

**The New York State Teamsters Conference Pension and Retirement Fund
Application for Suspension of Benefits under MPRA**

EXHIBIT 4

The New York State Teamsters Conference Pension and Retirement Fund

Information Required by Section 3.02 of
Revenue Procedure 2016-27 for Benefit
Suspensions Effective October 1, 2017

May 15, 2017



Actuarial Statement

This report provides the information required by Section 3.02 of Revenue Procedure 2016-27: Application Procedures for Approval of Benefit Suspensions for Certain Multiemployer Defined Benefit Pension Plans under § 432(e)(9). This information is applicable to the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) assuming an effective date for benefit suspensions as of October 1, 2017.

Under Section 432(e)(9) of the Internal Revenue Code (“Code”), the plan sponsor of a multiemployer defined benefit pension plan in critical and declining status may submit to the Secretary of the Treasury a proposal to suspend benefits in certain situations. The Plan was certified as being in critical and declining status for the 2017 Plan Year. The results of this certification are detailed in a separate report sent to the Board of Trustees on March 31, 2017.

In preparing this report including information required by Section 3.02 of Revenue Procedure 2016-27, we have relied upon information and data provided to us by the Board of Trustees of the Plan, the Plan administrator, and other persons or organizations designated by the Board of Trustees. We did not perform an audit of the financial and participant census data provided to us, but we have reviewed the data for reasonableness for the purpose of the measurement. We have relied on all of the information, including plan provisions and asset information, as complete and accurate.

Note that this report includes only the actuarial information required by Section 3.02 of Revenue Procedure 2016-27. There may be additional information required in the application that will be compiled by the Plan administrator and/or other persons or organizations designated by the Board of Trustees.

In our opinion, all methods, assumptions and calculations used in this report are in accordance with requirements of the Code and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by the Pension Protection Act of 2006 (“PPA”), the Pension Relief Act of 2010 (“PRA 2010”), and the Multiemployer Pension Reform Act of 2014 (“MPRA”). Further, in our opinion, the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices.

This report is based on actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. The Board of Trustees also provided information regarding the levels of projected industry activity and future contribution levels, which was used in performing the actuarial projections required for this report.

The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Board of Trustees of the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Redacted by the U.S. Department of the Treasury

Stanley T. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Redacted by the U.S. Department of the Treasury

James M. Locey, EA, MAAA
Consulting Actuary

Table of Contents

| | Page |
|---|------|
| Revenue Procedure 2016-27 Section 3.02: Demonstration that the Plan is Eligible for Suspension | |
| Summary | 1 |
| Development of projected assets as of December 31, 2017 | 2 |
| Plan-year-by-plan-year projection of the available resources | 3 |
| Projection of benefit payments separated by status | 4 |
| Assumptions | 5 |
| Actuarial Certification | 8 |
| Appendix A: New Entrant Profile | 9 |
| Appendix B: Investment Return Assumption | 16 |

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

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

Under Section 3.02 of Revenue Procedure 2016-27, the plan actuary must certify to the plan sponsor under Section 432(e)(9)(C)(i) of the Code that the plan is projected to avoid insolvency within the meaning of Section 418E of the Code, taking into account the proposed benefit suspension and assuming that the proposed suspension continues until it expires by its own terms or, if no such expiration date is set, indefinitely. Documentation supporting the actuarial certification under Section 432(e)(9)(C)(i) of the Code must be included with the certification, including a plan-year-by-plan-year projection of the available resources within the meaning of Section 418E(b)(3) of the Code and the benefits under the plan demonstrating the avoidance of insolvency of the plan over the extended period described in Section 1.432(e)(9)-1(d)(5)(ii)(C) of the regulations. The documentation must include a description of each of the assumptions used, including the new entrant profile, the total contribution base units and average contribution rates. The plan-year-by-plan-year projection must separately identify the market value of assets as of the beginning and end of the initial period and each subsequent plan year in the extended period and the following cash-flow items for each of those plan years:

1. Contributions
2. Withdrawal liability payments
3. Benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants
4. Administrative expenses
5. Investment returns

On the following pages, we have included:

- *A projection of the Plan's assets as of December 31, 2017 (the end of the initial period), incorporating actual asset returns through March 31, 2017.*
- *A plan-year-by-plan-year projection of the available resources as defined in Section 418E(b)(3) of the Code and the benefits under the plan, demonstrating the avoidance of insolvency of the plan over the extended period.*
- *A plan-year-by-plan-year projection of the benefit payments, separated by projected payments made to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants.*
- *A description of each of the assumptions used in the projections, including the new entrant profile, the total contribution base units and average contribution rates.*
- *The Plan actuary's certification to the plan sponsor under Section 432(e)(9)(C)(i) of the Code that the plan is projected to avoid insolvency within the meaning of Section 418E of the Code.*

Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Development of Projected Assets as of December 31, 2017:

The exhibit below shows the development of the projected Plan assets as of December 31, 2017 (the end of the initial period). This projection is based on actual asset values as of March 31, 2017, as provided by the Fund Office. The return on assets for the period April 1, 2017 through December 31, 2017 is based on the Plan's assumed annual investment return for 2017 of 7.37%. Please see Appendix B for more information regarding the investment return assumption.

**Revenue Procedure 2016-27, Determination of Plan Assets as of December 31, 2017
(Based on Actual Plan Assets as of March 31, 2017)**

| | Assumed Annual Investment Return | | 7.37% | | |
|-------------------------------|----------------------------------|---------------|----------------------------------|--------------------------------|------------------|
| | Actual Results | | Projected Results | | |
| | Period: 1/1/2017 - 3/31/2017 | | Period: 4/1/2017 - 12/31/2017 | | |
| | | | | Total for 2017 Plan Year | |
| Assets at Beginning of Period | \$ | 1,202,655,086 | \$ | 1,230,168,301 | \$ 1,202,655,086 |
| Employer Contributions | | 35,258,367 | | 87,811,891 | 123,070,258 |
| Withdrawal Liability Payments | | 2,544,824 | | 7,042,089 | 9,586,913 |
| Benefit Payments | | (70,300,925) | | (207,462,337) | (277,763,262) |
| Operating Expenses | | (2,446,530) | | (7,407,180) | (9,853,710) |
| Return on Assets | | 62,457,479 | | 64,102,327 | 126,559,806 |
| Assets at End of Period | | 1,230,168,301 | | 1,174,255,091 | 1,174,255,091 |

Note that the asset amounts differ from those shown on the Fund's asset statements because withdrawal liability receivables are not included.

Withdrawal liability payments are included in the projected assets based on the projected date of payment.

Projected benefit payments for the 2017 Plan Year incorporate the proposed suspension amounts.

Revenue Procedure 2016-27 Section 3.02:
 Demonstration that the Plan is Eligible for Suspension

Plan-year-by-plan-year projection of the available resources:

Revenue Procedure 2016-27, Section 3.02: The Plan is Projected to Avoid Insolvency

| Assumed Investment Return | | See Assumptions | | | | Proposed Benefit Suspensions: | | | | | | |
|---|----------------------------------|------------------------|-------------------------------|------------------|-------------------------|-------------------------------|-------------------------------|-----------------------------|-------------------|---------------------|----------------|--|
| Effective Date of Proposed Benefit Suspension | | 10/1/2017 | | | | Active Participants | | 18.0% | | | | |
| Expiration of Proposed Benefit Suspension | | N/A | | | | Non-active Participants | | 29.0% | | | | |
| Plan Year | Beginning Market Value of Assets | Employer Contributions | Withdrawal Liability Payments | Benefit Payments | Administrative Expenses | Net Investment Return | Ending Market Value of Assets | Actuarial Accrued Liability | Funded Percentage | Available Resources | Solvency Ratio | |
| CY 12/31/2017 | 1,202,655,086 | 123,070,258 | 9,586,913 | (277,763,262) | (9,853,710) | 126,559,806 | 1,174,255,091 | 3,377,856,996 | 35.60% | 1,452,018,353 | 5.228 | |
| 1 12/31/2018 | 1,174,255,091 | 126,858,857 | 9,570,693 | (238,476,009) | (7,136,955) | 82,183,292 | 1,147,254,970 | 2,703,299,799 | 43.44% | 1,385,730,979 | 5.811 | |
| 2 12/31/2019 | 1,147,254,970 | 130,719,066 | 9,497,851 | (240,778,124) | (7,235,993) | 79,596,344 | 1,119,054,114 | 2,698,844,694 | 42.51% | 1,359,832,238 | 5.648 | |
| 3 12/31/2020 | 1,119,054,114 | 134,556,012 | 9,497,851 | (243,018,522) | (6,815,865) | 76,870,414 | 1,090,144,004 | 2,691,317,129 | 41.58% | 1,333,162,526 | 5.486 | |
| 4 12/31/2021 | 1,090,144,004 | 138,158,433 | 9,497,851 | (245,695,501) | (6,918,030) | 74,089,308 | 1,059,276,065 | 2,680,277,630 | 40.67% | 1,304,971,566 | 5.311 | |
| 5 12/31/2022 | 1,059,276,065 | 141,466,836 | 9,497,851 | (248,108,546) | (7,022,280) | 71,107,825 | 1,026,217,751 | 2,664,941,044 | 39.75% | 1,274,326,297 | 5.136 | |
| 6 12/31/2023 | 1,026,217,751 | 144,824,740 | 9,497,851 | (250,027,980) | (7,127,573) | 67,943,649 | 991,328,438 | 2,645,214,522 | 38.80% | 1,241,356,418 | 4.965 | |
| 7 12/31/2024 | 991,328,438 | 148,376,864 | 9,497,851 | (251,773,895) | (7,234,950) | 64,912,535 | 955,106,843 | 2,621,306,056 | 37.82% | 1,206,880,738 | 4.794 | |
| 8 12/31/2025 | 955,106,843 | 152,024,878 | 9,497,851 | (253,199,347) | (7,343,370) | 62,033,384 | 918,120,239 | 2,593,078,198 | 36.83% | 1,171,319,586 | 4.626 | |
| 9 12/31/2026 | 918,120,239 | 155,773,714 | 9,497,851 | (254,130,690) | (7,453,875) | 59,331,527 | 881,138,766 | 2,560,470,317 | 35.86% | 1,135,269,456 | 4.467 | |
| 10 12/31/2027 | 881,138,766 | 159,643,163 | 9,497,851 | (254,532,541) | (7,565,423) | 64,853,105 | 853,034,922 | 2,523,714,058 | 34.91% | 1,107,567,463 | 4.351 | |
| 11 12/31/2028 | 853,034,922 | 163,658,474 | 9,497,851 | (254,235,952) | (7,679,055) | 62,670,808 | 826,947,048 | 2,483,145,363 | 34.35% | 1,081,183,000 | 4.253 | |
| 12 12/31/2029 | 826,947,048 | 167,800,651 | 9,475,797 | (253,593,205) | (7,793,730) | 60,750,626 | 803,587,186 | 2,439,295,706 | 33.90% | 1,057,180,391 | 4.169 | |
| 13 12/31/2030 | 803,587,186 | 169,935,486 | 9,425,111 | (252,178,782) | (7,910,490) | 58,920,804 | 781,779,315 | 2,392,319,068 | 33.59% | 1,033,958,097 | 4.100 | |
| 14 12/31/2031 | 781,779,315 | 169,217,536 | 9,251,903 | (250,391,848) | (8,029,335) | 57,193,045 | 759,020,616 | 2,342,675,900 | 33.37% | 1,009,412,464 | 4.031 | |
| 15 12/31/2032 | 759,020,616 | 168,551,422 | 8,949,319 | (247,996,289) | (8,150,265) | 55,488,693 | 735,863,497 | 2,290,581,383 | 33.14% | 983,859,786 | 3.967 | |
| 16 12/31/2033 | 735,863,497 | 167,880,805 | 8,949,319 | (244,999,925) | (8,272,238) | 53,718,471 | 713,139,930 | 2,236,464,996 | 32.90% | 958,139,855 | 3.911 | |
| 17 12/31/2034 | 713,139,930 | 167,210,785 | 4,474,660 | (241,243,093) | (8,396,295) | 51,843,131 | 687,029,117 | 2,180,831,654 | 32.70% | 928,272,210 | 3.848 | |
| 18 12/31/2035 | 687,029,117 | 166,608,308 | - | (237,276,718) | (8,522,438) | 49,787,651 | 657,625,921 | 2,124,424,642 | 32.34% | 894,902,639 | 3.772 | |
| 19 12/31/2036 | 657,625,921 | 166,038,848 | - | (232,642,855) | (8,650,665) | 47,615,891 | 629,987,140 | 2,067,403,470 | 31.81% | 862,629,995 | 3.708 | |
| 20 12/31/2037 | 629,987,140 | 165,458,003 | - | (227,705,033) | (8,779,935) | 45,655,577 | 604,615,752 | 2,010,460,517 | 31.34% | 832,320,785 | 3.655 | |
| 21 12/31/2038 | 604,615,752 | 164,915,115 | - | (222,411,062) | (8,911,290) | 43,884,452 | 582,092,967 | 1,953,931,653 | 30.94% | 804,504,029 | 3.617 | |
| 22 12/31/2039 | 582,092,967 | 164,399,566 | - | (216,851,657) | (9,044,730) | 42,288,127 | 562,884,273 | 1,898,242,251 | 30.66% | 779,735,930 | 3.596 | |
| 23 12/31/2040 | 562,884,273 | 163,847,735 | - | (211,138,625) | (9,180,255) | 41,007,555 | 547,420,683 | 1,843,771,092 | 30.53% | 758,559,308 | 3.593 | |
| 24 12/31/2041 | 547,420,683 | 163,284,176 | - | (204,924,912) | (9,317,865) | 40,032,904 | 536,494,986 | 1,790,779,463 | 30.57% | 741,419,898 | 3.618 | |
| 25 12/31/2042 | 536,494,986 | 162,741,778 | - | (199,132,387) | (9,457,560) | 39,390,888 | 530,037,705 | 1,739,952,711 | 30.83% | 729,170,092 | 3.662 | |
| 26 12/31/2043 | 530,037,705 | 162,254,844 | - | (193,187,019) | (9,599,340) | 39,099,508 | 528,605,698 | 1,691,038,066 | 31.34% | 721,792,717 | 3.736 | |
| 27 12/31/2044 | 528,605,698 | 161,762,831 | - | (187,000,395) | (9,743,205) | 39,151,433 | 532,776,362 | 1,644,388,138 | 32.15% | 719,776,757 | 3.849 | |
| 28 12/31/2045 | 532,776,362 | 161,273,104 | - | (181,074,898) | (9,889,155) | 39,673,506 | 542,758,919 | 1,600,455,726 | 33.29% | 723,833,817 | 3.997 | |
| 29 12/31/2046 | 542,758,919 | 160,805,268 | - | (175,128,534) | (10,037,190) | 40,642,328 | 559,040,791 | 1,559,217,116 | 34.81% | 734,169,325 | 4.192 | |
| 30 12/31/2047 | 559,040,791 | 160,359,940 | - | (169,907,897) | (10,187,310) | 42,066,664 | 581,372,188 | 1,520,943,165 | 36.76% | 751,280,085 | 4.422 | |
| 31 12/31/2048 | 581,372,188 | 159,894,304 | - | (164,783,745) | (10,340,558) | 43,949,801 | 610,091,990 | 1,485,019,347 | 39.15% | 774,875,735 | 4.702 | |
| 32 12/31/2049 | 610,091,990 | 159,415,154 | - | (159,850,219) | (10,495,890) | 46,314,391 | 645,475,426 | 1,451,482,700 | 42.03% | 805,325,645 | 5.038 | |

"CY" = current plan year

Note: The administrative expenses shown above include any regular Plan expenses and PBGC loans. Currently, the Plan does not have any PBGC loans.



Revenue Procedure 2016-27 Section 3.02:

Demonstration that the Plan is Eligible for Suspension

Projection of benefit payments, separately identifying benefit payments with respect to current retirees and beneficiaries, terminated vested participants who are not currently receiving benefits, currently active participants, and future new entrants:

Revenue Procedure 2016-27, Section 3.02: Projected Benefit Payments Separated by Status

| | Plan Year Ending | Total Benefit Payments | Projected Benefit Payments by Status | | | |
|----|---------------------|---------------------------|--------------------------------------|----------------------|-------------|------------------------|
| | | | Retirees & Beneficiaries | Terminated Vested | Active | Future New Entrants |
| CY | 12/31/2017 | 277,763,262 | 258,960,991 | 5,280,868 | 13,521,403 | - |
| 1 | 12/31/2018 | 238,476,009 | 215,115,161 | 5,928,710 | 17,432,138 | - |
| 2 | 12/31/2019 | 240,778,124 | 209,598,333 | 7,456,076 | 23,723,715 | - |
| 3 | 12/31/2020 | 243,018,522 | 203,954,298 | 9,128,801 | 29,935,423 | - |
| 4 | 12/31/2021 | 245,695,501 | 198,147,347 | 10,761,991 | 36,786,163 | - |
| 5 | 12/31/2022 | 248,108,546 | 192,201,347 | 12,388,581 | 43,518,618 | - |
| 6 | 12/31/2023 | 250,027,980 | 186,096,449 | 14,195,453 | 49,736,078 | - |
| 7 | 12/31/2024 | 251,773,895 | 179,814,947 | 15,885,393 | 56,073,555 | - |
| 8 | 12/31/2025 | 253,199,347 | 173,371,923 | 17,340,115 | 62,487,309 | - |
| 9 | 12/31/2026 | 254,130,690 | 166,830,764 | 18,849,066 | 68,450,860 | - |
| 10 | 12/31/2027 | 254,532,541 | 160,153,964 | 20,269,362 | 74,109,215 | - |
| 11 | 12/31/2028 | 254,235,952 | 153,290,790 | 21,886,366 | 79,058,796 | - |
| 12 | 12/31/2029 | 253,593,205 | 146,365,623 | 23,295,763 | 83,931,819 | - |
| 13 | 12/31/2030 | 252,178,782 | 139,336,159 | 24,247,795 | 88,397,361 | 197,467 |
| 14 | 12/31/2031 | 250,391,848 | 132,250,704 | 25,280,890 | 92,400,848 | 459,406 |
| 15 | 12/31/2032 | 247,996,289 | 125,125,965 | 26,049,137 | 95,990,477 | 830,710 |
| 16 | 12/31/2033 | 244,999,925 | 118,003,455 | 26,786,381 | 98,955,827 | 1,254,262 |
| 17 | 12/31/2034 | 241,243,093 | 110,906,904 | 27,516,190 | 101,081,558 | 1,738,441 |
| 18 | 12/31/2035 | 237,276,718 | 103,876,486 | 28,203,582 | 102,840,778 | 2,355,872 |
| 19 | 12/31/2036 | 232,642,855 | 96,921,613 | 28,576,798 | 104,132,341 | 3,012,103 |
| 20 | 12/31/2037 | 227,705,033 | 90,064,531 | 28,713,784 | 105,190,045 | 3,736,673 |
| 21 | 12/31/2038 | 222,411,062 | 83,347,101 | 28,871,117 | 105,678,494 | 4,514,350 |
| 22 | 12/31/2039 | 216,851,657 | 76,797,720 | 28,886,889 | 105,818,081 | 5,348,967 |
| 23 | 12/31/2040 | 211,138,625 | 70,446,752 | 28,692,882 | 105,642,147 | 6,356,844 |
| 24 | 12/31/2041 | 204,924,912 | 64,312,761 | 28,364,061 | 104,847,647 | 7,400,443 |
| 25 | 12/31/2042 | 199,132,387 | 58,417,221 | 27,975,088 | 104,213,052 | 8,527,026 |
| 26 | 12/31/2043 | 193,187,019 | 52,787,070 | 27,539,172 | 103,157,300 | 9,703,477 |
| 27 | 12/31/2044 | 187,000,395 | 47,440,784 | 26,916,002 | 101,704,404 | 10,939,205 |
| 28 | 12/31/2045 | 181,074,898 | 42,393,975 | 26,278,757 | 100,056,305 | 12,345,861 |
| 29 | 12/31/2046 | 175,128,534 | 37,659,094 | 25,655,109 | 98,012,685 | 13,801,646 |
| 30 | 12/31/2047 | 169,907,897 | 33,244,834 | 24,924,584 | 95,820,813 | 15,917,666 |
| 31 | 12/31/2048 | 164,783,745 | 29,156,595 | 23,977,912 | 93,409,321 | 18,239,917 |
| 32 | 12/31/2049 | 159,850,219 | 25,396,588 | 22,996,060 | 90,738,967 | 20,718,604 |

"CY" = current plan year

Revenue Procedure 2016-27 Section 3.02:
Demonstration that the Plan is Eligible for Suspension

Assumptions:

Generally, the assumptions used in the actuarial projection above are the same as those used in the actuarial projection required under Section 3.01 of Revenue Procedure 2016-27. Please refer to the actuarial projection under Section 3.01 of Revenue Procedure 2016-27 for more information regarding the assumptions. Where assumptions differ from those described under Section 3.01 of Revenue Procedure 2016-27, additional commentary is provided below.

- **Non-Disabled Mortality:** For projections for purposes of the certification of status (as described under Section 3.01 of Revenue Procedure 2016-27), the assumption was the RP-2014 Mortality Tables for males and females, with Blue Collar adjustment, rates increased by 15%, and future improvement projected generationally based on 50% of the MP-2015 Mortality Improvement Scale. For purposes of projections of the proposed suspension of benefits, the assumption was updated to the RP-2014 Mortality Tables for males and females, with Blue Collar adjustment, and future improvement projected generationally based on 100% of the MP-2016 Mortality Improvement Scale. The updated assumption represents anticipated future experience for the Plan, and it was developed based on a review of the Plan's amount-weighted mortality experience with respect to the standard mortality tables and improvement scales published by the Society of Actuaries.
- **Disabled Mortality:** For projections for purposes of the certification of status (as described under Section 3.01 of Revenue Procedure 2016-27), the assumption was the RP-2014 Disabled Mortality Tables for males and females, rates increased by 15%, and future improvement projected generationally based on 50% of the MP-2015 Mortality Improvement Scale. For purposes of projections of the proposed suspension of benefits, the assumption was updated to the RP-2014 Disabled Mortality Tables for males and females, with future improvement projected generationally based on 100% of the MP-2016 Mortality Improvement Scale. The updated assumption represents anticipated future experience for the Plan, and it was developed based on a review of the standard mortality tables and improvement scales published by the Society of Actuaries.
- **Contribution Base Units and Contribution Rates (No changes from information provided under Section 3.01 of Revenue Procedure 2016-27):** There are significant differences in the contribution base units and contribution rates under each schedule of the Rehabilitation Plan. The table below shows the active participant count, average contribution base units and average contribution rate under each schedule of the Rehabilitation Plan. This information is based on census data as of January 1, 2016. Note that because of the active population scenario described in the actuarial projection under Section 3.01 of Revenue Procedure 2016-27, results are shown separately for UPS, ABF and YRC.

Revenue Procedure 2016-27 Section 3.02:
 Demonstration that the Plan is Eligible for Suspension

Revenue Procedure 2016-27, Section 3.02: Active Participants, Base Units and Contribution Rates

| <u>Rehabilitation Plan Schedule</u> | <u>Participants as of 1/1/2016</u> | <u>Average Hours per Participant</u> | <u>Average Contribution Rate per Participant</u> |
|-------------------------------------|------------------------------------|--------------------------------------|--|
| Default | 4,271 | 1,021 | 4.0614 |
| A | 21 | 1,665 | 3.8210 |
| B | 532 | 1,248 | 6.8826 |
| B (UPS) | 2,216 | 1,034 | 11.4038 |
| C | 519 | 1,734 | 4.1211 |
| D | 98 | 1,648 | 4.0850 |
| E | 1,422 | 1,733 | 3.7458 |
| E (UPS & ABF) | 1,917 | 1,954 | 14.6148 |
| G (YRC) | 580 | 1,799 | 2.3361 |

For each active participant in the valuation, hours are assumed to be the average of a participant's actual hours worked in the three plan years preceding the valuation date. Contributions made on behalf of each participant are assumed to be equal to the assumed hours worked multiplied by a participant's contribution rate.

Note that the participant count in the Default Schedule shown above includes approximately 1,600 active participants who are employed by a withdrawn employer but have yet to incur a three-year break in service. We assume no future contributions on hours worked for these participants. After making this adjustment, the total assumed contribution base units is approximately 14.7 million hours.

- **Form of Payment:** 100% of single participants and 16% of married participants are assumed to elect the single life annuity. 84% of married participants are assumed to elect the 50% J&S annuity. This assumption is based on a historical review of benefit elections under the Plan.
- **Retirement for Terminated Vested Participants:** Terminated Vested participants are assumed to retire at the later of age 62 or current age if a participant has 15 years of service. If a terminated vested participant has less than 15 years of service, he or she is assumed to retire at the later of age 65 or current age.
- **Terminated Vested Participants Over Age 72:** Terminated vested participants over age 72 are included in the projection.

Revenue Procedure 2016-27 Section 3.02:
 Demonstration that the Plan is Eligible for Suspension

- Investment Return: The investment return is assumed to be as follows:

| Assumed Annual Investment Return | | | | | | | | |
|---|------------|------------|-----------|------------|-----------|------------|------------|-------|
| | Plan Year | Assumed | | Assumed | | Assumed | | |
| | Ending | Investment | Plan Year | Investment | Plan Year | Investment | Ending | |
| | | Return | Ending | Return | Ending | Return | | |
| CY | 12/31/2017 | 7.37% | 15 | 12/31/2032 | 7.71% | 30 | 12/31/2047 | 7.66% |
| 1 | 12/31/2018 | 7.34% | 16 | 12/31/2033 | 7.70% | 31 | 12/31/2048 | 7.66% |
| 2 | 12/31/2019 | 7.28% | 17 | 12/31/2034 | 7.69% | 32 | 12/31/2049 | 7.66% |
| 3 | 12/31/2020 | 7.21% | 18 | 12/31/2035 | 7.69% | | | |
| 4 | 12/31/2021 | 7.14% | 19 | 12/31/2036 | 7.68% | | | |
| 5 | 12/31/2022 | 7.06% | 20 | 12/31/2037 | 7.68% | | | |
| 6 | 12/31/2023 | 6.97% | 21 | 12/31/2038 | 7.68% | | | |
| 7 | 12/31/2024 | 6.90% | 22 | 12/31/2039 | 7.67% | | | |
| 8 | 12/31/2025 | 6.85% | 23 | 12/31/2040 | 7.67% | | | |
| 9 | 12/31/2026 | 6.82% | 24 | 12/31/2041 | 7.67% | | | |
| 10 | 12/31/2027 | 7.77% | 25 | 12/31/2042 | 7.67% | | | |
| 11 | 12/31/2028 | 7.75% | 26 | 12/31/2043 | 7.67% | | | |
| 12 | 12/31/2029 | 7.74% | 27 | 12/31/2044 | 7.66% | | | |
| 13 | 12/31/2030 | 7.72% | 28 | 12/31/2045 | 7.66% | | | |
| 14 | 12/31/2031 | 7.71% | 29 | 12/31/2046 | 7.66% | | | |

"CY" = current plan year

Please see Appendix B for additional information regarding the investment return assumption.

Revenue Procedure 2016-27 Section 3.02:
Demonstration that the Plan is Eligible for Suspension

Actuarial Certification

As Plan Actuary, I certify that the plan is projected to avoid insolvency within the meaning of Section 418E of the Code, taking into account the proposed benefit suspension and assuming that the proposed suspension continues indefinitely.

This certification was performed based upon actuarial projections of assets and liabilities for the current and succeeding plan years, including any proposed benefit suspensions. These projections are based on reasonable actuarial estimates, assumptions, and methods that offer my best estimate of anticipated experience under the Plan for purposes of this measurement. The projected present value of Plan liabilities as of the beginning of the Plan Year was determined based on a projection of the actuarial valuation of the Plan as of January 1, 2016. The projections of Plan assets are based the estimated market value of assets as of March 31, 2017 and the assumption that future net investment returns will be as described above.

The actuarial projection used in this certification is based on the same actuarial assumptions used in the actuarial projection under Section 3.01 of Revenue Procedure 2016-27, with the exceptions noted above.

The actuarial projection of Plan assets is also based on a projection of industry activity and employer contributions for the current and succeeding plan years. The projection of industry activity (in other words, covered employment levels) is based on information provided in good faith by the Board of Trustees. See above for additional information regarding the active population assumption.

Projections of Plan liabilities were performed using an open group valuation methodology. In other words, each year, hypothetical new entrants were added to the population to achieve the expected level of projected industry activity which was developed based on information provided by the Board of Trustees. The demographic characteristics of the assumed new entrants were developed based on a review of new participants under the Plan in recent years.

Certified by:

Redacted by the U.S. Department of
the Treasury

James M. Locey, EA, MAAA
Horizon Actuarial Services, LLC
8601 Georgia Avenue, Suite 700
Silver Spring, MD 20910

Phone Number: (240) 247-4600
Enrollment Number: Redacted
Date: May 15, 2017

New Entrant Profile

New Entrant Profile

The new entrant profile used in the projections consists of a separate new entrant profile for each schedule of the Rehabilitation Plan. In addition, because of the industry activity assumption recommended by the Board of Trustees, there is a separate new entrant profile for UPS participants in Schedule B, UPS and ABF participants in Schedule E, and YRC participants in Schedule G. This is necessary because of the different characteristics of participants in each schedule. All new entrants are assumed to be male and are assumed to enter the Plan with 0.50 years of service.

The new entrant profile is developed to, as accurately as possible, estimate the impact of future new entrants on the Plan’s expected contributions, benefit payments and liabilities.

The age of new entrants is based on a historical analysis of new entrants to the Plan over the seven year period ending on December 31, 2015. The distribution of new entrants by age is as follows:

Revenue Procedure 2016-27, Section 3.02: Historical New Entrants

| Age Band | New Entrants in 2009 | New Entrants in 2010 | New Entrants in 2011 | New Entrants in 2012 | New Entrants in 2013 | New Entrants in 2014 | New Entrants in 2015 | Total New Entrants | % of Total |
|----------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|------------|
| < 25 | 179 | 131 | 140 | 150 | 137 | 232 | 187 | 1,156 | 19% |
| 25 - 30 | 68 | 75 | 107 | 117 | 131 | 138 | 171 | 807 | 13% |
| 30 - 35 | 231 | 286 | 562 | 479 | 313 | 292 | 245 | 2,408 | 40% |
| 35 - 40 | 41 | 46 | 48 | 45 | 59 | 76 | 99 | 414 | 7% |
| 40 - 45 | 42 | 48 | 65 | 59 | 49 | 67 | 64 | 394 | 7% |
| 45 - 50 | 40 | 40 | 41 | 47 | 42 | 72 | 67 | 349 | 6% |
| 50 - 55 | 36 | 25 | 40 | 35 | 40 | 49 | 47 | 272 | 5% |
| 55 - 60 | 13 | 19 | 25 | 23 | 22 | 33 | 27 | 162 | 3% |
| > 60 | 3 | 6 | 9 | 6 | 6 | 9 | 14 | 53 | 1% |
| Total | 653 | 676 | 1,037 | 961 | 799 | 968 | 921 | 6,015 | |

For each schedule or subset of a schedule, a distribution of the contribution rate that counts for benefit accruals and the total contribution is created. Based on this distribution and the age distribution of new entrants, the following new entrant profiles are created. Note that participants employed by employers that have withdrawn but have not yet incurred a three-year break in service are not included in this analysis.

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Default Schedule:

Revenue Procedure 2016-27, Section 3.02: Default Schedule New Entrant Profile

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,250 | 4 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 22 | 1,250 | 8 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 22 | 1,250 | 3 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 22 | 1,250 | 1 | 5.9065 | 7,383 | 7.3358 | 9,170 |
| 22 | 1,250 | 3 | 8.4518 | 10,565 | 10.3118 | 12,890 |
| 22 | 1,250 | 1 | 9.6476 | 12,060 | 13.1562 | 16,445 |
| 27 | 1,250 | 3 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 27 | 1,250 | 5 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 27 | 1,250 | 2 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 27 | 1,250 | 2 | 8.4518 | 10,565 | 10.3118 | 12,890 |
| 32 | 1,250 | 9 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 32 | 1,250 | 16 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 32 | 1,250 | 6 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 32 | 1,250 | 1 | 5.9065 | 7,383 | 7.3358 | 9,170 |
| 32 | 1,250 | 1 | 7.7506 | 9,688 | 9.1720 | 11,465 |
| 32 | 1,250 | 6 | 8.4518 | 10,565 | 10.3118 | 12,890 |
| 32 | 1,250 | 1 | 9.6476 | 12,060 | 13.1562 | 16,445 |
| 37 | 1,250 | 2 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 37 | 1,250 | 3 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 37 | 1,250 | 1 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 37 | 1,250 | 1 | 8.4518 | 10,565 | 10.3118 | 12,890 |
| 42 | 1,250 | 2 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 42 | 1,250 | 3 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 42 | 1,250 | 1 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 42 | 1,250 | 1 | 8.4518 | 10,565 | 10.3118 | 12,890 |
| 47 | 1,250 | 1 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 47 | 1,250 | 2 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 47 | 1,250 | 1 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 47 | 1,250 | 1 | 8.4518 | 10,565 | 10.3118 | 12,890 |
| 52 | 1,250 | 2 | 0.9778 | 1,222 | 1.2125 | 1,516 |
| 52 | 1,250 | 3 | 2.2818 | 2,852 | 2.8635 | 3,579 |
| 52 | 1,250 | 1 | 3.8529 | 4,816 | 4.7442 | 5,930 |
| 52 | 1,250 | 1 | 8.4518 | 10,565 | 10.3118 | 12,890 |

Appendix A: Revenue Procedure 2016-27 Section 3.02
 New Entrant Profile

New Entrant Profile for Schedule A:

Revenue Procedure 2016-27, Section 3.02: Schedule A New Entrant Profile

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,665 | 9 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 22 | 1,665 | 10 | 3.4304 | 5,712 | 4.3273 | 7,205 |
| 27 | 1,665 | 6 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 27 | 1,665 | 7 | 3.4304 | 5,712 | 4.3273 | 7,205 |
| 32 | 1,665 | 19 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 32 | 1,665 | 21 | 3.4304 | 5,712 | 4.3273 | 7,205 |
| 37 | 1,665 | 3 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 37 | 1,665 | 4 | 3.4304 | 5,712 | 4.3273 | 7,205 |
| 42 | 1,665 | 3 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 42 | 1,665 | 3 | 3.4304 | 5,712 | 4.3273 | 7,205 |
| 47 | 1,665 | 3 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 47 | 1,665 | 3 | 3.4304 | 5,712 | 4.3273 | 7,205 |
| 52 | 1,665 | 4 | 2.5212 | 4,198 | 3.2641 | 5,435 |
| 52 | 1,665 | 4 | 3.4304 | 5,712 | 4.3273 | 7,205 |

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule B (Not Including UPS Participants):

Revenue Procedure 2016-27, Section 3.02: Schedule B New Entrant Profile (Not Including UPS Participants)

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,250 | 2 | 0.5858 | 732 | 0.7009 | 876 |
| 22 | 1,250 | 4 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 22 | 1,250 | 3 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 22 | 1,250 | 9 | 8.4524 | 10,566 | 10.6814 | 13,352 |
| 27 | 1,250 | 2 | 0.5858 | 732 | 0.7009 | 876 |
| 27 | 1,250 | 3 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 27 | 1,250 | 2 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 27 | 1,250 | 6 | 8.4524 | 10,566 | 10.6814 | 13,352 |
| 32 | 1,250 | 5 | 0.5858 | 732 | 0.7009 | 876 |
| 32 | 1,250 | 8 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 32 | 1,250 | 6 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 32 | 1,250 | 1 | 4.8041 | 6,005 | 6.6833 | 8,354 |
| 32 | 1,250 | 18 | 8.4524 | 10,566 | 10.6814 | 13,352 |
| 32 | 1,250 | 1 | 10.7583 | 13,448 | 14.6831 | 18,354 |
| 37 | 1,250 | 1 | 0.5858 | 732 | 0.7009 | 876 |
| 37 | 1,250 | 1 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 37 | 1,250 | 1 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 37 | 1,250 | 3 | 8.4524 | 10,566 | 10.6814 | 13,352 |
| 42 | 1,250 | 1 | 0.5858 | 732 | 0.7009 | 876 |
| 42 | 1,250 | 1 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 42 | 1,250 | 1 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 42 | 1,250 | 3 | 8.4524 | 10,566 | 10.6814 | 13,352 |
| 47 | 1,250 | 1 | 0.5858 | 732 | 0.7009 | 876 |
| 47 | 1,250 | 1 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 47 | 1,250 | 1 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 47 | 1,250 | 3 | 8.4524 | 10,566 | 10.6814 | 13,352 |
| 52 | 1,250 | 1 | 0.5858 | 732 | 0.7009 | 876 |
| 52 | 1,250 | 2 | 2.2235 | 2,779 | 3.0555 | 3,819 |
| 52 | 1,250 | 1 | 3.7541 | 4,693 | 5.1287 | 6,411 |
| 52 | 1,250 | 4 | 8.4524 | 10,566 | 10.6814 | 13,352 |

New Entrant Profile for Schedule B (UPS Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule B New Entrant Profile (UPS Participants Only)

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,035 | 19 | 8.4520 | 8,748 | 11.3270 | 11,723 |
| 27 | 1,035 | 13 | 8.4520 | 8,748 | 11.3270 | 11,723 |
| 32 | 1,035 | 39 | 8.4520 | 8,748 | 11.3270 | 11,723 |
| 37 | 1,035 | 7 | 8.4520 | 8,748 | 11.3270 | 11,723 |
| 42 | 1,035 | 6 | 8.4520 | 8,748 | 11.3270 | 11,723 |
| 47 | 1,035 | 6 | 8.4520 | 8,748 | 11.3270 | 11,723 |
| 52 | 1,035 | 8 | 8.4520 | 8,748 | 11.3270 | 11,723 |



Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule C:

Revenue Procedure 2016-27, Section 3.02: Schedule C New Entrant Profile

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,735 | 10 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 22 | 1,735 | 7 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 22 | 1,735 | 2 | 6.6416 | 11,523 | 9.4514 | 16,398 |
| 27 | 1,735 | 7 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 27 | 1,735 | 5 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 27 | 1,735 | 1 | 6.6416 | 11,523 | 9.4514 | 16,398 |
| 32 | 1,735 | 21 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 32 | 1,735 | 14 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 32 | 1,735 | 1 | 4.9375 | 8,567 | 6.8369 | 11,862 |
| 32 | 1,735 | 4 | 6.6416 | 11,523 | 9.4514 | 16,398 |
| 37 | 1,735 | 4 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 37 | 1,735 | 2 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 37 | 1,735 | 1 | 6.6416 | 11,523 | 9.4514 | 16,398 |
| 42 | 1,735 | 3 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 42 | 1,735 | 2 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 42 | 1,735 | 1 | 6.6416 | 11,523 | 9.4514 | 16,398 |
| 47 | 1,735 | 3 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 47 | 1,735 | 2 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 47 | 1,735 | 1 | 6.6416 | 11,523 | 9.4514 | 16,398 |
| 52 | 1,735 | 4 | 1.7189 | 2,982 | 2.3286 | 4,040 |
| 52 | 1,735 | 3 | 3.5953 | 6,238 | 4.7893 | 8,309 |
| 52 | 1,735 | 1 | 6.6416 | 11,523 | 9.4514 | 16,398 |

New Entrant Profile for Schedule D:

Revenue Procedure 2016-27, Section 3.02: Schedule D New Entrant Profile

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,650 | 4 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 22 | 1,650 | 15 | 3.1804 | 5,248 | 4.5196 | 7,457 |
| 27 | 1,650 | 2 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 27 | 1,650 | 11 | 3.1804 | 5,248 | 4.5196 | 7,457 |
| 32 | 1,650 | 7 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 32 | 1,650 | 32 | 3.1804 | 5,248 | 4.5196 | 7,457 |
| 37 | 1,650 | 1 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 37 | 1,650 | 6 | 3.1804 | 5,248 | 4.5196 | 7,457 |
| 42 | 1,650 | 1 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 42 | 1,650 | 5 | 3.1804 | 5,248 | 4.5196 | 7,457 |
| 47 | 1,650 | 1 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 47 | 1,650 | 5 | 3.1804 | 5,248 | 4.5196 | 7,457 |
| 52 | 1,650 | 1 | 1.6202 | 2,673 | 2.3035 | 3,801 |
| 52 | 1,650 | 7 | 3.1804 | 5,248 | 4.5196 | 7,457 |

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule E (Not Including UPS or ABF Participants):

Revenue Procedure 2016-27, Section 3.02: Schedule E New Entrant Profile (Not Including UPS or ABF Participants)

| Age | Hours | Count | Benefit Rate | Benefit Contributions | Total Rate | Total Contributions |
|-----|-------|-------|--------------|-----------------------|------------|---------------------|
| 22 | 1,765 | 2 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 22 | 1,765 | 11 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 22 | 1,765 | 3 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 22 | 1,765 | 1 | 4.6104 | 8,137 | 6.7161 | 11,854 |
| 22 | 1,765 | 1 | 9.1719 | 16,188 | 13.5041 | 23,835 |
| 27 | 1,765 | 2 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 27 | 1,765 | 8 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 27 | 1,765 | 2 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 27 | 1,765 | 1 | 4.6104 | 8,137 | 6.7161 | 11,854 |
| 27 | 1,765 | 1 | 9.1719 | 16,188 | 13.5041 | 23,835 |
| 32 | 1,765 | 5 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 32 | 1,765 | 23 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 32 | 1,765 | 6 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 32 | 1,765 | 3 | 4.6104 | 8,137 | 6.7161 | 11,854 |
| 32 | 1,765 | 1 | 7.0318 | 12,411 | 8.8851 | 15,682 |
| 32 | 1,765 | 2 | 9.1719 | 16,188 | 13.5041 | 23,835 |
| 37 | 1,765 | 1 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 37 | 1,765 | 4 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 37 | 1,765 | 1 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 37 | 1,765 | 1 | 4.6104 | 8,137 | 6.7161 | 11,854 |
| 42 | 1,765 | 1 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 42 | 1,765 | 4 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 42 | 1,765 | 1 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 47 | 1,765 | 1 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 47 | 1,765 | 3 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 47 | 1,765 | 1 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 52 | 1,765 | 1 | 0.9356 | 1,651 | 1.2346 | 2,179 |
| 52 | 1,765 | 5 | 1.6024 | 2,828 | 2.3612 | 4,167 |
| 52 | 1,765 | 1 | 3.3145 | 5,850 | 4.9090 | 8,664 |
| 52 | 1,765 | 1 | 4.6104 | 8,137 | 6.7161 | 11,854 |

Appendix A: Revenue Procedure 2016-27 Section 3.02

New Entrant Profile

New Entrant Profile for Schedule E (UPS and ABF Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule E New Entrant Profile (UPS and ABF Participants Only)

| <u>Age</u> | <u>Hours</u> | <u>Count</u> | <u>Benefit Rate</u> | <u>Benefit Contributions</u> | <u>Total Rate</u> | <u>Total Contributions</u> |
|------------|--------------|--------------|---------------------|------------------------------|-------------------|----------------------------|
| 22 | 1,955 | 19 | 9.6256 | 18,818 | 14.6148 | 28,572 |
| 27 | 1,955 | 13 | 9.6256 | 18,818 | 14.6148 | 28,572 |
| 32 | 1,955 | 40 | 9.6256 | 18,818 | 14.6148 | 28,572 |
| 37 | 1,955 | 7 | 9.6256 | 18,818 | 14.6148 | 28,572 |
| 42 | 1,955 | 7 | 9.6256 | 18,818 | 14.6148 | 28,572 |
| 47 | 1,955 | 6 | 9.6256 | 18,818 | 14.6148 | 28,572 |
| 52 | 1,955 | 8 | 9.6256 | 18,818 | 14.6148 | 28,572 |

New Entrant Profile for Schedule G (YRC Participants Only):

Revenue Procedure 2016-27, Section 3.02: Schedule G New Entrant Profile (YRC Participants Only)

| <u>Age</u> | <u>Hours</u> | <u>Count</u> | <u>Benefit Rate</u> | <u>Benefit Contributions</u> | <u>Total Rate</u> | <u>Total Contributions</u> |
|------------|--------------|--------------|---------------------|------------------------------|-------------------|----------------------------|
| 22 | 1,800 | 19 | 1.9987 | 3,598 | 2.2457 | 4,042 |
| 27 | 1,800 | 13 | 1.9987 | 3,598 | 2.2457 | 4,042 |
| 32 | 1,800 | 40 | 1.9987 | 3,598 | 2.2457 | 4,042 |
| 37 | 1,800 | 7 | 1.9987 | 3,598 | 2.2457 | 4,042 |
| 42 | 1,800 | 6 | 1.9987 | 3,598 | 2.2457 | 4,042 |
| 47 | 1,800 | 6 | 1.9987 | 3,598 | 2.2457 | 4,042 |
| 52 | 1,800 | 8 | 1.9987 | 3,598 | 2.2457 | 4,042 |

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

This appendix includes the development of the investment return assumption used in the actuarial projections contained in this report. Unless otherwise noted, investment return assumptions are net of investment fees.

We note that the assumptions developed in this appendix are individually reasonable and, along with other assumptions used in the projection, represent our best estimate of future experience under the Plan for the purposes of this measurement, which is a cash flow projection relating to proposed benefit suspensions under MPRA. In addition, the assumptions were developed with input from the Plan's investment consultant and in consultation with the Board of Trustees.

Summary

The investment return assumption is as follows:

Assumed Annual Investment Return

| | Plan Year Ending | Assumed Investment Return | | Plan Year Ending | Assumed Investment Return | | Plan Year Ending | Assumed Investment Return |
|----|---------------------|---------------------------------|----|---------------------|---------------------------------|----|---------------------|---------------------------------|
| CY | 12/31/2017 | 7.37% | 15 | 12/31/2032 | 7.71% | 30 | 12/31/2047 | 7.66% |
| 1 | 12/31/2018 | 7.34% | 16 | 12/31/2033 | 7.70% | 31 | 12/31/2048 | 7.66% |
| 2 | 12/31/2019 | 7.28% | 17 | 12/31/2034 | 7.69% | 32 | 12/31/2049 | 7.66% |
| 3 | 12/31/2020 | 7.21% | 18 | 12/31/2035 | 7.69% | | | |
| 4 | 12/31/2021 | 7.14% | 19 | 12/31/2036 | 7.68% | | | |
| 5 | 12/31/2022 | 7.06% | 20 | 12/31/2037 | 7.68% | | | |
| 6 | 12/31/2023 | 6.97% | 21 | 12/31/2038 | 7.68% | | | |
| 7 | 12/31/2024 | 6.90% | 22 | 12/31/2039 | 7.67% | | | |
| 8 | 12/31/2025 | 6.85% | 23 | 12/31/2040 | 7.67% | | | |
| 9 | 12/31/2026 | 6.82% | 24 | 12/31/2041 | 7.67% | | | |
| 10 | 12/31/2027 | 7.77% | 25 | 12/31/2042 | 7.67% | | | |
| 11 | 12/31/2028 | 7.75% | 26 | 12/31/2043 | 7.67% | | | |
| 12 | 12/31/2029 | 7.74% | 27 | 12/31/2044 | 7.66% | | | |
| 13 | 12/31/2030 | 7.72% | 28 | 12/31/2045 | 7.66% | | | |
| 14 | 12/31/2031 | 7.71% | 29 | 12/31/2046 | 7.66% | | | |

"CY" = current plan year

Note that the assumed investment return shown above for the current plan year applies for the 9-month period from 4/1/2017 through 12/31/2017.

The investment return assumption was developed based on the Plan's target asset allocation, considering the results of the 2016 Survey of Capital Market Assumptions by Horizon Actuarial Services, LLC (the "2016 Survey") and input from the Plan's investment consultant. The assumption reflects the fact that, according to the average assumptions from the 2016 Survey, returns are generally expected to be lower over the next 10 years than over the long term.

The assumption also reflects the possibility of future changes in the Plan's asset allocation to satisfy Plan liquidity needs. Based on input from the Plan's investment consultant and in consultation with the Trustees, the chart below shows a process of moving from the target asset allocation to a "long-term" asset allocation (less volatile and more liquid) over a five-year period. The Trustees have reviewed and approved this less volatile and more liquid asset allocation as well as transition as an appropriate alternative asset allocation to be considered in the event of liquidity needs.

Appendix B: Revenue Procedure 2016-27 Section 3.02

Investment Return Assumption

| Portfolio Statistics | Target Allocation Policy | Interim/Transition Asset Allocation Policies | | | | | Long-Term Asset Allocation Policy |
|----------------------------------|--------------------------|--|--------|--------|--------|--------|-----------------------------------|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
| Investment Grade Bonds | 7% | 9% | 11% | 12% | 13% | 14% | 16% |
| TIPS | 5% | 8% | 9% | 10% | 12% | 13% | 14% |
| High Yield Bonds | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Bank Loans | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Emerging Market Bonds (local) | 8% | 5% | 4% | 4% | 3% | 3% | 2% |
| US Large Cap | 14% | 14% | 14% | 14% | 14% | 14% | 14% |
| US Small Cap | 4% | 2% | 2% | 2% | 2% | 2% | 2% |
| Developed Market Equity (non-US) | 8% | 10% | 10% | 10% | 10% | 10% | 10% |
| Emerging Market Equity | 16% | 14% | 13% | 12% | 11% | 10% | 9% |
| Private Equity | 15% | 15% | 14% | 13% | 12% | 11% | 10% |
| Real Estate | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| Natural Resources | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| Infrastructure | 5% | 5% | 5% | 5% | 5% | 5% | 5% |

For each of the asset allocations shown above, below are the results from our 2016 Survey of Capital Market Assumptions.

| <u>Expected Returns</u> | <u>10-Year</u> | <u>Long-Term</u> |
|-------------------------|----------------|------------------|
| Target Policy | 7.37% | 8.33% |
| Transition Year 1 | 7.18% | 8.15% |
| Transition Year 2 | 7.04% | 8.02% |
| Transition Year 3 | 6.92% | 7.90% |
| Transition Year 4 | 6.76% | 7.76% |
| Transition Year 5 | 6.64% | 7.63% |
| Long Term Policy | 6.49% | 7.49% |

The timing of possible future changes in the Plan's asset allocation were analyzed on a stochastic basis to determine the probability of the Fund's assets dropping below \$1 billion. Based on consideration from the Trustees, the threshold of \$1 billion was chosen as a reasonable estimate of the level at which the Plan will still be able to sell its illiquid assets without risk of needing those assets to be available for immediate benefit payments. The investment consultant has recommended that a shift from the target policy allocation to the long-term allocation should happen over a five-year period. At \$1 billion, approximately half (or \$500 million) of the assets are committed to illiquid investments (about one-third of the assets are in illiquid investments and, and as noted in the audited financial statements, there are unfunded private equity commitments equal to an additional 15-20% of the Plan's assets). After the proposed suspensions take effect, the Plan's negative cash flow is approximately \$100 million per year. With \$500 million in liquid assets, the Plan would be able to ensure benefit payments would be funded for five years (without regard to asset returns) while the Plan migrates to the long-term allocation.

Once the Fund's assets dropped below the threshold level, we assumed based on consultations with the Trustees that they would give serious consideration to shifting the asset allocation to the long-term allocation. The probability of each of the asset allocations shown above was used to develop the deterministic assumption for each year of the projection.

We performed an analysis considering the expected changes in the Plan's assets and determined that the Plan will not have to prematurely sell any of its illiquid assets (private equity) at a loss or with a penalty. This

Investment Return Assumption

is because the Plan is expecting distributions from its private equity investments in excess of the expected decrease in the private equity assets of the Plan. Distributions in future years are expected to be large since the Plan has a mature private equity investment program. The majority of the Fund's investments in the program were made during the first four years of the program (vintage years 2006-2009). Investments in the limited partnerships for vintage years 2006-2009 are expected to last approximately 10 years. So, the lifetime of the investments made in 2006-2009 will be ending in 2016-2019. Because the majority of the Fund's private equity investments are ending in 2016-2019, the Fund is expecting larger distributions from the program in these years.