MICHIGAN BAC PENSION PLAN
LANSING, MICHIGAN

Actuarial Valuation Report
For Plan Year Commencing
May 1, 2017

United Actuarial Services, Inc.
Actuaries and Consultants

August 17, 2017

Board of Trustees
Michigan BAC Pension Plan

Lansing, Michigan

Dear Trustees:

We have been retained by the Board of Trustees of the Michigan BAC Pension Plan to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning May 1, 2017. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Benda, Grace, Stulz & Company, P.C. Participant data was provided by TIC International Corporation. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

This report has been prepared in order to (1) assist the Trustees in evaluating the current actuarial position of the plan, (2) determine the minimum required and maximum deductible contribution amounts under Internal Revenue Code §431 and §404, (3) provide the fund's auditor with information necessary to comply with Accounting Standards Codification 960, and (4) document the plan's certified status under Internal Revenue Code §432 for the current year and provide the basis to certify such status for the subsequent year. In addition, information contained in this report will be used to prepare Schedule MB of Form 5500 that is filed annually with the IRS and could be used to calculate employer withdrawal liability. We are not responsible for the use of, or reliance upon, this report for any other purpose.

We have prepared this report in accordance with generally accepted actuarial principles and practices and have performed such tests as we considered necessary to assure the accuracy of the results. The results have been determined on the basis of actuarial assumptions that, in our opinion, are appropriate for the purposes of this report, are individually reasonable and in combination represent our best estimate of anticipated experience under the plan. Actuarial assumptions may be changed from previous valuations due to changes in mandated requirements, plan experience resulting in changes in expectations about the future, and/or other factors. An assumption change does not indicate that prior assumptions were unreasonable when made. For purposes of current liability calculations, assumptions are prescribed by regulation or statute. By relying on this valuation report, the Trustees confirm they have accepted the assumptions contained in the report.

The results are based on our best interpretation of existing laws and regulations and are subject to revision based on future regulatory or other guidance.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural

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operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

United Actuarial Services, Inc. does not provide, nor charge for, investment, tax or legal advice. None of the comments made herein should be construed as constituting such advice. We are not aware of any direct or material indirect financial interest or relationship that could create a conflict of interest that would impair the objectivity of our work.

The undersigned actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

We are available to respond to any questions you may have about this report.

UNITED ACTUARIAL SERVICES, INC.

Enrolled Actuary

Kathryn A. Garrity

Kathryn A. Garrity, FSA, EA, MAAA
Chief Actuary

Consultant

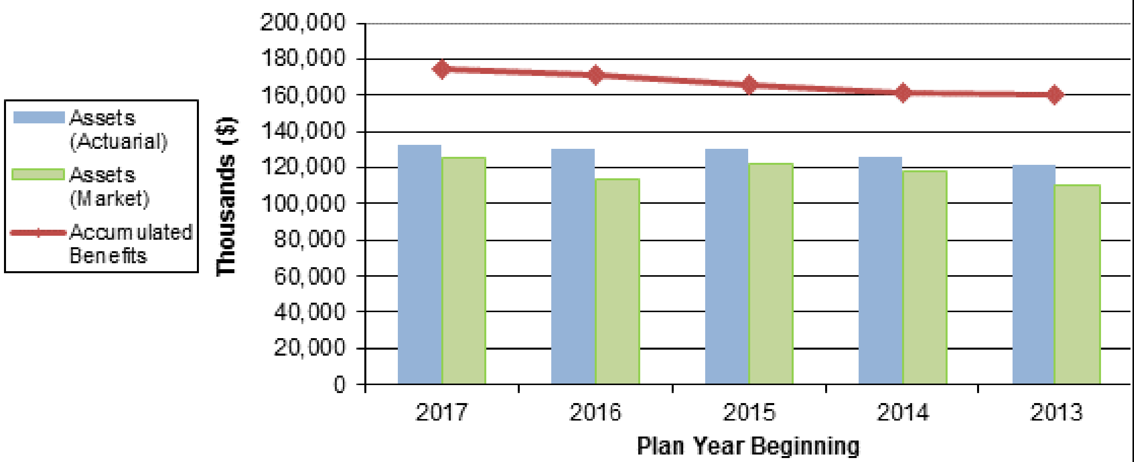
Andrew T. Smith

Andrew T. Smith, FCA, ASA, EA
President

PART I: SUMMARY OF RESULTS

5 - YEAR SUMMARY OF VALUATION RESULTS

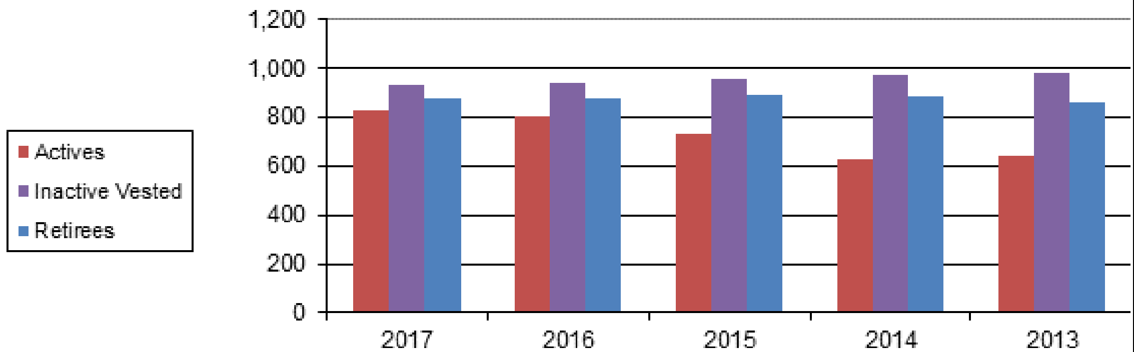
Actuarial Study as of May 1,	*2017*	*2016*	*2015*	*2014*	*2013*
PPA funded status	Endngrd	Endngrd	Endngrd	Endngrd	Critical
Progress under FIP/RP	Yes	Yes	n/a	n/a	n/a
Improvements restricted*	Yes	Yes	Yes	Yes	Yes
Funded ratio					
PPA certification	75.2%	76.4%	78.6%	78.6%	75.7%
Valuation report (AVA)	76.0%	75.7%	78.3%	78.5%	76.2%
Valuation report (MVA)	72.2%	66.2%	73.5%	73.4%	68.7%
Date of first projected funding deficiency					
PPA certification	None	4/30/31	None	4/30/27	4/30/19
Valuation report	None	None	None	None	4/30/19
Net investment return					
On market value	13.21%	-4.60%	6.43%	11.65%	12.34%
On actuarial value	3.92%	2.30%	5.74%	7.33%	6.24%
Asset values ($ 000)					
Market	125,689	113,546	122,084	118,305	110,219
Actuarial	132,275	129,911	129,943	126,495	122,192
Accum. ben. ($ 000)	174,115	171,508	166,055	161,223	160,324



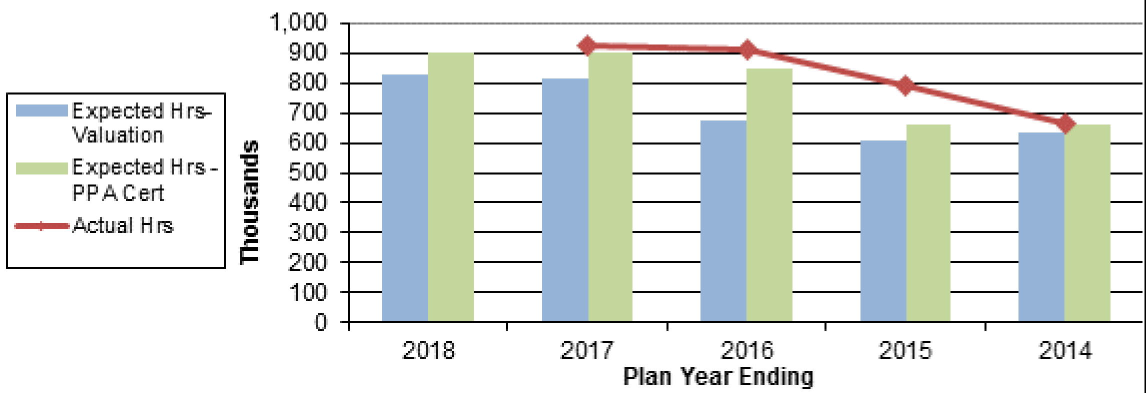
* Benefit improvement restrictions due to fund being in endangered or critical status (2013). Restrictions in place until plan is in the safe zone again.

5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of May 1,	*2017*	*2016*	*2015*	*2014*	*2013*
Demographics					
Active	829	803	729	627	643
Inactive vested	931	943	954	969	980
Receiving benefits	873	879	890	883	863
Total	2,633	2,625	2,573	2,479	2,486
Unrecorded dates of birth	30	176	98	82	91
Average entry age	30.3	30.1	29.7	29.0	29.0
Average attained age	43.7	43.8	44.0	43.8	43.4



History of Hours



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

The plan provisions underlying this valuation differ from those underlying the prior valuation in the following respects:

- The benefit accrual rate for contributions after August 1, 2017 was increased from 1.0% to 2.0% for any portion of any contribution related to a contribution rate increase that exceeds the increase required by the funding improvement plan and was effective on or after January 1, 2017.

Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- A pro-rated portion of the 2017 non-credited contribution rate increase equal to 2.55% of the rate in effect under the specific agreement as of July 31, 2013 was recognized. The remaining portion of the 2016 contribution rate increase was also recognized.

- The assumed operational expenses were increased from $450,000 to $475,000 to reflect our best estimate of future expenses based on recent plan experience.

- The assumed mortality rates were changed from 115% of the RP-2014 Blue Collar Mortality Table for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2015 projection scale to 110% of the RP-2014 Blue Collar Mortality Table for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale. This change was made in order to better reflect anticipated improvements in mortality rates for each future year due to medical advances and lifestyle changes.

- The assumed retirement rates were changed according to the schedule in Appendix B to represent our best estimate of future retirement patterns based on recent plan experience.

- The current liability interest rate was changed from 3.22% to 3.05%. The new rate is within established statutory guidelines.

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of May 1,				
	2017	2016	2015	2014	2013
Future rate of net investment return	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality table	RP2014	RP2014	RP2000	RP2000	RP2000
Adjustment	110%	115%	1 yr. sf	1 yr. sf	1 yr. sf
Projection Scale	MP-2016	MP-2015	AA	AA	AA
Future expenses	$475,000	$450,000	$450,000	$450,000	$450,000
Average future hourly contribution rate*					
Credited	$4.47	$4.09	$4.52	$4.47	$4.50
Non-credited	3.59	3.75	3.53	3.16	2.02
Total	$8.06	$7.84	$8.05	$7.63	$6.52
Average future annual hours					
Vested	1,400	1,400	1,200	1,200	1,200
Non-vested	450	450	400	400	400
Average expected retirement age**					
Actives	61.3	60.4	60.3	60.2	60.1
Inactive vested	61.8	61.6	61.6	61.5	61.6

* Actual average derived from application of assumptions specified in Appendix B.
** Resulting from the application of the retirement probabilities shown in Appendix B to active participants.

EXPERIENCE VS. ASSUMPTIONS

Comparing the prior year's experience to assumptions provides indications as to why overall results may differ from those expected

Actuarial assumptions are used to project certain future events related to the pension plan (e.g. deaths, withdrawals, investment income, expenses, etc.). While actual results for a single plan year will rarely match expected experience, it is intended that the assumptions will provide a reasonable long term estimate of developing experience.

The following table provides a comparison of expected outcomes for the prior plan year with the actual experience observed during the same period. This display may provide insight as to why the plan's overall actuarial position may be different from expected.

Plan Year Ending April 30, 2017	Expected	Actual
Decrements		
Terminations		210
less: *Rehires*		62
Terminations (net of rehires)	136.9	148
Retirements	19.1	16
Disabilities	1.8	-
Deaths - pre-retirement	6.2	8
Deaths - post-retirement	39.5	51
Asset assumptions		
Rate of net investment return on actuarial value	7.50%	3.92%
Net expenses	$ 450,000	$ 470,456
Other demographic assumptions		
Average retirement age from active (new retirees)	60.3	59.2
*Average retirement age from inactive (new retirees)**	61.6	61.3
Average entry age (new entrants)	30.1	36.1
Hours worked per vested active	1,400	1,473
Hours worked per non-vested active	450	603
Total hours worked (valuation assumption)	815,550	926,150
Total hours worked (PPA certification assumption)	900,000	926,150
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 4,599,318
(Gain)/loss due to liability experience		1,600,278
Total (gain)/loss		$ 6,199,596

* Expected average based on the average for the total group of participants.

PLAN MATURITY

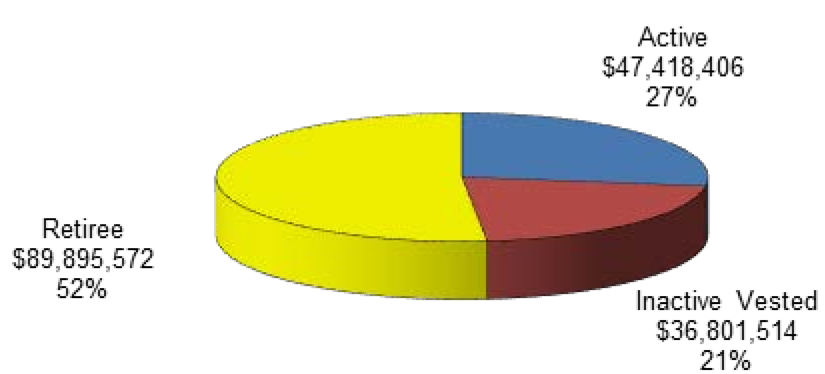
Measures of plan maturity can play a part in understanding risk and a plan's ability to recover from adverse experience

When a new pension plan is first established, its liabilities are typically limited to active plan participants. However, as people become vested and retire, a plan begins to develop liabilities attributable to inactive participants. The process of adding inactive liabilities (often referred to as "maturing") is a natural outgrowth of the operation of the plan. As a plan matures, its liabilities tend to balloon in relation to its contribution base, making it more difficult to correct for adverse outcomes by increasing contribution rates or reducing future benefit accruals.

We generally consider a plan with an active to retiree headcount ratio of less than 1.0, or an active to inactive headcount ratio of less than 0.5, to be mature.

Actuarial Study as of May 1,	*2017*	*2016*	*2015*	*2014*	*2013*
Active/retiree headcount ratio	0.95	0.91	0.82	0.71	0.75
Active/inactive headcount ratio	0.46	0.44	0.40	0.34	0.35

Liabilities of Actives, Retirees, and Inactive Vesteds
Total Liabilities: $174,115,492



UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

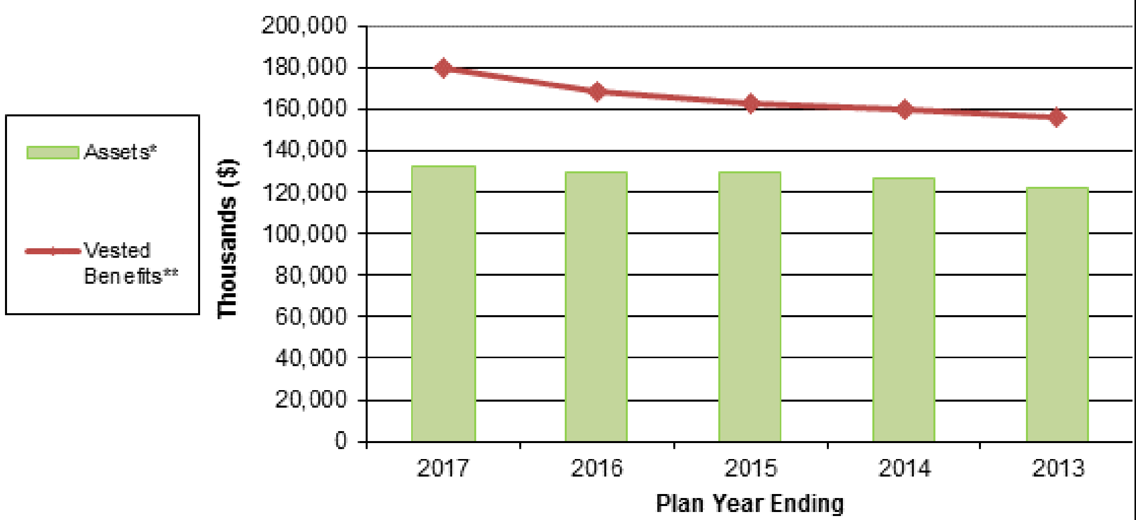
An employer withdrawing during the coming year may have withdrawal liability

The following table shows a history of the plan's unfunded vested benefits (UVB) required to compute a specific employer withdrawal liability under the presumptive method. If all unfunded vested benefits since the inception of the Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) are zero ($0) or less, there will be no withdrawal liability assessed to a withdrawing employer. Otherwise, an employer may be assessed withdrawal liability payments pursuant to MPPAA. The display does not reflect adjustments for prior employer withdrawals.

In accordance with IRC Section 432(e)(9)(A) and PBGC Technical Update 10-3, the impact of reducing adjustable benefits is reflected by adding the unamortized portion of the value of affected benefits (VAB) to the most recent year's unfunded vested benefits pool.

Presumptive Method ($ 000)

April 30,	*2017*	*2016*	*2015*	*2014*	*2013*
Vested benefits interest	7.50%	7.50%	7.50%	7.50%	7.50%
Vested benefits	172,728	161,166	154,729	150,997	152,341
less: Asset value*	132,275	129,911	129,943	126,495	122,192
UVB	40,453	31,255	24,786	24,502	30,149
Unamortized VAB	7,207	7,651	8,064	8,449	3,516
UVB + VAB	47,660	38,906	32,850	32,951	33,665



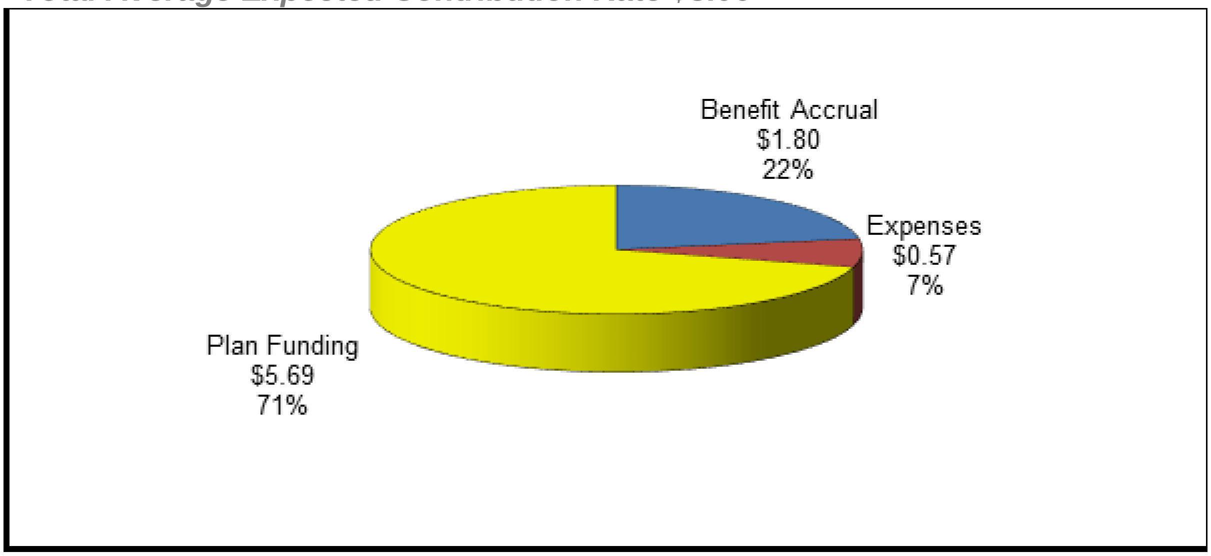
* Actuarial value
** Includes VAB

CONTRIBUTION ALLOCATION

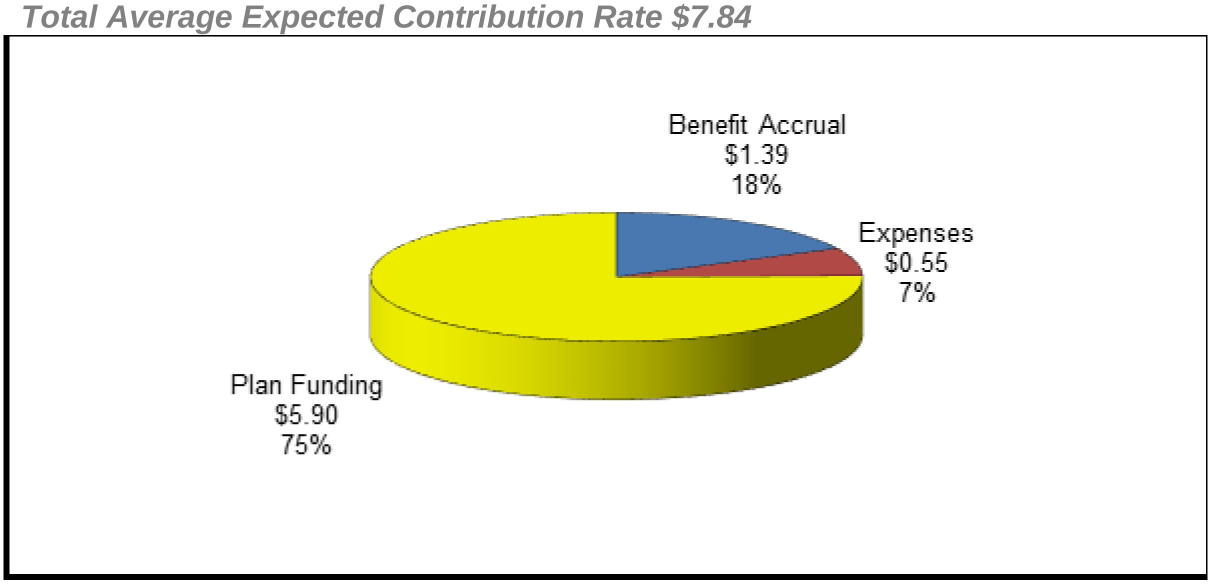
These graphs show how the contributions are being spent

The following allocation charts illustrate how the expected contribution rate for the coming plan year will be "spent" to pay for benefits being earned in the current year, plan expenses, and funding of past unfunded liabilities.

Contribution Allocation as of May 1, 2017
Total Average Expected Contribution Rate $8.06



Contribution Allocation as of May 1, 2016
Total Average Expected Contribution Rate $7.84



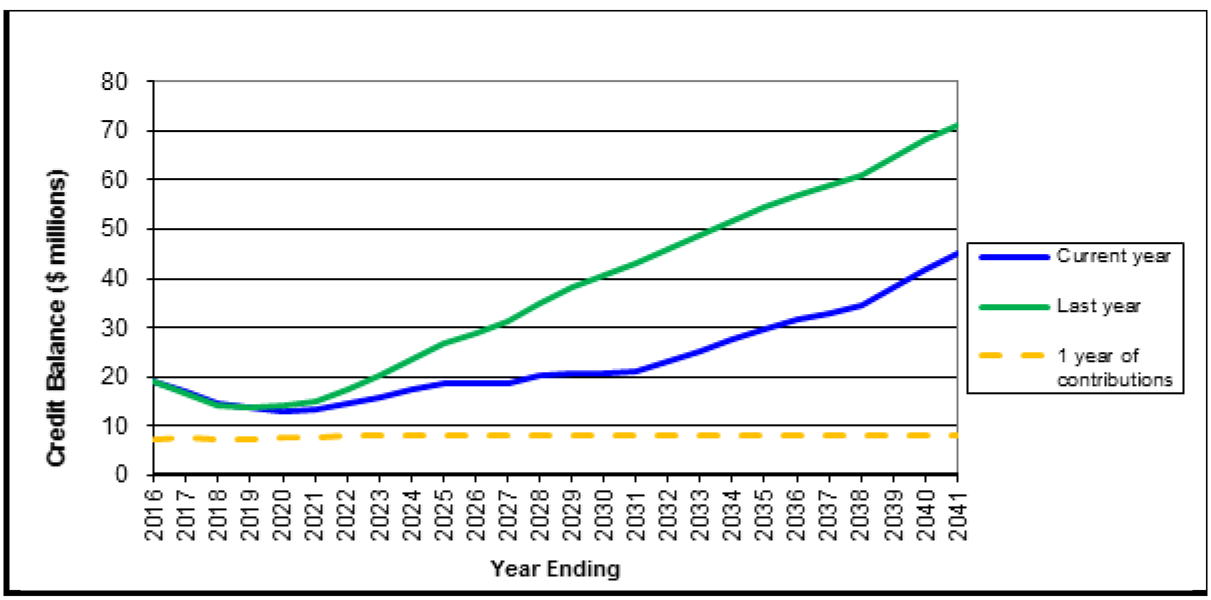
FUNDING STANDARD ACCOUNT PROJECTION

The funding standard account projection is a major driver of PPA status

The funding standard account (FSA) was established by ERISA as a means of determining compliance with minimum funding standards. The FSA is hypothetical in the sense that it does not represent actual assets held by a custodian. Rather, a positive FSA balance (called a "credit balance") means that the plan has exceeded minimum funding standards on a cumulative basis, while a negative balance (called a "funding deficiency") means that the plan has fallen short of such standards.

Actuaries must project the plan's credit balance each year in order to determine PPA status. If the credit balance is projected to be negative in a future year, the plan could be forced into yellow (endangered) or red (critical) status depending how far into the future the projected funding deficiency is. The plan's credit balance projection appears below.

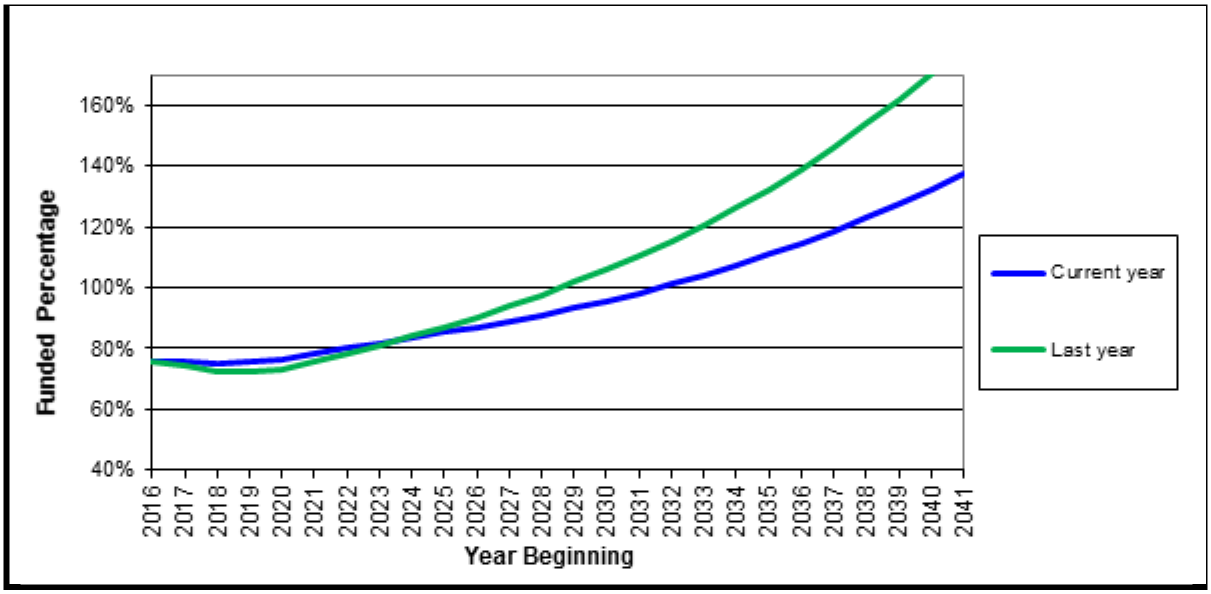
As a rule of thumb, UAS recommends that non-Critical status plans maintain a projected credit balance of at least one year's contributions (shown as an orange dotted line in the graph below) in each future year. Maintaining a "cushion" in the Funding Standard Account helps minimize the risk of a surprise funding deficiency at the end of a non-Critical status plan year. Such a deficiency could trigger an excise tax payable directly by employers. If the Plan is in Critical status at the start of plan year, it is protected from these excise taxes so long as scheduled progress has been satisfied in at least one of the past three plan years.



FUNDED RATIO PROJECTION

The plan's funded ratio is a major driver of PPA status

The funded ratio is defined as the actuarial value of plan assets divided by the plan's liabilities for accrued benefits. Along with the funding standard account projection, funded ratio is one of the two major drivers of PPA funded status. In order for a plan to enter the green zone (also called "safe" or "not endangered or critical") the funded ratio must be at least 80%. The projection of the funded ratio appears below.



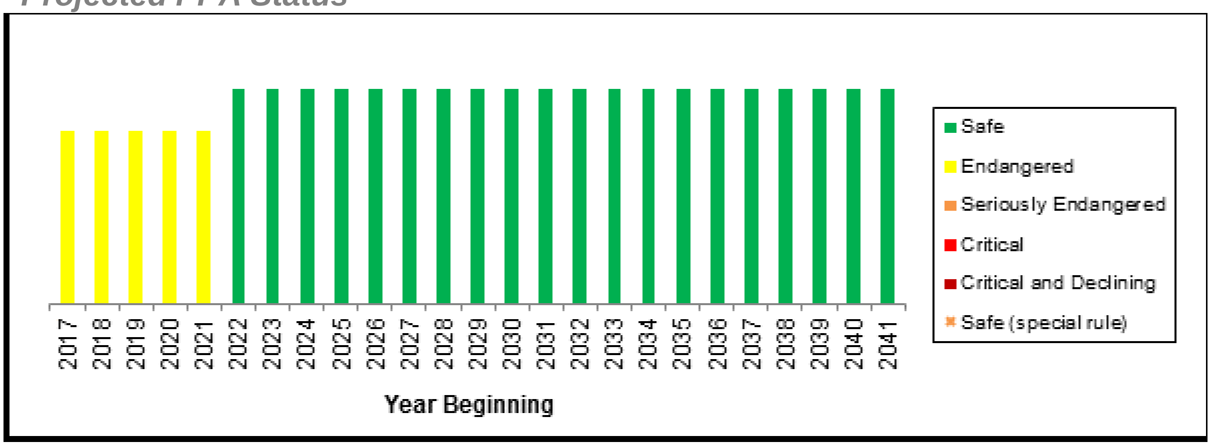
PPA FUNDING STATUS REPORT

The plan is in Endangered status for 2017

The Pension Protection Act of 2006 (PPA), as amended by the Multiemployer Pension Reform Act of 2014 ("MPRA"), requires all multiemployer pension plans to obtain an annual status certification. The possible statuses are: "Endangered", "Seriously Endangered", "Critical", "Critical and Declining" or none of these. As the plan's actuary, we must complete the status certification within 90 days of the beginning of the plan year, and we must also certify whether or not the plan has made scheduled progress if its funding improvement or rehabilitation period has begun. The criteria for these determinations are outlined in Appendix D. Due to the timing requirement affecting PPA certifications, they are performed based on data different from that used in this report (see certification letter for additional details). The results are summarized below.

Description	Values Used for PPA Certification 2017	2016
Funded ratio	75.2%	76.4%
Date of first projected funding deficiency	None	4/30/2031
Years of benefit payments in assets	8+	8+
Certified PPA status	Endangered	Endangered
Making progress under FIP/RP	Yes	Yes

Projected PPA Status

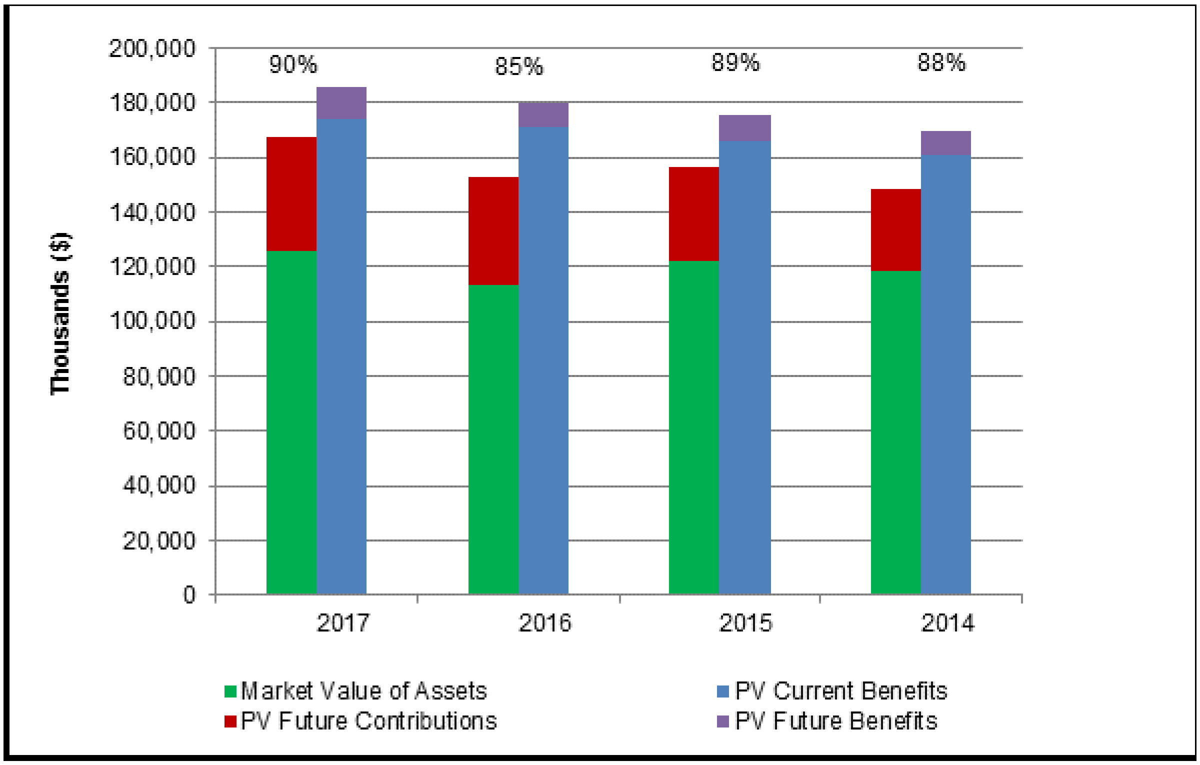


ULTIMATE FUNDED STATUS

Ultimate funded status is a snapshot measure of contribution sufficiency

An actuarial valuation deals primarily with the ability of the plan to meet Internal Revenue Code requirements now and in the near future. As such, it is heavily focused on current plan assets and liabilities. But it is also important to keep in mind the true purpose of the plan funding—that is, to accumulate sufficient assets to pay the benefits that the plan has promised to its participants. The chart below looks at this long-term funding adequacy. To the current plan assets we add the present value of all future contributions expected to be made for the current plan participants. To the value of the plan's liabilities for benefits that have been previously earned we add the present value of all the future benefits the current plan participants are expected to earn through their future service. Ideally these ultimate asset and liability values will be approximately equal.

Neither of these amounts reflect the effect of future new participants or future contribution rate increases to the plan. Generally new entrants generate greater future contributions than benefits, so they represent a net positive to the actual future funding shown here.



STRESS AND SENSITIVITY ANALYSIS

The table below illustrates the impact on the plan when experience varies from key assumptions

Currently the funding improvement plan (FIP) requires non-credited contribution rate increases of 2.55% of the rate in effect under the specific agreement as of July 31, 2013. Such increases are to be effective in 2017, 2018, 2019, 2020 and 2021. The FIP also lowers the asset return assumption to 7.25% per year until April 30, 2027. Considering that experience rarely follows our assumptions exactly, we developed the table below to show how key projections respond to variations in the main assumptions. We considered the hours assumption to be at the baseline as stated on page B-7 of the report, 10% lower, or 10% higher than the baseline. We also considered the asset return for the 2017-18 plan year to be 10.0%, 7.25%, 4%, or 0%.

		Return for 2017-18 PY (7.50% Thereafter)*			
Hours Assumption	***Funding Stats***	***10.00%***	***7.25%***	***4.00%***	***0.00%***
10% Lower 810,000 per year	Green Year: No UVB: Valid FIP?	2022 2033 No	2024 2035 No	2037 2038 No	After 2041 After 2041 No
Baseline 900,000 per year	Green Year: No UVB: Valid FIP?	2021 2030 Yes	**2022** **2032** **No**	2024 2034 No	2027 2037 No
10% Higher 990,000 per year	Green Year: No UVB: Valid FIP?	2021 2028 Yes	2022 2030 Yes	2023 2031 No	2025 2033 No

* The assumed return is 7.25% for the first 10 years and 7.50% thereafter.

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

The participant data reconciliation table below provides information as to how the plan's covered population changed since the prior actuarial study. Such factors as the number of participants retiring, withdrawing and returning to work have an impact on the actuarial position of the pension fund.

Participants Valued As	*Active*	*Inactive Vested*	*Receiving Benefits*	*Total Valued*
May 1, 2016	803	943	879	2,625
Change due to:				
New hire	192	-	-	192
Rehire	62	(29)	-	33
Termination	(210)	30	-	(180)
Disablement	-	-	-	-
Retirement	(16)	(9)	25	-
Death	(2)	(6)	(51)	(59)
Cash out	-	(1)	-	(1)
New beneficiary	-	-	25	25
Certain pd. expired	-	-	(1)	(1)
*Data adjustment**	-	3	(4)	(1)
Net change	26	(12)	(6)	8
May 1, 2017	829	931	873	2,633

* Includes two disabled now inactive vested, two retirees that had separate records that have been combined, two new inactive vesteds previously thought to be nonvested, and a previous inactive vested who was found not to be vested.

HOURS WORKED DURING PLAN YEAR

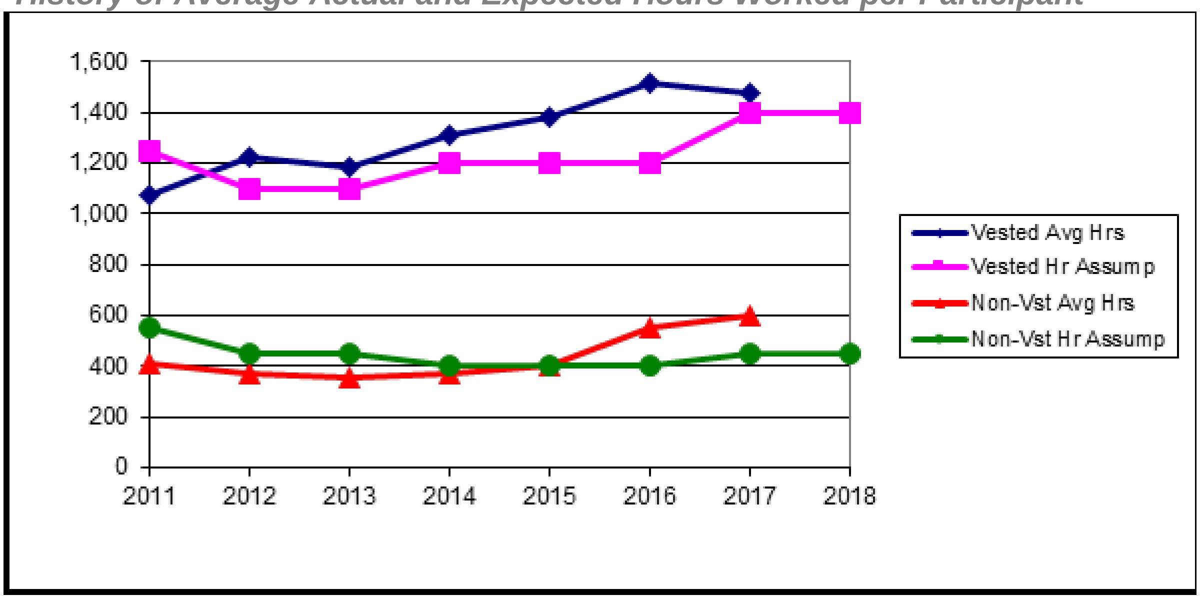
Hours Worked Per Participant

Plan Year Ending April 30, 2017	*Number*	*Hours Worked*	*Average Hours Worked*
Actives			
Vested	485	714,235	1,473
Non-vested, continuing	89	107,307	1,206
Non-vested, new entrant	255	99,955	392
Total active	829	921,497	1,112
Others	8	4,653	582
Total for plan year	837	926,150	1,107

History of Total Actual and Expected Hours Worked (Thousands)

Plan Year Ending April 30,	*2018*	*2017*	*2016*	*2015*	*2014*
Expected hours valuation	832	816	676	610	636
Expected hours PPA cert	900	900	850	660	660
Actual hours worked	n/a	926	912	794	668

History of Average Actual and Expected Hours Worked per Participant



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Credited Contributions Reported in Employee Data

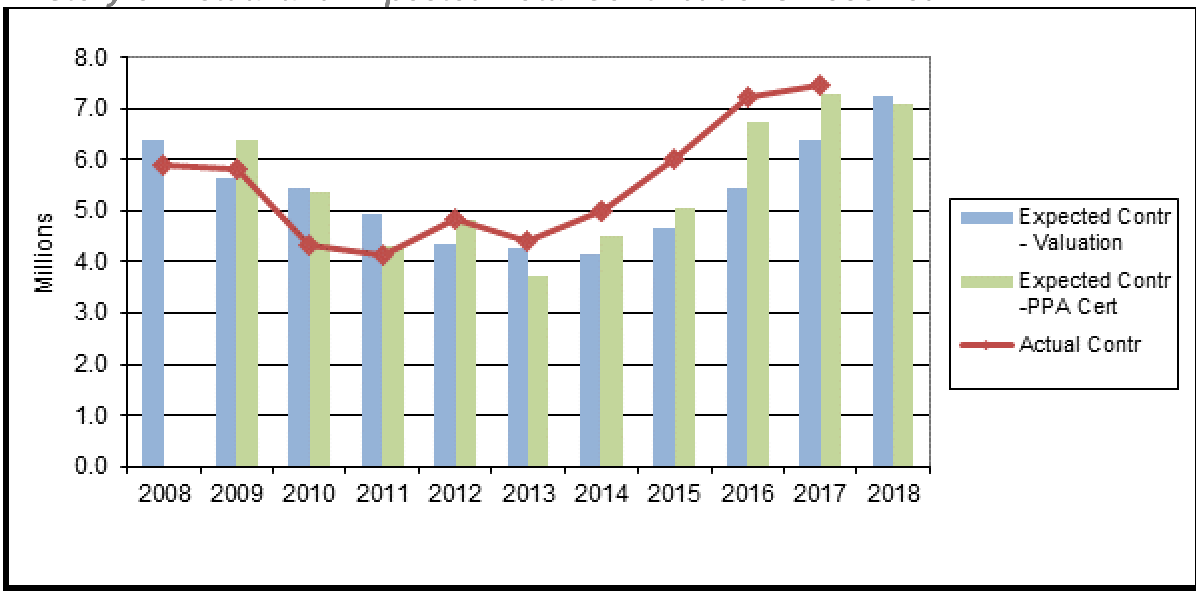
Plan Year Ending April 30, 2017	*Number*		*Credited Contributions Reported*
Actives			
Vested	485	$	3,232,385
Non-vested, continuing	89		477,632
Non-vested, new entrant	255		353,535
Total valued as active	829		4,063,552
Others	8		22,613
Total for plan year	837	$	4,086,165

Average credited hourly contribution rate	$	4.41

Comparison with Audited Employer Contributions

Employer non-credited contributions reported in data	$	3,263,493
Total employer contributions reported	$	7,349,658
Total audited employer contributions	$	7,454,043
Percent reported		99%

History of Actual and Expected Total Contributions Received



ACTIVE INFORMATION

Active Participants by Age and Service as of May 1, 2017

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	6	45	-	-	-	-	-	-	-	-	51
25-29	9	42	9	2	-	-	-	-	-	-	62
30-34	7	35	9	18	3	-	-	-	-	-	72
35-39	2	47	12	19	19	4	-	-	-	-	103
40-44	7	30	11	20	19	9	2	-	-	-	98
45-49	3	25	6	27	33	18	14	2	-	-	128
50-54	4	22	5	14	25	24	34	13	1	-	142
55-59	3	18	3	8	24	16	16	11	10	-	109
60-64	-	8	2	6	5	4	2	2	3	-	32
65-69	-	1	1	-	-	-	-	-	-	-	2
70+	-	-	-	-	-	-	-	-	-	-	-
Totals	41	273	58	114	128	75	68	28	14	-	799
Unrecorded DOB	5	25	-	-	-	-	-	-	-	-	30
Total Active Lives	46	298	58	114	128	75	68	28	14	-	829

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of May 1, 2017

Age Group	Number	Estimated Deferred Vested Benefits*
< 30	2	$ 786
30-34	17	11,133
35-39	103	65,296
40-44	140	91,509
45-49	175	109,029
50-54	189	99,939
55-59	159	96,252
60-64	97	59,327
65-69	34	20,121
70+	15	12,307
Totals	931	565,699
Unrecorded birth date	-	-
Total inactive vested lives	931	$ 565,699

* Amount payable at assumed retirement age as used in the valuation process.

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of May 1, 2017

Form of Payment	Number	Monthly Benefits Being Paid* Total	Average	Smallest	Largest
Life only	210	$ 198,980	$ 948	$ 15	$ 3,590
Certain & life	68	63,856	939	36	2,913
Joint & survivor	369	428,708	1,162	24	4,291
Disability**	27	5,051	187	100	1,034
Beneficiaries	199	85,719	431	3	2,708
Totals	873	$ 782,314	$ 896	$ 3	$ 4,291

* There are also $27,706 in benefits being paid to 62 participants that had accruals eligible to be paid at a different time. Since some of these benefits have different forms, they are excluded from the table.

** Three disabled participants are also receiving a separate retirement benefit.

Retirees by Age and Form of Payment as of May 1, 2017

Age Group	Form of Benefits Being Paid: Life Only	Certain & Life	Joint & Survivor	Disability	Total
< 40	-	-	-	-	-
40-44	-	-	-	1	1
45-49	-	-	-	4	4
50-54	-	-	-	6	6
55-59	5	5	17	12	39
60-64	44	9	65	4	122
65-69	43	16	92	-	151
70-74	38	11	63	-	112
75-79	33	7	48	-	88
80-84	24	11	55	-	90
85-89	17	7	21	-	45
90-94	5	2	7	-	14
95+	1	-	1	-	2
Totals	210	68	369	27	674
plus: Beneficiaries					199
Total receiving benefits					873

RETIREE INFORMATION (CONT.)

Age of Participants Retired During Last 5 Plan Years
(excludes beneficiaries and disability retirements)

Age at	Plan Year Ending April 30,				
Retirement	2017	2016	2015	2014	2013
< 55	-	-	-	-	-
55	-	-	-	1	-
56	4	2	3	5	4
57	4	2	1	3	3
58	1	1	5	7	3
59	4	3	2	1	1
60	4	2	1	2	3
61	3	1	2	4	2
62	1	1	4	2	1
63	1	2	2	2	-
64	1	-	1	-	3
65	1	5	3	3	1
66+	1	1	3	-	1
Totals	25	20	27	30	22

History of Average Retirement Ages
(excludes beneficiaries and disability retirements)

Retirement During Plan Year Ending In:	Number	Average Retirement Age
2017	25	60.0
2016	20	61.3
2015	27	61.5
2014	30	59.7
2013	22	60.3

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

Asset information extracted from the fund's financial statements audited by Benda, Grace, Stulz & Company, P.C.

Market/Actuarial Value of Fund Investments as of April 30,		*2017*		*2016*		*2015*
Invested assets						
Common stocks	$	23,542,962	$	22,704,165	$	23,416,974
Mutual funds		64,572,066		49,015,875		52,577,624
Limited partnership		24,732,847		26,670,503		28,854,495
Common/collective trust		142,830		153,162		495,217
Real estate fund		7,335,128		7,940,079		7,082,206
Corp. bonds and notes		3,612,392		5,205,958		8,255,616
Other		1,279,649		1,211,805		1,196,160
		125,217,874		112,901,547		121,878,292
Net receivables*		471,107		644,862		205,494
Market value	$	125,688,981	$	113,546,409	$	122,083,786
Fund assets - Actuarial value						
Market value	$	125,688,981	$	113,546,409	$	122,083,786
less*: Deferred investment gains and (losses)*		(6,586,330)		(16,364,553)		(7,859,116)
Actuarial value	$	132,275,311	$	129,910,962	$	129,942,902
Actuarial value as a percentage of market value		105.24%		114.41%		106.44%

* Equals receivables, less any liabilities

FLOW OF FUNDS

Asset information extracted from the fund's financial statements audited by Benda, Grace, Stulz & Company, P.C.

Plan Year Ending April 30,	2017	2016	2015
Market value at beginning of plan year	$ 113,546,409	$ 122,083,786	$ 118,305,172
Additions			
Employer contributions	7,454,043	7,215,263	6,017,700
*Net investment income**	14,821,758	(5,552,281)	7,484,466
Other income	15,675	13,341	9,514
	22,291,476	1,676,323	13,511,680
Deductions			
Benefits paid	9,678,448	9,756,001	9,332,271
*Net expenses**	470,456	457,699	400,795
	10,148,904	10,213,700	9,733,066
Net increase (decrease)	12,142,572	(8,537,377)	3,778,614
Adjustment	-	-	-
Market value at end of plan year	$ 125,688,981	$ 113,546,409	$ 122,083,786
Cashflow			
Contr.-ben.-exp.	(2,694,861)	(2,998,437)	(3,715,366)
Percent of assets	-2.14%	-2.64%	-3.04%
Estimated net investment return			
On market value	13.21%	-4.60%	6.43%
On actuarial value	3.92%	2.30%	5.74%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending April 30, 2017

Expected market value at end of plan year		
Market value at beginning of plan year	$	113,546,409
Employer contributions and non-investment income		7,469,718
Benefits and expenses paid		(10,148,904)
Expected investment income (at 7.50% rate of return)		8,415,511
		119,282,734
Actual market value at end of plan year		125,688,981
less: Expected market value		119,282,734
Investment gain or (loss)	$	6,406,247

History of Gains and (Losses)

Plan Year Ending April 30,		Investment Gain or (Loss)
2017	$	6,406,247
2016		(14,596,624)
2015		(1,249,452)
2014		4,476,301
2009		(33,488,333)

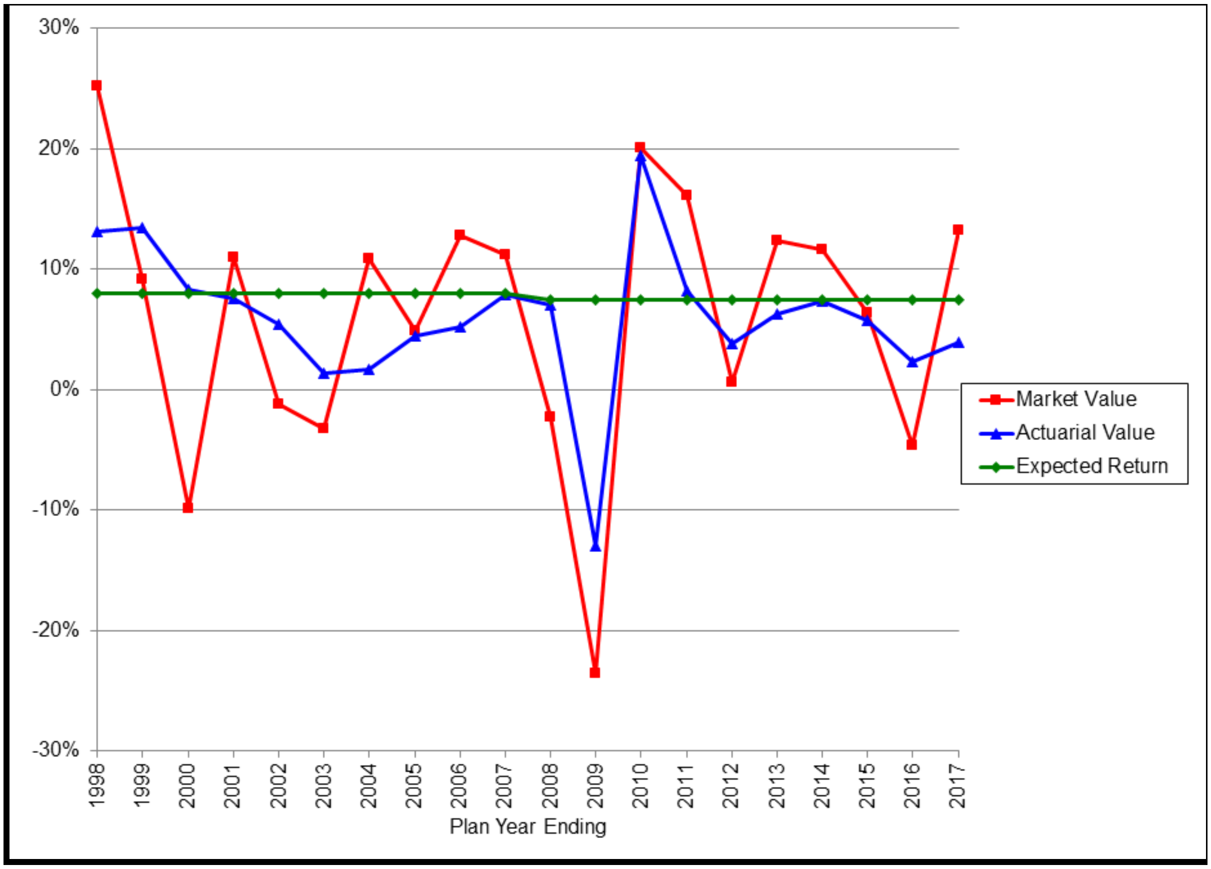
Deferred Investment Gains and (Losses)*

Plan Year Ending April 30,	Amount of Gain or (Loss) Deferred as of April 30,							
		2017		2018		2019		2020
2017	$	5,124,998	$	3,843,748	$	2,562,499	$	1,281,249
2016		(8,757,974)		(5,838,650)		(2,919,325)		-
2015		(499,781)		(249,890)		-		-
2014		895,260		-		-		-
2009		(3,348,833)		-		-		-
Totals	$	(6,586,330)	$	(2,244,792)	$	(356,826)	$	1,281,249

* Gains and (Losses) for the plan years ending 2010, 2011, 2012, and 2013 have been fully recognized.

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



Average Rates of Net Investment Return (dollar weighted)

Period	Return on Market Value Period Ending April 30, 2017	Return on Market Value Period Ending April 30, 2016	Return on Actuarial Value Period Ending April 30, 2017	Return on Actuarial Value Period Ending April 30, 2016
One year	13.21%	-4.60%	3.92%	2.30%
5 years	7.71%	5.17%	5.15%	5.08%
10 years	3.85%	3.87%	4.79%	5.19%
15 years	5.03%	4.19%	4.56%	4.64%
20 years	5.18%	5.13%	5.59%	5.77%

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of May 1,		*2017*		*2016*
Active participants - service prior to valuation date	$	-	$	-
Active participants - service after valuation date		1,445,309		1,093,507
Anticipated administrative expenses (beg. of year)		457,831		433,735
Total normal cost	$	1,903,140	$	1,527,242

Unfunded Actuarial Liability as of May 1,		*2017*		*2016*
Actuarial liability				
Participants currently receiving benefits	$	89,895,572	$	88,080,806
Inactive vested participants		36,801,514		35,076,634
Active participants - service prior to val. date		47,418,406		48,350,646
Active participants - service after val. date		-		-
		174,115,492		171,508,086
less: Fund assets (actuarial value)		132,275,311		129,910,962
Unfunded actuarial liability (not less than 0)	$	41,840,181	$	41,597,124

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of April 30, 2017		
Unfunded actuarial liability as of May 1, 2016	$	41,597,124
Normal cost (including expenses)		1,527,242
Actual contributions		(7,454,043)
Interest to end of plan year		2,954,798
		38,625,121
Increase (decrease) due to:		
Experience (gain) or loss		6,199,596
Plan amendment		-
Change in actuarial assumptions		(2,984,536)
Change in actuarial method		-
Net increase (decrease)		3,215,060
Unfunded actuarial liability as of May 1, 2017	$	41,840,181

Projection of Actuarial Liability to Year End

Actuarial liability as of May 1, 2017	$	174,115,492
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		1,445,309
Benefits paid		(10,821,104)
Interest on above		(297,393)
Interest on actuarial liability		13,058,662
Net expected increase (decrease)		3,385,474
Expected actuarial liability as of April 30, 2018	$	177,500,966

FUNDED RATIOS

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of May 1,		*2017*		*2016*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	89,895,572	$	88,080,806
Inactive vested participants		36,461,964		34,666,007
Active participants		46,370,166		38,419,257
Total		172,727,702		161,166,070
Nonvested accumulated benefits		1,387,790		10,342,016
Present value of all accumulated benefits	$	174,115,492	$	171,508,086
Market value of assets	$	125,688,981	$	113,546,409
Funded ratios (Market value)				
Vested benefits		72.8%		70.5%
All accumulated benefits		72.2%		66.2%
Actuarial value of assets	$	132,275,311	$	129,910,962
Funded ratios (Actuarial value used for PPA)				
Vested benefits		76.6%		80.6%
All accumulated benefits		76.0%		75.7%
Interest rate used to value benefits		7.50%		7.50%

FUNDING PERIOD

The funding period is the approximate number of years that would be required to completely fund the unfunded entry age normal actuarial liability if future plan experience occurs according to the assumptions. The funding period is an indicator of the long term financial soundness of the plan. Historically, funds often targeted a maximum funding period of up to 20 years. Today, asset losses are being paid off over a maximum of 15 years and are the primary driver for ERISA minimum funding. An ultimate target of no more than 10 years is recommended. A lower, more conservative funding period target can be chosen. As the funding period drops, the risk of having future funding issues also diminishes.

Funding Period Calculation *Actuarial Study as of May 1,*	*2017*	*2016*
Unfunded actuarial liability		
Actuarial liability	$ 182,994,863	$ 177,540,111
less: *Fund assets (actuarial value)*	132,275,311	129,910,962
	50,719,552	47,629,149
Funds available to amortize unfunded		
Anticipated contributions (beg. of yr.)	6,459,424	6,165,533
less*: Normal cost (including expenses)*	968,456	894,806
	$ 5,490,968	$ 5,270,727
Funding period (years)	15	14

CURRENT LIABILITY

Current Liability as of May 1, 2017

Vested current liability		
Participants currently receiving benefits	$	132,961,685
Inactive vested participants		76,880,295
Active participants		103,046,710
		312,888,690
Nonvested current liability		
Inactive vested participants		419,290
Active participants		1,596,647
		2,015,937
Total current liability	$	314,904,627

Projection of Current Liability to Year End

Current liability as of May 1, 2017	$	314,904,627
Expected increase (decrease) due to:		
Benefits accruing		3,446,896
Benefits paid		(10,821,104)
Interest on above		(59,892)
Interest on current liability		9,604,591
Net expected increase (decrease)		2,170,491
Expected current liability as of April 30, 2018	$	317,329,347

FUNDING STANDARD ACCOUNT

Funding Standard Account Plan Year Ending April 30,	*2018 (Projected)*	*2017 (Final)*
Charges		
Prior year funding deficiency	$ -	$ -
Normal cost (including expenses)	1,903,140	1,527,242
Amortization charges (see Appendix C)	12,334,613	12,565,248
Interest on above	1,067,835	1,056,939
Total charges	15,305,588	15,149,429
Credits		
Prior year credit balance	16,911,368	19,034,143
Employer contributions	7,250,436	7,454,043
Amortization credits (see Appendix C)	3,910,354	3,595,833
Interest on above	1,833,523	1,976,778
ERISA full funding credit	-	-
Total credits	29,905,681	32,060,797
Credit balance (credits less charges)	$ 14,600,093	$ 16,911,368

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of May 1, 2017	$	125,688,981	$	132,275,311
Expected increase (decrease) due to:				
Investment income		9,003,070		9,497,044
Benefits paid		(10,821,104)		(10,821,104)
Expenses		(475,000)		(475,000)
Net expected increase (decrease)		(2,293,034)		(1,799,060)
Expected value as of April 30, 2018*	$	123,395,947	$	130,476,251

* Ignoring expected employer contributions (as required by regulation).

Full Funding Limit as of April 30, 2018		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	177,500,966	$	177,500,966
less: *Assets (lesser of market or actuarial)*		123,395,947		123,395,947
plus: *Credit balance (w/interest to year end)*		18,179,721		n/a
		72,284,740		54,105,019
Full funding limit override (not less than 0)				
90% of current liability		285,367,606		285,367,606
less: *Assets (actuarial value)*		130,476,251		130,476,251
		154,891,355		154,891,355
Full funding limit (greater of ERISA limit and full funding override)	$	154,891,355	$	154,891,355

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution Plan Year Beginning May 1, 2017

Minimum funding cost		
Normal cost (including expenses)	$	1,903,140
Net amortization of unfunded liabilities		8,424,259
Interest to end of plan year		774,556
		11,101,955
Full funding limit		154,891,355
Net charge to funding std. acct. (lesser of above)		11,101,955
less: *Credit balance with interest to year end*		18,179,721
Minimum Required Contribution (not less than 0)	$	-

Full Funding Credit to Funding Standard Account Plan Year Ending April 30, 2018

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	11,101,955
less*: full funding limit*		154,891,355
	$	-

MAXIMUM DEDUCTIBLE CONTRIBUTION

The maximum amount of tax-deductible employer contributions made to a pension plan is determined in accordance with Section 404(a) of the Internal Revenue Code. For a multiemployer pension plan, Section 413(b)(7) of the Internal Revenue Code and IRS Announcement 98-1 provide that, if anticipated employer contributions are less than the deductible limit for a plan year, then all employer contributions paid during the year are guaranteed to be deductible. If anticipated employer contributions exceed the deductible limit, the Trustees have two years from the close of the plan year in question to retroactively improve benefits to alleviate the problem.

Maximum Deductible Contribution
Plan Year Beginning May 1, 2017

Preliminary deductible limit		
Normal cost (including expenses)	$	1,903,140
10-year limit adjustment (using "fresh start" alternative)		5,670,256
Interest to end of plan year		568,005
		8,141,401
Full funding limit		154,891,355
Maximum deductible contribution override		
140% of vested current liability projected to April 30, 2018		441,063,401
less*: Actuarial value of assets projected to April 30, 2018*		130,476,251
		310,587,150
Maximum deductible contribution*	$	310,587,150
Anticipated employer contributions	$	6,701,652

* Equals the lesser of the preliminary deductible limit and the full funding limit, but not less than the maximum deductible contribution override.

HISTORY OF UNFUNDED VESTED BENEFITS

Presumptive Method

April 30,	Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits	Unamortized Portion of VAB
1998	8.00%	32,516,497	45,737,946	(13,221,449)	
1999	8.00%	39,216,582	56,716,773	(17,500,191)	
2000	8.00%	53,006,294	63,518,634	(10,512,340)	
2001	8.00%	63,465,458	71,101,037	(7,635,579)	
2002	8.00%	68,812,988	78,758,188	(9,945,200)	
2003	8.00%	80,046,791	82,740,131	(2,693,340)	
2004	8.00%	91,953,220	86,370,484	5,582,736	
2005	8.00%	100,923,177	91,852,498	9,070,679	
2006	8.00%	105,725,681	98,513,962	7,211,719	
2007	7.50%	123,972,297	107,046,333	16,925,964	
2008	7.50%	132,700,411	114,030,161	18,670,250	
2009	7.50%	141,096,354	98,148,304	42,948,050	
2010	7.50%	136,551,868	113,803,080	22,748,788	2,932,926
2011	7.50%	141,124,277	118,976,705	22,147,572	2,820,632
2012	7.50%	148,417,198	119,570,176	28,847,022	2,699,917
2013	7.50%	152,340,975	122,192,184	30,148,791	3,515,827
2014	7.50%	150,997,258	126,494,874	24,502,384	8,448,688
2015	7.50%	154,728,981	129,942,902	24,786,079	8,064,207
2016	7.50%	161,166,070	129,910,962	31,255,108	7,650,890
2017	7.50%	172,727,702	132,275,311	40,452,391	7,206,575

* Actuarial value effective in 1997; contract value of assets held by insurance company plus market value of other assets prior to 1997.

Records indicate the UVBs for the period 1981-1993 are all negative. Therefore, there will generally be no Employer Withdrawal Liability for any employer who withdraws prior to May 1, 2004. However, this analysis does not recognize the possibility of a plan merged into the BAC Plan with positive UVBs on a pre-merger basis

TERMINATION BY MASS WITHDRAWAL

If all employers were to cease to have an obligation to contribute to the plan, the plan would be considered "terminated due to mass withdrawal." In this event, the Trustees would have the option of distributing plan assets in satisfaction of all plan liabilities through the purchase of annuities from insurance carriers or payment of lump sums. If assets are insufficient to cover liabilities, a special actuarial valuation pursuant to Section 4281 of ERISA would be performed as of the end of the plan year in which the mass withdrawal occurred. If the Section 4281 valuation indicates the value of nonforfeitable benefits exceeds the value of plan assets, employer withdrawal liability would be assessed.

The ERISA Section 4281 valuation described above uses required actuarial assumptions that are typically more conservative than those used for valuing an on-going plan. In order to illustrate the impact of the mass withdrawal assumptions, we performed an illustrative Section 4281 valuation as if mass withdrawal had occurred during the prior plan year. The value of assets used below is market value without any adjustments for outstanding employer withdrawal liability claims.

As required by regulation, interest rates of 2.15% for the first 20 years and 2.60% for each year thereafter and the GAM 94 Basic Table projected to 2027 mortality table were used.

Illustrative Section 4281 Valuation as of April 30, 2017

Value of nonforfeitable benefits		
Participants currently receiving benefits	$	148,440,978
Inactive vested participants		90,276,921
Active participants		125,944,588
Expenses (per Section 4281 of ERISA)		2,162,551
		366,825,038
less: Fund assets (market value)		125,688,981
Value of nonforfeitable benefits in excess of (less than) fund assets	$	241,136,057

ASC 960 INFORMATION

The following displays are intended to assist the fund's auditor in complying with Accounting Standards Codification 960. The results shown are not necessarily indicative of the plan's potential liability upon termination.

Present Value of Accumulated Benefits Actuarial Study as of May 1,	*2017*	*2016*
Present value of vested accumulated benefits		
Participants currently receiving benefits	$ 89,895,572	$ 88,080,806
Other participants	82,832,130	73,085,264
	172,727,702	161,166,070
Nonvested accumulated benefits	1,387,790	10,342,016
Present value of all accumulated benefits	$ 174,115,492	$ 171,508,086
Market value of plan assets	$ 125,688,981	$ 113,546,409
Interest rate used to value benefits	7.50%	7.50%

Changes in Present Value of Accumulated Benefits	
Present value of accumulated benefits as of May 1, 2016	$ 171,508,086
Increase (decrease) due to:	
Plan amendment	-
Change in actuarial assumptions	(2,984,536)
Benefits accumulated and experience gain or loss	2,407,284
Interest due to decrease in discount period	12,863,106
Benefits paid	(9,678,448)
Net increase (decrease)	2,607,406
Present value of accumulated benefits as of May 1, 2017	$ 174,115,492

APPENDICES

PLAN HISTORY

Chapter	Entered BAC	Prior Plan	Total Contribution Rate *	
31–Lansing				
Bricklayer	05-01-1989	Yes	$ 9.26	(08/2016)
7-Saginaw				
Bricklayer	05-01-1989	Yes	$ 8.28	(08/2016)
Cement Finisher	05-01-1989	Yes	$ 8.03	(08/2016)
40-Traverse City				
Bricklayer/Plasterer	10-01-1991	No	$ 7.11	(08/2016)
Cement Finisher	10-01-1991	No	$ 7.31	(08/2016)
17-Kalamazoo	05-01-1993	Yes	$ 7.72	(08/2016)
1-Grand Rapids/ Muskegon				
Bricklayer	04-03-1995 (GR)	Yes	$ 5.29	(08/2016)
Cement Finisher	12-31-1996 (M)	Yes	$ 5.45	(08/2016)
6–Escanaba	04-30-1995	No	$ 9.47	(05/2016)
3–Adrian	07-01-1995	No	$ 9.12	(08/2016)
12–Flint	04-30-1997	Yes	$ 9.54	(08/2016)
14(15)–Ann Arbor	09-01-1998	Yes	$ 10.83	(08/2016)
9–BAC Refractory			$ 6.27	(05/2016)

* Includes non-credited contribution rates. In general, the following non-credited contribution rate increases have been made since 2009:

Eff. Date	Non-Credited Increase
1/1/2009	55¢/hour
10/1/2009	49¢/hour
8/1/2010	49¢/hour
8/1/2011	49¢/hour
8/1/2013	$1.14/hour
2014	5% of 7/31/2013 rate
2015	1% of 7/31/2013 rate
2016	1% of 7/31/2013 rate
2017	2.55% of 7/31/2013 rate

SUMMARY OF PLAN PROVISIONS

Plan year	The 12-month period beginning May 1 and ending April 30.
Effective date	Construction Masons' 31 Pension Plan — May 1, 1965 Saginaw Valley Bricklayers' Pension Plan — May 1, 1970 Michigan BAC Pension Plan — May 1, 1989
Participation	600 hours of work in a 12-month period.
Vesting service	½ credit for Plan Years with 300-599 hours of work. 1 credit for Plan Years with 600 or more hours of work.
Break in service	Plan Year with less than 300 hours.
Benefit accrual	No accrual for Plan Years with less than 300 hours of work. Half accrual for Plan Years with 300-599 hours of work. Full accrual for Plan Years with 600 or more hours of work.
Normal retirement benefit	
Eligibility	Age 65 or 5th anniversary of participation, if later.
Monthly amount	See below

Period	Monthly Amount
• Prior to 4/30/2004	3.80% of contributions
• 5/1/2004 through 4/30/2006	2.60% of contributions
• 5/1/2006 through 12/31/2008	2.00% of contributions
• 1/1/2009 through 9/30/2009	2.00% of credited contributions
• 10/1/2009 through 9/30/2011	Accruals frozen
• 10/1/2011 and later	1.00% of credited contributions
• 8/1/2017 and later	1.00% of credited contributions plus an extra 1.00% on any money contributed above the rate required by the FIP

SUMMARY OF PLAN PROVISIONS (CONT.)

Monthly amount	Amount from previous page plus benefits accrued under merged plans (with applicable increases), if any. Payable for life.
Early retirement benefit	
Eligibility	Age 56, 10 years of service.
Monthly amount	Normal reduced by ½ of 1% for each month under age 63. Benefits accrued prior to 5/1/93 under Zone 17 Plan are reduced from age 62. Benefits for disabled participants receive the same reduction as actives. Benefits for inactive participants are actuarially reduced from age 65. Reduction is calculated from age 60 if 30 or more years of service.
Eligibility	Grandfathered exception: At least age 56 with 25 years of service as of November 1, 2012.
Monthly amount	Normal reduced by ½ of 1% for each month under age 58.
Total and permanent disability benefit	
Eligibility	Disabled from working in any capacity at the trade while active participant, 10 years of service.
Monthly amount	Greater of $100 or Pre-Merger accrued benefit payable until the earlier of age 63, recovery or death. Eligible for normal retirement benefit at age 63.
Eligibility	Disabled from working in any capacity at the trade while active participant, 5 to 9 years of service.
Monthly amount	Greater of total contributions or equivalent of vested benefit, payable as single sum; or vested benefit at age 65, payable for life.

SUMMARY OF PLAN PROVISIONS (CONT.)

Total and permanent disability benefit (Cont.)	
Eligibility	Disabled while active participant, less than 5 years of service.
Monthly amount	Total contributions, payable as single sum.
Vested benefit	
Eligibility	5 years of service, termination of employment.
Monthly amount	Deferred normal or early with full actuarial reduction for each month under age 65, if eligible. Payable for life.
Optional forms of payment	• Joint and 50% survivor • Joint and 2/3 survivor • Joint and 75% survivor • Joint and 100% survivor • Life with 5 years certain • Life with 10 years certain • Life with 15 years certain
Pre-retirement period certain death benefit	
Eligibility	Death of married participant before eligible for normal or early with 10 years of service.
Monthly amount	50% of normal at 10 years of service grading up to 100% of normal at 15 years of service. Payable for 60 monthly payments to surviving spouse. Spouse may elect in lieu of survivor form.
Pre-retirement deferred surviving spouse benefit	
Eligibility	Death of vested, married participant.
Monthly amount	50% of participant's qualified joint and 50% survivor payable to spouse over spouse's lifetime commencing at participant's earliest retirement date.

SUMMARY OF PLAN PROVISIONS (CONT.)

Pre-retirement single sum death benefit	
Eligibility	Death of active participant or former participant.
Lump sum amount	Total contributions made on participant's behalf, maximum $3,000. Single sum payment to beneficiary.

HISTORICAL PLAN MODIFICATIONS

Vested benefit	
Effective date	May 1, 1998
Adoption date	December 3, 1997
Provisions	Vesting schedule was changed from graded for 5-10 years of service to 100% at 5 years of service.
Addition of Local 14 (Ann Arbor)	
Effective date	September 1, 1998
Notice to PBGC date	June 19, 1998
Provisions	Participants in the Trowel Trades Local No. 14 (Ann Arbor) Pension Plan are merged with the BAC Plan.
Early retirement benefit	
Effective date	May 1, 1999
Adoption date	December 1, 1998
Provisions	Active Participant may receive his BAC and Local 14 (Ann Arbor) benefits unreduced at age 58 with 25 years of service.
Normal retirement benefit	
Effective date	May 1, 1999
Adoption date	December 1, 1998
Provisions	Multiplier increase from 3.75% to 3.80%.
Retiree increase	
Effective date	May 1, 1999
Adoption date	December 1, 1998
Provisions	All benefits in pay status prior to May 1, 1999 except flat $100 per month disability benefit increased 5%.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Early retirement benefit	
Effective date	May 1, 1999
Adoption date	December 7, 1999
Provisions	Active Participant may receive his BAC and any pre-merger benefits unreduced at age 58 with 25 years of service.
Pre-merger benefits	
Effective date	May 1, 1999
Adoption date	December 7, 1999
Provisions	All pre-merger plan benefits were increased by 1.013333%.
Early retirement age	
Effective date	May 1, 1999
Adoption date	December 7, 1999
Provisions	The age requirement for early retirement was reduced from 60 to 56.
Definition of disability	
Effective date	May 9, 2000
Adoption date	May 9, 2000
Provisions	Condition for qualifying for total and permanent disability was changed from gainful employment to working in any capacity at the trade.
Normal retirement benefit	
Effective date	May 1, 2004
Adoption date	September 10, 2003
Provisions	Multiplier decreased from 3.80% to 2.60% for contributions made on or after May 1, 2004.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Normal retirement benefit

Effective date	May 1, 2006
Adoption date	December 1, 2005
Provisions	Multiplier decreased from 2.60% to 2.00% for contributions made on or after May 1, 2006.

Normal retirement benefit

Effective date	January 1, 2009
Adoption date	August 11, 2008
Provisions	55¢ of contribution rate not counted in benefit accrual effective January 1, 2009 (not applicable if total contribution rate is $1.00 or less).

Vesting service and benefit accrual formulas

Effective date	May 1, 2009
Adoption date	August 11, 2008
Provisions	Participants who work 300-599 hours during a Plan Year will earn ½ vesting credit and will receive 50% credit for contributions made. Participants who work 600 or more hours during a Plan Year will earn 1 vesting credit and will receive full credit for contributions made. 600 hours are required for participation.

Benefit accruals

Effective date	October 1, 2009
Adoption date	June 23, 2009
Provisions	Benefit accruals have been frozen for the period October 1, 2009 through September 30, 2011.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Normal retirement benefit

Effective date	October 1, 2009
Adoption date	June 23, 2009
Provisions	Beginning October 1, 2011, future benefits will be calculated using a 1% multiplier of credited contributions.

Early retirement benefit

Effective date	October 1, 2009
Adoption date	June 23, 2009
Provisions	Early retirement benefits for inactive vested participants will be reduced from age 65 instead of age 63.

Early retirement benefit

Effective date	November 1, 2012
Adoption date	September 17, 2012
Provisions	The eligibility requirement for the unreduced early retirement was increased from age 58 and 25 years of service to age 60 and 30 years of service effective November 1, 2012. Early retirement reduction is calculated from age 60 if 30 or more years of service. Non-retired active participants who are at least age 56 with at least 25 years of service as of November 1, 2012 were grandfathered and not affected by this change.

Early retirement benefit

Effective date	December 1, 2013
Adoption date	December 10, 2013
Provisions	The early retirement factor increased from 6% per year prior to age 65 to an actuarial equivalent of the benefit payable at age 65 for inactive vested participants.

Benefit Accruals

Effective date	August 1, 2017
Adoption date	June 5, 2017
Provisions	The benefit accrual rate was increased to 2.0% for contribution rate increases in excess of FIP requirements.

ACTUARIAL ASSUMPTIONS

The following assumptions are used throughout this report except as specifically noted herein.

Valuation date	May 1, 2017
Interest rates	
ERISA rate of return used to value liabilities	7.50% per year net of investment expenses
Current liability	3.05% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	$475,000 per year excluding investment expenses
Mortality	
Assumed plan mortality	110% of the RP-2014 Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale.
Current liability	Separate annuitant and non-annuitant rates based on the RP-2000 Mortality Tables Report developed for males and females as prescribed by Section 431(c)(6) of the Internal Revenue Code.

ACTUARIAL ASSUMPTIONS (CONT.)

Withdrawal

Ultimate rates follow T-5 Turnover Table from The Actuary's Pension Handbook (less GAM 51 mortality) - specimen rates shown below:

Age	Withdrawal Rate
25	.0764
30	.0711
35	.0613
40	.0493
45	.0362
50	.0196
55	.0000
60	.0000
65	.0000

Select rates for first 2 years of employment are shown below:

Year	Withdrawal Rate
First	50%
Second	50%

Disability

50% of 1964 OASDI Disability rates - specimen rates shown below:

Age	Disability Rate
25	.0004
30	.0006
35	.0007
40	.0011
45	.0018
50	.0030
55	.0050
60	.0081

ACTUARIAL ASSUMPTIONS (CONT.)

Future retirement rates

Active vested lives

According to the following schedule:

	Retirement Rates:	
Age	<30 yrs svc	30+ yrs svc
56	.05	.10
57	.10	.20
58	.15	.15
59	.15	.15
60	.20	.20
61	.20	.20
62	.25	.25
63	.10	.10
64	.10	.10
65	1.00	1.00

Resulting in an average expected retirement age of 61.3

Inactive vested lives

Earliest age at which benefits are payable or current age, if older.

Disabled lives

Disability benefit assumed payable until age 63, then normal retirement benefit commences.

Future hours worked

Vested lives — 1,400 hours per year, 0 after assumed retirement age

Non-vested lives — 450 hours per year, 0 after assumed retirement age

Vesting service and hours adjustment

Expected future hours and vesting service for active participants are multiplied by the weighted probability that represents the possibility that the participant gets either no accrual/service from working less than 300 hours, ½ accrual/service from working 300 to 599 hours, or full accrual/service from working 600 hours or more. These probabilities are derived from the actual hours in the past year that fell into each of these three categories. The analysis was completed separately for vested and non-vested active participants. The probabilities for the most recent year are as follows:

	Weight	Non-Vested	Vested
No service/accrual	0.0	7.84%	0.00%
½ service/accrual	0.5	11.42%	1.09%
Full service/accrual	1.0	80.74%	98.91%
Weighted probability		86.45%	99.46%

ACTUARIAL ASSUMPTIONS (CONT.)

Future hourly contribution rate	Based on individual's average rate received for the most recent plan year limited to the highest negotiated rate in effect plus any anticipated non-credited contribution rate increases in the upcoming year.
Age of participants with unrecorded birth dates	Based on average entry age of participants with recorded birth dates and same vesting status.
Marriage assumptions	80% assumed married with the male spouse 3 years older than his wife
Inactive vested lives over age 73	Continuing inactive vested participants over age 73 are assumed deceased and are not valued.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences
Section 415 limit assumptions	
Dollar limit	$215,000 per year
Assumed form of payment for those limited by Section 415	Qualified joint and 100% survivor annuity
Benefits not valued	The pre-retirement surviving spouse benefit is assumed to be more valuable than alternate death benefits. No contribution rate increases eligible for the 2% accrual rate were assumed.

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS

The non prescribed actuarial assumptions were selected to provide a reasonable long term estimate of developing experience. The assumptions are reviewed annually, including a comparison to actual experience. The following describes our rationale for the selection of each non-prescribed assumption that has a significant effect on the valuation results.

ERISA rate of return used to value liabilities	Future rates of return were modeled based on the Plan's current investment policy asset allocation and composite, long-term capital market assumptions taken from Horizon Actuarial's 2016 survey of investment consultants. Based on this analysis, we selected a final assumed rate of 7.50%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.
Mortality	The RP-2014 Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale was chosen as the base table for this population. The blue collar table was chosen based on the industry of plan participants. Finally, a 110% multiplier was applied in order to more closely match projected deaths to actual post-retirement death experience. This was based on a study of data from larger plans in similar industries.
Retirement	Actual rates of retirement by age were last studied for this plan for the plan years beginning 2014 through 2016. The assumed future rates of retirement were selected based on the results of this study.

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS (CONT.)

Future withdrawal rates	Actual rates of withdrawal by age were studied for this plan for the plan years beginning 2011 through 2015. The assumed future rates of withdrawal were selected based on the results of this study. No further adjustments were deemed necessary at this time.
Future hours worked	Based on review of recent plan experience adjusted for anticipated future changes in workforce.

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

The assumptions used for the credit balance and funding ratio projections are the same as used throughout the report with the following exceptions.

Assumed return on fund assets	
Current year projections	7.25% per year, 5/1/2017 – 4/30/2028 7.50% per year, thereafter
Prior year projections	7.50% per year
Future total hours worked	
Current year projections	900,000 for the plan year ending 2017 and thereafter
Prior year projections	900,000 for the plan year ending 2016 and thereafter
Contribution rate increases	
Current year projections	In accordance with the funding improvement plan: 5 non-credited increases beginning on August 1, 2017 where the increase is 2.55% of the specific agreement as of July 31, 2013.
Prior year projections	1 non-credited increase beginning on August 1, 2016 where the increase is 1% of the specific agreement as of July 31, 2013 and 5 equal annual non-credited increases beginning on August 1, 2017 where each such increase is equal to 8.5% of the rate in effect under the specific agreement as of July 31, 2013.
Plan changes	
Current year projections	None
Prior year projections	None

ACTUARIAL METHODS

Funding method	
Funding period	Individual entry age normal with costs spread as a level dollar amount over service
ERISA Funding	Traditional unit credit cost method, effective May 1, 2004.
Population valued	
Actives	Eligible employees with at least one hour during the preceding plan year.
Inactive vested	Vested participants with no hours during the preceding plan year.
Retirees	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method	
Actuarial value	Smoothed market value method with phase-in effective May 1, 1997. Each year's gain (or loss) is spread over a period of 5 years. The actuarial value is limited to not less than 80% and not more than 120% of the actual market value of assets in any plan year.
Unfunded vested benefits	For the presumptive method, actuarial value, as described above, is used
Pension Relief Act of 2010	• 10-year smoothing was elected with respect to the loss incurred during the plan year ended in 2009. • 30-year amortization of net investment loss was elected with respect to the loss incurred during the plan year ended in 2009. The loss was allocated to future years using the "prospective method" of IRS Notice 2010-83. The amount of each allocation is shown in Appendix C.

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		5/1/2017 Outstanding Balance	5/1/2017 Amortization Payment
				Years	Months		
Charges							
4/1/1978	Unknown (l. 5)		40	0	11	2,624	2,624
5/1/1978	Amendment		40	1	0	8,196	8,196
5/1/1979	Amendment		40	2	0	3,718	1,931
5/1/1980	Amendment		40	3	0	74,277	26,569
1/1/1988	Amend/Assum (l. 12)	1,516,700	30	0	8	80,058	80,058
5/1/1988	Amendment		30	1	0	28,256	28,256
5/1/1989	Amend/Assum		30	2	0	81,041	41,987
5/1/1989	Amendment (l. 1)	209,034	30	2	0	31,582	16,368
8/1/1989	Initial Base (TT14)	873,410	30	2	3	145,627	67,841
1/1/1990	Amendment (l. 12)	1,315,200	30	2	8	261,875	104,454
5/1/1990	Amendment		30	3	0	207,183	74,115
5/1/1990	Assumptions		30	3	0	173,276	61,985
7/1/1990	Amendment (l. 21)	100,838	30	3	2	23,584	8,050
4/1/1991	Amendment (l. 5)		30	3	11	18,161	5,138
5/1/1991	Amendment		30	4	0	36,822	10,227
5/1/1991	Amendment (l. 1)	203,873	30	4	0	57,824	16,063
5/1/1991	Amendment (l. 14)	176,444	30	4	0	50,038	13,900
5/1/1991	Assumptions		30	4	0	34,394	9,556
7/1/1991	Amendment (l. 21)	129,324	30	4	2	38,440	10,319
1/1/1992	Amendment(TT14)	934,706	30	4	8	299,598	73,079
4/1/1992	Amendment (l. 5)		30	4	11	13,551	3,162
5/1/1992	Amendment (l. 14)	159,821	30	5	0	54,918	12,628
1/1/1993	Amendment(TT14)	361,006	30	5	8	136,302	28,313
5/1/1993	Amendment (l. 1)	102,266	30	6	0	40,891	8,103
4/1/1994	Amendment (l. 5)	19,703	30	6	11	8,842	1,565
5/1/1994	Assumptions	368,419	30	7	0	167,150	29,356
5/1/1995	Amend (mergers)	318,992	30	8	0	159,968	25,407
5/1/1995	Assumptions	226,602	30	8	0	113,637	18,049
1/1/1996	Amendment (l. 12)	70,509	30	8	8	37,461	5,615
5/1/1996	Assumptions	1,503,185	30	9	0	820,650	119,673
1/1/1997	Amendment(TT14)	689,595	30	9	8	394,192	54,710
1/1/1997	Assumptions (l. 12)	807,591	30	9	8	463,105	64,277
5/1/1997	Amend (mergers)	1,652,621	30	10	0	970,437	131,515
5/1/1997	Assumptions	911,724	30	10	0	535,370	72,555
5/1/1998	Amendment	1,167,798	30	11	0	729,939	92,819

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		5/1/2017 Outstanding Balance	5/1/2017 Amortization Payment
				Years	Months		
5/1/1998	Assumptions	1,480,841	30	11	0	925,599	117,700
5/1/1999	Amend(TT14 Mrgr)	1,286,984	30	12	0	849,609	102,173
5/1/1999	Amendment	2,040,206	30	12	0	1,346,852	161,970
5/1/2000	Amendment	1,100,654	30	13	0	762,429	87,281
5/1/2001	Assumptions	5,093,366	30	14	0	3,681,910	403,461
5/1/2003	Experience	16,042,594	15	1	0	1,701,434	1,701,434
5/1/2004	Assumptions	2,991,144	30	17	0	2,395,653	236,224
5/1/2004	Experience Loss	5,712,214	15	2	0	1,167,412	604,809
5/1/2005	Experience Loss	3,563,355	15	3	0	1,053,029	376,677
5/1/2006	Experience Loss	5,282,093	15	4	0	2,007,250	557,489
5/1/2007	Assumptions	10,301,055	30	20	0	8,891,666	811,352
5/1/2007	Experience Loss	354,770	15	5	0	162,609	37,387
5/1/2009	Experience Loss	2,133,338	15	7	0	1,280,081	224,819
5/1/2009	Relief 09 Asset Loss	21,548,456	29	21	0	19,185,301	1,713,816
5/1/2010	Assumptions	462,859	15	8	0	307,131	48,778
5/1/2010	Relief 09 Asset Loss	730,181	28	21	0	656,999	58,690
5/1/2011	Relief 09 Asset Loss	17,730	27	21	0	16,134	1,442
5/1/2012	Assumptions	1,928,645	15	10	0	1,499,738	203,247
5/1/2012	Experience Loss	6,200,397	15	10	0	4,821,513	653,419
5/1/2013	Relief 09 Asset Loss	6,186,235	25	21	0	5,779,184	516,252
5/1/2014	Relief 09 Asset Loss	5,509,865	24	21	0	5,224,170	466,673
5/1/2015	Experience	3,459,624	15	13	0	3,184,771	364,587
5/1/2016	Assumptions	617,036	15	14	0	593,412	65,025
5/1/2016	Experience Loss	7,952,954	15	14	0	7,648,458	838,110
5/1/2017	Experience Loss	6,199,596	15	15	0	6,199,596	653,335
				Total Charges:		**87,644,927**	**12,334,613**

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		5/1/2017 Outstanding Balance	5/1/2017 Amortization Payment
				Years	Months		
Credits							
10/1/2009	Amendment	2,832,942	15	7	5	1,783,881	298,545
5/1/2010	Experience Gain	13,755,556	15	8	0	9,127,605	1,449,608
5/1/2011	Experience	561,564	15	9	0	405,806	59,180
5/1/2012	Relief 09 Asset Loss	504,134	26	21	0	464,603	41,503
5/1/2013	Amendment	2,967,285	15	11	0	2,459,118	312,703
5/1/2013	Assumptions	1,575,708	15	11	0	1,305,856	166,054
5/1/2013	Experience Gain	3,868,123	15	11	0	3,205,684	407,636
5/1/2014	Amendment	2,620,157	15	12	0	2,296,067	276,121
5/1/2014	Assumptions	111,668	15	12	0	97,854	11,768
5/1/2014	Experience Gain	5,434,581	15	12	0	4,762,368	572,715
5/1/2017	Assumptions	2,984,536	15	15	0	2,984,536	314,521
				Total Credits:		**28,893,378**	**3,910,354**
				Net Charges:		**58,751,549**	**8,424,259**
				Less Credit Balance:		16,911,368	
				Less Reconciliation Balance:		0	
				Unfunded Actuarial Liability:		**41,840,181**	

RULES FOR ENDANGERED AND CRITICAL STATUS

Background

The Pension Protection Act of 2006 ("PPA"), enacted in August 2006, established special rules for plans in "Endangered" or "Critical" status. These rules become effective with the plan year beginning in 2008 and were originally scheduled to "sunset" in 2015.

The Multiemployer Pension Reform Act of 2014 ("MPRA"), enacted in December 2014, made the provisions contained in the PPA permanent. MPRA also made numerous changes to the PPA rules, including adding a new status for deeply troubled plans: Critical and Declining.

Informally, Critical Status is often referred to as "red zone" and Endangered Status as "yellow zone." A plan that is neither Critical nor Endangered is said to be "green zone."

Criteria for Endangered and Critical

The table below summarizes the criteria for these categorizations. Projected deficiencies are calculated as of the last day of each plan year and are based on contribution rates codified in bargaining agreements and, if applicable, wage allocations.

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN:	
Plan is Critical if it is described in one or more of the following: • Funded percentage is less than 65%, and, inability to pay nonforfeitable benefits and expenses for next 7 years, or • Projected funding deficiency (not recognizing extensions) in the current year or next 3 years (next 4 years if funded at less than 65%), or • (1) Contributions are less than current year costs (i.e. "normal cost") plus interest on any unfunded past liabilities, and, (2) value of vested benefits for non-actives is greater than for actives, and, (3) projected funding deficiency (not recognizing extensions) in the current year or next 4 years, or • Inability to pay all benefits and expenses for next 5 years.	Plan is Endangered if it is not Critical and it is described in one of the following: • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years. A non-critical plan that meets both of the preceding criteria is considered "Seriously Endangered" A plan that meets one of the two Endangered Status criteria above, but was not in Critical or Endangered for the preceding year, will remain not Critical or Endangered (i.e. it will be in "green zone") provided it is not projected to meet either of the two Endangered Status criteria as of the end of the 10th plan year following the certification year

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN (cont.):	
A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from Critical Status in PYB 2015 or later will re-enter Critical Status only if it is described in one of the following: • Projected funding deficiency in the current year or next 9 years (including amortization extensions), or, • Projected insolvency within the next 30 years	
GETTING OUT:	
Plan emerges from Critical Status when it meets all of the following: • No longer meets any of the Critical Status tests, and, • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years A plan with a 5-year amortization extension under IRC Section 431(d) emerges from Critical Status when it meets all the following: • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years	Plan emerges from Endangered Status when it no longer meets the requirements to be classified as Endangered or when it enters Critical Status

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Restrictions for Endangered and Critical Plans

The Trustees of a plan that is in Endangered or Critical status face a number of restrictions in plan improvements that can be adopted and bargaining agreements that can be accepted.

Period	*Endangered/Critical Restrictions*
Date of first certification through adoption of funding improvement/rehabilitation plan ("plan adoption period")	• No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the liabilities of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	• Cannot be amended so as to be inconsistent with funding improvement/rehabilitation plan • No amendment that increases benefits, including future accruals, unless actuary certifies as being paid for with contributions not contemplated in funding improvement/ rehabilitation plan and still expected to meet applicable benchmark after considering the amendment

Additionally, Critical status plans cannot pay benefits greater than the single life annuity once the initial red zone notice is sent unless the benefit is eligible for automatic cash-out.

Critical and Declining Plans

Beginning in 2015, plans that are in Critical Status and are projecting insolvency within the next 15 years (20 years in some circumstances) are certified by the actuary as being in "Critical and Declining." These plans may have access to new tools that will allow them to reduce many previously-untouchable benefits, including benefits for participants in pay status. However, these expanded benefit reductions require government approval, must not be rejected by a majority of all participants through a vote, and are subject to a number of other requirements and limitations.

Selected Other MPRA Changes (effective with 2015 plan years)

- Plans projected to be Critical within the next 5 years can elect to be in Critical Status immediately
- New contribution rate increases required by a funding improvement or rehabilitation plan are not considered in calculating an employer's withdrawal liability or payment schedule
- If, upon the expiration of a collective bargaining agreement under a funding improvement or rehabilitation plan, bargaining parties do not adopt a new agreement consistent with an updated schedule, the Trustees must implement the update to the schedule previously adopted.
- PBGC premium doubled and indexed
- PBGC ability to facilitate mergers and partitions expanded

GLOSSARY OF COMMON PENSION TERMS

Benefits

Accrued Benefit: A benefit that an employee has earned (or accrued) through past participation in the plan. It is the amount payable at normal retirement age.

Why it matters: Under the law, Accrued Benefits generally may not be reduced by plan amendment (note that special rules allowing for limited reduction and/or suspension of accrued benefits apply to critical status, critical and declining status and insolvent plans).

Actuarial Equivalence: Given a set of actuarial assumptions, when two different sets of payment scenarios have an equal present value.

Early Retirement Reduction Factor: A retirement benefit that begins before normal retirement age may be reduced. The plan document defines the amount of the reduction by formula or a table of factors. This reduction may or may not be actuarially equivalent, but its present value can be no less than actuarially equivalent to the benefit payable at normal retirement age.

Benefit Crediting (Accrual) Rate: A general reference to the calculation of the amount of monthly retirement benefit earned per dollar contributed or per year or hour worked.

Assets

Market Value of Assets: The market value of all assets in the fund including on an accrued, not cash basis (matching the plan audit).

Actuarial Value of Assets: The amount of assets recognized for actuarial valuation purposes. Recent changes in market value may be partially recognized (there are variations allowed on the exact recognition). Generally the actuarial value is limited to not be less than 80% or more than 120% of the market value.

Why it matters: Many funding calculations use this "smoothed" asset value method to lessen the impact of volatility in the market value of plan assets.

Assumed Rate of Return: Long term assumption of the rate of return on assets based upon the diversification mix of invested assets.

Why it matters: This assumption is used in calculating the present values discussed in the Liabilities section below. The Assumed Rate of Return has an inverse relationship with plan liabilities. In other words, a lower Assumed Rate of Return increases liabilities, while a higher Assumed Rate of Return decreases plan Liabilities.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

Present Value of Accrued Benefits: The discounted value of benefit payments due in the future but based only on the current Accrued Benefits of each participant. The value is based on actuarial assumptions including an assumed rate of investment return.

Why it matters: This liability is one of the primary factors in determining a plan's annual PPA funded status (see Funded Ratio).

Present Value of Vested Benefits: The discounted value of Accrued Benefits that are considered vested (non-forfeitable). Benefits that are not vested include those of participants who have not satisfied the plan vesting requirement (usually five years of service). In addition under the law some death and temporary disability benefits are also considered non-vested regardless of service because they are not considered protected benefits.

Why it matters: This liability is the primary driver of a plan's Employer Withdrawal Liability.

Actuarial (Accrued) Liability: For inactive members this is the same as the Present Value of Accrued Benefits above. For active members this depends on the cost method selected by the actuary. Under the accrued benefit or traditional unit credit cost method this is also the same as the Present Value of Accrued Benefits. Under other cost methods (including most commonly entry age normal) this represents an alternate allocation of projected benefit cost over the working lifetime of active members. Under the entry age normal cost method, the active Actuarial Liability is larger than the Present Value of Accrued Benefits.

Unfunded Actuarial Liability: The Actuarial Liability less the Actuarial Value of Assets.

Current Liability: This is similar to the Present Value of Accrued Benefits, but uses a statutory, significantly lower, interest rate (equivalent to an expected rate of return on a bond only-type portfolio) and statutory mortality tables. The lower interest rate means that Current Liability tends to be significantly higher than the Present Value of Accrued Benefits. This number has very little impact on multiemployer plans.

Normal Cost: The present value of all benefits that are expected to accrue or to be earned under the plan during the plan year. The way in which a benefit is considered to be earned varies with the actuarial cost method.

Risk: The potential of future deviation of actual results from expectations derived from actuarial assumptions.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

Funded Ratio (Funded Percentage): Actuarial Value of Assets divided by the Present Value of Accrued Benefits. This is one of two key measures used to determine a plan's annual PPA funded status. This may also be referred to as PPA Funded Ratio. This must be greater than 80% to avoid endangered status.

Credit Balance: The accumulated excess of actual contributions over legally required minimum contributions as maintained in the funding standard account. The funding standard account is maintained by the actuary in the valuation process and reported annually in schedule MB to the Form 5500 filing. A negative credit balance is known as an accumulated funding deficiency. Prior to PPA, an accumulated funding deficiency caused an immediate excise tax (waiver under PPA if certain conditions are met). After PPA, a current or projected funding deficiency is one of the key measures used in determining the annual PPA status. It can eventually trigger an excise tax levied on contributing employers.

Withdrawal Liability

Unfunded Vested Benefits (UVB): Present Value of Vested Benefits less the value of plan assets determined on either an actuarial or market value basis. The selection of asset measurement is part of the withdrawal liability method of the Plan.

Employer Withdrawal Liability (EWL): An employer that withdraws from a multiemployer plan is liable for its proportionate share of Unfunded Vested Benefits, determined as of the date of withdrawal.

Why it matters: If a contributing employer leaves the plan while it has Unfunded Vested Benefits liability, that employer's allocated share of Employer Withdrawal Liability is either assessed, as applicable, or reallocated among the plan's remaining active employers if the presumptive method is used. A construction employer withdrawing from a construction industry plan will not be assessed unless they continue performing work within the jurisdiction of the CBA or restart such work within a period of 5 years. Small amounts (under $150,000) are generally reduced or eliminated pursuant to the "de minimis rule."