to bankruptcies and employer withdrawals. It is not endemic and is not a decline that spans across all employers.

Horizon presented a breakdown of hours by year showing that two of the largest contributors, UPS and ABF, were not experiencing a 2% annual decline and that their experience was actually more favorable. Although a similar analysis for YRC was not presented at that meeting, the final application included all three employers as being likely to have employer's contribution base units remain level for the future.

When considering the original assumption, CBIZ Savitz believed the original assumption was overly pessimistic since a 2% annual decline could not continue indefinitely. More importantly, it was our understanding that the Fund's largest employer did not reflect a declining active population.

Based on the studies presented and the good-faith conversations with the Trustees, CBIZ Savitz believes the revised assumption is reasonable for this purpose. Further, it is clear that the Fund's overall health is highly reliant on the continued participation of UPS.

New Entrant Profile Assumption

Prior to Application: This assumption is not applicable to the annual actuarial valuation report. However, it is applicable to the annual actuarial zone status certification.

Benefit Suspension Application: The new entrant profile varies by Rehabilitation Plan Schedule. For additional information see Section 3.02 of the Benefit Suspension application for a complete breakdown.

CBIZ Savitz comments: One of the concerns raised in the rejection of the CS application was the use of a single new entrant age in the new entrant profile used to model new hires. The new entrant profile used in the Benefit Suspension application, in our view, does not suffer from the same limitations.

Based on the Plan's demographics, all new entrants are assumed to be male and to enter with a half-year of service. Based on a 7-year historical analysis of over 6,000 new entrants, Horizon modeled different profiles for each Rehabilitation Plan Schedule with multiple entry ages in each profile.

CBIZ Savitz believes this assumption is reasonable for purposes of the Benefit Suspension projections and application.

Future Projected Contribution Increase Assumption

Prior to Application: Contribution rates as defined under the applicable Rehabilitation Plan.

Benefit Suspension Application: Contribution increases are as defined under the Rehabilitation Plan through 2018, then 3.5% per year for the next four years (2019 through 2022), 3.0% per year for the next nine years (2023 through 2031), and 0.0% per year thereafter.

CBIZ Savitz Comments: Based on an arbitrator's ruling, the previously required contribution increases under the Rehabilitation Plan were not sustainable. After significant discussion, the Trustees, in consultation with their professionals, deemed the new contribution increase assumption achievable. In addition, there was significant discussion regarding the appropriateness of using 0% per year for the second half of the projection. The Trustees expressed concern about how high the overall contribution rate and overall dollar amount of the contributions could go in the long term. After much consideration, it was decided that 0% was indeed reasonable.

CBIZ Savitz has no reason to believe this assumption is unreasonable or overly optimistic/pessimistic, or biased.

"Goldilocks Provision"

CBIZ Savitz Comments: The "Goldilocks Provision" is a test showing the suspensions modelled in the Benefit Suspension application ***"shall be reasonably estimated to achieve, but not materially exceed, the level that is necessary to avoid insolvency."***

The final regulations define the first part of this phrase (*"shall be reasonably estimated to achieve")* to mean:

1. The Fund must project the funded status for at least 30 years
2. A deterministic forecast must show that the Fund remains solvent, and if it is not fully funded at the conclusion of the projection period, that the funded status is increasing
3. The Fund must have at least a 50% chance of remaining solvent under a stochastic projection

The final regulations define the second part of this phrase (*"but not materially exceed"*) to mean if the benefit suspensions were 5% smaller, the benefit suspensions would no longer be sufficient to meet the insolvency tests.

CBIZ Savitz reviewed the model presented to confirm the MPRA provision commonly referred to as the "Goldilocks Provision" was followed.

Selected Findings and Commentary

Based on our review of Horizon's modelling, the actuarial assumptions used, the data inputs, and numerous discussions among the determined Professionals and Trustees, it appears the Fund has been effectively led through the Benefit Suspension application. Further, and more specific to CBIZ Savitz's role, Horizon's work product appears to be reliable and in line with the Actuarial Standards of Practice (ASOP), as well as generally accepted actuarial principles.

The Trustees and Retiree Representative spent considerable time on understanding the assumptions, reviewing the Benefit Suspension options available, and anticipating how various Benefit Suspensions would impact the participants and the various other stakeholders. As is the case in many of these circumstances, equilibrium must be found between complexity, delay, fairness, and regulatory success. Horizon was clear, and CBIZ Savitz agrees, that delaying the application and the implementation of the proposed Benefit Suspensions will result in more severe suspensions.

We believe the Fund's Professionals, the Trustees, and, most specifically, Horizon, worked collegially with CBIZ Savitz and with the interest of all participants and beneficiaries in mind. During the course of our review, we had many candid discussions with Horizon and the Trustees regarding the assumptions in an attempt to meet the regulatory requirements.

While the final content of the Benefit Suspension application lies in the hands of the Trustees and Fund's Professionals, CBIZ Savitz believes we effectively impacted the process and assisted the Retiree Representative in meeting his obligations.

Actuarial projections are an imprecise science and actuarial models will fail if actual experience significantly diverges from what is assumed. While Horizon has projected the Fund will avoid insolvency with Benefit Suspensions, this is only the case if the future experience of the Fund meets or exceeds the assumptions used in the modelling in aggregate over the projection.

The risk factors most likely to have a significant negative impact on the Fund when considering the future experience and how it may differ from the projections follow:

- Investment Risk - the risk that future investment returns will be different than those modelled
- Employer Withdrawal - the risk that future employers will not want to participate and that current employers, especially those who make up a large percentage of the contribution base, will choose to leave the plan
- Demographic Risk - one demographic risk is the risk is that the active contribution base will erode over time
- Longevity Risk - the risk that participants will live longer than forecasted and collect more in benefits than reflected in the current modelling.

At the time of publishing this report, Special Master for implementation of MPRA, Mr. Kenneth R. Feinberg, has denied the Benefit Suspension application of four, unrelated multiemployer funds. One application has been approved, and five are pending.

The four Benefit Suspension applications that have been denied were based on the facts and circumstances applicable to each individual fund, there is a common theme. Generally, these denials result from a violation of the criteria requiring the Benefit Suspension to be "reasonably estimated to avoid insolvency." More specifically, selected actuarial assumptions used in the projections are deemed to be not reasonable for that purpose. These assumptions include:

- Investment Return
- Entry Age
- Mortality
- Mortality Improvement
- Hours of Service
- Contribution Base Units
- Spousal Survivor Benefits Take Rate

Treasury has determined these assumptions are not reasonable for various reasons including:

- The assumption is not appropriate for the purpose of the measurement (cash flow), taking into account the Plan's negative cash flows and other factors.
- The assumption does not adequately take into account relevant historical and current economic data and appropriate investment forecast data.
- The assumption does not adequately take into account relevant historical and current demographic data.
- The assumption has significant bias.

Particular attention was paid to these denials and the reasons stated by Treasury for denying the prior applications, with extra care being taken to avoid similar missteps in preparing the Fund's Benefit Suspension application.

MPRA is complicated legislation and the margin for error under the regulations is quite narrow. In our capacity as actuary to the Retiree Representative we worked closely with Horizon to navigate potential actuarial pitfalls. However, without entirely duplicating Horizon's actuarial work, completely controlling the Benefit Suspension application process, and taking unilateral responsibility for the content of final Benefit Suspension application, it is impossible for CBIZ Savitz to assert with confidence the Benefit Suspension application will be approved. That, however, is not the responsibility of the actuary retained by the Retiree Representative.

The actuaries whose signatures appear below meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are qualified to render the actuarial opinions contained herein.

CBIZ Savitz's relationships with the Retiree Representative, the Plan, the Plan Sponsor, and the Plan's Professionals are strictly professional. There are no aspects of these relationships that impaired the objectivity of our work.

This report serves only as an overview and summary of the process that led to the application and provides the main topics discussed throughout the process. Some of the information contained in this report may be misleading and/or confusing when not accompanied by an in-depth explanation provided by CBIZ Savitz. To provide a complete, thorough written evaluation of every potential relevant point with respect to the review of the Benefit Suspension application is outside the scope of our engagement with the Retiree Representative. Significant additional commentary has been provided to the Retiree Representative during meetings, phone consultations, and other written correspondence. Care should be taken before any conclusions are drawn by anyone simply reviewing this report without the benefit of the additional guidance and explanation from CBIZ Savitz provided to the Retiree Representative throughout our consulting engagement.

Joseph F. Hicks, Jr.	Bryan M. McCormick	Justin D. Clinger
Joseph F. Hicks, Jr. FCA, MAAA, EA, MSPA, QPA Senior Vice President	Bryan M. McCormick FCA, ASA, MAAA, EA Vice President	Justin D. Clinger FCA, ASA, MAAA, EA Consultant

CBIZ Savitz Team

Joseph F. Hicks, Jr., FCA, MAAA, EA, MSPA, QPA

Senior Vice President, Taft-Hartley Plans

Since 1994, Joe has been assisting clients design, administer, fund, and communicate employee benefits plans. He currently consults and provides actuarial services to a number of clients, with a focus on multiemployer pension plans. His most recent assignments include asset/liability projections and retirement plan redesign studies. Joe specializes in the Pension Protection Act of 2006 compliance, withdrawal liability calculations, and funding strategies/projections for multiemployer funds. Joe is the Multiemployer Practice Leader at Savitz, overseeing all aspects of the practice and its staff. He is also a member of the American Academy of Actuaries Multiemployer Plans Subcommittee and is currently pursuing the Society of Actuaries' Fellowship designation.

Before joining Savitz in 2004, Joe was an assistant vice president for a national actuarial consulting firm where his primary responsibilities included providing valuation and other actuarial consulting services as account manager, actuary, and consultant to a variety of clients. He was also Training Director and a member of the National Valuation Report Task Force where he oversaw the development of the proprietary pension valuation system.

Joe frequently presents at the Enrolled Actuaries Meeting, the Society of Actuaries Meeting, the Conference of Consulting Actuaries Meeting, and the IFEBP Meeting. Joe also co-authored an article on Reorganization for the Journal of Pension Benefits (Summer '13)."

Bryan M. McCormick, FCA, ASA, MAAA, EA

Vice President, Taft-Hartley Plans

Bryan has been working in the employee benefits field since 2000. His experience includes working with multiemployer and single employer pension plans across many different industries. He currently provides actuarial consulting services to a number of clients, with a focus on multiemployer pension plans. He frequently consults on funding strategies/projections, Pension Protection Act of 2006 and Multiemployer Pension Reform Act of 2014 compliance, retirement plan design, and withdrawal liability calculations.

Additionally, Bryan supports the firm's actuaries by providing technical and actuarial expertise on special projects, including plan design and experience studies. Prior to joining CBIZ Savitz in 2003, Bryan worked as an actuarial consultant for a national accounting firm.

Bryan is an Associate of the Society of Actuaries (ASA), a Member of the American Academy of Actuaries (MAAA), a Fellow of the Conference of Consulting Actuaries (FCA) and an Enrolled Actuary (EA).

Justin D. Clinger, FCA, ASA, MAAA, EA

Consultant, Taft-Hartley Plans

Justin is an Enrolled Actuary providing consulting services including actuarial valuations, forecast modeling, PPA zone certifications, and experience studies for both single- and multi-employer pension plans. In addition, Justin prepares benefit calculations, benefit statements, and government filings for Savitz clients as needed.

Justin joined CBIZ Savitz following his graduation from college in 2007. Justin is an Associate of the Society of Actuaries (ASA) and an Enrolled Actuary (EA). He is currently pursuing the Society of Actuaries' Fellowship designation.

This report is the work of CBIZ Savitz and, in all respects, the information contained herein is intended only for the entity or person to which it is addressed. While the Retiree Representative has been granted permission to publically share this report, any other dissemination to third-parties, copying, or use of this information is strictly prohibited without the prior written consent of CBIZ Savitz.