Sheet Metal Workers' Local No. 40
PENSION FUND

1040 Avenue of The Americas, Suite 2400
New York, NY 10018
(212) 505-5050

October 7, 2024

Pension Benefit Guaranty Corporation
1200 K Street, NW
Washington, DC 20005

Submitted electronically via PBGC's e-Filing Portal

Re: Application for Special Financial Assistance by Sheet Metal Workers' Local No. 40 Pension Fund

To Whom It May Concern:

Pursuant to section 4262 of the Employee Retirement Income Security Act and the Final Rule published in the Federal Register at 29 C.F.R. Part 4262 effective on August 8, 2022, the Board of Trustees of the Sheet Metal Workers' Local No. 40 Pension Fund (the "SM40 Pension Fund" or "Plan") hereby submits to the Pension Benefit Guaranty Corporation this application for special financial assistance ("SFA").

The SM40 Pension Fund submitted a lock-in application on March 31, 2023. The SFA amount requested in this application is **$18,760,079** based on the December 31, 2022 measurement date.

The SM40 Pension Fund is a multiemployer defined benefit pension plan that meets the eligibility requirements under §4262.3(a)(3) based on the actuarial certification of status as of January 1, 2020, the last certification completed prior to January 1, 2021. While the Plan is not in critical and declining status, the 2023 and 2024 status certifications show projected insolvency prior to December 31, 2051.

Please contact the Plan's actuary, Kathleen Riley, if you have any questions or need more information. The contact information for Ms. Riley is listed on the following pages, along with contact information for other authorized representatives for this application.

Sheet Metal Workers' Local No. 40

PENSION FUND

1040 Avenue of The Americas, Suite 2400
New York, NY 10018
(212) 505-5050

On behalf of the Board of Trustees and participants of the SM40 Pension Fund, we appreciate your consideration and look forward to your response.

Sincerely,

John Nimmons
Union Trustee, Co-Chairman

Michael Thompson
Employer Trustee, Co-Chairman

John Ferrucci
Union Trustee

John Ferrucci Digitally signed by John Ferrucci
DN: C=US,
E=Jferrucci@ffmechanical.com,
O="F+F Mechanical Enterprises, Inc.", CN=John Ferrucci
Date: 2024.10.07 11:57:48-04'00'

John Ferrucci
Employer Trustee

Fred Descy
Union Trustee

Lynne A. Kleeberg
Employer Trustee

Jason M. Sherman
Union Trustee

Kenneth R. Kleeberg
Employer Trustee

(1) Cover Letter and Signatures

The preceding page is a cover letter for the application for special financial assistance that includes the required signatures from the Board of Trustees.

(2) Plan Sponsor and Authorized Representatives

The following identifies the plan sponsor and authorized representatives, as well as their contact information. The Plan Administrator, legal counsel, and actuaries named below are authorized representatives for the Plan.

Plan Sponsor
Board of Trustees
Sheet Metal Workers' Local No. 40 Pension Fund
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New York, NY 10018
Email: mplunkette@dhcook.com
Phone: 212.505.5050

Administrator
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(3) Eligibility for SFA

The Plan is eligible for SFA because it meets the requirements under §4262.3(a)(3). As shown below, the Plan meets each of the three requirements for eligibility in the applicable plan years noted in the statute.

(i) The Plan was certified to be in critical status within the meaning of section 305(b)(2) of ERISA for the plan year beginning January 1, 2020 based on the status certification filed for that date.

(ii) As shown on the Plan's 2020 Form 5500 Schedule MB, the current liability funding percentage was reported as 23.31%, which is less than the 40% statutory threshold.

Current Liability Information – 2020 Plan Year

2a	Current value of assets	$50,266,542
2b(4)	Current liability for total participants	$215,622,680
2c	Current liability funded percentage (on 2020 Schedule MB)	23.31%

The present value of expected future withdrawal liability payments is $0.

(iii) The ratio of the number of the Plan's active participants to the number of its inactive participants was less than 2 to 3 (0.6667) as of January 1, 2020.

Participant Information from 2020 Form 5500 Schedule MB

2b(3)	Total active participants		318
2b(1)	Retired participants and beneficiaries	506	
2b(2)	Terminated vested participants	194	
	Total inactive participants		700
	Ratio of active participants to inactive participants		0.4543

(4) Priority Status

Not applicable. The Plan is submitting its application after March 11, 2023, and the Plan is not submitting an emergency application under §4262.10(f).

(5) Narrative on Contributions and Withdrawal Liability

The projections of future contributions and withdrawal liability payments used in the determination of the SFA amount are based on the following:

- **Contribution rates.** The projection of future contribution rates is based on the "acceptable" assumption change for contribution rates as described in PBGC's guidance on SFA assumptions.[1] In other words, it reflects only contribution rate increases negotiated in collective bargaining agreements adopted prior to July 9, 2021. The assumption reflects recent experience through the December 31, 2022 measurement date, including the mix of hours between journeymen, apprentices, and reciprocity.
- **Contribution base units (CBUs).** The projection of future CBUs assumes declines of 1.0% per year from 2023 through the end of the projection period, starting with actual hours worked for the plan year ending with the December 31, 2022 measurement date. This assumption was developed based on historical CBUs in consideration of the methodology and constraints as described in the "generally acceptable" CBU assumption change in PBGC's guidance.
- **Withdrawal liability payments.** No future withdrawal liability payments are assumed, given that no former contributing employers owe withdrawal liability. Also, no future withdrawal liability payments are assumed to be collected from current contributing employers that may withdraw in the future, due to the construction industry exemption.

Background on SM40 Pension Fund

The SM40 Pension Fund was established in 1956. Plan participants are members of Sheet Metal Workers' International Association Local Union No. 40 covered under a collective bargaining agreement with the SMACNA Connecticut, formerly known as the Associated Sheet Metal and Roofing Contractors of Connecticut. The SM40 Pension Fund has about 29 participating employers (as reported on the 2022 Form 5500 filing) and covers slightly less than 1,000 participants and beneficiaries. The average monthly benefit for pensioners in payment status on January 1, 2022 was $1,876.

The SM40 Pension Fund was first certified to be in critical status for the plan year beginning January 1, 2009, and the Trustees adopted a Rehabilitation Plan later that year as required by law. The Trustees also elected to extend the rehabilitation period from 10 years to 13 years as permitted under to the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"). As a result, the rehabilitation period is the 13-year period beginning January 1, 2011 and ending December 31, 2023. Initially, the Plan was projected to emerge from critical status by the end of this 13-year rehabilitation period, based on reasonable actuarial assumptions.

Due to adverse investment and employment experience since the original adoption of the Rehabilitation Plan, the Plan is no longer projected to emerge from critical status by the end of

[1] PBGC SFA 22-07, "Special Financial Assistance Assumptions," last updated November 1, 2023

the rehabilitation period. The Trustees have reviewed the Rehabilitation Plan annually and made the following updates over the years:

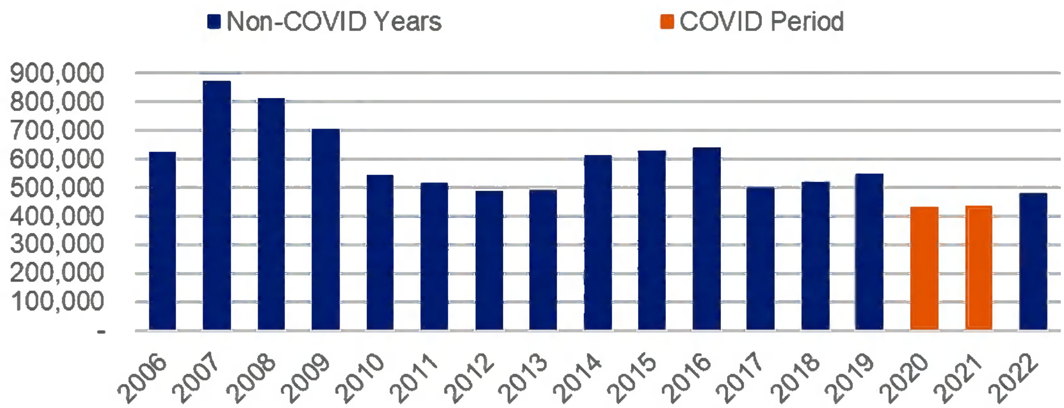
- In 2013, the Trustees determined that, after the exhaustion of all reasonable measures, the Plan was no longer projected to emerge from critical status by the end of the rehabilitation period. The Trustees noted competitive pressures, with hourly contribution rates having increased 47% in two years, from $9.51 as of July 1, 2010 to $14.01 effective July 1, 2012. The Trustees implemented a variable accrual rate formula, under which the accrual rate for a plan year is based on recent covered work levels. The Trustees also updated the Rehabilitation Plan to target emergence from critical status by the end of the 2046 plan year.
- In 2014, the Trustees updated the Rehabilitation Plan to target emergence from critical status by the end of the 2048 plan year based on investment experience in 2014.
- In 2015, following further adverse experience, the Trustees updated the Rehabilitation Plan to target emergence from critical status by the end of the 2050 plan year.
- In 2016, the Trustees implemented an additional hourly contribution rate increase in the Rehabilitation Plan of $0.90 and further updated the variable accrual rate formula. The Trustees also updated the Rehabilitation Plan to target emergence from critical status by the end of the 2055 plan year.
- In 2018, the Trustees updated the Rehabilitation Plan to target emergence from critical status by the end of the 2065 plan year.
- In 2022, the Trustees determined that the Plan was no longer projected to emerge from critical status, based on reasonable actuarial assumptions, and after the exhaustion of all reasonable measures. The Trustees therefore updated the Rehabilitation Plan to forestall possible insolvency.
- In 2023, the Trustees updated the Rehabilitation Plan to forestall possible insolvency through the 2047 plan year.

Historical CBU declines

For the SM40 Pension Fund, CBUs are hours worked. Total hours worked has varied significantly over the past 18 years. Employment is cyclical, with peaks of employment in 2007 through 2009 and again in 2014 through 2016, but has exhibited an overall decline, consistent with a marked decline in union membership.

The following exhibit shows historical hours worked, from 2006 through 2022. Note that 2006 is the earliest year for which data on historical hours was readily available.

Historical Hours Worked



Total hours worked for each year from 2006 through 2022 are shown in the table below. Hours for 2006 through 2008 were estimated by the Plan actuary by dividing contributions reported in the audited financial statements by the assumed average contribution rate for the year. The hours shown for 2009 through 2022 were reported by the Plan Administrator.

Historical Hours Worked - Data

Plan Year	Total Hours Worked
2006	625,714
2007	871,550
2008	814,711
2009	706,317
2010	542,340
2011	516,926
2012	489,949
2013	491,646
2014	613,836

Plan Year	Total Hours Worked
2015	629,002
2016	641,647
2017	498,321
2018	518,923
2019	548,369
2020 (COVID)	433,624
2021 (COVID)	434,597
2022	478,450

Because of the volatility in and the cyclical nature of the number of hours worked, the annualized changes in CBUs are highly endpoint sensitive. For reference, the following exhibit shows annualized (average geometric) changes in CBUs for various periods ending with the 2019 plan year, the last year prior to the "COVID period."

Annualized Changes through 2019

Starting Year	Ending Year	Period	Annualized Change
2006	2019	14 Years	-1.01%
2007	2019	13 Years	-3.79%
2008	2019	12 Years	-3.53%
2009	2019	11 Years	-2.50%
2010	2019	10 Years	+0.12%

The determination of the SFA amount reflects the actual CBUs of 478,450 hours for the plan year ending on the December 31, 2022 measurement date. It then assumes CBUs will decline by 1.0% each year from 2023 through the end of the projection period.

This assumption is based on the historical declines in CBUs from 2006 (the earliest year with available data) through 2019 (the last year before the "COVID period"). It also acknowledges the potential for endpoint bias in using the Plan's historical CBUs to develop forward-looking assumptions and reflects input from the Trustees on expected industry activity and covered employment levels. The assumption considers that the "generally acceptable" CBU assumption change in PBGC's guidance constrains assumed long-term declines in CBUs to 1.0% per year.

Employer withdrawals since 2010

The number of employers obligated to the contribute to the SM40 Pension Fund has declined from 46 employers reported on the 2010 Form 5500 to 29 employers reported on the 2022 Form 5500. No former contributing employers have been assessed withdrawal liability, due to the construction industry exemption. For this reason, the determination of the SFA amount assumes no future withdrawal liability payments.

(6) a. Changes to Assumptions for SFA Eligibility

The Plan is eligible for SFA under section 4262.3(a)(3), as it was certified to be in critical status within the meaning of section 305(b)(2) of ERISA for the plan year beginning January 1, 2020. In addition, the Plan's funding percentage was reported as less than 40% and the ratio of active to inactive participants was less than 2 to 3 for the plan year beginning January 1, 2020.

In other words, the Plan is eligible for SFA based on the most recent status certification completed before January 1, 2021. There are no changes to assumptions that affect the Plan's eligibility for SFA.

(6) b. Changes to Assumptions for SFA Amount

The following are descriptions of the actuarial assumptions used to determine the amount of SFA that are different from those used in the most recent actuarial certification of plan status completed before January 1, 2021; in other words, for the plan year beginning January 1, 2020 (the 2020 status certification).

As described below, the assumptions related to contribution rates, administrative expenses, and new entrants are based on the respective "acceptable" changes in PBGC's guidance on SFA assumptions. The assumption related to contribution base units (CBUs) was developed based on historical experience and in consideration of the "generally acceptable" change in PBGC's guidance. The interest rates were determined under §4262.4(e)(1) and (2).

Interest Rates

2020 Status Certification Assumption	7.25%
Updated SFA Assumption	Non-SFA interest rate of 5.85% and SFA interest rate 3.77%
Justification for SFA Assumption	Under §4262.4(e)(1) of the final rule, the interest rate for projecting non-SFA assets is the interest rate used for funding standard account purposes in the 2020 status certification, limited by the interest rate that is 200 basis points higher than the lowest rate specified in section 303(h)(2)(C)(iii) of ERISA for the four calendar months ending with the month in which the application is filed. The lowest applicable rate is for the month of December 2022, which produces an interest rate limit of 5.85%. Under §4262.4(e)(2) of the final rule, the interest rate for projecting SFA assets is the interest rate used for funding standard account purposes in the 2020 status certification, limited by the interest rate that is 67 basis points higher than the lowest average of the three rates specified in section 303(h)(2)(C)(i), (ii), and (iii) of ERISA for the four calendar months ending with the month in which the application is filed. The lowest applicable segment rates are for the month of December 2022, which produces an interest rate limit of 3.77%. The non-SFA and SFA interest rates are prescribed in the final rule. As a result, a statement regarding their reasonableness is not required.

Average Contribution Rate

2020 Status Certification Assumption	The 2020 status certification projected contributions based on an average rate for active participants determined with the January 1, 2019 actuarial valuation of $15.00. The journeyman contribution rate in 2019 was $15.21 increasing to $15.41 effective July 1, 2019 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate and reciprocal hours are worked at varying rates. The average contribution rate for 2019, including the Reserve Fund contribution, was assumed to be $14.91 increasing to $15.00 for 2020 and later years. The average was determined based on information provided by the Plan Administrator.
SFA Assumption	Consistent with the 2020 status certification, the determination of the SFA amount is based on the average contribution rate for the active population, as determined by the Plan Administrator. The journeyman contribution rate increased from $15.41 to $15.56 effective July 1, 2020 plus the Reserve Fund contribution of $0.21. There has been no change in the journeyman contribution rate since July 1, 2020. The determination of the SFA amount is based on an average contribution rate of $14.88, including the $0.21 Reserve Fund contribution, for all future years through 2051. This average was determined based on information provided by the Plan Administrator for the January 1, 2023 actuarial valuation, which reflects experience through the December 31, 2022 measurement date. Consistent with prior status certification assumptions, the determination of the SFA amount assumes this average will continue for all future years through 2051.
Rationale for Change	Per § 4262.4(c)(3), contribution rate increases agreed to on or after July 9, 2021 are excluded for projection purposes. Therefore, the determination of the SFA amount assumes the various contribution rates for journeymen, apprentices, and reciprocal hours will remain level throughout the projection period since there were no bargained increases beyond this date. The assumption is based on information which reflects the mix of hours for journeymen, apprentices, and reciprocity for the plan year ending on the December 31, 2022 measurement date, as provided by the Plan Administrator. Consistent with the 2020 status certification, the determination of the SFA amount assumes this mix will remain the same throughout the projection period.

Administrative Expenses

2020 Status Certification Assumption	The 2020 status certification assumed administrative expenses of $400,000 (payable at the beginning of the year) for the 2020 plan year, increasing by 2.5% per year in all future years through the end of that projection period.
SFA Assumption	The determination of the SFA amount uses the same assumption for total administrative expenses as the 2020 status certification, that in the 2023 plan year expenses will be $430,756 (payable at the beginning of the year), increasing by 2.5% per year in all future years. The 2020 status certification included solvency projections through the 2049 plan year. Therefore, the determination of the SFA amount extends the projection of administrative expenses through the 2051 plan year consistent with PBGC guidance for the "acceptable" assumption change for administrative expenses. In addition, the assumption includes an adjustment for the increase in the PBGC premium rate in 2031 to $52 per participant. Total projected administrative expenses do not exceed the 12% cap of projected benefit payments in any year of the projection.
Rationale for Change	This assumption is an extension of the administrative expense assumption from the 2020 status certification. The prior assumption did not extend beyond the status certifcation period and must be extended through the end of the SFA projection period, December 31, 2051. The assumption is consistent with the "acceptable" change for adminstrative expenses in PBGC's guidance on SFA assumptions. Although actual administrative expenses in 2023 were lower than assumed, the forward-looking assumption reflects the expectation that fees for Plan professionals will be higher after the receipt of SFA, both due to ongoing compliance with SFA rules and anticipated requests for fee increases. (Plan professionals have not requested fee increases for several years due to the financial strains on the Fund.) The assumption also reflects that fees for the new third party administrator will be about $20,000 higher in 2024 compared to the prior third party administrator, with a similar differential continuing in future years.

Contribution Base Units (CBUs)

2020 Status Certification Assumption	CBUs are total hours worked. In the 2020 status certification, total hours were assumed to be 550,000 hours for 2020 and remain level for all future years. This assumption was set based on the most recently reported hours in the plan year ending in 2019 and expectations at that time for future levels of employment based on input provided by the Plan's Trustees.
SFA Assumption	For determining the SFA amount, the CBU projection begins with actual CBUs of 478,450 hours for the plan year ending on the December 31, 2022 measurement date. CBUs are assumed to decline by 1.0% per year from the 2023 plan year through the end of the projection period.

Rationale for Change	The CBU assumption used in the 2020 status certification is not reasonable for the determination of the SFA amount, based on a closer review of historical CBU experience. The assumption used for the determination of the SFA amount reflects the actual hours worked in the plan year ending with the December 31, 2022 measurement date. It also reflects historical declines in CBUs and current input from the Trustees on expected industry activity and covered employment levels. The assumption also considers that the "generally acceptable" CBU assumption change in PBGC's guidance constrains assumed long-term declines in CBUs to 1.0% per year. See Section D, Item 5 of this SFA application for additional details on the development of the CBU assumption.

New Entrant Profile

2020 Status Certification Assumption	Projections for the 2020 status certification were based on an "open group" projection, meaning that new active participants were assumed to replace active participants who are assumed to become inactive or retire in current or future plan years. New entrants were assumed to have the same demographic characteristics as those new entrants in the January 1, 2019 actuarial valuation that had been hired in the last five years.
SFA Assumption	The determination of the SFA amount is based on an "open group" projection, meaning that new active participants are assumed to replace active participants who are assumed to become inactive or retire in the current or future plan years. Assumed demographics for new entrants are based on the distributions of age, service, and gender for the new entrants in the five plan years from January 1, 2017 through December 31, 2021. The demographic profile was developed using all new entrants, including those who terminated prior to the January 1, 2022 census date. The new entrant profile is described in the exhibit below.
Rationale for Change	The 2020 status certification included a simplifying assumption for new entrants based on the most recent census data available to project an assumption of new active participants over the projection period. This assumption is not reasonable for the determination of the SFA amount because it exhibits survivorship bias by generating all new entrant profiles from the most recent data set rather than separately from each individual prior data set. It also does not reflect new entrant experience for all five years prior to the census date. The assumption used to determine the SFA amount is consistent with the "acceptable" change for new entrants in PBGC's guidance on SFA assumptions.

The following exhibit summarizes the new entrant profile used in the determination of the SFA amount. The number of new entrants added each year varies to achieve the assumed number of active participants, consistent with the CBU assumption.

As noted earlier, this demographic profile is based on the age, service, and gender for the new entrants in the five plan years from January 1, 2017 through December 31, 2021.

New Entrant Profile for Determining SFA Amount

	Male Participants			Female Participants		
Age Range	% of Total Count	Average Vesting Service	Average Benefit Service	% of Total Count	Average Vesting Service	Average Benefit Service
20 - 24	9.8%	1.17	1.51	3.3%	1.50	1.79
25 - 29	23.0%	1.21	1.70	1.6%	1.00	1.67
30 - 34	13.1%	1.13	1.35	1.6%	1.00	1.41
35 - 39	4.9%	1.00	1.78	1.6%	2.00	2.24
40 - 44	14.8%	4.00	0.65	1.6%	1.00	2.16
45 - 49	13.1%	9.25	0.74	0.0%		-
50 - 54	6.6%	5.50	0.44	0.0%		-
55 - 60	4.9%	5.67	2.03	0.0%		-

Percentages may not add, due to rounding.

Future Benefit Accruals

In both the 2020 status certification and the determination of the SFA amount, the projection of benefit payments related to benefits accrued after the measurement date is based on the underlying assumptions related to CBUs, new entrant demographics, and the Plan's variable accrual formula. There is no assumption change in the projection of future benefit accruals in the determination of the SFA amount versus the 2020 status certification, but the other underlying assumption changes affect the projected amounts.

(7) Reinstatement of Suspended Benefits

As of the date of the SFA application, the Plan has not suspended benefits under section 305(e)(9) or section 4245(a) of ERISA and does not intend to do so. Therefore, the Plan does not anticipate having to reinstate suspended benefits.

Section E, Item 5: Certification of SFA Amount

Certification of the Amount of Special Financial Assistance

This is a certification that the amount of special financial assistance ("SFA") requested in this application, $18,760,079, is the amount to which the Sheet Metal Workers' Local 40 Pension Plan ("Plan") is entitled under §4262 of ERISA, determined in compliance with §4262.4 of the final rule issued by the Pension Benefit Guaranty Corporation ("PBGC").

Base Data

The "base data" used in the calculation of the SFA amount include:

- SFA measurement date of December 31, 2022
- Participant census data as of January 1, 2022
- Non-SFA interest rate of 5.85% and SFA interest rate of 3.77%, as prescribed under §4262.4, paragraphs (e)(1) and (e)(2), respectively.

Census Data

The participant census data used to calculate the SFA amount is the same as the data used in the actuarial valuation as of January 1, 2022 (which excluded all known deaths as of the census date when provided by the Fund Administrator to the Actuary), except that it excludes participants who have been identified as deceased on or before the January 1, 2022 census date by subsequent death audits performed by the Plan (most recently in March, 2023), and by the PBGC (approved August, 2024). See the attachment for Section B, Item 9 for additional details on adjustments to the census data for death audit results.

Actuarial Statement

Segal has performed the calculation of the SFA amount at the request of the Board of Trustees of the Plan as part of the application for SFA. The calculation of the SFA amount shown in the Plan's application is not applicable for other purposes.

In general, the actuarial assumptions and methods used in the calculation of the SFA amount are the same as those used in the certification of the Plan's status as of January 1, 2020, dated March 30, 2020. Assumptions that were extended or otherwise changed for purposes of calculating the SFA amount include those related to the following:

- the interest rate(s),
- new entrant profile,
- average contribution rate,
- administrative expenses, and
- the assumed contribution base units were updated based on actual experience of the Plan, according to PBGC guidance.

Section D, item 6.b. of the Plan's application for SFA includes descriptions and justifications of the assumption changes.

Segal has performed the calculation of the SFA amount in accordance with generally accepted actuarial principles and practices, as well as the provisions under §4262.4 of PBGC's SFA final rule. The calculation is based on the fair market value of assets as of the SFA measurement date, as certified by the Board of Trustees, and other relevant information provided by the Plan Administrator. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based the calculation of the SFA amount, and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which these calculations are based reflects Segal's understanding as an actuarial firm.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied herein is complete and accurate. Each prescribed assumption for the determination of the SFA amount was applied in accordance with applicable law and regulations. In my opinion, all other assumptions are reasonable considering the experience of the Plan and reasonable expectations.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 23-4134

October 7, 2024

Sheet Metal Workers' Local 40 Pension Plan
Application for Special Financial Assistance | Section E, Item (6)
EIN 06-6157817 / PN 001

Plan Sponsor Certification of the Fair Market Value of Plan Assets

The Board of Trustees of the Sheet Metal Workers' Local 40 Pension Plan hereby certifies that the fair market value of plan assets as of December 31, 2022 (the SFA measurement date) is $47,310,760. The fair market value of plan assets is supported by financial and account documents submitted in Section B of the application.

The SFA measurement date coincides with the end of the 2022 Plan Year (January 1, 2022 through December 31, 2022). The fair market value of assets as of December 31, 2022 is based on the most recent audited financial statement, as of that same date, as completed by the auditor, Novak Francella, LLC.

This statement was submitted, as requested, under Section B, Item (7). No additional reconciliation or adjustment to this asset value was required.

John Nimmons
Union Trustee, Co-Chairman
October 7, 2024

Michael Thompson
Employer Trustee, Co-Chairman
October 7, 2024

John Beal
Union Trustee
October 7, 2024

John Ferrucci Digitally signed by John Ferrucci DN: C=US, E=Jferrucci@ffmechanical.com, O="F+F Mechanical Enterprises, Inc.", CN=John Ferrucci Date: 2024.10.07 09:45:45-04'00'

John Ferrucci
Employer Trustee
October 7, 2024

Fred Descy
Union Trustee
October 7, 2024

Lynne A. Kleeberg
Employer Trustee
October 7, 2024

Jason M. Sherman
Union Trustee, Co-Chairman
October 7, 2024

Kenneth R. Kleeberg
Employer Trustee
October 7, 2024

Statement on Penalty of Perjury

Penalty of Perjury Statement

Under penalty of perjury under the laws of the United States of America, I declare that I am an authorized trustee who is a current member of the board of trustees of the Sheet Metal Workers' Local 40 Pension Plan and that I have examined this application, including accompanying documents, and, to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and all statements of fact contained in the application are true, correct, and not misleading because of omission of any material fact; and all accompanying documents are what they purport to be.

John Nimmons
Union Trustee, Co-Chairman
October 7, 2024

Michael Thompson
Employer Trustee, Co-Chairman
October 7, 2024

John Beal
Union Trustee
October 7, 2024

John Ferrucci
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E=Jferrucci@ffmechanical.com,
O="F+F Mechanical Enterprises, Inc.", CN=John Ferrucci
Date: 2024.10.07 09:45:22-04'00'

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SIXTIETH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40 PENSION PLAN

WHEREAS, the Board of Trustees has applied to the Pension Benefit Guaranty Corporation ("PBGC") under Section 4262 of the Employment Retirement Income Security Act of 1974, as amended ("ERISA"), and 29 C.F.R. Section 4262 for special financial assistance; and

WHEREAS, 29 C.F.R. Section 4262.6(e)(1) requires that the plan sponsor of a plan applying for special financial assistance amend the written instrument governing the plan to require that the plan be administered in accordance with the restrictions and conditions specified in Section 4262 of ERISA and 29 C.F.R part 4262 and that the amendment will be contingent upon approval by the PBGC of the plan's application for special financial assistance; and

WHEREAS, the Board of Trustees now wishes to amend the Plan as required under Section 4262 of ERISA and 29 C.F.R part 4262 for the PBGC's consideration of the Plan's application for the receipt of special financial assistance.

NOW, THEREFORE, BE IT RESOLVED, in accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, a new ARTICLE XVI, Section 16.1 is added to the Plan to read as follows:

"ARTICLE XVI

PBGC Special Financial Assistance

Section 16.1 PBGC Special Financial Assistance.

Beginning with the special financial assistance measurement date selected by the Trustees in the Fund's application for special financial assistance, notwithstanding anything to the contrary in the Plan or any other document governing the Fund, the Fund shall be administered in accordance with the restrictions and conditions specified in Section 4262 of ERISA and 29 CRF part 4262. This amendment is contingent upon approval by the PBGC of the Fund's application for special financial assistance."

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Trustees have executed this Sixtieth Amendment on this 16 day of May, 2023.

John Ferrucci 5/19/23	
John Ferrucci	John Beal
Lynne Kleeberg 5/19/23	
Lynne A. Kleeberg	Fred Descy
Kenneth R Kleeberg 5/19/23	
Kenneth R. Kleeberg	John Nimmons
	Jason Sherman
Michael Thompson	Jason M. Sherman

Application Checklist

v20230727

Instructions for Section E, Item 1 of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance (SFA):

The Application to PBGC for Approval of Special Financial Assistance Checklist ("Application Checklist" or "Checklist") identifies all information required to be filed with an initial or revised application. For a supplemented application, instead use "Application Checklist - Supplemented." The Application Checklist is not required for a lock-in application.

For a plan required to submit additional information described in Addendum A of the SFA Filing Instructions, also complete Checklist Items #40.a. to #49.b., and if there is a merger as described in Addendum A, also complete Checklist Items #50 through #63.

Applications (including this Application Checklist), with the exception of lock-in applications, must be submitted to PBGC electronically through PBGC's e-Filing Portal, (https://efilingportal.pbgc.gov/site/). After logging into the e-Filing Portal, go to the Multiemployer Events section and click "Create New ME Filing." Under "Select a filing type," select "Application for Financial Assistance – Special." Note: revised and supplemented applications must be submitted by selecting "Create New ME Filing."

Note: If you go to the e-Filing Portal and do not see "Application for Financial Assistance – Special" under the "Select a Filing Type," then the e-Filing Portal is temporarily closed and PBGC is not accepting applications (other than lock-in applications) at the time, unless the plan is eligible to make an emergency filing under § 4262.10(f). PBGC's website, *www.pbgc.gov* , will be updated when the e-Filing Portal reopens for applications. PBGC maintains information on its website at *www.pbgc.gov* to inform prospective applicants about the current status of the e-Filing portal, as well as to provide advance notice of when PBGC expects to open or temporarily close the e-Filing Portal.

General instructions for completing the Application Checklist:

Complete all items that are shaded:

If required information was already filed: (1) through PBGC's e-Filing Portal; or (2) through any means for an insolvent plan, a plan that has received a partition, or a plan that submitted an emergency filing, the filer may either upload the information with the application or include a statement in the Plan Comments section of the Application Checklist indicating the date on which and the submission with which the information was previously filed. For any such items previously provided, enter N/A as the **Plan Response**.

For a revised application, the filer may, but is not required to, submit an entire application. For all Application Checklist Items that were previously filed that are not being changed, the filer may include a statement in the Plan Comments section of the Application Checklist to indicate that the other information was previously provided as part of the initial application. For each, enter N/A as the **Plan Response**.

Instructions for specific columns:

Plan Response: Provide a response to each item on the Application Checklist, using only the **Response Options** shown for each Checklist Item.

Name(s) of Files Uploaded: Identify the full name of the file or files uploaded that are responsive to the Checklist Item. The column **Upload as Document Type** provides guidance on the "document type" to select when submitting documents on PBGC's e-Filing Portal.

Page Number Reference(s): For Checklist Items #22 to #29c, submit all information in a single document and identify here the relevant page numbers for each such Checklist Item.

Plan Comments: Use this column to provide explanations for any **Plan Response** that is N/A, to respond as may be specifically identified for Checklist Items, and to provide any optional explanatory comments.

Additional guidance is provided in the following columns:

Upload as Document Type: When uploading documents in PBGC's e-Filing Portal, select the appropriate Document Type for each document that is uploaded. This column provides guidance on the Document Type to select for each Checklist Item. You may upload more than one document using the same Document Type, and there may be Document Types on the e-Filing Portal for which you have no documents to upload.

Required Filenaming (if applicable): For certain Checklist Items, a specified format for naming the file is required.

SFA Instructions Reference: Identifies the applicable section and item number in PBGC's Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance.

You must select N/A if a Checklist Item # is not applicable to your application. Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39 on the Application Checklist. If there has been an event as described in § 4262.4(f), complete Checklist Items #40.a. through #49.b., and if there has been a merger described in Addendum A, also complete Checklist Items #50 through #63. Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #40.a. through #49.b. if you are required to complete Checklist Items # 40.a. through #49.b. Your application will also be considered incomplete if No is entered as a Plan Response for any of Checklist Items #50 through #63 if you are required to complete Checklist Items #50 through #63.

If a Checklist Item # asks multiple questions or requests multiple items, the Plan Response should only be Yes if the plan is providing all information requested for that Checklist Item.

Note, a Yes or No response is also required for Checklist Items #a through #f.

Note, in the case of a plan applying for priority consideration, the plan's application must also be submitted to the Treasury Department. If that requirement applies to an application, PBGC will transmit the application to the Treasury Department on behalf of the plan. See IRS Notice [NOTICE] for further information.

All information and documentation, unless covered by the Privacy Act, that is included in an SFA application may be posted on PBGC’s website at *www.pbgc.gov* or otherwise publicly disclosed, without additional notification. Except to the extent required by the Privacy Act, PBGC provides no assurance of confidentiality in any information included in an SFA application.

Version Updates (newest version at top)

Version	Date updated

v07272023p	07/27/2023	Updated checklist to include new Template 10 requirement and reflect changes to eligibility and death audit instructions
v20221129p	11/29/2022	Updated checklist item 11. for new death audit requirements
v20220802p	08/02/2022	Fixed some of the shading in the checklist
v20220706p	07/06/2022	

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name: Sheet Metal Workers' Local 40 Pension Plan
EIN: 06-6157817
PN: 001

SFA Amount Requested: $18,760,079.00

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

Unless otherwise specified:
YYYY = plan year
Plan Name = abbreviated plan name

---------------------------Filers provide responses here for each Checklist Item:---

Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
Plan Information, Checklist, and Certifications									
a.		Is this application a revised application submitted after the denial of a previously filed application for SFA?	Yes No	No	N/A	N/A		N/A	N/A
b.		Is this application a revised application submitted after a plan has withdrawn its application for SFA that was initially submitted under the interim final rule?	Yes No	No	N/A	N/A		N/A	N/A
c.		Is this application a revised application submitted after a plan has withdrawn its application for SFA that was submitted under the final rule?	Yes No	No	N/A	N/A		N/A	N/A
d.		Did the plan previously file a lock-in application?	Yes No	Yes	N/A	N/A	Lock-in application filed 3/31/2023.	N/A	N/A
e.		Has this plan been terminated?	Yes No	No	N/A	N/A	If terminated, provide date of plan termination.	N/A	N/A
f.		Is this plan a MPRA plan as defined under § 4262.4(a)(3) of PBGC's SFA regulation?	Yes No	No	N/A	N/A		N/A	N/A
1.	Section B, Item (1)a.	Does the application include the most recent plan document or restatement of the plan document and all amendments adopted since the last restatement (if any)?	Yes No	Yes	Plan Document and Amendments SM40.pdf	N/A		Pension plan documents, all versions available, and all amendments signed and dated	N/A
2.	Section B, Item (1)b.	Does the application include the most recent trust agreement or restatement of the trust agreement, and all amendments adopted since the last restatement (if any)?	Yes No	Yes	Trust Agreement SM40.pdf	N/A		Pension plan documents, all versions available, and all amendments signed and dated	N/A
3.	Section B, Item (1)c.	Does the application include the most recent IRS determination letter? Enter N/A if the plan does not have a determination letter.	Yes No N/A	Yes	IRS Determination Letter SM40.pdf	N/A		Pension plan documents, all versions available, and all amendments signed and dated	N/A
4.	Section B, Item (2)	Does the application include the actuarial valuation report for the 2018 plan year and each subsequent actuarial valuation report completed before the filing date of the initial application? Enter N/A if no actuarial valuation report was prepared because it was not required for any requested year. Is each report provided as a separate document using the required filename convention?	Yes No N/A	Yes	2018AVR SM40.pdf 2019AVR SM40.pdf 2020AVR SM40.pdf 2021AVR SM40.pdf 2022AVR SM40.pdf 2023AVR SM40.pdf	N/A	6 reports provided.	Most recent actuarial valuation for the plan	*YYYYAVR Plan Name*
5.a.	Section B, Item (3)	Does the application include the most recent rehabilitation plan (or funding improvement plan, if applicable), including all subsequent amendments and updates, and the percentage of total contributions received under each schedule of the rehabilitation plan or funding improvement plan for the most recent plan year available?	Yes No	Yes	Rehabilitation Plan and Updates SM40.pdf	N/A	Historical documentation of updates is contained in the rehabilitation plan attachment, followed by the 2023 contribution breakdown by Schedule.	Rehabilitation plan (or funding improvement plan, if applicable)	N/A

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

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EIN:	06-6157817
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Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
5.b.	Section B, Item (3)	If the most recent rehabilitation plan does not include historical documentation of rehabilitation plan changes (if any) that occurred in calendar year 2020 and later, does the application include an additional document with these details? Enter N/A if the historical document is contained in the rehabilitation plans.	Yes No N/A	N/A		N/A	See document referenced in 5a	Rehabilitation plan (or funding improvement plan, if applicable)	N/A
6.	Section B, Item (4)	Does the application include the plan's most recently filed (as of the filing date of the initial application) Form 5500 (Annual Return/Report of Employee Benefit Plan) and all schedules and attachments (including the audited financial statement)? Is the 5500 filing provided as a single document using the required filename convention?	Yes No	Yes	2022 Form 5500 SM40.pdf	N/A		Latest annual return/report of employee benefit plan (Form 5500)	*YYYYForm5500 Plan Name*
7.a.	Section B, Item (5)	Does the application include the plan actuary's certification of plan status ("zone certification") for the 2018 plan year and each subsequent annual certification completed before the filing date of the initial application? Enter N/A if the plan does not have to provide certifications for any requested plan year. Is each zone certification (including the additional information identified in Checklist Items #7.b. and #7.c. below, if applicable) provided as a single document, separately for each plan year, using the required filename convention?	Yes No N/A	Yes	2018Zone20180330 SM40.pdf 2019Zone20190329 SM40.pdf 2020Zone20200330 SM40.pdf 2021Zone20210331 SM40.pdf 2022Zone20220331 SM40.pdf 2023Zone20230331 SM40.pdf 2024Zone20240329 SM40.pdf	N/A	7 reports provided.	Zone certification	*YYYYZoneYYYYMMDD Plan Name,* where the first "YYYY" is the applicable plan year, and "YYYYMMDD" is the date the certification was prepared.
7.b.		Does the application include documentation for all zone certifications that clearly identifies all assumptions used including the interest rate used for funding standard account purposes? If such information is provided in an addendum, addendums are only required for the most recent actuarial certification of plan status completed before January 1, 2021 and each subsequent annual certification. Is this information included in the single document in Checklist Item #7.a. for the applicable plan year?	Yes No N/A	Yes	N/A - include as part of documents in Checklist Item #7.a.	N/A		N/A - include as part of documents in Checklist Item #7.a.	N/A - included in a single document for each plan year - See Checklist Item #7.a.
7.c.		For a certification of critical and declining status, does the application include the required plan-year-by-plan-year projection (showing the items identified in Section B, Item (5)a. through (5)f. of the SFA Instructions) demonstrating the plan year that the plan is projected to become insolvent? If required, is this information included in the single document in Checklist Item #7.a. for the applicable plan year? Enter N/A if the plan entered N/A for Checklist Item #7.a. or if the application does not include a certification of critical and declining status.	Yes No N/A	N/A	N/A - include as part of documents in Checklist Item #7.a.	N/A	Plan has not been certified critical and declining.	N/A - include as part of documents in Checklist Item #7.a.	N/A - included in a single document for each plan year - See Checklist Item #7.a.

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Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
8.	Section B, Item (6)	Does the application include the most recent account statements for each of the plan's cash and investment accounts? Insolvent plans may enter N/A, and identify in the Plan Comments that this information was previously submitted to PBGC and the date submitted.	Yes No N/A	Yes	Principal Annual Statement 2022.pdf, 40 Pension Benefit 12.22.pdf, Sheet Metal Workers' Local No. 40 Pension Fund-(GPA IV CIT)-Completed.pdf, Sheet Metal Workers' Local No. 40-(CP CIT)-Completed.pdf, Sheet Metal Workers' Local No. 40 Pension Fund-(SC CIT)-Completed.pdf	N/A	5 statements attached	Bank/Asset statements for all cash and investment accounts	N/A
9.	Section B, Item (7)	Does the application include the most recent plan financial statement (audited, or unaudited if audited is not available)? Insolvent plans may enter N/A, and identify in the Plan Comments that this information was previously submitted to PBGC and the date submitted.	Yes No N/A	Yes	Financial Statements SM40.pdf	N/A	Final audit as of 12/31/2022 provided by auditor.	Plan's most recent financial statement (audited, or unaudited if audited not available)	N/A
10.	Section B, Item (8)	Does the application include all of the plan's written policies and procedures governing the plan's determination, assessment, collection, settlement, and payment of withdrawal liability? Are all such items included as a single document using the required filenaming convention?	Yes No N/A	Yes	WDL SM40.pdf	N/A	There is no separate document specifically for withdrawal liability procedures. In the attached document is included a copy of the current union agreement as well as the delinquency policies and procedures, which outline specifics on withdrawals. In addition, Sections 11.5 and 11.15 of Plan Documents and Amendments SM40.pdf can be referenced for additional plan details.	Pension plan documents, all versions available, and all amendments signed and dated	*WDL Plan Name*
11.a.	Section B, Item (9)a.	Does the application include documentation of a death audit to identify deceased participants that was completed on the census data used for SFA purposes, including identification of the service provider conducting the audit, date performed, the participant counts (provided separately for current retirees and beneficiaries, current terminated vested participants not yet in pay status, and current active participants) run through the death audit, and a copy of the results of the audit provided to the plan administrator by the service provider? If applicable, has personally identifiable information in this report been redacted prior to submission to PBGC? Is this information included as a single document using the required filenaming convention?	Yes No	Yes	Death Audit SM40.pdf	N/A		Pension plan documents, all versions available, and all amendments signed and dated	*Death Audit Plan Name*
11.b.		If any known deaths occurred before the date of the census data used for SFA purposes, is a statement certifying these deaths were reflected for SFA calculation purposes provided?	Yes No N/A	Yes	N/A - include as part of documents in Checklist Item #11.a.	N/A		N/A	N/A - include as part of documents in Checklist Item #11.a.

Application to PBGC for Approval of Special Financial Assistance (SFA)
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v20230727

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Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
11.c.	Section B, Item (9)b.	Does the application include full census data (Social Security Number and name) of all terminated vested participants that were included in the SFA projections? Is this information provided in Excel, or in an Excel-compatible format?	Yes No N/A	N/A		N/A	This file was provided securely via LeapFile on April 3, 2024 for the PBGC to perform an advance death audit of all census data. We received the results of the death audit from PBGC on April 4, 2024. A summary file of the results was sent to PBGC on July 23, 2024 and deemed reasonable on August 5, 2024. These results were incorporated in the final data file used for SFA measurement purposes in documented in the Death Audit attachment in Item 9a.	Submit the data file and the date of the census data through PBGC's secure file transfer system, Leapfile. Go to http://pbgc.leapfile.com, click on "Secure Upload" and then enter sfa@pbgc.gov as the recipient email address and upload the file(s) for secure transmission.	*Include as the subject "Submission of Terminated Vested Census Data for (Plan Name)," and as the memo "(Plan Name) terminated vested census data dated (date of census data) through Leapfile for independent audit by PBGC."*
12.	Section B, Item (10)	Does the application include information required to enable the plan to receive electronic transfer of funds if the SFA application is approved, including (if applicable) a notarized payment form? See SFA Instructions, Section B, Item (10).	Yes No	Yes	ACH SM40.pdf	N/A	The version provided with the filing has not yet been notarized. Upon receipt from the bank, we will forward.	Other	N/A
13.	Section C, Item (1)	Does the application include the plan's projection of expected benefit payments that should have been attached to the Form 5500 Schedule MB in response to line 8b(1) on the Form 5500 Schedule MB for plan years 2018 through the last year the Form 5500 was filed by the filing date of the initial application? Enter N/A if the plan is not required to respond Yes to line 8b(1) on the Form 5500 Schedule MB. See Template 1. Does the uploaded file use the required filenaming convention?	Yes No N/A	Yes	Template1 SM40.xlsx	N/A	In plan year 2022, total participant count dropped below 1,000, so 2022 column is "N/A" in the attachment.	Financial assistance spreadsheet (template)	*Template 1 Plan Name*
14.	Section C, Item (2)	If the plan was required to enter 10,000 or more participants on line 6f of the most recently filed Form 5500 (by the filing date of the initial application), does the application include a current listing of the 15 largest contributing employers (the employers with the largest contribution amounts) and the amount of contributions paid by each employer during the most recently completed plan year before the filing date of the initial application (without regard to whether a contribution was made on account of a year other than the most recently completed plan year)? If this information is required, it is required for the 15 largest contributing employers even if the employer's contribution is less than 5% of total contributions. Enter N/A if the plan is not required to provide this information. See Template 2. Does the uploaded file use the required filenaming convention?	Yes No N/A	N/A		N/A	Plan does not have 10,000 or more participants.	Contributing employers	*Template 2 Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
15.	Section C, Item (3)	Does the application include historical plan information for the 2010 plan year through the plan year immediately preceding the date the plan's initial application was filed that separately identifies: total contributions, total contribution base units (including identification of the unit used), average contribution rates, and number of active participants at the beginning of each plan year? For the same period, does the application show all other sources of non-investment income such as withdrawal liability payments collected, reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and other identifiable sources of contributions? See Template 3. Does the uploaded file use the required filenaming convention?	Yes No	Yes	Template3 SM40.xlsx	N/A		Historical Plan Financial Information (CBUs, contribution rates, contribution amounts, withdrawal liability payments)	*Template 3 Plan Name*
16.a.	Section C, Items (4)a., (4)e., and (4)f.	Does the application include the information used to determine the amount of SFA for the plan <u>using the basic method</u> described in § 4262.4(a)(1) based on a deterministic projection and using the actuarial assumptions as described in § 4262.4(e)? See Template 4A, *4A-4 SFA Details .4(a)(1)* sheet and Section C, Item (4) of the SFA Filing Instructions for more details on these requirements. Does the uploaded file use the required filenaming convention?	Yes No	Yes	Template4a SM40.xlsx	N/A		Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 4A Plan Name*
16.b.i.	Addendum D Section C, Item (4)a. - MPRA plan information A. Addendum D Section C, Item (4)e. - MPRA plan information A.	If the plan is a MPRA plan, does the application also include the information used to determine the amount of SFA for the plan using the <u>increasing assets method</u> described in § 4262.4(a)(2)(i) based on a deterministic projection and using the actuarial assumptions as described in § 4262.4(e)? See Template 4A, *4A-5 SFA Details .4(a)(2)(i)* sheet and Addendum D for more details on these requirements. Enter N/A if the plan is not a MPRA Plan.	Yes No N/A	N/A	N/A - included as part of Template 4A Plan Name	N/A	Not a MPRA plan.	N/A	N/A - included in Template 4A Plan Name
16.b.ii.	Addendum D Section C, Item (4)f. - MPRA plan information A.	If the plan is a MPRA plan for which the requested amount of SFA is determined using the <u>increasing assets method</u> described in § 4262.4(a)(2)(i), does the application also explicitly identify the projected SFA exhaustion year based on the <u>increasing assets method</u>? See Template 4A, *4A-5 SFA Details .4(a)(2)(i)* sheet and Addendum D. Enter N/A if the plan is not a MPRA Plan or if the requested amount of SFA is determined based on the present value method.	Yes No N/A	N/A	N/A - included as part of Template 4A Plan Name	N/A	Not a MPRA plan.	N/A	N/A - included in Template 4A Plan Name

Application to PBGC for Approval of Special Financial Assistance (SFA) v20230727
APPLICATION CHECKLIST

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
16.b.iii.	Addendum D Section C, Item (4)a. - MPRA plan information B Addendum D Section C, Item (4)e. (4)f., and (4)g. - MPRA plan information B.	If the plan is a MPRA plan for which the requested amount of SFA is determined using the present value method described in § 4262.4(a)(2)(ii), does the application also include the information for such plans as shown in Template 4B, including *4B-1 SFA Ben Pmts* sheet, *4B-2 SFA Details 4(a)(2)(ii)* sheet, and *4B-3 SFA Exhaustion* sheet? See Addendum D and Template 4B. Enter N/A if the plan is not a MPRA Plan or if the requested amount of SFA is determined based on the increasing assets method.	Yes No N/A	N/A		N/A	Not a MPRA plan.	N/A	*Template 4B Plan Name*
16.c.	Section C, Items (4)b. and (4)c.	Does the application include identification of the non-SFA interest rate and the SFA interest rate, including details on how each was determined? See Template 4A, *4A-1 Interest Rates* sheet.	Yes No	Yes	N/A - included as part of Template 4A Plan Name	N/A		N/A	N/A - included in Template 4A Plan Name
16.d.	Section C, Item (4).e.ii.	For each year in the SFA coverage period, does the application include the projected benefit payments (excluding make-up payments, if applicable), separately for current retirees and beneficiaries, current terminated vested participants not yet in pay status, current active participants, and new entrants? See Template 4A, *4A-2 SFA Ben Pmts* sheet.	Yes No	Yes	N/A - included as part of Template 4A Plan Name	N/A		N/A	N/A - included in Template 4A Plan Name
16.e.	Section C, Item (4)e.iv. and (4)e.v.	For each year in the SFA coverage period, does the application include a breakdown of the administrative expenses between PBGC premiums and all other administrative expenses? Does the application include the projected total number of participants at the beginning of each plan year in the SFA coverage period? See Template 4A, *4A-3 SFA Pcount and Admin Exp* sheet.	Yes No	Yes	N/A - included as part of Template 4A Plan Name	N/A		N/A	N/A - included in Template 4A Plan Name
17.a.	Section C, Item (5)	For a plan that is not a MPRA plan, does the application include a separate deterministic projection ("Baseline") in the same format as Checklist Items #16.a., #16.d., and #16.e. that shows the amount of SFA that would be determined using the basic method if the assumptions/methods used are the same as those used in the most recent actuarial certification of plan status completed before January 1, 2021 ("pre-2021 certification of plan status") excluding the plan's non-SFA interest rate and SFA interest rate, which should be the same as in Checklist Item #16.a.? See Section C, Item (5) of the SFA Filing Instructions for other potential exclusions from this requirement. If (a) the plan is a MPRA plan, or if (b) this item is not required for a plan that is not a MPRA plan, enter N/A. If entering N/A due to (b), add information in the Plan Comments to explain why this item is not required. Does the uploaded file use the required filenaming convention?	Yes No N/A	Yes	Template5a SM40.xlsx	N/A		Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 5A Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
EIN:	06-6157817
PN:	001
SFA Amount Requested:	$18,760,079.00

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
17.b.	Addendum D Section C, Item (5)	For a MPRA plan for which the requested amount of SFA is determined using the increasing assets method, does the application include a separate deterministic projection ("Baseline") in the same format as Checklist Items #16.b.i., #16.d., and #16.e. that shows the amount of SFA that would be determined using the increasing assets method if the assumptions/methods used are the same as those used in the most recent actuarial certification of plan status completed before January 1, 2021 ("pre-2021 certification of plan status") excluding the plan's non-SFA interest rate and SFA interest rate, which should be the same as used in Checklist Item #16.b.i.? See Section C, Item (5) of the SFA Filing Instructions for other potential exclusions from this requirement. Also see Addendum D. If the plan is (a) not a MPRA plan, (b) a MPRA plan using the present value method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required. Does the uploaded file use the required filenaming convention?	Yes No N/A	N/A		N/A	Not a MPRA plan.	Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 5A Plan Name*
17.c.	Addendum D Section C, Item (5)	For a MPRA plan for which the requested amount of SFA is determined using the present value method, does the application include a separate deterministic projection ("Baseline") in the same format as Checklist Item #16.b.iii. that shows the amount of SFA that would be determined using the present value method if the assumptions used/methods are the same as those used in the most recent actuarial certification of plan status completed before January 1, 2021 ("pre-2021 certification of plan status") excluding the plan's SFA interest rate which should be the same as used in Checklist Item #16.b.iii. See Section C, Item (5) of the SFA Filing Instructions for other potential exclusions from this requirement. Also see Addendum D. If the plan is (a) not a MPRA plan, (b) a MPRA plan using the increasing assets method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required. Has this document been uploaded using the required filenaming convention?	Yes No N/A	N/A		N/A	Not a MPRA plan.	Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 5B Plan Name*
18.a.	Section C, Item (6)	For a plan that is not a MPRA plan, does the application include a reconciliation of the change in the total amount of requested SFA due to each change in assumption/method from the Baseline to the requested SFA amount? Does the application include a deterministic projection and other information for each assumption/method change, in the same format as Checklist Item #16.a? Enter N/A if the plan is not required to provide Baseline information in Checklist Item #17.a. Enter N/A if the requested SFA amount in Checklist Item #16.a. is the same as the amount shown in the Baseline details of Checklist Item #17.a. See Section C, Item (6) of the SFA Filing Instructions for other potential exclusions from this requirement. If the plan is a MPRA plan, enter N/A. If the plan is otherwise not required to provide this item, enter N/A and provide an explanation in the Plan Comments. Does the uploaded file use the required filenaming convention?	Yes No N/A	N/A		N/A	Only two scenarios - Baseline in Template 5a and Final in Template 4a	Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 6A Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
EIN:	06-6157817
PN:	001
SFA Amount Requested:	$18,760,079.00

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
18.b.	Addendum D Section C, Item (6)	For a MPRA plan for which the requested amount of SFA is based on the <u>increasing assets method</u>, does the application include a reconciliation of the change in the total amount of requested SFA using the <u>increasing assets method</u> due to each change in assumption/method from the Baseline to the requested SFA amount? Does the application include a deterministic projection and other information for each assumption/method change, in the same format as Checklist Item #16.b.i.? Enter N/A if the plan is not required to provide Baseline information in Checklist Item #17.b. Enter N/A if the requested SFA amount in Checklist Item #16.b.i. is the same as the amount shown in the Baseline details of Checklist Item #17.b. See Addendum D. See Section C, Item (6) of the SFA Filing Instructions for other potential exclusions from this requirement, and enter N/A if this item is not otherwise required. If the plan is (a) not a MPRA plan, (b) a MPRA plan using the present value method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required. Does the uploaded file use the required filenaming convention?	Yes No N/A	N/A		N/A	Not a MPRA plan.	Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 6A Plan Name*
18.c.	Addendum D Section C, Item (6)	For a MPRA plan for which the requested amount of SFA is based on the <u>present value method</u>, does the application include a reconciliation of the change in the total amount of requested SFA using the <u>present value method</u> due to each change in assumption/method from Baseline to the requested SFA amount? Does the application include a deterministic projection and other information for each assumption/method change, in the same format as Checklist Item #16.b.iii.? See Section C, Item (6) of the SFA Filing Instructions for other potential exclusions from this requirement. Also see Addendum D. If the plan is (a) not a MPRA plan, (b) a MPRA plan using the increasing assets method, or (c) is otherwise not required to provide this item, enter N/A. If entering N/A due to (c), add information in the Plan Comments to explain why this item is not required. Has this document been uploaded using the required filenaming convention?	Yes No N/A	N/A		N/A	Not a MPRA plan.	Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 6B Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name: Sheet Metal Workers' Local 40 Pension Plan
EIN: 06-6157817
PN: 001

SFA Amount Requested: $18,760,079.00

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
19.a.	Section C, Item (7)a.	For plans eligible for SFA under § 4262.3(a)(1) or § 4262.3(a)(3), does the application include a table identifying which assumptions/methods used in determining the plan's eligibility for SFA differ from those used in the pre-2021 certification of plan status, and does that table include brief explanations as to why using those assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable (an abbreviated version of information provided in Checklist Item #28.a.)? Enter N/A if the plan is eligible for SFA under § 4262.3(a)(2) or § 4262.3(a)(4) or if the plan is eligible based on a certification of plan status completed before 1/1/2021. Also enter N/A if the plan is eligible based on a certification of plan status completed after 12/31/2020 but that reflects the same assumptions as those in the pre-2021 certification of plan status. See Template 7, *7a Assump Changes for Elig* sheet. Does the uploaded file include both Checklist Items #19.a. and #19.b., and does it use the required filenaming convention?	Yes No N/A	N/A		N/A	Plan is eligible under Section 4262.3(a)(3) based on a certification of plan status completed before 1/1/2021 with no assumption changes.	Financial assistance spreadsheet (template)	*Template 7 Plan Name.*
19.b.	Section C, Item (7)b.	Does the application include a table identifying which assumptions/methods used to determine the requested SFA differ from those used in the pre-2021 certification of plan status (except the interest rates used to determine SFA)? Does this item include brief explanations as to why using those original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable? If a changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's SFA assumptions guidance, does the application state so? This should be an abbreviated version of information provided in Checklist Item #28.b. See Template 7, *7b Assump Changes for Amount* sheet. Does the uploaded file include both Checklist Items #19.a. and #19.b., and does it use the required filenaming convention?	Yes No	Yes	Template7 SM40.xlsx	N/A		Financial assistance spreadsheet (template)	*Template 7 Plan Name*
20.a.	Section C, Item (8)	Does the application include details of the projected contributions and withdrawal liability payments used to calculate the requested SFA amount, including total contributions, contribution base units (including identification of base unit used), average contribution rate(s), reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and any other identifiable contribution streams? See Template 8.	Yes No	Yes	Template 8 SM40.xlsx	N/A		Projections for special financial assistance (estimated income, benefit payments and expenses)	*Template 8 Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)

APPLICATION CHECKLIST

v20230727

Plan name: Sheet Metal Workers' Local 40 Pension Plan

EIN: 06-6157817

PN: 001

SFA Amount Requested: $18,760,079.00

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
20.b.	Section C, Item (8)	Does the application separately show the amounts of projected withdrawal liability payments for employers that are currently withdrawn as of the date the initial application is filed, and assumed future withdrawals? Does the application also provide the projected number of active participants at the beginning of each plan year? See Template 8.	Yes No	Yes	N/A - include as part of Checklist Item #20.a.	N/A		N/A	N/A - included in *Template 8 Plan Name*
21.	Section C, Item (10)	Does the application provide a table identifying and describing all assumptions and methods used in i) the pre-2021 certification of plan status, ii) the "Baseline" projection in Section C Item (5), and iii) the determination of the amount of SFA in Section C Item (4)? Does the table state if each changed assumption falls under Section III, Acceptable Assumption Changes, or Section IV, Generally Accepted Assumption Changes, in PBGC's SFA assumptions guidance, or if it should be considered an "Other Change"? Does the uploaded file use the required filenaming convention?	Yes No	Yes	Template10 SM40.xlsx	N/A		Financial assistance spreadsheet (template)	*Template 10 Plan Name*
22.	Section D	Was the application signed and dated by an authorized trustee who is a current member of the board of trustees or another authorized representative of the plan sponsor and include the printed name and title of the signer?	Yes No	Yes	SFA App SM40.pdf	Page 1-2	Cover letter signed by all Trustees	Financial Assistance Application	*SFA App Plan Name*
23.a.	Section D, Item (1)	For a plan that is not a MPRA plan, does the application include an optional cover letter? Enter N/A if the plan is a MPRA plan, or if the plan is not a MPRA plan and did not include an optional cover letter.	Yes N/A	Yes	N/A - included as part of SFA App Plan Name	Page 1-2	For each Checklist Item #22 through #29.c., identify the relevant page number(s) within the single document.	N/A	N/A - included as part of SFA App Plan Name
23.b.	Section D, Item (1)	For a plan that is a MPRA plan, does the application include a cover letter? Does the cover letter identify the calculation method (basic method, increasing assets method, or present value method) that provides the greatest amount of SFA? For a MPRA plan with a partition, does the cover letter include a statement that the plan has been partitioned under section 4233 of ERISA? Enter N/A if the plan is not a MPRA plan.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name		Plan is not a MPRA plan	N/A	N/A - included as part of SFA App Plan Name
24.	Section D, Item (2)	Does the application include the name, address, email, and telephone number of the plan sponsor, plan sponsor's authorized representative, and any other authorized representatives?	Yes No	Yes	N/A - included as part of SFA App Plan Name	Page 3		N/A	N/A - included as part of SFA App Plan Name
25.	Section D, Item (3)	Does the application identify the eligibility criteria in § 4262.3 that qualifies the plan as eligible to receive SFA, and include the requested information for each item that is applicable, as described in Section D, Item (3) of the SFA Filing Instructions?	Yes No	Yes	N/A - included as part of SFA App Plan Name	Page 4	Section 4262.3(a)(3) for plan year beginning January 1, 2020	N/A	N/A - included as part of SFA App Plan Name

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
EIN:	06-6157817
PN:	001
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Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
26.a.	Section D, Item (4)	If the plan's application is submitted on or before March 11, 2023, does the application identify the plan's priority group (see § 4262.10(d)(2))? Enter N/A if the plan's application is submitted after March 11, 2023.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name	Page 4	Submitted after March 11, 2023 (not a priority group)	N/A	N/A - included as part of SFA App Plan Name
26.b.		If the plan is submitting an emergency application under § 4262.10(f), is the application identified as an emergency application with the applicable emergency criteria identified? Enter N/A if the plan is not submitting an emergency application.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name		Not submitting an emergency application	N/A	N/A - included as part of SFA App Plan Name
27.	Section D, Item (5)	Does the application include a detailed narrative description of the development of the assumed future contributions and assumed future withdrawal liability payments used in the basic method (and in the increasing assets method for a MPRA plan)?	Yes No	Yes	N/A - included as part of SFA App Plan Name	Page 5-8		N/A	N/A - included as part of SFA App Plan Name
28.a.	Section D, Item (6)a.	For plans eligible for SFA under § 4262.3(a)(1) or § 4262.3(a)(3), does the application identify which assumptions/methods (if any) used in showing the plan's eligibility for SFA differ from those used in the most recent certification of plan status completed before 1/1/2021? If there are any assumption/method changes, does the application include detailed explanations and supporting rationale and information as to why using the identified assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable? Enter N/A if the plan is not eligible under § 4262.3(a)(1) or § 4262.3(a)(3). Enter N/A if there are no such assumption changes.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name	Page 8	No assumption changes for eligibility	N/A	N/A - included as part of SFA App Plan Name
28.b.	Section D, Item (6)b.	Does the application identify which assumptions/methods (if any) used to determine the requested SFA amount differ from those used in the most recent certification of plan status completed before 1/1/2021 (excluding the plan's non-SFA and SFA interest rates, which must be the same as the interest rates required by § 4262.4(e)(1) and (2))? If there are any assumption/method changes, does the application include detailed explanations and supporting rationale and information as to why using the identified original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable? Does the application state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's SFA Assumptions?	Yes No	Yes	N/A - included as part of SFA App Plan Name	Page 9-13		N/A	N/A - included as part of SFA App Plan Name

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
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Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
28.c.	Section D, Item (6)	If the mortality assumption uses a plan-specific mortality table or a plan-specific adjustment to a standard mortality table (regardless of if the mortality assumption is changed or unchanged from that used in the most recent certification of plan status completed before 1/1/2021), is supporting information provided that documents the methodology used and the rationale for selection of the methodology used to develop the plan-specific rates, as well as detailed information showing the determination of plan credibility and plan experience? Enter N/A is the mortality assumption does not use a plan-specific mortality table or a plan-specific adjustment to a standard mortality table for eligibility or for determining the SFA amount.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name		No plan-specific mortality used	N/A	N/A - included as part of SFA App Plan Name
29.a.	Section D, Item (7)	Does the application include, for an eligible plan that implemented a suspension of benefits under section 305(e)(9) or section 4245(a) of ERISA, a narrative description of how the plan will reinstate the benefits that were previously suspended and a proposed schedule of payments (equal to the amount of benefits previously suspended) to participants and beneficiaries? Enter N/A for a plan that has not implemented a suspension of benefits.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name		No suspension of benefits implemented	N/A	N/A - included as part of SFA App Plan Name
29.b.	Section D, Item (7)	If Yes was entered for Checklist Item #29.a., does the proposed schedule show the yearly aggregate amount and timing of such payments, and is it prepared assuming the effective date for reinstatement is the day after the SFA measurement date? Enter N/A for a plan that entered N/A for Checklist Item #29.a.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name		No suspension of benefits implemented	N/A	N/A - included as part of SFA App Plan Name
29.c.	Section D, Item (7)	If the plan restored benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date, does the proposed schedule reflect the amount and timing of payments of restored benefits and the effect of the restoration on the benefits remaining to be reinstated? Enter N/A for a plan that did not restore benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date. Also enter N/A for a plan that entered N/A for Checklist Items #29.a. and #29.b.	Yes No N/A	N/A	N/A - included as part of SFA App Plan Name		No suspension of benefits implemented	N/A	N/A - included as part of SFA App Plan Name
30.a.	Section E, Item (1)	Does the application include a fully completed Application Checklist, including the required information at the top of the Application Checklist (plan name, employer identification number (EIN), 3-digit plan number (PN), and SFA amount requested)?	Yes No	Yes	App Checklist SM40.xlsx	N/A		Special Financial Assistance Checklist	*App Checklist Plan Name*
30.b.	Section E, Item (1) - Addendum A	If the plan is required to provide information required by Addendum A of the SFA Filing Instructions (for "certain events"), are the additional Checklist Items #40.a. through #49.b. completed? Enter N/A if the plan is not required to submit the additional information described in Addendum A.	Yes No N/A	N/A	N/A	N/A	No events occurred that require Addendum A information	Special Financial Assistance Checklist	N/A

Application to PBGC for Approval of Special Financial Assistance (SFA)
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EIN:	06-6157817
PN:	001
SFA Amount Requested:	$18,760,079.00

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Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
31.	Section E, Item (2)	If the plan claims SFA eligibility under § 4262.3(a)(1) of PBGC's SFA regulation based on a certification by the plan's enrolled actuary of plan status for SFA eligibility purposes completed on or after January 1, 2021, does the application include: (i) plan actuary's certification of plan status for SFA eligibility purposes for the specified year (and, if applicable, for each plan year after the plan year for which the pre-2021 zone certification was prepared and for the plan year immediately prior to the specified year)? (ii) for each certification in (i) above, does the application include all details and additional information described in Section B, Item (5) of the SFA Filing Instructions, including clear documentation of all assumptions, methods and census data used? (iii) for each certification in (i) above, does the application identify all assumptions and methods that are different from those used in the pre-2021 zone certification? Does the certification by the plan's enrolled actuary include clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion? If the plan does not claim SFA eligibility under § 4262.3(a)(1) or claims SFA eligibility under § 4262.3(a)(1) using a zone certification completed before January 1, 2021, enter N/A. Is the information for this Checklist Item #31 contained in a single document and uploaded using the required filenaming convention?	Yes No N/A	N/A		N/A	Plan does not claim eligibility under Section 4262.3(a)(1)	Financial Assistance Application	*SFA Elig Cert CD Plan Name*
32.a.	Section E, Item (3)	If the plan claims SFA eligibility under § 4262.3(a)(3) of PBGC's SFA regulation based on a certification by the plan's enrolled actuary of plan status for SFA eligibility purposes completed on or after January 1, 2021, does the application include: (i) plan actuary's certification of plan status for SFA eligibility purposes for the specified year (and, if applicable, for each plan year after the plan year for which the pre-2021 zone certification was prepared and for the plan year immediately prior to the specified year)? (ii) for each certification in (i) above, does the application include all details and additional information described in Section B, Item (5) of the SFA Filing Instructions, including clear documentation of all assumptions, methods and census data used? (iii) for each certification in (i) above, does the application identify all assumptions and methods that are different from those used in the pre-2021 zone certification? Does the certification by the plan's enrolled actuary include clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion? If the plan does not claim SFA eligibility under § 4262.3(a)(3) or claims SFA eligibility under § 4262.3(a)(3) using a zone certification completed before January 1, 2021, enter N/A. Is the information for Checklist Items #32.a. and #32.b. contained in a single document and uploaded using the required filenaming convention?		N/A	SFA Elig Cert C SM40.pdf	N/A	Plan eligible under Section 4262.3(a)(3) based on a zone certification completed before January 1, 2021	Financial Assistance Application	*SFA Elig Cert C Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
EIN:	06-6157817
PN:	001
SFA Amount Requested:	$18,760,079.00

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Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
32.b.	Section E, Item (3)	If the plan claims SFA eligibility under § 4262.3(a)(3) of PBGC's SFA regulation, does the application include a certification from the plan's enrolled actuary that the plan qualifies for SFA based on the applicable certification of plan status for SFA eligibility purposes for the specified year, and by meeting the other requirements of § 4262.3(c) of PBGC's SFA regulation. Does the provided certification include: (i) identification of the specified year for each component of eligibility (certification of plan status for SFA eligibility purposes, modified funding percentage, and participant ratio) (ii) derivation of the modified funded percentage (iii) derivation of the participant ratio Does the certification identify what test(s) under section 305(b)(2) of ERISA is met for the specified year listed above? Does the certification identify all assumptions and methods (including supporting rationale, and where applicable, reliance on the plan sponsor) used to develop the withdrawal liability receivable that is utilized in the calculation of the modified funded percentage? Enter N/A if the plan does not claim SFA eligibility under §4262.3(a)(3).	Yes No N/A	Yes	N/A - included with SFA Elig Cert C Plan Name	N/A	SFA Elig Cert C SM40.pdf All testing results for 2020 critical status are identified in the certification document referenced in row 32a.	Financial Assistance Application	N/A - included in SFA Elig Cert C Plan Name
33.	Section E, Item (4)	If the plan's application is submitted on or prior to March 11, 2023, does the application include a certification from the plan's enrolled actuary that the plan is eligible for priority status, with specific identification of the applicable priority group? This item is not required (enter N/A) if the plan is insolvent, has implemented a MPRA suspension as of 3/11/2021, is in critical and declining status and had 350,000+ participants, or is listed on PBGC's website at *www.pbgc.gov* as being in priority group 6. See § 4262.10(d). Does the certification by the plan's enrolled actuary include clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion? Is the filename uploaded using the required filenaming convention?	Yes No N/A	N/A		N/A	Not priority. Submitted after March 11, 2023.	Financial Assistance Application	*PG Cert Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
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PN:	001
SFA Amount Requested:	$18,760,079.00

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Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
34.a.	Section E, Item (5)	Does the application include the certification by the plan's enrolled actuary that the requested amount of SFA is the amount to which the plan is entitled under section 4262(j)(1) of ERISA and § 4262.4 of PBGC's SFA regulation? Does this certification include: (i) plan actuary's certification that identifies the requested amount of SFA and certifies that this is the amount to which the plan is entitled? (ii) clear indication of all assumptions and methods used including source of and date of participant data, measurement date, and a statement that the actuary is qualified to render the actuarial opinion? Is the information in Checklist #34.a. combined with #34.b. (if applicable) as a single document, and uploaded using the required filenaming convention?	Yes No	Yes	SFA Amount Cert SM40.pdf	N/A		Financial Assistance Application	*SFA Amount Cert Plan Name*
34.b.	Section E, Item (5)	If the plan is a MPRA plan, does the certification by the plan's enrolled actuary identify the amount of SFA determined under the basic method described in § 4262.4(a)(1) and the amount determined under the increasing assets method in § 4262.4(a)(2)(i)? If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is not the greatest amount of SFA under § 4262.4(a)(2), does the certification state as such? If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is the greatest amount of SFA under § 4262.4(a)(2), does the certification identify that amount? Enter N/A if the plan is not a MPRA plan.	Yes No N/A	N/A	N/A - included with SFA Amount Cert Plan Name	N/A	Not a MPRA plan.	N/A - included in SFA Amount Cert Plan Name	N/A - included in SFA Amount Cert Plan Name
35.	Section E, Item (6)	Does the application include the plan sponsor's identification of the amount of fair market value of assets at the SFA measurement date and certification that this amount is accurate? Does the application also include: (i) information that substantiates the asset value and how it was developed (e.g., trust or account statements, specific details of any adjustments)? (ii) a reconciliation of the fair market value of assets from the date of the most recent audited plan financial statements to the SFA measurement date (showing beginning and ending fair market value of assets for this period as well as the following items for the period: contributions, withdrawal liability payments, benefits paid, administrative expenses, and investment income)? With the exception of account statements and financial statements already provided as Checklist Items #8 and #9, is all information contained in a single document that is uploaded using the required filenaming convention?	Yes No	Yes	FMV Cert SM40.pdf	N/A		Financial Assistance Application	*FMV Cert Plan Name*

Application to PBGC for Approval of Special Financial Assistance (SFA) v20230727
APPLICATION CHECKLIST

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36.	Section E, Item (7)	Does the application include a copy of the executed plan amendment required by § 4262.6(e)(1) of PBGC's SFA regulation which (i) is signed by authorized trustee(s) of the plan and (ii) includes the plan compliance language in Section E, Item (7) of the SFA Filing Instructions?	Yes No	Yes	Compliance Amend SM40.pdf	N/A		Pension plan documents, all versions available, and all amendments signed and dated	*Compliance Amend Plan Name*
37.	Section E, Item (8)	In the case of a plan that suspended benefits under section 305(e)(9) or section 4245 of ERISA, does the application include: (i) a copy of the proposed plan amendment(s) required by § 4262.6(e)(2) to reinstate suspended benefits and pay make-up payments? (ii) a certification by the plan sponsor that the proposed plan amendment(s) will be timely adopted? Is the certification signed by either all members of the plan's board of trustees or by one or more trustees duly authorized to sign the certification on behalf of the entire board (including, if applicable, documentation that substantiates the authorization of the signing trustees)? Enter N/A if the plan has not suspended benefits. Is all information included in a single document that is uploaded using the required filenaming convention?	Yes No N/A	N/A		N/A	Plan has not suspended benefits.	Pension plan documents, all versions available, and all amendments signed and dated	*Reinstatement Amend Plan Name*
38.	Section E, Item (9)	In the case of a plan that was partitioned under section 4233 of ERISA, does the application include a copy of the executed plan amendment required by § 4262.9(c)(2)? Enter N/A if the plan was not partitioned. Is the document uploaded using the required filenaming convention?	Yes No N/A	N/A		N/A	Plan was not partitioned.	Pension plan documents, all versions available, and all amendments signed and dated	*Partition Amend Plan Name*
39.	Section E, Item (10)	Does the application include one or more copies of the penalties of perjury statement (see Section E, Item (10) of the SFA Filing Instructions) that (a) are signed by an authorized trustee who is a current member of the board of trustees, and (b) includes the trustee's printed name and title. Is all such information included in a single document and uploaded using the required filenaming convention?	Yes No	Yes	Penalty SM40.pdf	N/A		Financial Assistance Application	*Penalty Plan Name*

Additional Information for Certain Events under § 4262.4(f) - Applicable to Any Events in § 4262.4(f)(2) through (f)(4) and Any Mergers in § 4262.4(f)(1)(ii)
NOTE: If the plan is not required to provided information described in Addendum A of the SFA Filing Instructions, the Plan Response should be left blank for the remaining Checklist Items.

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name:	Sheet Metal Workers' Local 40 Pension Plan
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40.a.	Addendum A for Certain Events Section C, Item (4)	Does the application include an additional version of Checklist Item #16.a. (also including Checklist Items #16.c., #16.d., and #16.e.), that shows the determination of the SFA amount <u>using the basic method</u> described in § 4262.4(a)(1) <u>as if any events had not occurred?</u> See Template 4A.	Yes No			N/A		Projections for special financial assistance (estimated income, benefit payments and expenses)	For additional submission due to any event: *Template 4A Plan Name CE* . For an additional submission due to a merger, *Template 4A Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.
40.b.i.	Addendum A for Certain Events Section C, Item (4)	If the plan is a MPRA plan for which the requested amount of SFA is based on the <u>increasing assets method</u> described in § 4262.4(a)(2)(i), does the application also include an additional version of Checklist Item #16.b.i. that shows the determination of the SFA amount using the <u>increasing assets method</u> as if any events had not occurred? See Template 4A, sheet *4A-5 SFA Details .5(a)(2)(i)* . Enter N/A if the plan is not a MPRA Plan or if the plan is a MPRA plan for which the requested amount of SFA is based on the present value method.	Yes No N/A		N/A - included as part of file in Checklist Item #40.a.	N/A		N/A	N/A - included as part of file in Checklist Item #40.a.
40.b.ii.	Addendum A for Certain Events Section C, Item (4)	If the plan is a MPRA plan for which the requested amount of SFA is based on the <u>increasing assets method</u> described in § 4262.4(a)(2)(i), does the application also include an additional version of Checklist Item #16.b.ii. that explicitly identifies the projected SFA exhaustion year based on the <u>increasing assets method</u>? See Template 4A, *4A-5 SFA Details .4(a)(2)(i)* sheet and Addendum D. Enter N/A if the plan is not a MPRA Plan or if the plan is a MPRA plan for which the requested amount of SFA is based on the present value method.	Yes No N/A			N/A		N/A	N/A - included as part of file in Checklist Item #40.a.
40.b.iii.	Addendum A for Certain Events Section C, Item (4)	If the plan is a MPRA plan for which the requested amount of SFA is based on the <u>present value method</u> described in § 4262.4(a)(2)(ii), does the application also include an additional version of Checklist Item #16.b.iii. that shows the determination of the SFA amount using the <u>present value method</u> as if any events had not occurred? See Template 4B, sheet *4B-1 SFA Ben Pmts,* sheet *4B-2 SFA Details .4(a)(2)(ii),* and sheet *4B-3 SFA Exhaustion.* Enter N/A if the plan is not a MPRA Plan or if the plan is a MPRA plan for which the requested amount of SFA is based on the increasing assets method.	Yes No N/A			N/A		Projections for special financial assistance (estimated income, benefit payments and expenses)	For additional submission due to any event: *Template 4B Plan Name CE* . For an additional submission due to a merger, *Template 4B Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

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41.	Addendum A for Certain Events Section C, Item (4)	For any merger, does the application show the SFA determination for this plan <u>and for each plan merged into this plan</u> (each of these determined as if they were still separate plans)? See Template 4A for a non-MPRA plan using the basic method, and for a MPRA plan using the increasing assets method. See Template 4B for a MPRA Plan using the present value method. Enter N/A if the plan has not experienced a merger.	Yes No N/A			N/A		Projections for special financial assistance (estimated income, benefit payments and expenses)	For an additional submission due to a merger, *Template 4A (or Template 4B) Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.
42.a.	Addendum A for Certain Events Section D	Does the application include a narrative description of any event and any merger, including relevant supporting documents which may include plan amendments, collective bargaining agreements, actuarial certifications related to a transfer or merger, or other relevant materials?	Yes No		N/A - included as part of SFA App Plan Name		For each Checklist Item #42.a. through #45.b., identify the relevant page number(s) within the single document.	Financial Assistance Application	*SFA App Plan Name*
42.b.	Addendum A for Certain Events Section D	For a transfer or merger event, does the application include identifying information for all plans involved including plan name, EIN and plan number, and the date of the transfer or merger?	Yes No		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name
43.a.	Addendum A for Certain Events Section D	Does the narrative description in the application identify the amount of SFA reflecting any event, the amount of SFA determined as if the event had not occurred, and confirmation that the requested SFA is no greater than the amount that would have been determined if the event had not occurred, unless the event is a contribution rate reduction and such event lessens the risk of loss to plan participants and beneficiaries?	Yes No		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name
43.b.	Addendum A for Certain Events Section D	For a merger, is the determination of SFA as if the event had not occurred equal to the sum of the amount that would be determined for this plan and each plan merged into this plan (each as if they were still separate plans)? Enter N/A if the event described in Checklist Item #42.a. was not a merger.	Yes No N/A		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name
44.a.	Addendum A for Certain Events Section D	Does the application include an additional version of Checklist Item #25 that shows the determination of SFA eligibility as if any events had not occurred?	Yes No		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name
44.b.	Addendum A for Certain Events Section D	For any merger, does this item include demonstrations of SFA eligibility for this plan and for each plan merged into this plan (each of these determined as if they were still separate plans)? Enter N/A if the event described in Checklist Item #42.a. was not a merger.	Yes No N/A		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name

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45.a.	Addendum A for Certain Events Section D	If the event is a contribution rate reduction and the amount of requested SFA is not limited to the amount of SFA determined as if the event had not occurred, does the application include a detailed demonstration that shows that the event lessens the risk of loss to plan participants and beneficiaries? Enter N/A if the event is not a contribution rate reduction, or if the event is a contribution rate reduction but the requested SFA is limited to the amount of SFA determined as if the event had not occurred.	Yes No N/A		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name
45.b.	Addendum A for Certain Events Section D	Does the demonstration in Checklist Item #45.a. also identify all assumptions used, supporting rationale for the assumptions and other relevant information? Enter N/A if the plan entered N/A for Checklist Item #45.a.	Yes No N/A		N/A - included as part of SFA App Plan Name			Financial Assistance Application	N/A - included as part of SFA App Plan Name
46.a.	Addendum A for Certain Events Section E, Items (2) and (3)	Does the application include an additional certification from the plan's enrolled actuary with respect to the plan's SFA eligibility but with eligibility determined as if any events had not occurred? This should be in the format of Checklist Item #31 if the SFA eligibility is based on the plan status of critical and declining using a zone certification completed on or after January 1, 2021. This should be in the format of Checklist Items #32.a. and #32.b. if the SFA eligibility is based on the plan status of critical using a zone certification completed on or after January 1, 2021. If the above SFA eligibility is not based on § 4262.3(a)(1) or § 4262.3(a)(3) or is based on a zone certification completed prior to January 1, 2021, enter N/A. Is all relevant information contained in a single document and uploaded using the required filenaming convention?	Yes No N/A			N/A		Financial Assistance Application	*SFA Elig Cert Plan Name CE*
46.b.	Addendum A for Certain Events Section E, Items (2) and (3)	For any merger, does the application include additional certifications of the SFA eligibility for this plan and for each plan merged into this plan (each of these determined as if they were still separate plans)? If the above SFA eligibility is not based on § 4262.3(a)(1) or § 4262.3(a)(3) or is based on a zone certification completed prior to January 1, 2021, enter N/A. Enter N/A if the event described in Checklist Item #42.a. was not a merger.	Yes No N/A			N/A		Financial Assistance Application	*SFA Elig Cert Plan Name Merged CE* "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

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Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
47.a.	Addendum A for Certain Events Section E, Item (5)	Does the application include an additional certification from the plan's enrolled actuary with respect to the plan's SFA amount (in the format of Checklist Item #34.a.), but with the SFA amount determined as if any events had not occurred?	Yes No			N/A		Financial Assistance Application	SFA Amount Cert Plan Name CE
47.b.	Addendum A for Certain Events Section E, Item (5)	If the plan is a MPRA plan, does the certification in Checklist Item #46.a. identify the amount of SFA determined under the basic method described in § 4262.4(a)(1) and the amount determined under the increasing assets method in § 4262.4(a)(2)(i)? If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is not the greatest amount of SFA under § 4262.4(a)(2), does the certification state as such? If the amount of SFA determined under the "present value method" described in § 4262.4(a)(2)(ii) is the greatest amount of SFA under § 4262.4(a)(2), does the certification identify that amount? Enter N/A if the plan is not a MPRA plan.	Yes No N/A		N/A - included in SFA Amount Cert Plan Name CE	N/A		N/A - included in SFA Amount Cert Plan Name	N/A - included in SFA Amount Cert Plan Name CE
47.c.	Addendum A for Certain Events Section E, Item (5)	Does the certification in Checklist Items #47.a. and #47.b. (if applicable) clearly identify all assumptions and methods used, sources of participant data and census data, and other relevant information?	Yes No		N/A - included in SFA Amount Cert Plan Name CE	N/A		N/A - included in SFA Amount Cert Plan Name	N/A - included in SFA Amount Cert Plan Name CE
48.a.	Addendum A for Certain Events Section E, Item (5)	For any merger, does the application include additional certifications of the SFA amount determined for this plan and for each plan merged into this plan (each of these determined as if they were still separate plans*)* ? Enter N/A if the event described in Checklist Item #42.a. was not a merger.	Yes No N/A			N/A		Financial Assistance Application	*SFA Amount Cert Plan Name Merged CE* "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.
48.b.	Addendum A for Certain Events Section E, Item (5)	For any merger, do the certifications clearly identify all assumptions and methods used, sources of participant data and census data, and other relevant information? Enter N/A if the event described in Checklist Item #42.a. was not a merger.	Yes No N/A		N/A - included in SFA Amount Cert Plan Name CE	N/A		N/A - included in SFA Amount Cert Plan Name CE	N/A - included in SFA Amount Cert Plan Name CE

Application to PBGC for Approval of Special Financial Assistance (SFA) v20230727
APPLICATION CHECKLIST

Plan name: Sheet Metal Workers' Local 40 Pension Plan
EIN: 06-6157817
PN: 001

SFA Amount Requested: $18,760,079.00

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

Unless otherwise specified:
YYYY = plan year
Plan Name = abbreviated plan name

--------------------------Filers provide responses here for each Checklist Item:--

Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
49.a.	Addendum A for Certain Events Section E	If the event is a contribution rate reduction and the amount of requested SFA is not limited to the amount of SFA determined as if the event had not occurred, does the application include a certification from the plan's enrolled actuary (or, if appropriate, from the plan sponsor) with respect to the demonstration to support a finding that the event lessens the risk of loss to plan participants and beneficiaries? Enter N/A if the event is not a contribution rate reduction, or if the event is a contribution rate reduction but the requested SFA is limited to the amount of SFA determined as if the event had not occurred.	Yes No N/A			N/A		Financial Assistance Application	*Cont Rate Cert Plan Name CE*
49.b.	Addendum A for Certain Events Section E	Does the demonstration in Checklist Item #48.a. also identify all assumptions used, supporting rationale for the assumptions and other relevant information? Enter N/A if the event is not a contribution rate reduction, or if the event is a contribution rate reduction but the requested SFA is limited to the amount of SFA determined as if the event had not occurred.	Yes No N/A		N/A - included in Cont Rate Cert Plan Name CE	N/A		N/A - included in Cont Rate Cert Plan Name CE	N/A - included in Cont Rate Cert Plan Name CE
Additional Information for Certain Events under § 4262.4(f) - Applicable Only to Any Mergers in § 4262.4(f)(1)(ii)									
		Plans that have experienced mergers identified in § 4262.4(f)(1)(ii) must complete Checklist Items #50 through #63. If you are required to complete Checklist Items #50 through #63, your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #50 through #63. All other plans should not provide any responses for Checklist Items #50 through #63.							
50.	Addendum A for Certain Events Section B, Item (1)a.	In addition to the information provided with Checklist Item #1, does the application also include similar plan documents and amendments for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A		Pension plan documents, all versions available, and all amendments signed and dated	N/A
51.	Addendum A for Certain Events Section B, Item (1)b.	In addition to the information provided with Checklist Item #2, does the application also include similar trust agreements and amendments for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A		Pension plan documents, all versions available, and all amendments signed and dated	N/A
52.	Addendum A for Certain Events Section B, Item (1)c.	In addition to the information provided with Checklist Item #3, does the application also include the most recent IRS determination for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)? Enter N/A if the plan does not have a determination letter.	Yes No N/A			N/A		Pension plan documents, all versions available, and all amendments signed and dated	N/A

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Plan name: Sheet Metal Workers' Local 40 Pension Plan
EIN: 06-6157817
PN: 001
SFA Amount Requested: $18,760,079.00

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

--------------------------Filers provide responses here for each Checklist Item:--

Unless otherwise specified:
YYYY = plan year
Plan Name = abbreviated plan name

Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
53.	Addendum A for Certain Events Section B, Item (2)	In addition to the information provided with Checklist Item #4, for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii), does the application include the actuarial valuation report for the 2018 plan year and each subsequent actuarial valuation report completed before the application filing date?	Yes No			N/A	Identify here how many reports are provided.	Most recent actuarial valuation for the plan	*YYYYAVR Plan Name Merged*, where "Plan Name Merged" is abbreviated version of the plan name for the plan merged into this plan.
54.	Addendum A for Certain Events Section B, Item (3)	In addition to the information provided with Checklist Items #5.a. and #5.b., does the application include similar rehabilitation plan information for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A		Rehabilitation plan (or funding improvement plan, if applicable)	N/A
55.	Addendum A for Certain Events Section B, Item (4)	In addition to the information provided with Checklist Item #6, does the application include similar Form 5500 information for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A		Latest annual return/report of employee benefit plan (Form 5500)	*YYYYForm5500 Plan Name Merged*, "Plan Name Merged" is abbreviated version of the plan name for the plan merged into this plan.
56.	Addendum A for Certain Events Section B, Item (5)	In addition to the information provided with Checklist Items #7.a., #7.b., and #7.c., does the application include similar certifications of plan status for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A	Identify how many zone certifications are provided.	Zone certification	*YYYYZoneYYYYMMDD Plan Name Merged,* where the first "YYYY" is the applicable plan year, and "YYYYMMDD" is the date the certification was prepared. "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.
57.	Addendum A for Certain Events Section B, Item (6)	In addition to the information provided with Checklist Item #8, does the application include the most recent cash and investment account statements for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A		Bank/Asset statements for all cash and investment accounts	N/A
58.	Addendum A for Certain Events Section B, Item (7)	In addition to the information provided with Checklist Item #9, does the application include the most recent plan financial statement (audited, or unaudited if audited is not available) for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No			N/A		Plan's most recent financial statement (audited, or unaudited if audited not available)	N/A
59.	Addendum A for Certain Events Section B, Item (8)	In addition to the information provided with Checklist Item #10, does the application include all of the written policies and procedures governing the plan's determination, assessment, collection, settlement, and payment of withdrawal liability for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)? Are all such items included in a single document using the required filenaming convention?	Yes No			N/A		Pension plan documents, all versions available, and all amendments signed and dated	*WDL Plan Name Merged*, where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.

Application to PBGC for Approval of Special Financial Assistance (SFA)
APPLICATION CHECKLIST

v20230727

Do NOT use this Application Checklist for a supplemented application. Instead use Application Checklist - Supplemented.

Plan name: Sheet Metal Workers' Local 40 Pension Plan
EIN: 06-6157817
PN: 001

SFA Amount Requested: $18,760,079.00

---------------------------Filers provide responses here for each Checklist Item:---

Unless otherwise specified:
YYYY = plan year
Plan Name = abbreviated plan name

Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #39. In addition, if required to provide information due to a "certain event" (see Addendum A of the SFA Filing Instructions), your application will be considered incomplete if No is entered as a Plan Response for any Checklist Items #40.a. through #49.b. If there is a merger event described in Addendum A, your application will also be considered incomplete if No is entered as a Plan Response for any Checklist Items #50 through #63.

Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.

Checklist Item #	SFA Filing Instructions Reference		Response Options	Plan Response	Name of File(s) Uploaded	Page Number Reference(s)	Plan Comments	In the e-Filing Portal, upload as Document Type	Use this Filenaming Convention
60.	Addendum A for Certain Events Section B, Item (9)	In addition to the information provided with Checklist Item #11, does the application include documentation of a death audit (with the information described in Checklist Item #11) for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)?	Yes No					Pension plan documents, all versions available, and all amendments signed and dated	*Death Audit Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.
61.	Addendum A for Certain Events Section C, Item (1)	In addition to the information provided with Checklist Item #13, does the application include the same information in the format of Template 1 for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)? Enter N/A if each plan that fully merged into this plan is not required to respond Yes to line 8b(1) on the most recently filed Form 5500 Schedule MB.	Yes No N/A					Financial assistance spreadsheet (template)	*Template 1 Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.
62.	Addendum A for Certain Events Section C, Item (2)	In addition to the information provided with Checklist Item #14, does the application include the same information in the format of Template 2 (if required based on the participant threshold) for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)(ii)? Enter N/A if each plan that merged into this plan has less than 10,000 participants on line 6f of the most recently filed Form 5500.	Yes No N/A					Contributing employers	*Template 2 Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name fore the plan merged into this plan.
63.	Addendum A for Certain Events Section C, Item (3)	In addition to the information provided with Checklist Item #15, does the application include similar information in the format of Template 3 for each plan that merged into this plan due to a merger described in § 4262.4(f)(1)?	Yes No					Historical Plan Financial Information (CBUs, contribution rates, contribution amounts, withdrawal liability payments)	*Template 3 Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the plan merged into this plan.

FIFTY-SECOND AMENDMENT

TO THE

SHEET METAL WORKERS' LOCAL NO. 40

PENSION PLAN

Restatement generally effective as of January 1, 2014

SHEET METAL WORKERS' LOCAL NO. 40 PENSION PLAN

2014 Restatement

TABLE OF CONTENTS

02653.004/608676.3

FIFTY-SECOND AMENDMENT

TO THE

SHEET METAL WORKERS' LOCAL NO. 40

PENSION PLAN

In accordance with the provisions of Section 12.1 of the Sheet Metal Workers' Local No. 40 Pension Plan (the "Plan"), the Trustees of the Sheet Metal Workers' Local No. 40 Pension Fund hereby agree that the Plan, as previously amended, shall be further amended in the form of a completely restated Plan, as follows:

ARTICLE I

Name and Effective Date

Section 1.1 Name.

This Plan shall continue to be known as the "Sheet Metal Workers' Local No. 40 Pension Plan."

Section 1.2 Effective Date.

This Plan became effective as of October 1, 1956. Thereafter, this Plan was amended numerous times, including a restatement which was generally effective as of January 1, 1989 except for the provisions of Sections 4.1(b), 4.10, 5.3(b) and 5.3(c) which became effective January 1, 1994, and Article XIII which became effective January 1, 1993. This Amendment restating the Plan shall be effective as of January 1, 2014, except as otherwise may be provided in a specific Plan provision. All matters concerning eligibility, benefits, vesting, credited service, eligibility for specific benefits, and the like, which arise with respect to periods prior to the effective dates of this Amendment shall be governed by the provisions of the Plan in effect when the Participant last worked in Covered Employment.

ARTICLE II

Definitions

Unless the context otherwise requires, the following definitions shall govern in this Plan. Wherever any words or phrases are used in this Plan in the masculine, they will be equally applicable to the feminine; and wherever any words or phrases are used in the singular, they shall be construed as in the plural in all cases where applicable. Words and phrases defined in the Trust shall have that same meaning when used in this Plan, unless defined differently in this Plan, in which case the Plan definition will apply.

Section 2.1 Actuarial Equivalent.

"Actuarial Equivalent" or "actuarially equivalent" or "commuted actuarial value" or terms of similar import, wherever used in the Plan for determinations as of any Annuity Starting Date that is on or after January 1, 2000, shall mean a benefit calculated to be of equal value to the standard form of benefit otherwise payable, based upon the following actuarial assumptions:

(a) For all optional forms of payment, except lump sum payments as specified in subsection (b), a benefit which has the same present value as the normal form of benefit computed in accordance with Article IV and calculated using the following actuarial assumptions:

Mortality Rates: UP 1984 Table, with ages of employees set forward one year and ages of beneficiaries set back four years.

For purposes of determining the "Joint and Survivor Pension payment for Total Disability Pensions," under Section 4.4(b)(i)(B) of the Plan on or after January 1, 2005 and before the Disabled Participant attains age 62, the actuarial conversion factor shall be determined by reference to the ages of the Disabled Participant and the Disabled Participant's Beneficiary on the Disabled Participant's Normal Retirement Age.

For purposes of determining the cost of "Total Disability Pensions," under Section 4.4(b)(i)(A) of the Plan, before July 31, 2005 and before the Disabled Participant attains age 62, mortality rates will be determined using the Pension Benefit Guaranty Corporation's Table V.

For purposes of calculating optional forms of payment for Total Disability Pensions under Section 4.4(b)(i)(B) of the Plan on or after July 1, 2007 and before the Disabled Participant attains age 62, the actuarial conversion factor shall be determined by reference to the ages of the Disabled

Participant and the Disabled Participant's Beneficiary, if applicable, on the Disabled Participant's Normal Retirement Age.

Interest Rate: 7%

(b) Actuarial equivalents for lump sum payments shall be computed using the GATT Factors.

Section 2.2 Agreement and Declaration of Trust.

"Agreement and Declaration of Trust" or "Trust Agreement" means the trust agreement dated September 25, 1956, as thereafter amended, establishing The Sheet Metal Workers' International Local No. 40 Pension Fund.

Section 2.3 Alumni.

"Alumni" means employees of Contributing Employers who meet the following criteria on and after January 1, 1994:

(a) The employee is currently employed in the sheet metal industry by a Contributing Employer, and

(b) The employee formerly was a member of a unit of Employees covered by a Collective Bargaining Agreement, and

(c) A Collective Bargaining Agreement or Participation Agreement provides for the Employee to benefit under the Plan, and

(d) The employee is currently a member in good standing of the Local Union, and

(e) The employee has worked continuously for a Contributing Employer since he last worked under the terms of a Collective Bargaining Agreement.

Section 2.4 Annuity Starting Date.

"Annuity Starting Date" means the first day of the first month for which a benefit is paid to a Participant under the Plan, provided that on that date the Participant must:

(a) be eligible for a benefit described in Article IV of this Plan; and

(b) have filed a completed Application for Benefits which (i) contains the consent of the Participant and the consent of the Participant's Spouse, if the Joint and Survivor form of payment is rejected, given not more than 180 days before that date and after receipt of the information described in subparagraph (c) of this Section 2.4, and (ii) has been approved by the Trustees or their delegate; and

(c) have received the written explanation of benefits described in Section 7.2, if applicable, within the time periods specified in that Section.

In any event, the Annuity Starting Date will not be later than the April 1st following the calendar year in which the Participant reaches age 70 ½.

Section 2.5 Application for Benefits.

"Application for Benefits" means the form provided by the Trustees which shall be completed by the Participant or his Beneficiary or Spouse and filed with the Trustees in advance of the Annuity Starting Date.

Section 2.6 Association.

"Association" means The Associated Sheet Metal and Roofing Contractors of Connecticut, Inc., a Connecticut corporation, and its successors.

Section 2.7 Beneficiary.

"Beneficiary" means any individual, estate or other recipient entitled to receive death benefits payable under a Ten Years Certain and Life Pension or a lump sum death benefit, as provided in Articles VII, VIII, and IX hereof.

Section 2.8 Benefit Rate.

"Benefit Rate" means the monthly amount payable to a Participant upon his Normal or Early Retirement or upon his becoming a Disabled Participant, as more fully described in Article IV.

Section 2.9 Break-in-Service.

"Break in Service" means a failure of a Participant who has not achieved Vested Status to complete sufficient Hours of Service as provided in Section 5.5.

Section 2.10 Code.

"Code" means the Internal Revenue Code of 1986 as amended.

Section 2.11 Collective Bargaining Agreement.

"Collective Bargaining Agreement" means a written agreement between a Contributing Employer and the Local Union, which describes the terms and conditions of work in the jurisdiction of the Local Unions, now or hereafter in effect, including any extensions or renewals thereof, requiring contributions to the Pension Fund.

Section 2.12 Compensation.

(a) "Compensation" means wages, as defined in Code §3401(a), and other compensation received by a Participant during a calendar year while a Participant in the Plan which are reported in Box 1 on IRS Form W-2 (Wage and Tax Statement). Compensation shall be determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages on the basis of the nature or location of the employment or the services performed. Compensation also includes the following with respect to a Participant during a calendar year:

(1) amounts contributed at the election of the Participant to an employee benefit plan under an arrangement described in Code §§125 or 401(k), to a simplified employee pension under an arrangement described in Code §408(k)(6), to a qualified transportation fringe benefit plan described in

Code §132(f)(4) or for an annuity contract described in Code §403(b) (tax-sheltered annuity);

(2) amounts deferred under an eligible deferred compensation plan within the meaning of Code §457(b); and

(3) employee contributions treated as employer contributions under Code §414(h)(2) (government pick-ups).

Amounts that a Participant receives following severance from employment with a Contributing Employer are not considered to be Compensation, unless the amounts are received within two and one-half months (2-1/2 months) following the Participant's severance from employment and such amounts: (i) would have been payable to the Participant if employment had not terminated and are either regular compensation for services during the Participant's regular working hours, compensation for services outside of the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar compensation; or (ii) represent payments for accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if his employment had continued. In addition, any differential wage payment, as defined in Section 11.14(c), received by a Participant during a calendar year shall be treated as Compensation for purposes of Code §415(c)(3) and any regulations issued thereunder.

(b) The Compensation of a Participant taken into account under the Plan shall not exceed $200,000 for any Plan Year beginning after December 31, 2001, as adjusted for cost-of-living increases in accordance with Code §401(a)(17)(B). Any adjustments in the dollar limitation that are applicable for a calendar year shall apply to Plan Years beginning with or within the calendar year. In the case of a Plan Year of less than 12 months, the dollar limitation under this subsection shall be the amount determined by multiplying the applicable amount described in the first sentence by a fraction, the numerator of which is the number of months in the Plan Year and the denominator of which is 12. In the case of a Participant who commences or ceases participation in the Plan on a date other than the first or last day of the Plan Year, no adjustment shall be made to the applicable dollar limitation.

Section 2.13 Contributing Employer.

"Contributing Employer" or "Employer" means any person, firm, limited liability company, or corporation who employs Employees and is obligated by a Collective Bargaining Agreement or Participation Agreement to make contributions to the Pension Fund on behalf of such Employees. The term shall also include the Local Union acting for its representatives, officers, agents or other Employees and, subject to the approval of the Trustees, an Employee Benefit Fund acting for its Employees. The term shall also include employee benefit plans and/or trusts acting in accordance with agreements described in Section 4.4 of the Trust Agreement. A Participant's Years of Vesting Service shall be computed based on his Hours of

Service for a Contributing Employer. For purposes of identifying Highly Compensated Employees and applying the rules on participation, vesting and statutory limits on benefits under the Fund, but not for determining Covered Employment, the term "Employer" includes all corporations, trades or businesses under common control with an Employer within the meaning of Internal Revenue Code §414(b) and (c), all members of an affiliated service group with the Employer within the meaning of Internal Revenue Code §414(m) and all other businesses aggregated with the Employer under Internal Revenue Code §414(o).

Section 2.14. Contribution Period.

"Contribution Period" means the period with respect to which contributions are required to be made to the Pension Fund on behalf of an Employee.

Section 2.15. Covered Employment.

"Covered Employment" means work performed on or after October 1, 1956, with Contributing Employers in a category of work covered by a Collective Bargaining Agreement or Participation Agreement under which contributions to the Pension Fund are required.

Section 2.16. Disabled Participant.

"Disabled Participant" means a Participant who has an injury or an illness which prevents the Participant from working in Covered Employment. A Disabled Participant may receive Pension Credits if he meets the requirements of Section 5.3(a), or he may receive a Disability Pension if he meets the requirements of Section 4.4.

Section 2.17. Disability Pension.

"Disability Pension" means the benefits payable to a Disabled Participant who meets the requirements of Section 4.4.

Section 2.18. Early Retirement Pension.

"Early Retirement Pension" means the reduced pension benefit payable to a Participant who elects early retirement under the terms of Section 4.2.

Section 2.19. Employee.

"Employee" or "Employees" means

(a) all persons (exclusive of self-employed persons, partners and sole proprietors) who are covered by a Collective Bargaining Agreement,

(b) the Business Manager, Business Agent, Financial Secretary Treasurer, and

(i) other employees of the Local Union who are not members of a bargaining unit which has bargained in good faith on the subject of retirement benefits, and

(ii) other employees of the Local Union who are members of a bargaining unit which has bargained in good faith for Pension Fund contributions, and

(iii) other employees of the Local Union who are Pension Plan participants and who are employed by the Union in such positions as are approved by the Trustees on an annual basis

provided that contributions shall be made on behalf of such employees by the Local Union in accordance with any Participation Agreement in effect between the Local Union and the Pension Fund; and

(c) subject to the approval of the Trustees and under such additional conditions as may be prescribed by the Trustees,

(i) employees of an Employee Benefit Fund, provided that the Employee Benefit Fund shall be responsible for the contributions on behalf of such employees under a Participation Agreement, and

(ii) Alumni as defined in Section 2.3.

Section 2.20 Employee Benefit Fund.

"Employee Benefit Fund" means Connecticut-based trust funds, sponsored by the Local Union and the Association, established under the Labor Management Relations Act and exempt under the federal Internal Revenue Code, which provide benefits to or for Employees.

Section 2.21 ERISA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time, and all regulations and rulings issued pursuant thereto.

Section 2.22 Fund Administrator.

"Fund Administrator" means the person, persons or entity, if any, retained by the Trustees, who shall have the overall responsibility for the administration and management of the Fund, subject to the direction and control of the Trustees.

Section 2.23 GATT Factors.

"GATT Factors" means, when determining the present value of any lump sum distribution made under this Plan with an Annuity Starting Date on or after January 1, 2008, the "applicable mortality table" and the "applicable interest rate." For purposes of the preceding sentence:

(a) the "applicable mortality table" is the mortality table used for purposes of satisfying the requirements of Code §417(e)(3) as prescribed in Revenue Ruling 2007-67 (or any mortality table specified by the Commissioner of Internal Revenue in subsequent published guidance), and

(b) the "applicable interest rate" is the rate (or rates) used for purposes of satisfying the requirements under Code §417(e)(3), as applied pursuant to Revenue Ruling 2007-67, provided that, during the four year period that begins on January 1, 2008, the applicable interest rate shall be based in part on the average rate on 30-year Treasury bonds for the third calendar month preceding the first day of the Plan Year during which the Annuity Starting Date occurs, and in part on the applicable interest rate as prescribed in Revenue Ruling 2007-67. Further, when determining the applicable interest rate in accordance with the previous sentence and the rules of Code §417(e)(3)(C) and (D), the Fund shall utilize, as applicable, the adjusted first, second, and third segment rates applied under rules similar to the rules of Code §430(h)(2)(C). Pursuant to Code §417(e)(3)(D), the adjusted first, second, and third segment rates are the first, second, and third segment rates which would be determined under Code §430(h)(2)(C) if:

(i) Code §430(h)(2)(D) were applied by substituting the average yields for the third calendar month immediately preceding the Plan Year which includes the Annuity Starting Date for the average yields for the 24-month period described in Code §430(h)(2)(D), and

(ii) Code §430(h)(2)(G)(i)(II) were applied by substituting "Code §417(e)(3)(A)(ii)(II)" for "Code §412(b)(5)(B)(ii)(II)," and

(iii) the applicable percentage under Code §430(h)(2)(G) were determined in accordance with the following table:

In case of Plan Years beginning in the following calendar years:	The applicable percentage is:
2008	20%
2009	40%
2010	60%
2011	80%

Section 2.24. Highly Compensated Employee.

(a) The term "Highly Compensated Employee" means an individual who:

(i) Is a Participant who:

(A) engages in employment during the Determination Year and less than 50% of his or her hours are governed by a Collective Bargaining Agreement with the Local Union; and

(B) is not an Alumni; and

(ii) Is an Employee of a Contributing Employer who performs service for such Contributing Employer during the Determination Year; and

(iii) Meets the criteria of (A) or (B):

(A) Received Compensation from the Contributing Employer in excess of $80,000 (as adjusted under Code §414(q)) during the Look-Back Year, and, at the election of the Contributing Employer (as reflected in Exhibit I), is included in the 20% of employees who received the highest Compensation from such Contributing Employer, or

(B) Is a 5% owner of the Contributing Employer at any time during the Determination Year or the Look-Back Year.

(b) Whether an individual described in subsection (a) is a Highly Compensated Employee is determined separately with respect to each Contributing Employer, based solely on such individual's Compensation from, or status with respect to, that Contributing Employer. In addition, the determination of who is a Highly Compensated Employee will be made in accordance with Code §414(q) and the regulations thereunder.

(c) The "Determination Year" is the Plan Year for which the test is being applied, and the "Look-Back Year" is the 12-month period immediately preceding that Plan Year.

Section 2.25. Hours of Service.

"Hours of Service" means service as defined in Section 5.7.

Section 2.26 Joint and Survivor Pension.

"Joint and Survivor Pension" means a pension continuing over the lives of a Participant and his Spouse payable in accordance with Article VII.

Section 2.27 Joint and 75% Survivor Pension

"Joint and 75% Survivor Pension" means a pension continuing over the lives of a Participant and his Spouse payable in accordance with Section 7.6.

Section 2.28 Joint and 100% Survivor Pension

"Joint and 100% Survivor Pension" means a pension continuing over the lives of a Participant and his Spouse payable in accordance with Section 7.7.

Section 2.29 Life Pension.

"Life Pension" means a lifetime monthly benefit as defined in Section 8.1.

Section 2.30 Local Union.

"Local Union" means Local No. 40 of The Sheet Metal Workers International Union.

Section 2.31 Normal Pension.

"Normal Pension" means the pension benefit payable to a Participant who has attained Normal Retirement Age and who retires under the terms of Section 4.1.

Section 2.32 Normal Retirement Age and Normal Retirement Date.

Except as provided in Section 4.11, "Normal Retirement Age" means the later of (a) age 62, or (b) the age of the Participant on the fifth anniversary of the date on which the Participant commences participation in the Plan. "Normal Retirement Date" is defined in Section 4.1.

Section 2.33 Participant.

"Participant" means any Employee who meets the requirements for participation in the Plan as set forth in Article III, or an Employee who has attained Vested Status under this Plan, or any Pensioner, Beneficiary or Spouse who is receiving benefits under this Plan. Prior to becoming a Participant, an Employee shall not in any event be credited with Pension Credits; however, this shall not preclude Pension Credits for service prior to participation, to the extent provided by this Plan, once an Employee has become a Participant.

Section 2.34 Participation Agreement.

"Participation Agreement" means a written agreement between the Trustees and the Local Union, Employee Benefit Fund, or other entity, which sets forth the terms under which those Employers are obligated to contribute to the Pension Fund on behalf of their respective Employees.

Section 2.35 Pension Credits.

"Pension Credits" means the service credits received by a Participant for the purpose of determining his eligibility for benefits under this Plan and the amount of such benefits.

"Past Service Pension Credits" means Pension Credits with respect to employment prior to October 1, 1956 or, in the case of Employees of the Local Union or an Employee Benefit Fund, prior to the Contribution Period.

"Future Service Pension Credits" means Pension Credits with respect to employment during the Contribution Period.

Section 2.36 Pension Fund.

"Pension Fund" means the Sheet Metal Workers' Local No. 40 Pension Fund, created under the terms of the Trust Agreement.

Section 2.37 Pensioner.

"Pensioner" means a person, including a Spouse or a Beneficiary of a deceased Participant, to whom a monthly pension under this Plan is being paid.

Section 2.38 Plan.

"Plan" means the Sheet Metal Workers' Local No. 40 Pension Plan adopted by the Trustees as of October 1, 1956, including all subsequent amendments, as set forth in this document and any subsequent amendments.

Section 2.39 Plan Year.

"Plan Year" means the 12 month period commencing on each January 1.

Section 2.40 Pro-Rata Pension.

"Pro-Rata Pension" means the pension benefit payable to a Participant in accordance with Article VI. References to a "Partial Pension" shall be deemed references to a "Pro-Rata Pension".

Section 2.41 Pro-Rata Agreement.

"Pro-Rata Agreement" means The International Reciprocal Agreement for Sheet Metal Workers' Pension Funds sponsored by the Sheet Metal Workers' International Union whereby the Trustees of this Pension Fund recognize another pension plan as a Related Plan.

Section 2.42 Related Plan.

"Related Plan" means a pension plan which has executed the Pro Rata Agreement or any other reciprocal agreement to which this Plan is also a party.

Section 2.43 Related Plan Pension Credits.

"Related Plan Pension Credits" means service credits accumulated and maintained by a Participant under a Related Plan and recognized under this Plan as Related Plan Pension Credits.

Section 2.44 Residential Sheet Metal Work.

"Residential Sheet Metal Work" means Covered Employment, performed on or after May 1, 2000, in a residential category of work covered by a Collective Bargaining Agreement with a residential work addendum under which contributions to the Pension Fund are required.

Section 2.45 Social Security Disability Award.

"Social Security Disability Award" means an award from the federal Social Security Administration determining that a Disabled Participant is entitled to monthly disability benefits from Social Security.

Section 2.46 Spouse.

"Spouse" means, effective on and after June 26, 2013, any individual lawfully married in Connecticut to a Participant under applicable Connecticut law governing marriage (Connecticut General Statutes, Title 46b, Chapters 815e and 815f) or any individual in a relationship with a Participant that is recognized as a marriage under such applicable Connecticut law governing marriage. Once a person has qualified as a Spouse by virtue of a marriage recognized under applicable Connecticut marriage law, that individual shall cease to be a Spouse on the effective date of any state or federal court judgment, decree or order that terminates, dissolves or annuls the marriage of, or legally separates, that Spouse and the Participant.

Section 2.47 Ten Years Certain and Life Pension.

"Ten Years Certain and Life Pension" means a pension payable for the life of a Pensioner and guaranteed to continue to him or to his Beneficiary for 10 years as provided in Section 8.1.

Section 2.48 Trustees.

"Trustees" means the Trustees of the Pension Fund who are appointed under the provisions of the applicable Trust Agreement and their duly appointed successors in trust.

Section 2.49 Union.

"Union" means The Sheet Metal Workers' International Union.

Section 2.50 Vested Pension.

"Vested Pension" means the pension benefit payable upon retirement to a Participant who has achieved Vested Status.

Section 2.51 Vested Status.

"Vested Status" or "Vested" means attainment of Normal Retirement Age or completion of the requisite Years of Vesting Service as provided in Section 4.3 in order to be entitled to retirement benefits under the Plan.

Section 2.52 Years of Vesting Service.

"Years of Vesting Service" means a Participant's years of work in Covered Employment as described in Section 5.4 used to determine whether or not he has achieved Vested Status.

ARTICLE III

Participation

Section 3.1 Participation.

An Employee who works for a Contributing Employer during the Contribution Period shall become a Participant in the Plan during his initial eligibility period on the earliest January 1st or July 1st following completion of a twelve consecutive month period during which he has earned 1,000 Hours of Service. The initial eligibility period is the twelve consecutive month period beginning on the date the Employee first performs an Hour of Service in Covered Employment (the "employment commencement date"). If an Employee fails to become a Participant during his initial eligibility period, then subsequent eligibility periods shall be the

Plan Year, beginning with the first Plan Year which commences prior to the first anniversary of such Employee's employment commencement date.

Section 3.2 Termination and Reinstatement.

A person shall cease to be a Participant as of the last day of the Plan Year during which he incurs a Break in Service. He shall again become a Participant on the date he subsequently becomes an Employee, provided he works at least 1,000 Hours of Service during the initial twelve consecutive month period beginning on the date he again performs an Hour of Service in Covered Employment (the "reemployment commencement date"). If an Employee fails to become a Participant during his initial eligibility period, then subsequent eligibility periods shall be the Plan Year, beginning with the first Plan Year which commences prior to the first anniversary of such Employee's reemployment commencement date.

Section 3.3 Service for Participation.

For purposes of this Article III, other employment for a Contributing Employer, if contiguous with his work in Covered Employment for that Contributing Employer, shall be counted in determining an Employee's eligibility for participation in the Plan.

Section 3.4 Participation of Employers.

An Employer who has become a party to a Collective Bargaining Agreement with the Local Union shall become a Contributing Employer and participate in the Plan. The Local Union acting for its Employees, or an Employee Benefit Fund acting for its Employees may also become Contributing Employers as provided in Section 2.12 and participate in the Plan.

ARTICLE IV

Normal and Early Retirement; Disability and Vested Pensions - Eligibility and Amounts

Section 4.1 Normal Pension.

(a) A Participant may retire on a Normal Pension on the first day of any month after he has attained his Normal Retirement Age. A Participant may have two Normal Retirement Ages if he is subject to Section 4.11 with respect to benefits accrued after 2009. An eligible Participant who wishes to retire on a Normal Pension shall file an Application for Benefits with the Trustees in accordance with Article X, which shall indicate the date on which benefits are to commence. Such date shall sometimes be referred to in this Plan as the "Normal Retirement Date". For purposes of this Section 4.1, an individual's right to his or her benefits shall be nonforfeitable upon attainment of Normal Retirement Age.

(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2015, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2015 Plan Year, $75.00 for each Pension Credit in force attributable to Covered Employment performed in 2015, and banked hours drawn on for the 2015 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension; and

(II) for each Plan Year commencing on and after January 1, 2015 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (commencing January 1st) immediately after the Measuring Period closes:
550,000 or more	$80
At least 500,000, but less than 550,000	$75
At least 450,000, but less than 500,000	$70
At least 400,000, but less than 450,000	$65
399,999 or less	$60

For purposes of the chart above, the term "Measuring Period" shall mean, for any Plan Year, the twelve month period ending on the June 30th preceding the start of the

Plan Year. Further, the term "Total hours worked in Covered Employment" shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(III) for the Plan Year in which the Plan emerges from "critical status" (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $80.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2015 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2015 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2015 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension.

(c) A Disabled Participant who has recovered may return to Covered Employment and earn additional Pension Credit in accordance with Section 5.2(a). Upon that Participant's subsequent retirement, his pension benefit shall be computed without regard to his prior receipt of Disability Pension benefits, by multiplying his total Pension Credits by the monthly Benefit Rate or Rates applicable in accordance with Section 4.5, treating the period in which he received a Disability Pension as a period in which he failed to work in Covered Employment.

Section 4.2 Early Retirement Pension.

(a) A Participant may retire on an Early Retirement Pension on the first day of any month after he has attained age 55 and has at least 15 Pension Credits. An eligible Participant who wishes to retire on an Early Retirement Pension shall file an Application for Benefits with the Trustees in accordance with Article X, which shall indicate the date on which benefits are to commence. Such date shall sometimes be referred to in this Plan as the "Early Retirement Date". For purposes of this Section 4.2, if an individual who has accrued at least 15 Pension Credits ceases working in Covered Employment and has not reached age 55, then, upon attainment of age 55 and filing of an Application for Benefits in accordance with Article X, such individual shall be entitled to the benefit provided under paragraph (b).

(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2010, except as provided in Section 4.11, the monthly amount of the Early Retirement Pension shall be:

(i) for those Participants who have earned forty (40) or more Pension Credits, the sum of

(A) the Normal Pension benefit attributable to Pension Credits earned for work prior to 2008 (including Pension Credits resulting from the conversion of banked hours under Section 5.8(h)) actuarially reduced to reflect the commencement of benefits payable prior to Normal Retirement Age by 0.0833% (.000833) for each month by which the Participant's Early Retirement Date precedes his Normal Retirement Date, and

(B) the Normal Pension benefit attributable to Pension Credits earned for work after 2007 (including credits resulting from the withdrawal after 2007 of banked hours under Section 5.8(e)) actuarially reduced to reflect the commencement of benefits payable prior to Normal Retirement Age by 0.25% (.0025) for each month by which the Participant's Early Retirement Date precedes his Normal Retirement Date.

(ii) for those Participants who have earned at least twenty-five (25) but fewer than forty (40) Pension Credits, the Normal Pension benefit attributable to Pension Credits earned for all work actuarially reduced to reflect the commencement of benefits payable prior to Normal Retirement Age by 0.25% (.0025) for each month by which the Participant's Early Retirement Date precedes his Normal Retirement Date.

(iii) for those Participants who have earned fewer than twenty-five (25) Pension Credits, the Normal Pension benefit attributable to Pension Credits earned for all work (including credits resulting from the withdrawal after 2007 of banked hours under Section 5.8(e)) actuarially reduced to reflect the commencement of benefits payable prior to Normal Retirement Age by 0.50% (.0050) for each month by which the Participant's Early Retirement Date precedes his Normal Retirement Date.

Section 4.3 Vested Pension.

(a) Except as provided in paragraph (b), a Participant shall be entitled to a Vested Pension if he has at least 10 Years of Vesting Service, provided that, for Plan Years commencing on and after January 1, 1998, a Participant who has worked for one Hour of Service on or after January 1, 1998 shall be entitled to a Vested Pension if he has at least 5 Years of Vesting Service.

(b) A Participant shall also be entitled to a Vested Pension if he satisfies each of the following requirements:

(i) his work for a Contributing Employer is not covered by a collective bargaining agreement pursuant to which the Plan is maintained; and

(ii) he is credited with at least one (1) Hour of Service on or after January 1, 1989; and

(iii) he has at least five (5) Years of Vesting Service, or three (3) Years of Vesting Service if the Plan is top-heavy, as described in Article XIV.

(c) A Vested Pension shall be payable only upon retirement:

(i) as a Normal Pension, after the Participant has attained Normal Retirement Age; or

(ii) as an Early Retirement Pension, provided that the Participant is eligible therefor, as described in Section 4.2.

Section 4.4. Disability Pension.

(a) A Disabled Participant may retire on a Disability Pension on the first day of any month after he (i) has at least ten (10) Pension Credits and (ii) is determined by the Trustees to be entitled to a Disability Pension according to the rules of subsection (c) of this Section 4.4; provided he has worked in Covered Employment for at least some fraction of a Future Service Pension Credit in the six (6) months immediately preceding the date his disability was incurred. An eligible Disabled Participant who wishes to retire on a Disability Pension shall file an Application for Benefits with the Trustees in accordance with Article X, which shall indicate the date on which benefits are to commence. Such date shall sometimes be referred to in this Plan as the "Disability Retirement Date," provided that such date shall not precede the date the Trustees approve such Application for Benefits. No disability payments shall be made to the Participant with respect to any period that the Trustees have determined that he does not meet the eligibility requirements for a Disability Pension.

(b) Except as provided in Section 4.5 or in Section 4.11, the monthly amount of each Disability Pension payment (the "Disability Pension Benefit Rate") to a Disabled Participant will equal:

(i) For those Disabled Participants who are determined by the Trustees to be entitled to a Total Disability Pension under paragraph (c)(i)(A) of this Section 4.4 on or after August 1, 2005, the amount of the Normal Pension computed as if the Participant ceased to work in Covered Employment on the date of disability, without any actuarial reduction under Section 4.2(b). In calculating the Total Disability Pension under this paragraph (i), a Disabled Participant will be entitled to Future Service Pension Credits under Section 5.3(d). Future Service Pension Credits awarded under Section 5.3(d) will not be counted for purposes of determining any retroactive amount due to a Disabled Pensioner under Section 4.4(d), and will only count for purposes of calculating the amount of a Total Disability Pension as of the first day of the month after the Fund Administrator receives the Disabled Participant's Social Security Disability Award.

(ii) For those Disabled Participants who are determined by the Trustees to be entitled to an Occupational Disability Pension under paragraph (c)(i)(B) of this Section 4.4, the amount of the Normal Pension reduced in accordance with Section 4.2(b) to reflect the commencement of benefit payments prior to Normal Retirement Date, provided that the reduction percentage shall not exceed 60%.

(c) The determination as to whether a Disabled Participant is entitled to a Disability Pension shall be made by the Trustees in accordance with the following rules only:

(i) He is either (A) permanently and totally disabled by bodily injury or disease and thereby prevented for life from engaging in any gainful employment for which he is now or may reasonably become qualified as evidenced by a Social Security Disability Award which is still in force on the Disability Retirement Date, and thereby eligible for a "Total Disability Pension", or (B) totally and permanently prevented for life from earning a living as a sheet metal worker by working in Covered Employment or in comparable employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long continued and indefinite duration, as evidenced by a certification of a physician (licensed to practice in Connecticut and acting within the scope of his or her expertise) on a written form prescribed by the Trustees, and thereby eligible for an "Occupational Disability Pension"; and

(ii) For a Total Disability Pension, the disability has existed continuously, and the Disabled Participant has not worked in Covered Employment, for a period of at least six consecutive months before the date the Trustees consider his Application for Benefits; and

(iii) Such disability is not, directly or indirectly, the result of:

(A) military service (land, sea, or air), or

(B) engaging in a felonious criminal enterprise, or

(C) injuries suffered while legally intoxicated due to the consumption of alcohol or while under the influence of a controlled substance not prescribed by a physician, or

(D) intentionally self-inflicted injury, or

(E) declared or undeclared war or any enemy action, or

(iv) Such disability was not sustained while primarily employed by someone other than an Employer.

(d) Except as provided in section 4.11,

(i) A Participant who is receiving an Occupational Disability Pension in accordance with subparagraph (b)(ii) of this Section 4.4, and who subsequently receives a Social Security Disability Award that complies with subparagraphs (d)(ii)(A) and (B) of this Section 4.4, may apply for a Total Disability Pension computed in accordance with subparagraphs (d)(iii) or (iv) of this Section 4.4.

(ii) The Participant must present to the Trustees proof satisfactory to the Trustees that he has been awarded a Social Security Disability Award:

(A) which is still in force, and

(B) the underlying cause for which was either (1) the illness or injury that gave rise to the initial Occupational Disability Pension, or (2) an injury received or illness incurred while he was working in Covered Employment before his initial Disability Retirement Date.

(iii) (A) A Disabled Pensioner who presents a Social Security Disability Award to the Trustees within twenty-four (24) months after his initial Disability Retirement Date shall be entitled to convert to a Total Disability Pension in an amount determined under subparagraph (b)(i) of Section 4.4, except that

- the Benefit Rate used to calculate such Total Disability Pension shall be the Benefit Rate applicable at his initial Annuity Starting Date,

- the date on which his benefit is deemed to have commenced shall be the initial Annuity Starting Date, and

- the monthly Disability Pension payment will be adjusted, beginning on the first day of the month after the Fund Administrator receives the Disabled Pensioner's Social Security Disability Award, to reflect additional Future Service Pension Credits awarded under Section 5.3(d).

(B) The effective date of the Total Disability Pension described in subparagraph (d)(iii)(A) shall be the later of (I) the beginning date for monthly disability benefits from the Social Security Administration, (II) the Disabled Participant's initial Annuity Starting Date, or (III) the first day of the month following the Disabled Participant's sixth consecutive month of continuous disability; provided that no actual payment shall be made before the first day of the month following approval by the Trustees of his Application for a Total Disability Pension.

(iv) (A) A Participant who presents a Social Security Disability Award to the Trustees more than twenty-four (24) months after his initial Disability Retirement Date shall be entitled to a monthly Disability

Pension payment equal to the amount determined under subparagraph (b)(i) of Section 4.4, except that the Benefit Rate used to calculate such Total Disability Pension shall be the Benefit Rate applicable at his initial Annuity Starting Date, and the date on which the Total Disability Pension is deemed to have commenced shall be the initial Annuity Starting Date.

(B) The effective date of the Total Disability Pension described in subparagraph (d)(iv)(A) shall be the first day of the month following receipt by the Trustees of the Social Security Disability Award; provided that no actual payment shall be made before the first day of the month following approval by the Trustees of his Application for a Total Disability Pension.

(v) (A) The Total Disability Pension described in subparagraph (d)(iii) or (d)(iv) shall be paid in the same form as the Occupational Disability Pension payments, unless (1) the Disabled Pensioner's marital status has changed at any time since the Annuity Starting Date of the Occupational Disability Pension, or (2) he is married and the Occupational Disability Pension was being paid in a form other than the Joint and Survivor Pension described in Section 7.1. If either (1) or (2) applies, that portion of such Total Disability Pension that exceeds the amount of the Occupational Disability

Pension benefit shall be payable in accordance with the rules of this Plan for other Pension benefits, including, without limitation, the rules for Spousal and Participant consent. No Disabled Pensioner may change the form or duration of that portion of such Total Disability Pension that equals the amount of the Occupational Disability Pension.

(B) If the effective date of the Total Disability Pension described in subparagraphs (d)(iii) results in a retroactive amount being due to the Disabled Pensioner (calculated without regard to additional Future Service Pension Credits awarded under subparagraph (d) of Section 5.3), the amount shall be payable to him in a lump sum if the Disabled Participant elects, with the consent of his Spouse, if any, and without interest, provided that the written explanation required by Section 7.2 was provided on a timely basis before he retired on an Occupational Disability Pension. Unless the lump sum method of payment is effectively elected, that retroactive amount shall be actuarially adjusted and shall be paid in the same form as the Total Disability Pension.

(C) If the retroactive amount described in subparagraph (v)(B) is to be paid in a lump sum, the provisions of Article XIII regarding Rollover Distributions shall apply.

(D) If the Disabled Participant dies after his initial Occupational Disability Retirement Date, but before his Total Disability Pension begins to be paid, the death benefits payable, if any, shall be the benefits payable under the Occupational Disability Pension.

(e) The Trustees, in making the above determinations, shall have the right to have physical examinations, including diagnostic tests, of the Participant made by a physician or physicians selected and paid for by the Trustees; to request and examine a Participant's Social Security Disability Award; to make inquiries to the Social Security Administration about the current status of a Participant's Social Security Disability Award and, in cases of an application for a Total Disability Pension under paragraph (d) above, about the underlying reasons and causes for the Award; and to make such other investigations as the Trustees deem necessary. If a Participant refuses to permit any such physical examination or test, unless the examination or test is shown to be dangerous to the Participant's life or health, or if a Participant refuses to turn over information to the Trustees regarding a Participant's Social Security Disability Award, the Trustees shall have the right to determine, without regard to any other evidence, that the Participant is not entitled to a Disability Pension.

(f) A Disabled Participant who is receiving Disability Pension payments may be required to submit proof to the Trustees of the continuance of his disability once every six months and shall, as required by the Trustees, permit once every six months a physical examination or examinations, including diagnostic tests made by a physician or physicians selected and paid for by the Trustees. In addition, a Disabled Participant who is receiving Total Disability Pension payments by virtue of a Social Security Disability Award may be required to submit evidence of the continuance of his Social Security Disability Award. If a Participant fails or refuses: to submit the proof required by the Trustees; to permit any such physical examination or test, unless the examination or test is shown to be dangerous to the Participant's life or health; or to turn over information to the Trustees regarding a Participant's Social Security Disability Award; then the Trustees shall have the right to determine, without regard to any other evidence, that the Participant is no longer entitled to a Disability Pension. In addition, if the Trustees have reliable information that the Participant is no longer Disabled, the Trustees have the right to determine, without regard to any other evidence, that the Participant is no longer entitled to a Disability Pension.

(g) A Disability Pensioner who recovers and returns to Covered Employment will earn Future Service Pension Credits in accordance with Section 5.2(a). Upon that Participant's subsequent retirement, benefits payable with respect to Pension Credits earned prior to the commencement of the previous Disability Pension will be computed on the same basis and at the same rate as was done with respect to the Disability Pension. Neither the return to Covered Employment and the earning of additional Future Service Credits, nor the payment of benefits based on those Future Service Credits, shall serve to increase or otherwise affect or modify the benefit rate for Pension Credits earned prior to the commencement of a previous Disability Pension. Benefits payable with respect to Future Service Pension Credits earned after recovery and return to Covered Employment will be computed in the same manner as provided in this Plan with respect to those Credits.

(h) A Disabled Participant who reaches Normal Retirement Age and who was receiving Disability Pension Payments immediately prior to such Normal Retirement Age, shall continue to receive a Disability Pension in the same form of payment. For those who are receiving a benefit that started after 2004 and is calculated using the formula currently set forth in Section 4.4(b)(i) as in effect after 2009, the amount of such Disability Pension shall not be changed. For those who started receiving a benefit prior to July 31, 2005, which benefit was calculated under Section 4.4(b)(i)(A) of the Plan then in effect, the amount of such Pension shall be recomputed by

(i) multiplying the Disabled Participant's Pension Credits by the monthly Benefit Rate used to compute his Disability Pension when it commenced, and

(ii) adjusting, in the case of Joint and Survivor Pension payment forms, by reference to the ages and actuarial factors in effect on the Disabled participant's Normal Retirement Age.

(i) In the event of the death of a Disabled Participant prior to his Normal Retirement Date and while he is receiving a Disability Pension in the form of a Joint and Survivor Pension, a Joint and 75% Survivor Pension, or a Joint and 100% Survivor Pension, survivor benefits to his Spouse shall be adjusted as described in Section 7.8(b) hereof.

Section 4.5. Benefit Limitations.

(a) If the monthly Benefit Rate used to compute the Regular, Early Retirement, Vested or Disability Pension of a Participant, or the monthly pre-retirement Death Benefit payable to a Participant's Spouse pursuant to Section 7.5, is increased, then: (i) the increased Benefit Rate shall be used to compute pension or death benefits payable on behalf of a Participant who worked at least 300 hours in Covered Employment in the twelve (12) month period immediately prior to the effective date of the increased Benefit Rate, and (ii) the increased Benefit Rate shall be used to compute pension or death benefits payable on or after the effective date of the increased Benefit Rate on behalf of a Pensioner who worked at least 300 hours in Covered Employment in the twelve (12) month period immediately prior to the effective date of the increased Benefit Rate.

(b)

(i) If a Participant fails to work at least 300 hours in Covered Employment in the twelve (12) month period immediately prior to the effective date of a Benefit Rate increase, he will incur a "Benefit Rate Break".

(ii) If a Participant incurs a Benefit Rate Break, any pension benefits to which he may be entitled for Pension Credits earned before the effective date of the Benefit Rate increase will be computed as if he had retired on the day before such effective date. This Benefit Rate will remain fixed for that Participant and will not be adjusted even if he later works 300 hours in Covered Employment.

(iii) The rule in paragraph (b)(ii) will not apply to Pension Credits which are Vested (including those that have been cancelled due to a Break in Service only if those Credits have been reinstated under Section 5.6 of the Plan) if the affected Participant incurs the Benefit Rate Break prior to April 1, 2007 and either:

(A) returns to Covered Employment prior to April 1, 2007 and earns an aggregate of at least seven (7) Pension Credits, including fractional parts thereof, or

(B) returns to Covered Employment prior to April 1, 2007 and earns at least four Pension Credits, provided he (1) reaches Normal Retirement Age within seven years after the Break, (2) works in Covered Employment in each Plan Year after the Break, up to and including the Plan Year of his retirement, and (3) is unable to continue in Covered Employment due to total and permanent disability, confirmed by a Social Security Disability Award, and (4) first files an Application for Benefits to retire after 1993.

In either of those events, benefits attributable to Pension Credits earned prior to the Participant's Benefit Rate Break shall be computed at the Benefit Rate(s) applicable (giving effect to split Benefit Rate provisions) to the Participant's last Pension Credits, which may not be higher than the $80 Benefit Rate in effect on March 31, 2007.

(iv) Benefits attributable to Pension Credits for work on or after the effective date of a Benefit Rate increase shall be computed at the increased Rate.

Section 4.6. Additional Payments/Minimum Benefit Levels for Certain Pensioners.

(a) The Plan previously provided for certain one-time additional payments to be made to certain Pensioners in 1991 and 1993 and those payments were made in accordance with prior provisions of the Plan.

(b) Effective July 1, 1998, and monthly pension benefit payment to a Pensioner which was or would otherwise be calculated using a Benefit Rate of less than $20.000 shall be increased to an amount which is based on a Benefit Rate of $20.00 for each Pension Credit in force at the time of retirement.

(c) Effective January 1, 2002, any monthly pension benefit payment to a Pensioner which was or would otherwise be calculated using a Benefit Rate of less than $22.50, shall be increased to an amount which is based on a Benefit Rate of $22.50 for each Pension Credit in force at the time of retirement.

(d) Effective May 1, 2005, any monthly pension benefit payment to a Pensioner which was or would otherwise be calculated using a Benefit Rate of less than $33.50, shall be increased to an amount which is based on a Benefit Rate of $33.50 for each Pension Credit in force at the time of retirement.

Section 4.7. Lump Sum Distributions.

If a Participant applies to retire on a Normal, Early Retirement, Disability or Pro-Rata Pension and the present value (determined using the factors set forth in Section 2.1) of the benefit to which he is entitled is $5,000 or less and has never exceeded $5,000 when the amount of previous distributions are considered, the Trustees shall distribute said present value in a lump sum and no other form of payment shall be available to the Participant or his Spouse, if any.

Section 4.8 Form and Type of Pension Irrevocable.

(a) Except as provided in this Section, or in Section 4.4(d) with regard to Occupational Disability Pensions, or to a Pensioner to whom Section 7.9 applies, in no event shall a Pensioner who has retired on a Normal Pension, an Early Retirement Pension, a Disability Pension, a Vested Pension or a Pro-Rata Pension be entitled to change the form or type of pension under this Plan once benefits relating to any Pension Credits have commenced.

(b) A Pensioner who retires on a Disability Pension, recovers, returns to Covered Employment and earns additional full or fractional Future Service Credits, will be entitled, when eligible, to retirement benefits for those Future Service Credits under any retirement option offered by the Plan for which he is otherwise eligible. In that case, benefits will be computed under the provisions of Section 4.4(g)

(c) A Pensioner may revoke his Application for Benefits and retroactively terminate the Pension he retired on, without any effect on his subsequent retirement decisions, if all four of these conditions are met within thirty (30) days after the Pensioner's Annuity Starting Date: (i) the Pensioner makes a written request, received by the Pension Fund, to revoke his retirement, (ii) the Pensioner returns to the Pension Fund the amount of any payment(s) he received, (iii) if the

Pensioner was married on his Annuity Starting Date, he provides written spousal consent to the revocation, and (iv) the Pensioner provides a legitimate reason for the revocation and that reason does not have any apparent negative effect on the Pension Fund.

Section 4.9 Rounding Pension Amounts.

Any pension amount, if not already a multiple of fifty cents ($.50), shall be rounded up to the next higher multiple of fifty cents ($.50). This rounding up shall be the last step in calculating a Participant's monthly pension.

Section 4.10 Payments to Pensioners.

(a) Definitions. The following definitions will apply to terms used in this section:

"Local Pension COLA" means the hourly contribution designated as "Local Pension COLA" in the Collective Bargaining Agreement.

"Reserve Fund" means a bookkeeping account to which will be credited certain contributions to the Fund designated by the Collective Bargaining Agreement as Local Pension COLA and dedicated to a cost of living adjustment.

(b) Reserve Fund - Creation and Funding. As of August 1, 1993, the Trustees created the Reserve Fund so as to credit to the Reserve Fund the contributions made directly or indirectly to the Fund and designated as Local Pension COLA. The

Reserve Fund shall be invested as part of the Pension Fund but the Reserve Fund shall not share in the Pension Fund's earnings, losses or expenses. No individual shall have any right to any part of the assets in the Reserve Fund unless the assets have been allocated pursuant to paragraph (c).

(c) Allocation. As of each December 1 beginning December 1, 2011, the balance in the Reserve Fund shall be allocated among the Pensioners (including surviving Spouses only if they were married to a Pensioner on the date the Pensioner died and Beneficiaries of Pensioners) who receive a monthly pension benefit for that December, in a uniform and non-discriminatory manner determined by the Trustees, giving effect to the amount of the Pensioner's monthly benefit and/or the amount of time s/he has been retired. The Reserve Fund allocation on any December 1st shall not include individuals who retired and received fewer than 60 months of benefit payments on and before that December 1 allocation date. For purposes of allocating any balance in the Reserve Fund, (i) a surviving Spouse (provided that she was married to the Pensioner on the date of his death) or Beneficiary of a Pensioner shall be treated as retiring on the date that Pensioner retired, but only the payments received by that Spouse or Beneficiary after the Pensioner's death shall be counted as the total amount of monthly benefit on which an allocation to that Spouse or Beneficiary is based, and (ii) no consideration shall be given to any part of a Pensioner's benefit payments attributable to work described in Section 4.1(b)(i)(B).

(d) Distribution. The amount of the Reserve Fund allocated to each Pensioner pursuant to paragraph (c) shall be paid in a lump sum as soon as practicable after the Trustees receive a report from the Fund's actuary or Fund Manager as to the amount of each such payment. If a Pensioner who is entitled to a distribution under this Section 4.10 dies before the payment is made, payment shall be made to the decedent's beneficiary, named in a form on file with the Trustees, or, if no beneficiary is named, to the decedent's estate.

(e) Termination. The Trustees reserve the right, in their sole discretion, to terminate the Reserve Fund at any time. No such termination will conflict with the terms of the Collective Bargaining Agreement, provided, however, that notwithstanding the terms of such Collective Bargaining Agreement, the Trustees may adopt any Plan amendment with respect to changing or terminating this Section 4.10 necessary to maintain the qualified status of the Plan under the Internal Revenue Code or to maintain compliance of the Plan with the requirements of ERISA.

Section 4.11 Special Rules for Participants Covered by the Default Schedule under the Rehabilitation Plan

Anything herein to the contrary notwithstanding, for individuals who are covered by the Default Schedule under the Rehabilitation Plan adopted by the Trustees on October 28, 2009 (with such Rehabilitation Plan being restated, as adopted by the Trustees on November 4, 2013), and as may be further updated from time to time, the following provisions shall be applied on and after January 1, 2010 to calculate their benefits:

(a) Normal Retirement Age and Normal Pension. "Normal Retirement Age" shall be age 65, or if later the Participant's age on the fifth anniversary of the date on which he or she commenced participation in the Plan, for all accrued benefits attributable to Pension Credits earned for work after 2009. A Participant who has accrued benefits before 2010 and after 2009 will be entitled to a portion of his or her Normal Pension as of the first day of the month after one Normal Retirement Age (see Plan Section 2.32) and the other portion of his or her Normal Pension as of the first day of the month after he or she reaches the Normal Retirement Age specified in this Section 4.11(a).

(b) Early Retirement Pension. The Normal Pension benefit attributable to all Pension Credits earned for work both before 2010 and after 2009 shall be actuarially reduced based on the number of months by which the Participant's Early Retirement Date precedes his Normal Retirement Date(s), so that the Early Retirement Pension is the Actuarial Equivalent, as defined in Section 2.1, of both portions of his or her Normal Pension.

(c) Occupational Disability Pension. The Normal Pension benefit attributable to all Pension Credits earned for work both before 2010 and after 2009 shall be actuarially reduced based on the number of months by which the Participant's Occupational Disability Retirement Date precedes his Normal Retirement Date(s), so that the Occupational Disability Pension is the Actuarial Equivalent, as defined in Section 2.1, of both portions of his or her Normal

Pension. There shall be no cap on the amount of the actuarial reduction applied to determine an Occupational Disability Pension.

(d) Total Disability Pension. Shall be the same as the Occupational Disability Pension, with an uncapped reduction to the so that the Total Disability Pension is the Actuarial Equivalent, as defined in Section 2.1, of both portions of the Disabled Participant's Normal Pension. There shall be no bonus credits, as described in Section 5.3(d), available to an individual determined to be eligible for a Total Disability Pension.

(e) Converting an Occupational Disability Pension to a Total Disability Pension. Shall not be permitted, since there is no difference in amount between an Occupational Disability Pension and a Total Disability Pension.

(f) Maximum Pension Credits. Beginning on January 1, 2012, the maximum number of total Pension Credits a Participant may accrue is forty (40), except that Pension Credits in force attributable to Covered Employment prior to 2012 shall not be reduced and except that this maximum will not be applied to limit the conversion of banked hours in accordance with Section 5.8(h).

(g) No Lump Sum Death Benefits, either Pre-Retirement or Post-Retirement. The Lump Sum Death Benefits provided under Article IX of the Plan shall not apply or be paid for deaths after 2009.

ARTICLE V

Pension Credits, Years of Vesting Service, Breaks in Service

Section 5.1 Past Service Pension Credits.

(a) With respect to employment as an apprentice or a journeyman prior to October 1, 1956, a Participant shall receive one Past Service Pension Credit, or fractional part thereof, for completed years and months of such employment in the jurisdiction of the Local Union, provided the Employee was a member of the Union on or prior to the Contribution Period. Work as an apprentice or journeyman prior to October 1, 1956 shall be determined by the Trustees from records and sworn statements furnished by the Union, Employers and Participants which the Trustees believe constitute satisfactory evidence of such employment.

(b) An Employee of the Local Union on July 1, 1977 who is accepted for coverage under Section 2.18(b) and who has never actively worked at the sheet metal workers trade as a journeyman shall receive one Past Service Credit, or fractional part thereof, for each year of employment prior to July 1, 1977 with the Local Union.

(c) The Plan previously provided certain Past Service Pension Credit for certain Participants who served in the military prior to October 1, 1956 and provided such credits in accordance with the terms of prior Plan provisions.

(d) Employment prior to October 1, 1956 means that type of employment which if performed during the Contribution Period, would have been Covered Employment. Continuous membership from the last date of initiation or reinstatement in the Local Union will be prima facie evidence of continuous employment before October 1, 1956. A reinstatement includes the deposit of a withdrawal card with the Local Union.

Section 5.2 Future Service Pension Credits.

A Participant shall be credited with Future Service Pension Credits for work in Covered Employment during the Contribution Period as follows:

(a) A Participant who works at least 1,200 hours in Covered Employment during a Plan Year after 2006 will receive one full Future Service Pension Credit for such Plan Year. Future Service Pension Credits will be proportionately reduced for an Employee who works less than 1,200 hours during a Plan Year after 2006 as follows:

Hours Worked in Covered Employment During Plan Year	Future Service Pension Credits
1,200 or more	1
1,100 or more, but less than 1,200	11/12
1,000 or more, but less than 1,100	10/12
900 or more, but less than 1,000	9/12
800 or more, but less than 900	8/12
700 or more, but less than 800	7/12
600 or more, but less than 700	6/12
500 or more, but less than 600	5/12
400 or more, but less than 500	4/12
300 or more, but less than 400	3/12

200 or more, but less than 300	2/12
100 or more, but less than 200	1/12
less than 100	0

After 1995 and before 2007, one full Future Service Pension Credit was granted for 1,000 or more Hours Worked in Covered Employment in a Plan Year, after 1973 and before 1996, one full Future Service Pension Credit was granted for 1,200 or more Hours Worked in Covered Employment in a Plan Year; after 1969 and before 1974, one such Credit was granted for 1,400 of such Hours; in 1969, 1,500 or more of such Hours resulted in one full Credit; and in 1968 and prior Plan Years, a Participant earned one such Credit for 1,600 or more Hours Worked in Covered Employment in a Plan Year, all as more particularly described in the Plan as then in effect.

(b) For Participants who retire on or after July 1, 1987, Future Service Pension Credit shall be awarded for a Participant's work in Covered Employment as an apprentice under the Union apprenticeship program.

(c) If a Participant returns to work in Covered Employment after benefits (other than Disability Pension benefits) have begun to be paid to him, he will receive Future Service Pension Credits for such work, determined under Section 5.2(a). In accordance with Section 10.6, benefit payments will be suspended if a Participant retires and subsequently returns to employment in the industry, or continues to engage in such employment after his Normal Retirement Age, all as described in Section 10.6.

(d) For purposes of determining a Participant's Future Service Credits in accordance with Section 5.2(a), the term "Hours Worked" means each hour for which the Participant is paid, or entitled to payment, for the performance of duties in Covered Employment for an Employer and for which contributions are required to be made to this Plan under the terms of a Collective Bargaining Agreement or Participation Agreement, and hours for which back pay, irrespective of mitigation of damages, is awarded or agreed to by an Employer, to the extent that such award or agreement is intended to compensate a Participant for periods during which he would have been engaged in the performance of duties in Covered Employment for the Employer and for which contributions would have been required to be made to this Plan under the terms of the Collective Bargaining Agreement or Participation Agreement. A Participant who earns 1,200 or more Hours of Service, as defined in Section 5.7, in a Plan Year shall be credited with a full year of Future Service Pension Credit. If in any Plan Year after 2006 a Participant earns at least 100 Hours Worked, but less than 1,200 Hours Worked, he shall be credited with either (i) the fraction of a Future Service Pension Credit computed under the table in Section 5.2(a) or (ii) that fraction of a Future Service Pension Credit the numerator of which is his actual Hours Worked and the denominator of which is 1,500, whichever is greater.

(e) In no event may a Participant receive more than one Future Service Pension Credit in any Plan Year.

Section 5.3 Additional Future Service Pension Credits.

(a) A Disabled Participant shall be deemed to have worked in Covered Employment at the rate of 25 hours per week for each full week that he is disabled and unable to work in Covered Employment, provided that the maximum credit due to disability is one half of one Future Service Pension Credit for each separate period of disability beginning after the Contribution Period. In determining the maximum credit, a period of disability will be considered separate only if the Participant had actually worked in Covered Employment and earned at least some fraction of a Pension Credit since the end of his last period of disability. Such disability shall be deemed to exist only under all the following conditions:

(i) The Participant became disabled on or after October 1, 1956, is prevented from working in Covered Employment and either:

(A) he certifies in writing that he is receiving weekly accident and sickness benefits provided by the Sheet Metal Workers' Local No. 40 Health Fund; or

(B) he certifies in writing that he is receiving disability benefits under the Connecticut Workers' Compensation Law, or

(C) he receives a Disability Pension from this Plan and subsequently returns to Covered Employment.

(ii) The Participant earned at least one half of one Future Service Pension Credit for work in Covered Employment in the eighteen (18) month period prior to the date his disability is determined to have commenced.

(iii) At the request of the Trustees, the Disabled Participant shall show continued proof of disability.

(iv) Future Service Pension Credits will not be given while the Disabled Participant is receiving Disability Pension benefits under this Plan.

(b) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code, effective December 12, 1994. Contributions, benefits and service credit with respect to qualified military service prior to December 12, 1994 will be provided in accordance with the following provisions:

(i) An Employee who has worked in Covered Employment in other than a temporary position and who leaves Covered Employment solely because of being inducted into the Armed Forces of the United States and serving on Active Duty in the military shall receive Future Service Pension Credits at the rate of one-twelfth (1/12) Pension Credit per calendar month (or fraction thereof) of such Active Duty if:

(A) he returns to work in Covered Employment or registers with the Local Union as available for work within 90 days of his release from Active Duty on honorable conditions, or within 90 days after discharge from hospitalization continuing after his release from Active Duty on honorable conditions, for a period of not more than one year; and,

(B) he earns at least one (1) Future Service Credit after the return from military service to Covered Employment. Unless otherwise required by federal law, no more than five Future Service Pension Credits may be earned in a lifetime by any one Employee for such Active Duty.

(ii) An Employee shall be considered to have been working in other than a temporary position if he:

(A) was a Participant at the time he left Covered Employment for such Active Duty service; and

(B) had not incurred a Break in Service (unless it has been repaired in accordance with Section 5.6 of the Plan prior to his entry into Active Duty); and

(C) demonstrates that he was continuously available for work in Covered Employment from the time he started work in Covered Employment up to the time of entering into Active Duty, by working in Covered Employment and/or by maintaining an active registration with the Local Union, and accepting work as referred; and

(D) was not a student or employed in Covered Employment only for summer work prior to entering Active Duty.

(iii) An Employee who does not meet all the criteria set forth in (b)(ii)(A) through (b)(ii)(D) above may receive Future Service Pension Credits if he can otherwise demonstrate to the satisfaction of the Trustees that at the time of his entry into such Active Duty he could reasonably have expected that he would work in Covered Employment for a significant or indefinite period, but for such Active Duty service. In such a case, the Trustees may consider the Employee's work history both before and after the military service, the factors listed in (ii)(A) through (ii)(D) above, the period of membership in the Local Union, and such other nondiscriminatory factors as they deem relevant to the determination.

(iv) With respect to military service (1) between 1954 and 1973 in the hostilities between the United States and North Vietnam, and (2) during Operation Desert Storm in the 1991 Gulf War, a Participant's work as an apprentice or a journeyman shall be considered in determining whether he satisfies the requirements of, and is entitled to credit under, this Section 5.3(b).

(c) For Participants who earn at least one Hour of Service on or after January 1, 1994, Future Service Pension Credit should be awarded for certain work for a Contributing Employer if the individual satisfies each of the following requirements:

(i) he was a stockholder in a corporation which was a Contributing Employer; and

(ii) he was performing work of a type covered under a Collective Bargaining Agreement but was forced to end his membership in the Local Union because of his ownership interest in the Contributing Employer; and

(iii) his corporation was making contributions on Local Union members in its employ while he was performing the work described in (ii); and

(iv) he was a Participant and Local Union member continuously and immediately before and immediately and continuously after the work described in (ii), and he has earned at least 10 Future Service Pension Credits for work in Covered Employment; and

(v) he did not ever work for or have an ownership interest in any open shop employer in the sheet metal industry in Connecticut.

If a Participant satisfies the above requirements, he shall receive thirty percent (30%) of the lowest fraction of a Future Service Pension Credit for each month of such work. No more than one Future Service Pension Credit may be earned for any one year and no more than four Future Service Pension Credits may be earned under this paragraph (c).

(d) Except as provided in Section 4.11, a Disabled Participant who is determined by the Trustees to be entitled to a Total Disability Pension under Section 4.4(c)(i)(A) on or after January 1, 2005 and who has 20 or more Pension Credits (counting disability hours converted to a partial Credit pursuant to Section 5.3(a) and banked hours converted to Credits pursuant to Section 5.8(h)) on the date as of which monthly disability benefits under a Social Security Disability Award begin (whether that date is before or after the date the Award is issued) shall be entitled to receive additional Future Service Pension Credits equal to the lesser of the following:

- the number of Future Service Pension Credits that equals the number of years (including fractions thereof, rounded to the nearest tenth) between the first day of the month after the Fund Administrator receives the Social Security Disability Award (or if later, the date as of which monthly disability benefits under a Social Security Disability Award begin) and the first day of the month after the date the Disabled Participant will attain age 62, and

- five (5) Future Service Pension Credits, reduced by any fraction of a Future Service Pension Credit awarded to the Disabled Participant under Section 5.3(a) for the disability which was the basis for the Total Disability Pension.

(e) A Participant who works on or after January 1, 2010 in a jurisdiction signatory to the Reciprocal Agreement described in Section 6.12 of this Plan, shall be entitled to receive additional Future Service Credit by applying the standards set forth in Section 5.2(a) to prorate the number of hours worked in that jurisdiction. The prorated hours shall be determined by dividing the amount of Pension Fund contributions received by this Fund for work in a reciprocating jurisdiction by the Pension Fund contribution rate in effect for the majority of Participants who work in Covered Employment at the time the work is performed in the reciprocating jurisdiction. Such prorated Credit, by itself or in combination with Credit earned for Covered Employment, shall not exceed one Future Service Pension Credit in any Plan Year. Such prorated Credit shall be counted only in determining the amount of a Participant's pension benefit, but shall not be used to determine the amount of any lump sum death benefit or whether a Participant is eligible for an Early Retirement, Disability, or other pension benefit, or for any variation thereof.

Section 5.4. Years of Vesting Service.

Subject to Section 5.5 hereof, a Participant shall be credited with Years of Vesting Service in accordance with either (a) or (b), whichever results in the higher number. This provision shall apply to Plan Years beginning after 1975 and, for an individual who is an active Participant on January 1, 1997 and meets conditions (i) - (v) set forth in Section 5.3(c), it shall apply to Plan Years beginning after 1963.

(a) The number of Years of Vesting Service shall be equal to his Pension Credits; or

(b) The number of Years of Vesting Service shall be equal to the number of Plan Years in which he is credited with service for a Contributing Employer for at least 1,000 Hours of Service in Covered Employment or other employment with that Contributing Employer that is contiguous with his work in Covered Employment.

An individual who dies after 2006 while performing qualified military service shall also be credited with Years of Vesting Service if and as specified in Section 11.14(a).

Section 5.5 Breaks in Service.

(a) An Employee has a Break in Service if he has not achieved Vested Status and fails to complete at least 100 Hours of Service in any period of two consecutive Plan Years. The two-year period may be extended, or the 100 Hour minimum reduced, on a non-discriminatory basis in any manner which the Trustees determine to be appropriate in cases of (i) temporary or permanent disability or other circumstances with respect to the Employee, or (ii) unusual employment conditions or for other reasons.

(b) If an individual is determined by the Trustees to be totally disabled, either temporarily or permanently, or involuntarily unemployed at the end of such two consecutive Plan Year period, a Break in Service shall not result and a grace period shall be granted until the earlier of: (1) the last day of the third consecutive Plan Year following the end of such two consecutive Plan Year period, and (2) a date 60 days subsequent to the date the individual is notified by the Trustees that they have determined him to be physically capable of participating in Covered Employment, if he has failed to resume Covered Employment within such 60-day period. In order to secure the benefit of the grace period provided in this paragraph (b) above for a period of time following the initial two consecutive Plan Year period, a Participant must establish to the satisfaction of the Trustees his total disability or involuntary unemployment by giving written notice to the Trustees, presenting such evidence, and submitting to such examination as the Trustees, in their sole discretion, may require.

(c) An Employee also has a Break in Service if he failed to have a vested status under the Plan as of December 31, 1975 and failed to work in Covered Employment for more than 500 hours during the Plan Year beginning on January 1, 1975. A Participant does not have a Break in Service under this paragraph (c) if he establishes to the satisfaction of the Trustees that he was available to work in Covered Employment during 1975. An Employee whose Pension Credits, or portion thereof, are canceled under this paragraph (c) may reinstate all of his Past and Future Service Pension Credits by returning to Covered Employment and earning one Year of Vesting Service in any one Plan Year, provided he has not incurred a Break in Service subsequent to 1975 under paragraph (a) of this Section 5.5.

Section 5.6 Reinstatement of Pension Credits and Years of Vesting Service.

(a) If a Participant incurs a Break in Service after December 31, 1975, he shall not be entitled to credit for Pension Credits or Years of Vesting Service earned prior to the Break in Service unless he subsequently fulfills one of the following conditions:

(i) he earns at least one Year of Vesting Service in one Plan Year before the number of consecutive years in which he fails to complete at least 100 Hours of Service equals or exceeds the greater of six or the total of his Years of Vesting Service earned prior to the Break in Service, or

(ii) only for an individual who incurs the Break in Service prior to January 1, 2009 and returns to Covered Employment prior to January 1, 2009, he earns an aggregate of at least five (5) Pension Credits, including fractional parts thereof, following the Break in Service, provided he has not incurred a Break in Service under Section 5.5(a) subsequent to his initial Break in Service, or

(iii) he works in Covered Employment for an employer who first becomes a Contributing Employer between October 1, 2003 and September 30, 2004; provided, however, that each of the following conditions and limitations must be satisfied in order for any Pension Credits and Years of Vesting Service to be reinstated:

(A) the maximum number of Pension Credits and Years of Vesting Service that may be reinstated under this subsection 5.6(a)(iii) is two (2);

(B) the new Contributing Employer must be continuously in compliance with the Plan's bonding requirements;

(C) the new Contributing Employer must consistently make timely payment of all contributions required by the applicable Collective Bargaining Agreement; and

(D) the Benefit Rate applicable to the reinstated Pension Credits is subject to the Benefit Rate Break rules of Section 4.5(b)(ii), without regard to Section 4.5(b)(iii), so that the Rate applicable when the work was performed will not be adjusted under any circumstances.

(b) Except as provided in Section 5.5(c), if a Participant incurred a break in service prior to January 1, 1976 under the provisions of the Plan as then in effect and all or a portion of his Pension Credits were cancelled, he shall not receive Pension Credits or Years of Vesting Service for periods prior to such break in service to the extent they were cancelled.

(c) If a Participant ceased work in Covered Employment after January 1, 1972, having earned 15 Pension Credits, and such Pension Credits were cancelled solely because the Participant had not attained age 50 at the time he ceased working in Covered Employment, such Pension Credits shall be reinstated if the Participant subsequently returns to Covered Employment for five consecutive Plan Years and earns a full Pension Credit in each such Plan Year.

Section 5.7 Hours of Service.

"Hour of Service" means

(a) each hour for which an individual is directly or indirectly compensated, or entitled to be compensated, by a Contributing Employer for the performance of duties, and

(b) each hour, to a maximum of 501 hours for any single continuous period, for which an individual is directly or indirectly compensated, or entitled to be compensated by a Contributing Employer (irrespective of whether the employment relationship has terminated) for reasons other than the performance of duties due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, and

(c) each hour for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by a Contributing Employer, provided that if such award or agreement of back pay is for reasons other than the performance of duties, such hours shall be subject to the restrictions of subparagraph (b) hereof, and

(d) effective with respect to reemployment of an individual under 38 U.S.C. §4312 on or after December 12, 1994, each hour of qualified military service by an individual.

The same Hours of Service shall not be credited under more than one of the subparagraphs above. All Hours of Service shall be computed and credited to computation periods in accordance with Sections 2530.200(b)-2(b) and (c) of Department of Labor Regulations.

In addition, solely for the purposes of determining a Break in Service, Hour of Service means each hour for which an individual has earned Related Pension Credits or otherwise received credit for hours worked in accordance with the terms of any reciprocal agreement to which the Fund is a party.

Solely for purposes of determining eligibility and vesting, (1) Hours of Service shall be credited for the period during which an individual performs, as a leased employee, as defined in the Code, and associated Treasury Regulations, Covered Employment for an Employer or services covered by a Participation Agreement for the Local Union or an Employee Benefit Fund, and (2) all Hours of Service with any entity required to be aggregated under Code §414(b), (c) and (m) shall be credited.

Section 5.8 Banking of Hours.

If a Participant works in excess of a stated number of hours in Covered Employment during a Plan Year after 1973 and before 2007, the hours in excess of that stated number shall be held in reserve for him and may be used in subsequent Plan Years in which the Participant would not otherwise earn one full Future Service Pension Credit. This concept of crediting hours worked to subsequent computation periods shall be known as "banking" and shall be subject to the following conditions:

(a) Commencing January 1, 1974, if a Participant works in excess of 1,600 hours in Covered Employment during a Plan Year after 1973 and before 1979; or if a Participant works in excess of 1,400 hours in Covered Employment during a Plan Year after 1978 and before 1998; or if a Participant works in excess of 1,200 hours in Covered Employment during a Plan Year after 1997 and before 2007, his hours in Covered Employment which exceed the applicable threshold will be banked for future use.

(b) Hours which are banked on behalf of a Participant shall be applied in accordance with the following conditions:

(i) For a Participant who retired under Article IV at any time before December 1, 2013, hours which are banked on the behalf of such Participant cannot be applied during any calendar year that the Participant did not work at least 400 hours in Covered Employment.

(ii) For a Participant who initially retires under Article IV at any time on or after December 1, 2013, hours which are banked on behalf of such Participant:

(A) cannot be applied during any Plan Year commencing prior to January 1, 2007 that the Participant did not work at least 400 hours in Covered Employment, and

(B) shall be applied during any Plan Year commencing on or after January 1, 2007, regardless of the number of hours the Participant worked in Covered Employment during such Plan Year.

(c) The maximum number of hours which may be accumulated and banked for a Participant at any one time (the "Banking Balance Maximum") is: (i) 1,200, prior to 1988; (ii) 2,400, after 1987, but prior to 1994; (iii) 3,000, after 1993, but prior to 1996; (iv) 3,600, after 1995; or (v) 5,000, after 1997 and before 2007. Hours in excess of the Banking Balance Maximum shall be cancelled and may not be recalled for consideration. However, the bank on a Participant's behalf can be replenished, if it is reduced below the Banking Balance Maximum hours, by hours worked after the bank is reduced below the Banking Balance Maximum hours and before 2007.

(d) The maximum number of hours which can be banked and utilized by a Participant over his working career shall be:

(i) 2,400, if his working career ends prior to 1988,

(ii) 4,800, if his working career ends after 1987, but prior to 1994,

(iii) 6,000, if his working career ends after 1993, but prior to 1998,

(iv) 7,000 if his working career ends after 1997.

(e) Subject to the other provisions of this Section 5.8, including subsection (j), the application of hours in a Participant's bank shall be governed by the following rules:

(i) For a Participant who retired under Article IV at any time before December 1, 2013, hours in such Participant's bank shall automatically be applied during any Plan Year, but only if the hours the Participant worked in such a Plan Year are at least 400 and are also not sufficient to earn one full Future Service Pension Credit.

(ii) For a Participant who initially retires under Article IV at any time on or after December 1, 2013, hours in such a Participant's bank:

(A) shall not be applied during any Plan Year prior to January 1, 2007 that the Participant did not work at least 400 hours in Covered Employment, and

(B) shall be applied during any Plan Year commencing on or after January 1, 2007, regardless of the number of hours the Participant worked in Covered Employment during such a Plan Year, in a way that maximizes the Participant's benefit.

(iii) If a Participant's actual hours worked, and banked hours, are not sufficient to accrue one full Future Service Pension Credit, only the number of hours needed to establish the largest fraction by 1/12 denominations, prior to 1996 and after 2006, and 1/10 denominations, after 1995 and before 2007, of Future Service Pension Credit will be applied from the bank.

(f) Banked hours can only be applied on a Participant's behalf as of the last day of each Plan Year, except in the year a Participant retires or dies.

(g) Hours credited pursuant to Section 5.3 for periods of disability or military service do not qualify to be banked for future use.

(h) Anything in this Section 5.8 to the contrary notwithstanding, upon a Participant's retirement or death on or after February 1, 1985, the hours remaining in his bank shall be converted to Future Service Pension Credit in accordance with the schedule in or referred to in Section 5.2 hereof (depending upon the schedule in effect in the year [but not later than 2006] the Participant last worked), regardless of whether he worked 400 hours in Covered Employment in the calendar year of his retirement or the following calendar year. Such Credit shall be counted in determining whether a Participant has attained Vested Status or is entitled to a Disability or Early Retirement Pension. Such Credit shall also be counted in computing the Participant's retirement benefit at the benefit rate to which the Participant is entitled for credit earned when he last worked. Such Credit shall not be counted in considering whether the Participant incurred a Break in Service or whether the benefit limitations rules of Section 4.5 are applicable. This paragraph (h) applies only at the time of a Participant's actual retirement and banking of hours for periods prior to retirement shall continue to be governed by the other provisions of this Section 5.8.

(i) Banked hours:

(i) attributable to work other than Residential Sheet Metal Work, of a Participant who retires on or after January 1, 1989 will be credited at the greater of the following Benefit Rates:

(A) $42, if benefits are paid as in Life Pension form, which was the Benefit Rate in effect on January 1, 1989 for Pension Credits earned after 1988, or

(B) subject to Section 4.5, the Benefit Rate in effect at the time of the Participant's retirement.

(ii) attributable to Residential Sheet Metal Work by a Participant who retires on or after January 1, 2005 will be credited, subject to Section 4.5, at the Benefit Rate in effect for Residential Sheet Metal Work at the time of the Participant's retirement.

(iii) with respect to hours in the bank of a Participant as of December 31, 2004 who is an hourly-paid Employee of Sheet Metal Workers' Local No. 40 Health Fund, the Benefit Rate shall not be less than the Benefit Rate that would apply to those hours if such Participant retired on December 31, 2004.

(j) While a Participant must work at least 400 hours in Covered Employment under this Section 5.8 to be eligible to have banked hours applied during a calendar year, for the following years only, a Participant shall only have been required to work the stated number of hours in Covered Employment for banked hours to be applied: (i) 100 Hours in 1990, (ii) 0 Hours in 1991 to 1995, and (iii) 0 Hours in 2003 to 2006. Moreover, when appropriate in unusual employment situations, the Trustees may temporarily reduce any of the banking of hours requirements in this Section 5.8 in accordance with such nondiscriminatory rules which they may adopt.

(k) Banking of hours shall cease effective at midnight on December 31, 2006 and hours credited to a Participant's bank as of that date shall be protected by freezing them for use in future years as described in this Section 5.8, provided that whatever Pension Credit is ultimately awarded in those future years to an individual shall be at least equal to the Pension Credit that would stand to that individual's credit on December 31, 2006 if all unused hours in the bank had then been converted to Pension Credit.

ARTICLE VI

Reciprocal Agreements

Section 6.1. Purpose.

Pro Rata Pensions are provided under this Plan for Employees who would otherwise lack sufficient service credit to be eligible for any pension because their years of employment were divided between pension plans or, if eligible, whose pensions would be less because of such division of employment. Pro Rata Pensions are based only on work prior to 2010 and are subject to the terms described in Sections 6.2 through 6.11 of this Plan.

Section 6.2 Home Fund.

The Trustees recognize as the Home Fund that fund which has executed the International-Reciprocal Agreement for Sheet Metal Workers' Pension Funds (the "Reciprocal Agreement") and which was established in part by the local union in which an employee holds or has applied for membership or by which an employee was first represented.

The designation of a Home Fund may be changed:

(a) By a member if he transfers his membership to another local union which participates in a signatory fund by giving a notice both to his former and new Home Funds.

(b) By any other employee if he has earned at least one pension credit in the jurisdiction of a local union which participates in a signatory fund by giving notice to his former and new Home Funds.

Section 6.3 Related Plans.

The Trustees recognize one or more other plans of pension funds which have executed the Reciprocal Agreement and which have adopted Exhibit A of the Reciprocal Agreement as a Related Plan.

Section 6.4 Related Pension Credits.

Related Pension Credits earned under a Related Plan shall be determined in accordance with the rules and regulations of the Related Pension Plan. Such Related Pension Credit, including Pension Credit earned before January 1, 1988, to the extent creditable under a Related Plan shall be recognized as Related Pension Credits. The trustees of the Related Plan shall certify to this Plan the amount of such Related Pension Credits which have been earned and credited under the Related Plan.

Section 6.5 Combined Pension Credit.

The total of any Employee's Pension Credit under this Plan and Related Pension Credit together comprises the Employee's Combined Pension Credit. Not more than one year of Combined Pension Credit shall be counted in any Plan Year.

It is not the intent of the Reciprocal Agreement to grant duplicate pension credit under two or more Related Plans for the same period of covered employment. Therefore, an exception to the definition of Related Pension Credits shall be made in the case of pension credits earned simultaneously for covered employment in a local union jurisdiction for which contributions are made to both this Plan and the Sheet Metal Workers' National Pension Fund. In such case, such service shall not be considered to be Related Pension Credits between this Plan and the Sheet Metal Workers' National Pension Fund.

Section 6.6 Eligibility.

An Employee shall be eligible for a Pro Rata Pension under this Plan if he satisfies all of the following requirements:

(a) He would be eligible for any type of pension under this Plan (other than a Pro Rata Pension) if his Combined Pension Credit were treated as Pension Credit under this Plan; and

(b) In addition to any other requirements necessary to be eligible under (a), he has, under this Plan, at least one year of Pension Credit based on hours of employment for which contributions were payable to this Fund.

(c) He is found to be eligible for a Pro Rata Pension from this Plan and at least one Related Plan.

Section 6.7 Breaks in Service.

In applying the rules of this Plan with respect to cancellation of service credit, any period in which an employee has earned Related Pension Credit shall not be counted in determining whether there has been a period of no Covered Employment sufficient to constitute a Break in Service.

Section 6.8 Non-Duplication.

In order to receive a Pro Rata Pension from this Plan an Employee must waive his right to receive any other pension under this Plan.

Section 6.9 Pro Rata Pension Amount.

The amount of the Pro Rata Pension payable by this Plan shall be based on the years of Pension Credit an Employee earned under this Plan and the benefit levels and limitations in effect under this Plan.

Section 6.10 Payment of Pro Rata Pensions.

The payment of a Pro Rata Pension shall be subject to all of the conditions contained in this Plan applicable to all other types of pensions, including, but not limited to, retirement as herein defined and timely application. Pro Rata Pension payments subject to this Article VI shall be limited to monthly pension payments to a Pensioner or to monthly payments to the survivor of a Pensioner.

Section 6.11 Applies to Pension Benefits Only.

This Article VI applies to pension benefits only. It shall not apply to death benefits, termination benefits or any variation thereof.

Section 6.12 Transfer of Contributions.

(a) For work prior to 2010, except as provided in this Section 6.12, no contributions shall be transferred between funds that are signatory only to Exhibit A of the Reciprocal Agreement. However, if an employee whose Home Fund is signatory to Exhibit A only or both Exhibit A and Exhibit B works in the jurisdiction of a fund signatory only to Exhibit A and earns less than one year of pension credit in said fund, then all contributions made on his behalf to said fund shall be transferred to his Home Fund within a reasonable period of time after he has returned to his Home Fund. Such transfer shall only be made if authorized by the employee in writing on a form provided for that purpose.

(b) For work on an after January 1, 2010, "Reciprocal Agreement" means the Sheet Metal Workers' International Association Master Reciprocal Agreement and Addendum A thereto, effective January 1, 2010, pursuant to which employer contributions made on sheet metal workers who work outside of their home jurisdiction can be transferred to an IRS-qualified defined benefit plan in effect in an individual's home jurisdiction if the transferring plan and the receiving plan are both signatory to that Reciprocal Agreement. A Participant shall receive vesting credit pursuant to Section 5.4(b) of this Plan for each hour worked after 2009 in a jurisdiction signatory to that Reciprocal Agreement. A Participant's Future Service Pension Credit, and the purposes for which such Credit may and may not be counted, for each hour worked after 2009 pursuant to the Reciprocal Agreement shall be determined under Section 5.3(e) of this Plan.

ARTICLE VII

Joint and Survivor Pension, Joint and 75% Survivor Pension, Joint and 100% Survivor Pension, Retirement and Death Benefit

Section 7.1. Definition.

"Joint and Survivor Pension" means a lifetime pension for a married Participant with payments equal to one-half of the monthly amount payable to the Participant continuing to his Spouse upon his death. Subject to Section 4.7 and to the other provisions of this Article VII, Normal, Early Retirement, Disability and Partial Pensions for married Participants shall be paid in the form of a Joint and Survivor Pension unless the Participant files with the Trustees, in writing, a timely rejection and his Spouse consents, in writing, to the rejection as hereinafter provided. Benefits paid in the form of a Joint and Survivor Pension shall commence as soon as practical following the date on which a Participant files an Application for Benefits and such Application for Benefits is approved by the Trustees, but in no event later than the date specified in Section 10.1(a). In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches age 70-1/2.

Section 7.2. Rejection of Joint and Survivor Pension.

(a) At least 30 days, but not more than 180 days, before the Annuity Starting Date, the Trustees shall provide the Participant who requests an Application for Benefits with a written explanation of:

(i) The terms and conditions of the Joint and Survivor Pension;

(ii) A general description of the eligibility conditions, relative values and other material features of the optional forms of benefit available under the Plan (namely, the Joint and Survivor Pension, the Joint and 75% Survivor Pension, the Joint and 100% Survivor Pension, the Ten Years Certain and Life Pension, and the Life Pension) in a manner that satisfies the notice requirements of Code §417 and any regulations issued thereunder, and of the Participant's right to defer receipt of a benefit;

(iii) The Participant's right to reject the Joint and Survivor Pension and the effect thereof;

(iv) The right of the Participant to revoke such rejection and the effect of such revocation; and

(v) The requirements that the Participant's Spouse consent to any rejection of the Joint and Survivor Pension, and that the Spouse's consent specifically acknowledge (A) the effect of such rejection, (B) any designated Beneficiary, and (C) the form of payment elected.

(b) (i) After receiving the explanation of the terms and conditions of the Joint and Survivor Pension, a Participant may reject, in writing, the Joint and Survivor Pension during the one hundred and eighty (180) day period prior to the Annuity Starting Date. Rejection of the Joint and Survivor Pension may be made at any time during the one hundred and eighty (180) day period. If a Participant rejects the Joint and Survivor Pension, the Participant's Spouse must consent in writing to the rejection (hereinafter "Spousal Consent"). The Spousal Consent must acknowledge the effect of the rejection and be witnessed by a Plan representative or a notary public. The Spousal Consent is not required if it is established to the satisfaction of the Trustees that the Participant has no Spouse, the Spouse cannot be located or the Spouse has abandoned the Participant and the Participant has a court order to that effect. If the Spouse is legally incompetent, the Spouse's legal guardian may give such consent even if the Participant is the legal guardian. The Participant may revoke the rejection of the Joint and Survivor Pension at any time during the one hundred and eighty (180) day election period without the consent of the Spouse. If the Participant subsequently rejects the Joint and Survivor Pension, a new Spousal Consent must be obtained.

(ii) If a Participant, after having received the written explanation of the Joint and Survivor Pension as described in paragraph (i), thereafter affirmatively elects any form of distribution available under this Plan and a Spousal Consent is received (if necessary), the Plan may make, or begin to make, the distribution elected on a date that is less than thirty (30) days after the written explanation was provided to the Participant and his Spouse, provided that all of the following are met:

(A) The Plan provides information to the Participant clearly indicating that the Participant and the Spouse have a right to at least thirty (30) days to consider whether to waive the Joint and Survivor Pension and consent to another optional form of benefit available under the Plan.

(B) The Participant is permitted to revoke the affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the seven (7) day period that begins the day after the affirmative distribution election and Spousal Consent (if any) is received by the Fund Administrator.

(C) The Annuity Starting Date is after the date that the explanation of the Joint and Survivor Pension is provided to the Participant. A Retroactive Annuity Starting Date permitted by Section 10.1(a)(ii) or by Section 10.1(c) may be before the date that any affirmative distribution election is made by the Participant and before the date that the distribution is permitted to commence.

(D) A distribution in accordance with the affirmative election does not commence before the expiration of the seven (7) day period that begins the day after the affirmative election and Spousal Consent (if any) is received by the Fund Administrator.

(c) For Annuity Starting Dates of July 1, 2007 or later, if a Participant rejects the Joint and Survivor Pension and his Spouse consents to that rejection or if he is not eligible therefor, the Normal, Early Retirement, Pro-Rata or Disability Pension to which he may be entitled will be paid to him in the form of a Life Pension, a Joint and 75% Survivor Pension, a Joint and 100% Survivor Pension, or a Ten Years Certain and Life Pension, as elected by the Participant on his Application for Benefits.

Section 7.3 Adjustments for Joint and Survivor Pension.

When a Joint and Survivor Pension becomes effective, the amount of the Participant's monthly pension shall be the Actuarial Equivalent of the normal form of benefit computed in accordance with the terms of Article IV. The Actuarial Equivalent is not in any respect to be deemed a vested right of any Participant and the assumptions used to determine the Actuarial Equivalent are subject to change by the Trustees. The monthly amount of the Joint and Survivor Pension, once it has become payable, shall not be changed if the Spouse is subsequently divorced from the Pensioner or if the Spouse predeceases the Pensioner.

Section 7.4 Eligibility for Joint and Survivor Pension.

(a) A Joint and Survivor Pension shall not be effective unless:

(i) The Participant was married to his Spouse on the Annuity Starting Date;

(ii) Subject to the provisions of Section 7.7, the Participant worked for one Hour of Service after August 22, 1984.

(iii) Subject to the provisions of Section 7.7, the Participant or former Participant had not incurred a break in service before January 1, 1976 under the provisions of this Plan as then in effect, or if a break in service was incurred, it was subsequently cured by a timely return to Covered Employment as described in Section 5.5(b).

(b) The Trustees shall be entitled to rely on a written representation last filed by the Participant before the Annuity Starting Date as to his marital status, except that a Participant who represents that he is divorced may be required to provide a copy of a court judgment of divorce. This reliance shall include the right to deny benefits to a person claiming to be the Spouse of a Participant which contradicts such representation of the Participant. An election or rejection of a Joint and Survivor Pension may not be made or altered following the death of a Participant.

Section 7.5 Pre-Retirement Death Benefits Under Joint and Survivor Pre-Retirement Survivor Benefit.

(a) Upon the death of a married Participant prior to his Annuity Starting Date, subject to subsection (d), there shall be payable to his surviving Spouse, for her life, a monthly benefit equal to one-half of the monthly amount which would have been paid to the Participant if benefit payments to him, in the form of a Joint and Survivor Pension (adjusted, if necessary, in accordance with Section 7.3), had commenced on the day before he died. For purposes of the previous sentence, if the Participant dies on or before the earliest date on which retirement benefits could have been paid under the Plan, the Participant will be deemed to have survived to the earliest date on which retirement benefits could have been paid. If the monthly amount payable to the Participant would have been increased if he had retired and lived to the effective date of such increase, then the monthly benefit payable to his surviving Spouse will be increased by one-half of such increased amount, commencing as of the effective date of such increase. In order for his surviving Spouse to be eligible for the benefits described in this Section 7.5(a), the Participant must have met all of the following requirements, and unless such requirements are met, the death benefit, if any, shall be that provided under Article VIII:

(i) The Participant and Spouse were married to each other for at least one year on the date the Participant died; and

(ii) He is Vested; and

(iii) He worked for an Hour of Service after August 22, 1984; and

(iv) He had not filed with the Trustees a rejection of the Joint and Survivor pre-retirement survivor benefit accompanied by the written consent of his Spouse; and

(v) Subject to the provisions of Section 7.7, if a Participant had attained age 55 with 15 Pension Credits on December 31, 1975, in order for his surviving Spouse to be eligible for that benefit, he must (A) have worked in Covered Employment for at least 500 hours in the Plan Year ending on that date, or (B) establish to the satisfaction of the Trustees that he was available to work in Covered Employment during 1975, or (C) return to Covered Employment after that date, work for at least one Year of Vesting Service and elect the Joint and Survivor pre-retirement survivor benefit.

(b) Subject to the provisions of Section 10.1(b) governing the submission of an Application for Benefits, payment of the Joint and Survivor pre-retirement survivor benefit shall commence to a surviving Spouse as of the date that the Participant would have been eligible for benefits under the provisions of Section 4.1 or Section 4.2, as the case may be. In addition, payment of the Joint and Survivor pre-retirement survivor benefit may be deferred by the surviving Spouse until the Participant would have reached age 70-1/2. If benefits are deferred and the Spouse dies before payments commence, the deferred benefits must be distributed to the Beneficiary, designated by the Spouse in the manner described in Section 8.6(b), or, if she has no such Beneficiary, to her estate, within five years of the Spouse's death.

(c) (i) The Participant may elect to waive the Joint and Survivor pre-retirement survivor benefit for his Spouse and elect in lieu thereof the lump sum death benefit described in Section 9.1 by filing with the Trustees a rejection accompanied by the written consent of his Spouse, provided that until the first day of the Plan Year in which the Participant attains age 35 he may not designate a Beneficiary for such lump sum death benefit other than his Spouse. As of the first day of the Plan Year in which the Participant attains age 35 he may, with the written consent of his Spouse, designate a Beneficiary other than his Spouse to receive the pre-retirement death benefit. The Spouse's consent must acknowledge the effect of the rejection and be witnessed by a Plan representative or a notary public. A written explanation of the terms and conditions of the Joint and Survivor pre-retirement survivor benefit shall be provided to each Participant between the first day of the Plan Year in which the Participant attains age 32 and the first day of the Plan Year in which the Participant attains age 35. If a Participant enters the Plan after the first day of the Plan Year in which he attains age 32, the written explanation shall be provided to him within three years of the first day of the Plan Year in which he first becomes a Participant.

(ii) A Participant who has elected to waive the Joint and Survivor pre-retirement survivor benefit for his Spouse in accordance with paragraph (i) may revoke the election without the Spouse's consent at any time, and any number of times, during the period commencing with the first day of the first Plan Year in which the Participant attains age 35 and ending on the date of the Participant's death. Any subsequent waiver must meet the requirements of paragraph (i). For purposes of this Section 7.5, any change in a Participant's Beneficiary designation occurring after the Spouse's consent shall be deemed to be a revocation of the Participant's waiver of the Joint and Survivor pre-retirement survivor benefit for his Spouse.

(d) If the present value (determined using the factors set forth in Section 7.5(e)) of the benefit to which a surviving Spouse or Beneficiary is entitled under this Section 7.5 is $5,000 or less and has never exceeded $5,000 when any previous distributions are considered, the Trustees shall distribute said present value in a lump sum without requiring the consent of the Participant or the surviving Spouse.

(e) Subject to Section 2.1(b), when determining the present value of the survivor benefit for purposes of Sections 7.5(d), 7.5(e), 7.8(c), 8.2(a), 8.3, 8.5, and 8.6, the GATT Factors shall be used.

Section 7.6 Joint and 75% Survivor Pension and Adjustments.

(a) If a married Participant and his Spouse have filed a timely rejection of the Joint and Survivor Pension as provided in Section 7.2, the Participant may elect a Joint and 75% Survivor Pension. "Joint and 75% Survivor Pension" means a lifetime pension for a married Participant with payments equal to 75% of the monthly amount payable to the Participant continuing to his Spouse upon his death. Benefits paid in the form of a Joint and 75% Survivor Pension shall commence as soon as practical following the date on which a Participant files an Application for Benefits and such Application for Benefits is approved by the Trustees, but in no event later than the date specified in Section 10.1(a). In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches age 70-1/2.

(b) When a Joint and 75% Survivor Pension becomes effective, the amount of the Participant's monthly pension shall be the Actuarial Equivalent of the normal form of benefit computed in accordance with the terms of Article IV. The Actuarial Equivalent is not in any respect to be deemed a vested right of any Participant and the assumptions used to determine the Actuarial Equivalent are subject to change by the Trustees. The monthly amount of the Joint and 75%

Survivor Pension, once it has become payable, shall not be changed if the Spouse is subsequently divorced from the Pensioner.

Section 7.7 Joint and 100% Survivor Pension and Adjustments.

(a) If a married Participant and his Spouse have filed a timely rejection of the Joint and Survivor Pension as provided in Section 7.2, the Participant may elect a Joint and 100% Survivor Pension. "Joint and 100% Survivor Pension" means a lifetime pension for a married Participant with payments equal to 100% of the monthly amount payable to the Participant continuing to his Spouse upon his death. Benefits paid in the form of a Joint and 100% Survivor Pension shall commence as soon as practical following the date on which a Participant files an Application for Benefits and such Application for Benefits is approved by the Trustees, but in no event later than the date specified in Section 10.1(a). In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches age 70-1/2.

(b) When a Joint and 100% Survivor Pension becomes effective, the amount of the Participant's monthly pension shall be the Actuarial Equivalent of the normal form of benefit computed in accordance with the terms of Article IV. The Actuarial Equivalent is not in any respect to be deemed a vested right of any Participant and the assumptions used to determine the Actuarial Equivalent are subject to change by the Trustees. The monthly amount of the Joint and 100%

Survivor Pension, once it has become payable, shall not be changed if the Spouse is subsequently divorced from the Pensioner;

Section 7.8 Post-Retirement Death Benefits Under Joint and Survivor Pension, Joint and 75% Survivor Pension, and Joint and 100% Survivor Pension

(a) Upon the death, on or after his Annuity Starting Date, of a Pensioner or a Disabled Participant not described in paragraph (b) who is receiving or has elected to receive benefits in the form of a Joint and Survivor Pension, a Joint and 75% Survivor Pension, or a Joint and 100% Survivor Pension, there shall be payable to his surviving Spouse a monthly benefit for her life equal to the 50%, 75%, or 100% survivor percentage, as accepted or elected, of the monthly amount which was being paid to the Pensioner prior to his death, provided the present value of said monthly benefit, as increased in accordance with the next sentence, is greater than $5,000. If the amount payable to the Pensioner would have been increased had he lived to the effective date of such increase, due to the application of Section 4.5(a), then the benefit payable to his surviving Spouse will be increased by the 50%, 75%, or 100% survivor percentage, as accepted or elected, of such increased amount, commencing as of the effective date of such increase.

(b) Upon the death of a Disabled Participant prior to his Normal Retirement Date and

(i) while he is receiving a Total Disability Pension described in Section 4.4(b)(i)(A) in the form of a Joint and Survivor Pension, subject to paragraph (c), there shall be payable to his surviving Spouse for her life a monthly benefit equal to one-half of the amount of Normal Pension the Disabled Participant would have received had he lived to his Normal Retirement Date, recomputed in accordance with Section 4.4(h) hereof, except that the references therein to ages and actuarial factors shall be those in effect on the date of the Disabled Participant's death.

(ii) while he is receiving a Total Disability Pension described in Section 4.4(b)(i)(B) in the form of a Joint and Survivor Pension, a Joint and 75% Survivor Pension, or a Joint and 100% Survivor Pension, subject to paragraph (c), there shall be payable to his surviving Spouse for her life a monthly benefit equal to the 50%, 75%, or 100% survivor percentage, as accepted or elected, of the amount of Total Disability Pension the Disabled Participant received in the month before his death.

(c) If the present value (determined using the factors set forth in Section 7.5(e)) of the monthly benefit payable to the Spouse under paragraph (a) or (b) is $5,000 or less and never exceeded $5,000 when previous distributions to the Participant or Spouse are considered, a lump sum payment equal to said present value shall be made to the Spouse.

(d) If the Pensioner is not survived by that Spouse (provided she is the same Spouse to whom he was married on the date he retired), no further benefit payments shall be made.

Section 7.9 Pop-Up Feature on Joint and Survivor, Joint and 75% Survivor, and Joint and 100% Survivor Pensions.

Upon the death, on or after the Annuity Starting Date, of the Spouse of a Pensioner who is receiving or has elected to receive benefits in the form of a Joint and Survivor Pension, Joint and 75% Survivor Pension, or Joint and 100% Survivor Pension, the Pensioner's monthly benefit will automatically increase (or "pop-up") as of the first day of the month following the date the Pension Fund receives notice of the Spouse's death. The increased benefit shall be equal to the amount the Pensioner would have received if he had elected with spousal consent the Life Pension on his Annuity Starting Date. This pop-up feature will apply to pension benefits paid on and after January 1, 1998, even if the Spouse's death occurred prior to 1998.

ARTICLE VIII

Life Pension, Ten Years Certain and Life Pension, Retirement and Death Benefit

Section 8.1 Definitions.

(a) "Life Pension" means a lifetime monthly pension benefit for a Participant which provides no further benefits after the Participant's death. Subject to Section 4.7, Normal, Early Retirement, Disability and Pro-Rata Pensions for

(i) unmarried Participants, and

(ii) those who do not qualify for a Joint and Survivor Pension, or those who qualify but file with the Trustees in writing a timely rejection, with the required consents, of the Joint and Survivor Pension and do not elect the Joint and 75% Survivor Pension or the Joint and 100% Survivor Pension,

shall be paid in the form of a Life Pension unless the Participant elects the optional form described in paragraph (b).

(b) "Ten Years Certain and Life Pension" means a lifetime monthly pension benefit for a Participant which will continue to him or his Beneficiary for 10 years. Subject to Section 4.7, Normal, Early Retirement, and Pro-Rata Pensions for unmarried Participants, or those who qualify but file with the Trustees in writing a timely rejection, with the required consents, of the Joint and Survivor Pension or the Life Pension, as the case may be, and do not elect the Joint and 75% Survivor Pension or the Joint and 100% Survivor Pension, may, at the Participant's election with the required consents, be paid in the form of a Ten Years Certain and Life Pension.

(c) Benefits paid to a Pensioner under this Article VIII shall commence as soon as practical following the date on which his Application for Benefits is approved by the Trustees, but in no event later than the date specified in Section 10.1(a). In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches age 70-1/2.

Section 8.2. Post-Retirement Death Benefits Under Ten Years Certain and Life Pension.

(a) Upon the death, on or after his Annuity Starting Date, of a Pensioner, other than a Disability Pensioner, who has elected to receive benefits in the form of a Ten Years Certain and Life Pension and whose death occurs before pension payments have been made to him for 120 months, there shall be payable to his Beneficiary:

(i) monthly benefit payments in the same amount as were payable to the Pensioner until the number of such monthly payments to the Pensioner and Beneficiary shall total 120, provided the present value (determined using the factors set forth in Section 7.5(e)) of said monthly benefit, as increased in accordance with the next sentence, is greater than $5,000. If the amount payable to the Pensioner would have been increased if he had lived to the effective date of such increase, then his Beneficiary will be entitled to such increased amount, commencing as of the effective date of such increase, or

(ii) if said present value is $5,000 or less and, if the Beneficiary is the Spouse, never exceeded $5,000 when any previous distributions are considered, a lump sum payment equal to said present value.

(b) Upon the death of a Pensioner who is receiving benefits in the form of a Ten Years Certain and Life Pension and whose death occurs after pension payments have been made to him for 120 months, no monthly benefit payments shall be made to any Beneficiary.

Section 8.3 Restriction on Benefits.

The present value of the payments to be made to a Participant must be more than ½ of the present value of the total payments to be made to the Participant and his Beneficiary, determined under the provisions of Section 7.5(e) as of the date benefit payments commence to the Participant.

Section 8.4 Naming a Beneficiary.

(a) At any time and from time to time each Participant and each Pensioner (including a Spouse or Beneficiary) shall have the right, where applicable, to designate the Beneficiary to receive the death benefits, if any, provided for in Articles VII, VIII, and IX, other than those payable under Joint and Survivor, Joint and 75% Survivor and Joint and 100% Survivor benefits, and to change any such designation.

(b) If a Participant has attained Vested Status and is married, his eligible Spouse shall be the Beneficiary to receive the death benefits, if any, provided for in Articles VII or VIII unless the Spouse consents in writing to the naming of another Beneficiary. A Spouse who is eligible to receive benefits under Section 8.2

hereof shall have the right to designate a Beneficiary to receive such benefits in the event of her death prior to the receipt of 120 monthly payments.

(c) Each designation shall be made on a written form prescribed by the Trustees, signed by the Participant or Pensioner and filed with the Trustees prior to the Participant's death. A Participant or Pensioner may not name more than five persons as Beneficiary without the consent of the Trustees. If no designation of Beneficiary is on file with the Trustees at the time of death, or if for any reason that designation is defective, then the Participant's Spouse, if any, shall be deemed to be the Beneficiary. If there is no Spouse, the estate of such Participant or Pensioner shall be deemed to be the Beneficiary designated to receive the benefit. The consent of a non-Spouse Beneficiary will not be required for any change of Beneficiary.

Section 8.5 Beneficiary Predeceases Participant.

Upon the death of the designated Beneficiary and the subsequent death of the Participant or Pensioner before 120 monthly payments under the Ten Years Certain and Life Pension have been made to such Participant or Pensioner, the commuted actuarial value of any remaining unpaid monthly payments, computed on a basis to be determined by the Trustees, will be paid in a lump sum to the estate of the Participant or Pensioner.

Section 8.6. Participant Predeceases Beneficiary.

Upon the death of a Participant or Pensioner and the subsequent death of his designated Beneficiary after payments have commenced to that Beneficiary but before a total of 120 monthly payments under the Ten Years Certain and Life Pension have been made, a lump sum equal to the commuted actuarial value of any remaining unpaid monthly payments, computed using the actuarial factors described in Section 2.1, will be paid to the estate of the Beneficiary unless the designated Beneficiary has named a Beneficiary in accordance with Sections 8.4.

Section 8.7. Unclaimed Death Benefits.

If the Trustees have not, within two months after the date of death of a Participant, Pensioner or Beneficiary, received an Application for Benefits from an executor or administrator of the estate of the Participant, Pensioner or Beneficiary, as the case may be, and if the amount payable is $15,000 or less, such death benefit may be paid to any one or more of the following surviving relatives of the Participant: widow, widower, child or children, mother or father, brother or brothers, sister or sisters. Any payment made in accordance with this Section 8.7 will be a complete discharge of the obligations of the Trustees or their agents to the extent of and as to such payment, and they shall have no obligations regarding the application of any payment so made.

Section 8.8. Distributions to Minors.

In the event that the provisions of this Plan or the determination of the Trustees call for any distribution or payment to be made to a minor child or children, then such distribution or payment by the Fund to such child or children shall be distributed to an account in the name of an adult, for the benefit of the minor, and subject to the jurisdiction of the Connecticut courts or to the provisions of the Connecticut Uniform Transfers to Minors Act. The adult shall be designated by the Participant on a form filed with the Trustees before his death or, if there is no designation, the adult shall be chosen by the Trustees from among the individuals who apply to serve that role and are otherwise involved in caring for the minor. Any payment made in accordance with this Section 8.8 shall be a complete discharge of the obligations of the Trustees or their agents to the extent of and as to such payment, and they shall have no duty or obligation to see that the distribution or payment is used or applied for the benefit of the minor.

ARTICLE IX

Lump Sum Death Benefits

Section 9.1 Pre-Retirement Death Benefits.

Except as provided in Section 4.11, a pre-retirement death benefit shall be paid to the Beneficiary of a deceased Participant who had not yet received any retirement benefits hereunder and who:

(a) had achieved Vested Status, or

(b) had worked in Covered Employment and earned at least some fraction of a Pension Credit in the eighteen (18) consecutive month period immediately preceding the Plan Year of his death, provided that the Participant was not eligible for, or had filed a timely rejection of, with all required consents, the pre-retirement survivor benefit of the Joint and Survivor Pension as described in Section 7.5. The pre-retirement death benefit for an eligible Participant who dies after 1998 shall be $10,000, or $6,000 if more than one-half of his hours in Covered Employment were attributable to Residential Sheet Metal Work or work for the Health Fund or the Local Union described in Section 4.1(b)(i)(B)(II) or (III).

Section 9.2 Post-Retirement Death Benefits.

Except as provided in Section 4.11:

(a) In addition to any other benefits payable under this Plan, upon receipt of proof of death of a Pensioner who initially retired on a monthly pension effective prior to July 1, 1982 and died after 2006, there shall be paid to that Pensioner's Beneficiary a lump sum death benefit in an amount equal to $10,000.

(b) In addition to any other benefits payable under this Plan, upon receipt of proof of death of a Pensioner who died after 2006 and (i) was employed by the Health Fund or the Local Union on December 31, 2006, or (ii) was employed by the Health Fund prior to 2007 and is receiving a monthly benefit from this Pension Fund on December 31, 2006, there shall be paid to that Pensioner's Beneficiary a lump sum death benefit in an amount equal to $4,000.

(c) No post-retirement death benefit shall be payable with respect to (i) any Pensioner who is not described in paragraphs (a) or (b) of this Section 9.2, or (ii) any

Participant or Pensioner whose retirement benefits have been suspended in accordance with Section 10.6 of this Plan.

Section 9.3 Beneficiaries.

Benefits payable to a Beneficiary under this Article IX will be paid in a lump sum in accordance with Sections 8.4 (a) and (c), 8.5, 8.6 and 8.7.

ARTICLE X

Application for Benefits; Suspension of Benefit Payment

Section 10.1 Filing.

(a) Retirement Benefits. An Application for Benefits must be filed with the Trustees in advance of the Annuity Starting Date. The applicant's signature on the Application for Benefits shall signify consent to the distribution of benefits.

(i) Payment of retirement benefits to a Participant shall commence as of his Annuity Starting Date, but in no event later than:

(A) unless the Participant otherwise elects, 60 days after the latest of the end of the Plan Year in which

(I) the Participant attains age 65,

(II) occurs the tenth anniversary of the date on which the Participant commenced participation in the Plan, or

(III) the Participant terminated service in Covered Employment.

A Participant's failure to file an Application for Benefits sufficiently before the 60th day after the end of the Plan Year to allow for a timely distribution under the normal procedures of the Plan shall constitute an election to defer the commencement of benefits beyond the 60th day.

(B) the April 1st following the calendar year in which the Participant reaches age 70-1/2.

If, for administrative reasons, actual payments begin after a Participant's Annuity Starting Date, the Participant shall be entitled to payment for all benefits due on or after his Annuity Starting Date.

(ii) No pension payments shall be made with respect to any month preceding the filing of an Application for Benefits by or on behalf of a Participant, except as provided in Section 10.1(c) and except that a Participant who applies after his Normal Retirement Age to retire on a Normal Pension shall be entitled to a monthly benefit computed as of his Normal Retirement Age, actuarially increased (using mortality and interest rates specified in Section 2.1) for each full month between his Normal Retirement Age and his Annuity Starting Date, and converted as of his

Annuity Starting Date to the benefit payment form elected on the Application for Benefits.

Participants working after Normal Retirement Age shall have their benefits suspended in accordance with Section 10.6 and shall not receive an actuarial increase under this subsection for months of such work or when their benefits were suspended.

(iii) If a Participant becomes entitled to additional benefits after his Normal Retirement Date, because of additional Pension Credits earned in Covered Employment or because of an increase in the rate of benefits adopted by the Trustees, any actuarial increase in such additional benefits shall be computed as of the first date such benefits could have become payable. Any such additional benefits shall begin to be paid as soon as practical after the Participant files an Application for Benefits for the additional benefits and that Application is approved by the Trustees.

(b) Pre-Retirement Death Benefits.

An Application for Benefits must be filed with and approved by the Trustees before any pre-retirement death benefits are paid under the Plan.

(i) Payment of the Joint and Survivor pre-retirement survivor benefit described in Section 7.5 shall commence as soon as practical following the date on which an Application for Benefits is approved.

(ii) Payment of the lump sum pre-retirement death benefit described in Section 9.1 must commence by the December 1st of the year following the calendar year of the Participant's death. If the Participant has not designated a Beneficiary, payments must be made by the end of the fifth year following the calendar year of the Participant's death to the Participant's estate, subject to the provisions of Section 8.7.

(c) Certain Retroactive Benefits. Pursuant to guidance issued by the Internal Revenue Service, including Revenue Procedures 2005-23 and 2005-76, the Plan shall pay appropriate retroactive benefits to certain Affected Individuals in order to reflect the decision of the United States Supreme Court in the case of *Central Laborers' Pension Fund v. Heinz.* The payment of such retroactive benefits will be determined by utilizing the following definition and rules:

(1) *Definition.* For purposes of this subsection (c), the term "Affected Individual" shall mean an individual who meets the criteria of (A), (B) or (C), below:

(A) The individual is a Pensioner who:

(i) commenced receiving monthly benefits from the Plan prior to January 1, 2001, and

(ii) had benefits suspended under the provisions of Section 10.6 because he was engaged in Non-Covered Employment, or in employment outside Connecticut but within any Standard Metropolitan Statistical Area ("SMSA") overlapping Connecticut, or in any jurisdiction that reciprocates contributions back to this Fund, and

(iii) would not have had his benefits suspended under the provisions of Section 10.6 if the Suspension of Benefits Rules in effect on December 31, 2000 (the "2000 SOB Rules") had been utilized; or

(B) The individual is a Participant who:

(i) accrued Pension Credits prior to January 1, 2001 and submitted an Application for Benefits to the Plan on or after January 1, 2001 which was approved by the Plan, and

(ii) was not permitted by the Plan to have his benefits commence due to the suspension provisions of Section 10.6, in that he was determined to be engaged in Non-Covered Employment, or employment outside Connecticut but within an overlapping SMSA, or in a jurisdiction that reciprocates contributions to this Fund, and

(iii) would have had his benefits commence under the suspension provisions of Section 10.6 if the 2000 SOB Rules had been utilized; or

(C) The individual is a Participant who:

(i) at any time on or after January 1, 2001, was eligible to commence the receipt of a Normal or Early Retirement Pension under the Plan (determined by applying the 2000 SOB Rules, and by applying the Plan provisions in effect on December 31, 2000, including but not limited to those concerning types of pensions available and Normal Retirement Age), and

(ii) while eligible to commence the receipt of benefits under the Plan, engaged in Non-Covered Employment or employment outside Connecticut but within an overlapping SMSA, or in a jurisdiction that reciprocates contributions to this Fund, for which benefits were not permitted to commence, and

(iii) would have been eligible to have benefits commence if the 2000 SOB Rules had been utilized; and

(iv) did not submit an Application for Benefits to the Fund because he believed he would have been ineligible to retire due to work of a type described in (C)(ii).

(2) *Rules regarding the payment of retroactive benefits.*

(A) With respect to an Affected Individual who meets the criteria of paragraphs (1)(A) or (B), the Fund shall:

(i) resume or commence, as applicable, any monthly pension benefits which had been suspended in the applicable optional form of benefit, and

(ii) provide a supplemental lump sum payment, equal to the amount of any monthly payments which would have been paid to the Affected Participant for June 2004 or subsequent months (but which were not paid due to the Affected Individual's suspension of benefits under Section 10.6), plus appropriate interest. The appropriate interest shall be determined by utilizing an interest rate of seven percent (7%), based on applicable guidance provided by the Internal Revenue Service.

(B) With respect to an Affected Individual who meets the criteria of paragraph (1)(C), the Fund shall provide him with a reasonable election period in which to elect, retroactively and in accordance with applicable Treasury Regulations, the commencement of monthly pension benefits from the Fund as of June 1, 2004 or the first date on which he was initially eligible to receive such benefits, if later. The Fund shall also provide a supplemental lump sum payment, equal to the amount of any monthly payments otherwise due to the Affected Participant as determined under the previous sentence, plus appropriate interest. The appropriate interest shall be determined by utilizing an interest rate of seven percent (7%), based on applicable guidance provided by the Internal Revenue Service.

The election period described in this subparagraph (B) shall commence on February 28, 2006, by when Affected Individuals who meet the criteria of paragraph (1)(C) have been notified by the Plan of this opportunity, and will end on August 31, 2006, which is at least six months from the date of such notification.

(C) With respect to any Affected Individual, the Plan shall also take into consideration in the calculation of a supplemental lump sum payment described in subparagraph (A) or (B), above, any applicable actuarial adjustment otherwise due under Section 10.1(a)(ii) (in situations where the respective Affected Individual attained his Normal Retirement Age on or after June 1, 2004).

Section 10.2 Information to be Furnished.

Every Participant or Pensioner shall furnish to the Trustees any information or proof reasonably required to determine his benefit rights. If the Trustees discover that any payment from this Plan has been awarded or computed incorrectly, the Trustees shall take such corrective action as they, in their discretion, deem appropriate, including, but not limited to, reducing or eliminating future payments until the overpayment has been recovered.

(a) If the claimant makes a willfully false statement material to his Application for Benefits or furnishes fraudulent information or proof, material to his claim, the Trustees shall have the right to recover any benefit payments made in reliance on any willfully false or fraudulent statement, information or proof submitted by a Participant or Pensioner.

(b) If any fact relating to a Participant has been misstated to the Trustees, the correct fact shall be used to determine the amount of Pension Credits, or the monthly amount of pension payments, if any, in force for a Participant.

Section 10.3 Decisions by the Trustees.

The Trustees shall, subject to the requirements of law, be the sole judges of the standard of proof required in any case and the application and interpretation of this Plan, and decisions of the Trustees shall be final and binding on all parties. Wherever in the Plan the Trustees are given discretionary powers, the Trustees shall exercise such powers in a uniform and nondiscriminatory manner.

All questions or controversies of whatsoever character arising in any manner or between any parties or persons in connection with this Plan or its operation, whether as to any claim for benefits, as to the construction of the language of this Plan or any rules and regulations adopted by the Trustees, or as to any writing, decision, instrument or account in connection with the operation of the Plan or otherwise, shall be submitted to the Trustees or their delegatees for decision, and the Trustees or their delegatees, shall have the full authority and discretion to determine all such questions or controversies. Further, benefits will be paid under this Plan only if the Trustees or their delegates decide in their discretion that the applicant is entitled to them. In the event a claim for benefits has been denied, no lawsuit or other action against the Fund or its Trustees may be filed until the matter has been submitted for review under the review procedure set forth in Section 10.4. The decision on review shall be binding upon all persons (including their heirs or estates) dealing with the Plan or claiming any benefit hereunder, except to the extent that such decision may be determined to be arbitrary or capricious by a court or arbitrator having jurisdiction over such matter.

Any decision or review under this Plan, including under Section 10.4, shall be final and binding upon all persons (including heirs or estates) dealing with the Plan or claiming any benefit hereunder, except to the extent such decision may be determined to be arbitrary and capricious by a court having jurisdiction over such matter.

Section 10.4. Denial of Claim for Benefits.

(a) The Trustees shall cause any Participant, Spouse or Beneficiary to be notified in writing of the action taken regarding his Application for Benefits within a reasonable period of time following the receipt of such Application. Unless special circumstances exist, the applicant will be notified of the decision on a claim within 90 days of the date the claim is filed. Within that 90-day period, the applicant shall receive a notice of the decision or a notice that explains the special circumstances requiring a delay in the decision, and sets a date no later than 180 days after the claim is filed with the Fund Administrator by which a decision can be expected. In the event of a denial of benefits, the Trustees shall cause written notice to be furnished to the applicant which shall include the reasons for the denial; specific references to the Plan provisions on which the denial is based; a description of any additional material or information necessary for the applicant to perfect the Application, including an explanation of why such material or information is necessary; and an explanation of the review procedure set forth in this Section.

(b) (i) (A) If an applicant has received a written denial of his Application for Benefits, he may appeal by filing with the Trustees a written request for review. Such request must be made within 60 days following the receipt of the written denial, and such request must include all facts and/or arguments that are known, or that should be known, by the applicant. In connection with any timely request for review, the Fund Administrator will provide to an applicant, upon written request and free of charge, copies of and reasonable access to all documents, records and other information relevant to the applicant's claim for benefits during the regular business hours of the Fund's administrative office. In addition, the applicant may submit written comments, documents, records, and other information relating to the claim for benefits.

(B) All requests for review of a denial that are made on a timely basis will be given a full and fair review, with consideration given to all comments, documents, records and other information that relate to the Application for Benefits which are received by the Fund Administrator on a timely basis.

(C) Comments, documents, records or other information relating to an Application for Benefits received by the Fund Administrator after an applicant has exhausted all levels of review under the Plan, or after the expiration of the time period for filing a request for review, will not be considered and will not serve to support a new Application for Benefits or establish a new claim under the Plan.

(D) If a written request for review is not received by the Trustees within 60 days following the applicant's receipt of a written denial, the right to an appeal shall be lost.

(ii) Upon receipt of a properly and timely filed written appeal as described in (i) above, the Board of Trustees or its delegate(s) will review the denied claim, and reach a decision. A decision on review shall be made no later than the date of the meeting of the Board of Trustees which immediately follows the Fund's receipt of a request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a decision may be made no later than the date of the second meeting following the Fund's receipt of the request for review. If special circumstances require an extension of time for processing the request a decision will be rendered as soon as possible but not later than the third meeting of the Board of Trustees after the receipt of a request for review. If an extension for processing is required, the Trustees will send a written notice of the extension to the claimant before the extension begins. The Trustees will send a written explanation of the reasons for any decision, referring to the provisions of the Plan on which it is based. In the event the claimant has not received written notice of the decision on review or written notice of an extension within the appropriate time periods, he may assume the claim has been denied.

(iii) A Claimant whose Claim has been denied pursuant to this Section 10.4 shall not have the right to further review or appeal in the absence of relevant newly discovered evidence which in the discretion of the Trustees is sufficient to support such further review or appeal.

(iv) The Board of Trustees may delegate the authority to review and decide on any appeal or request for review.

(c) The Plan's Benefit Claims Procedures shall be administered in accordance with ERISA Section 503 and all applicable regulations issued thereunder.

Section 10.5. Restriction on Retired Status.

To be deemed retired, a Participant or Pensioner may not work in Connecticut as an employee or self-employed person for forty (40) or more hours in any calendar month in any phase of the sheet metal trade or craft, provided that such work after the April 1st following the calendar year in which the Participant reaches age 70 ½ shall not restrict a Participant's retired status.

Section 10.6 Suspension of Benefits.

Subject to such nondiscriminatory rules and regulations as may be prescribed by the Trustees,

(a) If a Pensioner continues to work or returns to work described in Section 10.5, after appropriate notification to him, his pension benefits will be suspended for any calendar month in which he is so employed for forty (40) or more hours. The Pensioner's benefits will resume on a date which is not later than the first day of the third calendar month after the month in which he ceases such employment, provided he has complied with the notification requirements of the Plan.

(b) If a Pensioner returns to work described in Section 10.5, he must notify the Board of Trustees in writing within three days of such employment. When he ceases such employment, he must notify the Board of Trustees in writing before benefit payments will resume. The Trustees may require (i) from each Pensioner an annual certified statement relating to his employment status, and (ii) from each working Pensioner, a monthly certified statement relating to his employment.

(c) If the Trustees become aware that a Pensioner is employed in service described in Section 10.5 (or if they become aware that a Participant whose retirement benefits are due to commence is so employed) and if the individual has not complied with the notice requirement of the Plan with regard to that employment, after appropriate notice to him, the Trustees may presume that the individual has worked in such service in excess of the hours that would trigger a benefit suspension and may further presume that he has been engaged in that service for the same employer for as long as the employer has performed work at the particular construction site. When the individual ceases such work, the Trustees may reduce future benefit payments (by up to 100% of the first monthly payment after the individual ceases such work, and up to 25% of subsequent monthly payments) in order to recover payments made which should have been suspended. Any Pensioner or Participant affected by the operation of these presumptions may rebut the presumptions by filing with the Trustees such evidence as the Trustees deem sufficient.

(d) A Pensioner who returns to Covered Employment and earns additional Future Service Pension Credits in accordance with Section 5.2(a) may file an Application for Benefits with respect to those additional Future Service Pension Credits on the later of (i) his Normal Retirement Date or (ii) the date he ceases working in employment described in Section 10.5. If eligible, the Pensioner shall be entitled to receive monthly benefits determined in accordance with paragraph (e) of this Section 10.6 with respect to such additional Future Service Pension Credits. Neither the return to Covered Employment and the earning of additional Future Service Credits, nor the payment of any such additional benefits shall serve to increase or otherwise affect or modify the retirement benefits being paid to a Pensioner determined as of the date or dates on which he previously retired. Monthly benefits being paid prior to the suspension period shall resume after the suspension period in accordance with the same payment option as was in force for the Pensioner with respect to his initial retirement benefits.

(e) Benefits based on additional Credits earned by a Participant who has previously received or is currently receiving benefits from this Plan and who has returned to Covered Employment, shall be paid to the Participant upon the filing and approval of an Application for Benefits as follows:

(i) If the Participant has a previous Annuity Starting Date which occurred at or after his Normal Retirement Age, Pension Credits attributable to any contributions for work in Covered Employment after that Annuity Starting Date shall be paid to him in the benefit form selected on that Annuity Starting Date, effective on the earlier of:

(A) the first day of the month following the month in which the Participant ceases work in Covered Employment and applies for benefits; or

(B) the April 1st immediately following the year in which the Participant reaches age 70-1/2.

(ii) If all of the Participant's previous Annuity Starting Dates occurred prior to his Normal Retirement Age, Pension Credits attributable to any contributions for work in Covered Employment after the most recent Annuity Starting Date shall be paid in the benefit form selected by the Participant on a new Application for Benefits filed in accordance with the provisions of Article V and shall be paid effective on the earlier of:

(A) the first day of the month following the month in which the Participant has reached Normal Retirement Age, has ceased work in Covered Employment, and has applied for benefits or

(B) the April 1st immediately following the year in which the Participant reaches age 70-1/2.

Section 10.7 Mental or Physical Incapacity.

In the event it is determined by the Trustees that any Pensioner, Spouse or Beneficiary is unable to care for his affairs because of physical or mental incapacity, the Trustees or their agents or employees may pay any benefits due such Pensioner, Spouse or Beneficiary to his legal guardian or conservator, any person appointed to receive such benefits in a valid power of attorney or any relative by blood or marriage, to be used and applied for the benefit of such Pensioner, Spouse or Beneficiary. Payment by the Trustees to such legal representative, attorney or relative shall discharge the Trustees from all liability to such Pensioner, Spouse or Beneficiary or anyone representing him or his interest, and the Trustees shall have no duty or obligation to see that the funds are used or applied for the benefit of such Pensioner, Spouse or Beneficiary.

Section 10.8 No Assignment of Benefits.

(a) Except as provided in subsection (b) and Section 10.10 or as may otherwise be permitted by ERISA and the Code and approved by the Trustees, no Participant, Spouse or Beneficiary (hereinafter for purposes of this Section 10.8, an "Eligible Individual") entitled to any benefits under this Plan shall have the right to assign, alienate, transfer, encumber, pledge, mortgage, hypothecate, anticipate or impair in any manner his legal or beneficial interest, or any interest in the assets of the Trust Fund, or benefits of this Plan. Neither the Trust Fund nor any of the assets thereof, shall be liable for the debts of any Eligible Individual entitled to any benefits under this Plan, nor be subject to attachment or process in any court, action or proceeding.

(b) Subsection (a) shall not apply to any offset of an Eligible Individual's benefits against an amount that such Eligible Individual is ordered or required to pay the Plan with respect to a judgment, order, or decree issued, or a settlement entered into, in accordance with Code §401(a)(13)(C) and (D). In the event that a distribution to an Eligible Individual is subject to the provisions of Article VII of this Plan, an offset described in the previous sentence is permitted provided that one of the following has occurred:

(i) either the Eligible Individual's Spouse has consented in writing to such offset and such consent is witnessed by a notary public or representative of the Plan (or it is established to the satisfaction of a Plan representative that such consent may not be obtained by reason of circumstances described in Code §417(a)(2)(B)), or an election to waive the right of the Eligible Individual's Spouse to a benefit under Section 7.2 or 7.5(c) is in effect in accordance with the requirements of Code §417(a),

(ii) the Eligible Individual's Spouse is ordered or required in such judgment, order, decree or settlement to pay an amount to the Plan in connection with a violation of fiduciary duties, or

(iii) in such judgment, order, decree or settlement, the Eligible Individual's Spouse retains the right to receive a benefit under Section 7.1 and Section 7.5(a) of the Plan.

Section 10.9 No Right to Assets.

No person other than the Trustees of the Pension Fund shall have any right, title or interest in any of the income or property of any funds received or held by or for the account of the Pension Fund, and no person shall have any right to benefits provided by the Plan except as expressly provided herein.

Section 10.10 Qualified Domestic Relations Orders.

(a) The provisions of Section 10.8 shall not apply to a qualified domestic relations order. The Trustees shall abide by the terms of any qualified domestic relations order. A "qualified domestic relations order" means any judgment, decree, or order (including approval of a property settlement agreement) which creates or recognizes the existence of an alternate payee's right to receive all or a portion of the benefits payable to a Participant hereunder pursuant to a state's domestic relations law relating to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of the Participant provided that the order specifically states:

(i) The name and last known mailing address of the Participant and of each alternate payee covered by the order; and

(ii) The amount or percentage of the Participant's benefits to be paid by the Plan to each alternate payee or the manner in which the amount or percentage is to be determined; and

(iii) The number of payments or the period to which the order applies; and

(iv) The name of each plan to which the order applies.

(b) A qualified domestic relations order may not:

(i) permit payment of a type of benefit, or any option, not otherwise provided under the Plan;

(ii) require the Plan to provide increased benefits (determined on the basis of actuarial value);

(iii) require payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

(c) The Plan shall determine the qualified status of domestic relations orders and administer distributions made under a qualified domestic relations order pursuant to reasonable written procedures.

(d) The Trustees shall promptly notify the Participant and any named alternate payee of the receipt of a domestic relations order and the Plan procedures used for determining whether the order is a qualified domestic relations order.

(e) The Trustees shall, within a reasonable period following receipt of a domestic relations order, determine whether the order is qualified and notify the Participant and each alternate payee of its determination.

(f) During the period of time in which the qualified status of the order is being determined, if the order requires payment of amounts to an alternate payee and if the Participant is eligible or becomes eligible to receive such benefits, the

Trustees shall defer distribution of and separately account for such amounts. Payment of the benefits in dispute will not be deferred for more than an eighteen-month period beginning on the date payments are due to commence under the domestic relations order.

(g) If, within eighteen-months of the receipt of a domestic relations order, the order is determined to be qualified, the Trustees shall pay the deferred amounts, with any interest earned thereon (computed in accordance with IRS Regulations), to the alternate payee pursuant to the terms of such order. If, within eighteen months of the receipt of the order, the order is determined not to be qualified, or the order's status is unresolved, the Trustees shall pay the deferred amounts, with any interest earned thereon (computed in accordance with IRS Regulations) to the person or persons who would be entitled to such amounts if no order had been received.

(h) A determination that a domestic relations order is qualified which is made after the close of the eighteen-month period shall operate prospectively only.

(i) Distributions made pursuant to this Section 10.10 shall completely discharge the Plan and the Trustees of all obligations with respect to the Participant and each alternate payee to the extent of any distributions made.

ARTICLE XI

Miscellaneous

Section 11.1. Nonreversion of Assets.

It is expressly understood that this Plan shall be maintained for the exclusive benefit of the Participants and their Beneficiaries and that in no event shall any of the corpus or assets of the Pension Fund revert to the Employers or be subject to any claims of any kind or nature by the Employers, except for the return of an erroneous contributions within the time limits prescribed by law.

Section 11.2 Limitation of Liability.

This Plan has been maintained on the basis of an actuarial calculation which has established, to the extent possible, that the contributions will, if continued, be sufficient to maintain the Plan on a permanent basis, fulfilling the funding requirements of ERISA. Except for liabilities which may result from provisions of ERISA, nothing in this Plan shall be construed to impose any obligation to contribute beyond the obligation of the Employer to make contributions as stipulated in its Collective Bargaining Agreement or Participation Agreement.

There shall be no liability upon the Trustees, individually or collectively, to provide the benefits established by this Plan, if the Pension Fund does not have assets to make such payments.

Section 11.3. New Employers.

If an Employer is sold, merged or otherwise undergoes a change of identity, the successor employer shall participate as to the employees theretofore covered in the Plan just as if it were the original employer, provided it remains a Contributing Employer as defined in Section 2.12.

Section 11.4 Restriction on Transfer of Plan Assets.

This Plan may not merge or consolidate with another plan or transfer its assets or liabilities to another trust, unless each Participant or Pensioner would, if this Plan then terminated, be entitled to a benefit immediately after the merger, consolidation or transfer, at least equivalent to the benefit he would have been entitled to receive if this Plan had terminated immediately prior to the date of such merger, consolidation or transfer. This Section 11.4 shall be applicable only to the extent determined by the Pension Benefit Guaranty Corporation.

Section 11.5 Withdrawal of Employer.

If the Local Union terminates its participation in the Fund with respect to a bargaining unit, or if an Employer terminates its participation in the Fund with respect to a class of Employees, the Trustees are empowered to reduce or cancel that part of any pension for which a person was made eligible because of employment in such bargaining unit or class of employees prior to the Contribution Period with respect to that unit or class of employees.

Section 11.6. Titles and Headings Not to Control.

The titles and headings of this Plan have been inserted for convenience of reference only and shall be ignored in any construction of the provisions of the Plan.

Section 11.7 Governing Law.

This Plan shall be construed according to the laws of the State of Connecticut, except as such laws are superseded by Federal law.

Section 11.8 Plan Administrator.

The Trustees shall be deemed to be the Plan Administrator and a named Fiduciary with respect to this Plan.

Section 11.9 Maximum Benefits.

(a) Definitions -- For purposes of this Section the following definitions shall apply:

(i) "affiliated group" means any group of corporations or other business organizations of which an Employer is a member, determined by using tests established under subsections (b) and (c) (as modified by Section 415(h)) and subsections (m) and (n) of Section 414 of the Internal Revenue Code.

(ii) "annual additions" means, for each limitation year, the sum of the elective deferral contributions and contributions by a Contributing Employer and any other member of the affiliated group allocated to a Participant under any qualified defined contribution retirement plan that is not a multiemployer plan; any forfeitures allocated to a Participant under such a plan; any contribution to such a plan by the Participant; any contribution by a Contributing Employer or any other member of the affiliated group allocated in years beginning after March 31, 1984, to an individual medical account as defined in Code §415(l)(2) established for a Participant under any pension or annuity plan that is not a multiemployer plan; in the case of an individual who is or was at any time a Key Employee as defined in Section 14.1(e), any contribution by a Contributing Employer or any other member of the affiliated group paid or accrued after 1985 to a separate account in a funded welfare benefit plan, as defined in Code §419(e), established for the purpose of providing post-retirement medical benefits; and any allocation under a simplified employee pension, as defined in Code §408(k), maintained by a Contributing Employer or any member of the affiliated group. The term "annual additions" shall not include investment earnings allocable to a Participant. The maximum annual additions credited to any Participant for any limitation year shall not exceed an amount equal to the lesser of:

(A) 25% of his earnings, or

(B) $30,000, adjusted as provided in Section 11.9(d).

(iii) "Code" means the Internal Revenue Code of 1986, as amended.

(iv) (A) "earnings" means, subject to subparagraph (B), wages, as defined in Code §3401(a), and other compensation received by a Participant during the limitation year which are reportable in Box 1 (or, for limitation years beginning before 1993, Box 10) on IRS Form W-2 (Wage and Tax Statement) for such limitation year. Earnings shall be determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages on the basis of the nature or location of the employment or the services performed.

(B) For limitation years beginning after December 31, 1997, earnings shall include elective contributions made on behalf of a Participant that are not includible in gross income under Code §§402(e)(3), 402(h) or 403(b), any elective employer contributions under a qualified salary reduction arrangement described in Code §408(p)(2)(A)(i), any amounts which are contributed or deferred at the election of a Participant under a qualified transportation fringe benefit plan described in Code §132(f)(4), and any amounts which are contributed or deferred at the election of the Participant and which are not includible in the gross income of the Participant by reason of Code §125 or 457.

(v) "limitation year" means the Plan Year;

(vi) "minimum accrued benefit" means a Participant's accrued benefit as of December 31, 1986, computed without regard to any changes in the provisions of the Plan after May 5, 1986, nor to any cost of living adjustments which occurred after such date.

(vii) "projected annual retirement benefit" means the annual benefit to which a Participant would be entitled under the provisions of this Plan and any other defined benefit retirement plan which is not a multiemployer plan and which is maintained by an Employer or any member of the affiliated group, based on the assumptions that he continues employment until his normal retirement age, that his earnings continue at the same rate in effect in the limitation year under consideration until his normal retirement age, and that all other relevant factors used to determine benefits under the plan as of the current limitation year remain constant for all future limitation years.

(viii) "social security retirement age" means a Participant's retirement age under Section 216(1) of the Social Security Act determined without regard to the age increase factor under that Section as if the early retirement age under paragraph (2) thereof were 62.

(b) The following provisions apply to qualified benefit retirement plans:

(i) The Benefit increases resulting from the increase in the limitations of Code §415(b) will be provided to all current and former Participants (with benefits limited by Code §415(b)) who have an accrued benefit under the Plan immediately prior to the effective date of this Section 11.9(b) (other than an accrued benefit resulting from a benefit increase solely as a result of the increases in the limitations under Code §415(b)).

(ii) (A) Subject to the other provisions of this paragraph (ii), and paragraphs (iii), (iv) and (v), the maximum permissible benefit payable to any Participant under this Plan and any other qualified defined benefit retirement plan which is not a multiemployer plan and which is also maintained by the Contributing Employer or any member of the affiliated group shall be the defined benefit dollar limitation. The defined benefit dollar limitation is equal to $160,000, as adjusted, effective January 1st of each year, under Code §415(d) in such manner as the Secretary of the Treasury shall prescribe and payable in the form of a straight life annuity. A limitation as adjusted under Code §415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies.

(B) For purposes of this Section 11.9, if the annual benefit is payable to a Participant in a form other than a straight life annuity, the limitations shall be applied after adjusting such annual benefit to the equivalent of a straight life annuity beginning at the same age. The annual benefit does not include any benefits attributable to employee contributions or rollover contributions, if applicable, or the assets transferred from a qualified plan that was not maintained by a Contributing Employer. No actuarial adjustment to the benefit is required for:

(I) the value of a qualified joint and survivor annuity;

(II) the value of benefits that are not directly related to retirement benefits (such as a qualified disability benefit, pre-retirement death benefits, and post-retirement medical benefits); and

(III) the value of post-retirement cost-of-living increases made in accordance with Code §415(d) and Section 1.415-3(c)(2)(iii) of regulations promulgated by the Secretary of the Treasury.

(C) In applying the limitations of this Section 11.9, the annual retirement benefit that is payable in any form other than a straight life annuity and is not subject to Code §417(e)(3) shall be adjusted so that it is an actuarial equivalent straight life annuity. Such actuarial equivalent straight life annuity shall equal:

(I) with respect to limitation years beginning on and after January 1, 2008, the greater of the annual amount of the straight life annuity (if any) payable under the Plan at the same Annuity Starting Date, and the annual amount of a straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using an interest rate assumption of 5% and the mortality table specified in the Section 2.23.

(II) with respect to limitation years beginning prior to January 1, 2008, the annual amount of a straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following that produces the greater annual amount: (*a*) the interest rate and mortality table specified in Section 2.1(a), or (*b*) an interest rate assumption of 5% and the mortality table specified in the Section 2.23.

(D) In applying the limitations of this Section 11.9, when determining the straight life annuity that is actuarially equivalent to the Participant's form of benefit which is subject to Code §417(e)(3), the following rules shall apply:

(I) with respect to a distribution with an Annuity Starting Date that is on or after January 1, 2006, the actuarial equivalent straight life annuity is equal to the greatest of: (*a*) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and mortality table specified in the Section 2.23 for adjusting benefits in the same form, (*b*) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5% interest rate and the mortality table specified in the Section 2.23, and (*c*) the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and mortality table specified in the Section 2.23, divided by 1.05.

(II) with respect to a distribution with an Annuity Starting Date that occurs during the period January 1, 2004 through December 31, 2005, the actuarial equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (*a*) the interest rate and mortality table specified in the Section 2.23 for adjusting benefits in the same form, and (*b*) a 5.5% interest rate and the mortality table specified in the Section 2.23.

(iii) If the Participant has less than ten (10) years of participation in the Plan, the defined benefit dollar limitation shall be multiplied by a fraction, the numerator of which is the Participant's number of Years of Vesting Service (or part thereof) and the denominator of which is ten (10).

(iv) Effective for limitation years ending after December 31, 2001 and before January 1, 2008, the following rules shall apply:

(A) If payment of an annual retirement benefit to a Participant begins before he reaches age 62, the dollar limitation set forth in paragraph (ii) shall be reduced to the actuarial equivalent of the dollar limitation at age 62, as described below. Specifically, the actuarial equivalent of the dollar limitation applicable at an age prior to age 62 is the lesser of:

(I) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in Section 2.23, or

(II) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5% interest rate and the applicable mortality table specified in Section 2.23.

Any decrease in the defined benefit dollar limitation determined in accordance with this subparagraph (A) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the

Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

(B) If payment of an annual retirement benefit to a Participant begins after he reaches age 65, the dollar limitation set forth in paragraph (ii) shall be increased to the actuarial equivalent of an annual benefit commencing at age 65 equal to such dollar limitation, as described below. Specifically, the actuarial equivalent of the annual benefit applicable at an age after age 65 is the lesser of:

(I) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in Section 2.23, or

(II) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5% interest rate assumption and the applicable mortality table specified in Section 2.23.

For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

(v) Effective with respect to limitation years beginning on or after January 1, 2008, the age-adjusted dollar limitation set forth in paragraph (ii) computed pursuant to subparagraphs (A) or (B), below, is used in place of the dollar limitation described in paragraph (ii) in the case of a benefit with an Annuity Starting Date that occurs before the Participant attains age 62 or after the Participant attains age 65.

(A) (I) For a distribution with an Annuity Starting Date that occurs before the Participant attains the age of 62 where the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of the Participant at his Annuity Starting Date, the age-adjusted dollar limitation set forth in paragraph (ii) generally is determined as the actuarial equivalent of the annual amount of a straight life annuity commencing at the Annuity Starting Date that has the same actuarial present value as a deferred straight life annuity commencing at age 62, where annual payments under the straight life annuity commencing at age 62 are equal to the dollar limitation set forth in paragraph (ii), and where the actuarially equivalent straight life annuity is computed using a 5% interest rate and the applicable mortality table under Section 2.23 that is effective for that Annuity Starting Date (and expressing the

Participant's age based on completed calendar months as of the Annuity Starting Date).

For purposes of determining the actuarially equivalent amount described in this subparagraph (A)(I), to the extent that a forfeiture does not occur upon the Participant's death before the Annuity Starting Date, no adjustment is made to reflect the probability of the Participant's death between the Annuity Starting Date and the Participant's attainment of age 62, unless the Plan provides for such an adjustment. To the extent that a forfeiture occurs upon the Participant's death before the Annuity Starting Date, an adjustment must be made to reflect the probability of the Participant's death between the Annuity Starting Date and the Participant's attainment of age 62. No forfeiture is deemed to occur where a qualified preretirement survivor annuity is payable.

(II) For a distribution with an Annuity Starting Date that occurs before the Participant attains the age of 62 where the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of the Participant at his Annuity Starting Date, the defined benefit dollar limitation set forth in paragraph (ii) for the Participant's Annuity

Starting Date is the lesser of the limitation determined under subparagraph (A)(I), above, and the defined benefit dollar limitation (adjusted under paragraph (iii) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Section 11.9.

(B) (I) For a distribution with an Annuity Starting Date that occurs after the Participant attains the age of 65 where the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of the Participant at his Annuity Starting Date, the age-adjusted dollar limitation in paragraph (ii) generally is determined as the actuarial equivalent of the annual amount of a straight life annuity commencing at the Annuity Starting Date that has the same actuarial present value as a straight life annuity commencing at age 65, where annual payments under the straight life annuity commencing at age 65 are equal to the dollar limitation in paragraph (ii), and where the actuarially equivalent straight life annuity is computed using a 5% rate and the applicable mortality table under Section 2.23 that is effective for that Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

(II) For a distribution with an Annuity Starting Date that occurs after the Participant attains the age of 65 where the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of the Participant at his Annuity Starting Date, the defined benefit dollar limitation set forth in paragraph (ii) for the Participant's Annuity Starting Date is the lesser of the limitation determined under subparagraph (B)(I), above, and the defined benefit dollar limitation (adjusted under paragraph (iii) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Section 11.9. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date is the annual amount of such annuity payable to the

Participant, computed disregarding the Participant's accruals after age 65, but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.

(c) Defined Contribution and Defined Benefit Plans -- If a Participant is covered at any time under a qualified defined contribution retirement plan which is not a multiemployer plan and which is maintained by an Employer or any member of the affiliated group, the sum of the defined contribution fraction as described in (i) below with respect to such defined contribution plan and the defined benefit fraction as described in (ii) below shall not exceed 1.0:

(i) Except as provided in Section 11.9(c)(iii) hereof, the numerator of the defined contribution fraction shall be the sum of the annual additions credited to the Participant for all limitation years (determined with respect to each year under rules which governed the crediting of annual additions for such year) determined as of the end of the limitation year, and the denominator shall be the sum of the lesser of the following amounts computed for each limitation year as of the end of the limitation year including limitation years when he was not a Participant either because he was not eligible to participate or because the Employer did not maintain a defined contribution plan:

(A) 125% of the defined contribution dollar limitation in effect for such limitation year; or

(B) 35% of the Participant's earnings for the limitation year.

(ii) The numerator of the defined benefit fraction shall be the Participant's annual retirement benefit under all qualified defined benefit retirement plans of the Employer or of all members of the affiliated group (determined as of the end of the limitation year) and the denominator shall be the greater of:

(A) The Participant's minimum accrued benefit; or

(B) The lesser of:

(1) 125% of $90,000, adjusted under Section 11.9(d) hereof; or

(2) Subject to Section 11.9(d)(ii) hereof, 140% of the Participant's average earnings for his projected three consecutive highest paid limitation years.

(iii) The numerator of the defined contribution fraction as computed under Section 11.9(c)(i) hereof shall be reduced by an amount specified under regulations prescribed by the Secretary of the Treasury so that the sum of the defined benefit fraction and the defined contribution fraction does not exceed 1.0. This subsection (iii) shall only apply if the defined contribution and defined benefit plans maintained by the Employer and other members of the affiliated group were in existence on or before May 6, 1986, and such plans satisfied the requirements of Section 415 of the Code for the last limitation year beginning before 1987.

(iv) The provisions of this subsection (c) shall be repealed effective as of January 1, 2000.

(d) Adjustments. --

(i) The dollar amounts referred to in Sections 11.9(a), (b) and (c) hereof shall be adjusted in accordance with regulations promulgated by the Secretary of the Treasury for increases in the cost of living.

(ii) A Participant who has terminated employment with the Employer shall have the amount of his average compensation described in Sections 11.9(b)(i)(B)(1) and 11.9(c)(ii)(B)(2) adjusted annually by multiplying that amount by a fraction with the numerator equal to the adjusted dollar limitation set forth in Section 11.9(b)(i)(B)(2) for the limitation year in which this adjustment is being made and the denominator equal to the adjusted dollar limitation in effect for the limitation year in which he terminated employment. When an adjustment is made hereunder in the case of a Participant who terminated employment prior to 1974, the denominator utilized in the applicable fraction shall be determined in accordance with the rules prescribed by the Commissioner of Internal Revenue.

(iii) If an Employer or any member of the affiliated group maintains a qualified defined benefit retirement plan which provides for any postretirement ancillary benefits (other than a qualified joint and survivor annuity with the Participant's spouse), the denominator referred to in Section 11.9(c)(ii) hereof shall be adjusted in accordance with regulations promulgated by the Secretary of the Treasury.

(iv) The provisions of this Section 11.9(d) shall be repealed effective with respect to limitation years ending after December 31, 2001.

(e) Excess Amounts -- If an amount is allocated or credited to any Participant in excess of the limits allowable under Section 11.9(b) or Section 11.9(c) for any limitation year, such excess amount shall be treated as follows:

(i) If the Employer or any other member of the affiliated group maintains any other qualified retirement plan or plans, any excess amount shall be attributed to any and all qualified retirement or profit sharing plans that are not multiemployer plans.

(ii) To the extent that such excess amount is not eliminated, the Trustees shall take all necessary steps to reduce such Participant's benefit described in Article IV hereof.

Section 11.10 Non-Collectively Bargained Employees.

(a) Any Employee Benefit Plan or Local Union whose Employees participate in this Plan shall be required to provide benefits for such Employees in compliance with the coverage rules of Code Section 410(b) the nondiscrimination rules of Code Section 401(a)(4) and the top heavy rules of Code Section 416. All Participation Agreements shall require benefit accruals in compliance with these Code sections and the Employers may be required to provide such information as the Trustees shall deem reasonably necessary for the Plan to monitor compliance with, and to file such reports as may be required by government agencies regarding, Code Sections 410(b), 401(a)(4), 416 and/or other applicable sections of the Code.

(b) Any Employer who provides benefits for Alumni under the terms of this Plan may be required to certify annually that all such Alumni meet the requirements for participation in the Plan as set forth in the Plan and the Collective Bargaining

Agreement or Participation Agreement and may be required to provide such information as the Trustees shall deem reasonably necessary for the Plan to monitor compliance with, and to file such reports as may be required by government agencies regarding, Code Sections 410(b), 401(a)(4), 416 and/or other applicable sections of the Code.

Section 11.11. Section 401(a)(9) Requirements.

Subject to Sections 2.4, 7.1, 8.1, 10.1, 10.5 and 10.6, which provide that distributions to a Participant must commence no later than the April 1st following the calendar year in which the Participant attains age 70-½, all distributions (and survivor benefits) required under the Plan will be made in accordance with the provisions of Code §401(a)(9) and any regulations issued thereunder, including the incidental benefit requirements of Code §401(a)(9)(G) and applicable Treasury regulations. To the extent the Plan's rules do not comply with the provisions of Code §401(a)(9) and any regulations issued thereunder or the Plan is administered in such fashion, the provisions of Exhibit II will govern.

Section 11.12. Electronic Media.

(a) Any reference in the Plan to "written" or "in writing" shall be construed to include a reference to the use of electronic media, to the extent made available by the Trustees and permitted by the Internal Revenue Service and the Department of Labor.

(b) Subsection (a) shall not apply for the following purposes under the Plan:

(i) any spousal consent required in connection with any action taken by a Participant, including the designation of a Beneficiary other than a Spouse;

(ii) making or revoking a Beneficiary designation;

(iii) Article II;

(iv) the definition of 'earnings' for purposes of the overall limitations on contributions;

(v) providing notice of an amendment to the Plan's vesting schedule;

(vi) any notification of action taken by the Trustees regarding an Application for Benefits;

(vii) a request for review of a denial of benefits and the submission of issues and comments in connection with such an appeal; and

(viii) a Participant's request for a copy of the Plan or other documents relating to the establishment and operation of the Plan.

Section 11.13 Compliance with Code §432(e).

In the event that the Plan is in "critical status" for a Plan Year, as such term is defined in Code §432(b)(2), the Plan's Trustees shall adopt a "rehabilitation plan," as such term is defined in Code §432(e)(3), within the required time frame required by law, and shall otherwise take such action so as to comply with the requirements of Code §432(e), including, if applicable and otherwise agreed to, making reductions to "adjustable benefits," as such term is defined in Code §432(e)(8)(A).

Section 11.14 Compliance with the Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART Act).

(a) In accordance with Code §401(a)(37), the following provisions of this subsection (a) shall be effective with respect to deaths occurring after December 31, 2006:

(i) In the case of a Participant who dies while performing qualified military service, the Beneficiary of such Participant shall be entitled to any additional death benefits (other than the accrual of Pension Credit relating to the period of qualified military service) that would have been payable under the Plan if the Participant had resumed work in Covered Employment on the day preceding the Participant's death and then terminated such employment on the actual date of death.

(ii) For purposes of this subsection (a), the term "additional death benefits" includes any accelerated vesting, ancillary life insurance benefits, and other survivor's benefits which may be provided under the Plan that are contingent on a Participant working in Covered Employment on the date of death. Further, the period of time that the deceased Participant spent in qualified military service shall be taken into account solely for purposes of determining such Participant's Years of Vesting Service under this Plan.

(iii) Nothing in this subsection (a) shall be construed as requiring that Pension Credits be imputed for the period of an individual's qualified military service for purposes of determining any death benefits that are payable to the deceased Participant's Beneficiary under the Plan.

(b) If applicable with respect to a specific Contributing Employer, the requirements of this subsection (b) shall be effective with respect to remuneration paid by such Contributing Employer after December 31, 2008:

(i) If a Contributing Employer provides a differential wage payment to a Participant who is performing qualified military service, the Participant shall be treated as an Employee of the Contributing Employer and the differential wage payment shall be treated as Compensation paid by the Contributing Employer for purposes of the Plan. In addition, the Plan shall not be treated as failing to meet the requirements of any provision described in paragraph (ii) by reason of any Plan benefits which are based on the differential wage payment.

(ii) Any Plan benefits based on a differential wage payment described in paragraph (i) shall not cause the Plan to fail to meet the nondiscrimination requirements of Code §§401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k)(3), 408(k)(6), 408(p), 410(b) or 416, as applicable, by reason of the making of (or the right to make) such benefit, if all employees of the Contributing Employer or any other member of the affiliated group (as defined in Section 11.9(a)(i)) that are performing service in the uniformed services are:

(A) entitled to receive differential wage payments on reasonably equivalent terms; and

(B) if eligible to participate in a retirement plan maintained by such Contributing Employer, entitled to benefits based on the differential wage payments on reasonably equivalent terms.

For purposes of applying this paragraph (ii), the provisions of Code §§410(b)(3), (4) and (5) shall apply.

(c) For purposes of this Section 11.14, a reference solely to the term "Code" shall mean a reference to the Internal Revenue Code of 1986, as amended, the term "differential wage payment" shall have the same meaning as contained in Code

§3401(h)(2), the term "qualified military service" shall have the same meaning as contained in Code §414(u)(5), and the term "uniformed services" shall have the same meaning as contained in chapter 43 of title 38 of the United States Code.

Section 11.15 Rules on Employer Withdrawal Liability.

The Trustees are authorized and empowered to adopt such rules, regulations, and methodologies as they, in their sole discretion, may deem necessary to implement the provisions of Subtitle E of Title IV of ERISA, as added by the Multiemployer Pension Plan Amendments Act of 1980, and as it may be amended from time to time.

Section 11.16 Plan Interpretation for Purposes of Compliance with the *United States v. Windsor* decision.

In all instances on and after June 26, 2013, this Plan shall be interpreted so that it complies with the decision of the United States Supreme Court in the case of *United States v. Windsor*, 133 S. Ct. 2675 (2013) and subsequent guidance provided with respect to such decision, including Internal Revenue Service Revenue Ruling 2013-17 and Notice 2014-19. For example, any masculine references in this Plan (such as "he" and "his") shall be deemed to included feminine references (such as "she" and "hers") and vice versa.

ARTICLE XII

Termination

Section 12.1 Right to Terminate.

The Trustees shall have the right to discontinue or terminate this Plan in whole or in part. The rights of all affected Participants, Pensioners, Beneficiaries and Spouses to recourse against this Plan for benefits accrued to the date of termination, partial termination or discontinuance to the extent funded as of such date shall be nonforfeitable. Nothing in this Section 12.1 shall be construed to limit the rights of a Participant, Pensioner, Beneficiary, or Spouse of recourse against the Pension Benefit Guaranty Corporation.

Section 12.2 Allocation of Assets Upon Termination.

In the event of termination, the assets then remaining in the Plan after providing for any administrative expenses, shall be allocated among the Pensioners, Beneficiaries, Spouses and Participants in the following order:

(a) First, in the case of benefits payable as a pension:

(i) In the case of the pension of a Pensioner, Spouse or Beneficiary which was in pay status as of the beginning of the 3-year period ending on the termination date of the Plan, to each such pension, based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which such pension would be the least. The lowest pension in pay status during the 3-year period shall be considered the pension in pay status for such period.

(ii) In the case of a pension of a Participant, Spouse or Beneficiary which would have been in pay status as of the beginning of such 3-year period if the Participant had retired prior to the beginning of the 3-year period and if his pension had commenced (in the standard form) as of the beginning of such period, to each such pension based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which the pension would be the least.

(b) Second, to all other benefits (if any) of the individuals under the Plan guaranteed under Title IV of ERISA.

(c) Third, to all other vested benefits under this Plan.

(d) Fourth, to all other benefits under this Plan.

Section 12.3 Pro-Rata Allocation if Assets are Insufficient to Satisfy Benefits.

For purposes of Section 12.2 hereof:

(a) The amount allocated under any paragraph of Section 12.2 with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior paragraph of that Section.

(b) If the assets available for allocation under any paragraph of Section 12.2 (other than paragraphs (c) and (d)) are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the termination date) of their respective benefits described in that paragraph.

(c) The following provisions apply if the assets available for allocation under Section 12.2(c) are not sufficient to satisfy in full the benefits of individuals described in Section 12.2(c):

(i) Except as provided in subparagraph (ii) below, the assets available for allocation under Section 12.2(c) shall be allocated to the benefits of individuals described in such Section 12.2(c) on the basis of the benefits of individuals which would have been described in such Section 12.2(c) under the Plan as in effect at the beginning of the 5-year period ending on the date of Plan termination.

(ii) If the assets available for allocation under subparagraph (i) above are sufficient to satisfy in full the benefits described in such paragraph (without regard to this subparagraph), then for purposes of subparagraph (i), benefits of individuals described in such paragraph shall be determined on the basis of the Plan as amended by the most recent Plan amendment effective during such 5-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in subparagraph (i) and any assets remaining to be allocated under subparagraph (i) shall be allocated under subparagraph (i) on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.

ARTICLE XIII

Rollovers

Section 13.1 Election.

(a) A Participant or Spouse may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an Eligible Rollover Distribution payable to him paid instead directly to an Eligible Retirement Plan specified by the Participant or Spouse in a Direct Rollover.

(b) Effective with respect to qualifying distributions made after December 31, 2009, a Beneficiary who is not the surviving Spouse of a deceased Participant (hereinafter a "Non-Spouse Beneficiary") may elect, at the time and in the manner prescribed by the Trustees, to have any portion of a qualifying distribution paid directly to an individual retirement plan specified by the Non-Spouse Beneficiary in a direct trustee-to-trustee transfer. For purposes of the previous sentence, the term "qualifying distribution" means all or the portion of a distribution under Articles VII, VIII and IX (as to certain death benefits) of this Plan which would satisfy all of the requirements to be an Eligible Rollover Distribution (as defined in Section 13.2(a)) other than the requirement that such distribution be made to the Participant or the Participant's Spouse, and the term "individual retirement plan" shall mean either an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b)(other than an endowment contract) which is established for the purpose of receiving the distribution on behalf of the Non-Spouse Beneficiary. Any direct trust-to-trustee transfer pursuant to this subsection (b) shall, in accordance with Code §402(c)(11)(A), be treated as an Eligible Rollover Distribution for purposes of Section 13.2(a) of this Plan and Code §402(c).

(c) The Plan shall provide a distributee who is entitled to receive an Eligible Rollover Distribution with a written explanation of the rules governing rollovers (hereinafter a "402(f) Notice"), which includes a description of the right to make a Direct Rollover, the special tax treatment available to certain lump sum distributions, and the mandatory federal income tax withholding on any Eligible Rollover Distribution for which no Direct Rollover election is made. Such 402(f) Notice shall be provided within the time frame described in Section 7.2(a).

Section 13.2 Definitions.

(a) "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of a Participant, Spouse or, subject to the terms and conditions of Section 13.1(b), Non-Spouse Beneficiary, provided that an Eligible Rollover Distribution does not include:

(i) any distribution that is one of a series of substantially equal periodic payments (made not less frequently than annually) made for the life or life expectancy of the Participant or Spouse or the joint lives or joint life expectancies of the Participant or Spouse and his or her designated beneficiary; or

(ii) any distribution made over a specified period of ten years or more; or

(iii) any distribution to the extent such distribution is required under Code §401(a)(9); or

(iv) any portion of any distribution that is not includible in gross income for federal income tax purposes; or

(v) the portion of any distribution that is a hardship distribution described in Code §401(k)(2)(B)(i)(IV) that is received after December 31, 1999 and before the employee attains age 59-1/2 or separates from service with the employer maintaining the plan under which such hardship withdrawal is made; or with respect to distributions made after December 31, 2001, the portion of any distribution that is a hardship distribution.

(b) "Eligible Retirement Plan" means an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), a qualified trust described in Code §401(a), an annuity contract described in Code §403(b) or an eligible plan under

Code §457 which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts an Eligible Rollover Distribution and which agrees to separately account for amounts transferred. The definition of an Eligible Retirement Plan in this paragraph (b) shall also apply in the case of a distribution to a Participant's surviving Spouse, or to a Participant's Spouse or former Spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Section 10.10.

(c) "Spouse" includes, for the purposes of this Article XII, a Participant's surviving Spouse and a former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 10.10.

(d) "Direct Rollover" means a payment by the Fund directly to the Eligible Retirement Plan specified by the Participant or Spouse.

Section 13.3. Rollover to Roth IRA.

An Eligible Rollover Distribution from this Plan may be rolled over to a Roth IRA, as such term is defined in Code §408A, subject to all of the applicable provisions of the Code pertaining to such rollovers, including, but not limited to, Code §408A(c)(6), (d) and (e).

ARTICLE XIV

Top Heavy Plan Provisions

Section 14.1. Definitions.

For purposes of this Article XIV:

(a)

(i) "Top-heavy plan" means this Plan for any Plan Year beginning after 1983 in which, as of the determination date:

(A) it is not included in an aggregation group and the aggregate present value of the accrued benefits for key employees exceeds 60% of the aggregate present value of the accrued benefits for all employees and their beneficiaries; or

(B) it is required to be included in a top-heavy group.

(ii) Except as otherwise provided in paragraph (iii), paragraph (a)(i)(A) shall be applied by taking into account distributions made to any employee or beneficiary during the five-year period ending on the determination date and any amount distributed under a terminated plan which would have been required to be included in the aggregation group.

(iii) Paragraph (a)(i)(A) shall be applied by disregarding:

(A) the accrued benefit of a former key employee (or the beneficiary of a former key employee) for all Plan Years after ceasing to be a key employee;

(B) for Plan Years beginning after December 31, 1984, the accrued benefit of an individual who has not performed services for the Employer at any time during the five-year period ending on the determination date;

(C) benefits paid on account of death, to the extent such benefits exceed the present value of the individual's accrued benefit existing immediately prior to death.

The accrued benefit of an individual that has been disregarded under subparagraph (B) shall be taken into account on the determination date next following the date on which such individual again performs services for the Employer.

(iv) For purposes of paragraph (a)(i)(A), the actuarial assumptions used to determine the present value of accrued benefits under this Plan as set forth in Section 2.1 shall be the same for all defined benefit plans in the aggregation group. When testing for top-heaviness, the present value of accrued benefits shall exclude proportional subsidies but shall include non-proportional subsidies.

(b) "Top-heavy group" means the aggregation group which, if viewed as a single plan, would be a top-heavy plan. For purposes of the preceding sentence, the determination of the present value of an accrued benefit shall be based only on the interest rate and mortality tables used by the defined benefit retirement plan under which such benefit accrued. In determining whether the aggregation group is top-heavy, the accrued benefits or the account balances of all plans shall be valued as of the determination dates for such plans that fall within the same calendar year. The accrued benefit of any non-key employee shall be determined for plan years beginning after 1986 under the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the aggregation group or, if there is no such method, as if such benefit accrued not more rapidly than under the slowest accrual rate permitted under the fractional accrual rule of Section 411(b)(1)(C) of the Code.

(c) "Determination date" means, for this Plan and any other plan included in the aggregation group, the last day of such plan's preceding plan year, or in the case of the first plan year of the plan, the last day of such plan year. For purposes of determining the present value of accrued benefits under this Plan, the date June 30 shall be used.

(d) (i) "Aggregation group" means:

(A) Each qualified defined benefit and defined contribution retirement plan of the Employer in which a key employee is or was a participant within the period of five Plan Years ending on the determination date;

(B) Each other qualified defined benefit and defined contribution retirement plan of the Employer that enables any plan described in subparagraph (A) to meet the qualification requirements of the Code; and

(C) All other qualified defined benefit or defined contribution retirement plans of the Employer elected by the plan administrator that do not cause the aggregation group to violate the qualification requirements of the Code.

(ii) For purposes of this subsection, a qualified retirement plan shall include frozen plans and any terminated plans which were maintained within the period of five Plan Years ending on the determination date.

(e) (i) "Key employee" means an employee who, at any time during the Plan Year containing the determination date, or during any of the four Plan Years preceding such Plan Year, was:

(A) an officer of the Employer whose earnings exceed 50% of the dollar limitation described in Code Section 415(b)(1)(A) as adjusted under Code Section 415(d);

(B) an employee or a self-employed individual as described in Code Section 401(c)(1) having earnings from the Employer exceeding the dollar limitation in effect under Code Section 415(c)(1)(A) for the calendar year in which the Plan Year ends and owning an interest in the Employer that is both more than a one-half percent interest in value and one of the ten largest interests in the Employer;

(C) an owner of more than a 5% interest in the Employer; or

(D) an owner of more than a 1% interest in the Employer whose earnings from the Employer exceed $150,000 for the Plan Year.

(ii) For purposes of this subsection, the term "employee" includes a terminated, retired, disabled, deceased or part-time employee, and a leased employee within the meaning of Code Section 414(n)(2). A beneficiary of an individual described in this subsection shall be considered a key employee.

(iii) For purposes of paragraph (e)(i)(A), if there are more than three officers of the Employer, no more than 10% of all employees of the Employer, based on the highest number of employees within the five Plan Years preceding the determination date, to a maximum of 50, shall be treated as officers. In determining the number of employees of the Employer for purposes of the preceding sentence, employees shall not be taken into account:

(A) Who have less than six months of service;

(B) Who are under age 21;

(C) Who work less than six months per year;

(D) Who normally work less than 17-1/2 hours per week; and

(E) Who are included in a unit of employees covered by a collective bargaining agreement, but only if (1) at least 90% of the individuals employed by the Employer are covered by collective bargaining agreements, and (2) the Plan excludes from coverage individuals covered by such agreements.

Individuals performing executive functions for the Employer during Plan Years beginning after February 28, 1985, shall be treated as officers.

(iv) For purposes of paragraph (e)(i)(B), if two employees or self-employed individuals have the same ownership interest in the Employer, the employee or self-employed individual having the larger annual earnings for the Plan Year during any part of which such ownership interest existed shall be treated as having the larger ownership interest.

(v) In determining ownership, the constructive ownership provisions of Section 318 of the Code shall be applied by utilizing a 5% test in lieu of the 50% test set forth in subparagraph (a)(2)(C) thereof. The aggregation rules of Section 414(b), (c), (m) and (o) of the Code shall not apply for purposes of determining ownership.

(f) "Non-key employee" means any employee who is not a key employee.

(g) "Earnings" means (i) for purposes of this section other than subsection (e), amounts paid to an individual by the Employer for a Plan Year, including salary and wages, overtime pay, bonuses, commissions and taxable fringe benefits, but shall not include employer contributions (including elective amounts deferred under an arrangement described in Code §401(k)) under the Plan or any other plan of a Contributing Employer or any fringe benefits which are nontaxable to employees; and (ii) for purposes of subsection (e), "Earnings" means the sum of (A) Compensation as defined in Section 2.11; and (B) elective or salary reduction contributions by a Contributing Employer that are not includible in the gross income of the individual under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B) or 403(b). Except for purposes of determining status as a Key Employee under subsection (e), an individual's Earnings for any year shall be deemed not to exceed $200,000 (or, for years after 1995, $150,000), as adjusted under Code §401(a)(17).

(h) "Average earnings" means the average of a Participant's earnings for the five consecutive years of service which produce the highest average. In determining average earnings, any year in the five consecutive year period in which a year of service was not earned shall not be counted. If a Participant has completed less than five years of service, the average of the earnings for all years of service shall be used. Earnings received for years of service beginning after the close of the last Plan Year in which the Plan is top-heavy shall be disregarded.

(i) "Year(s) of service" means the period of service used to determine the vested percentage of a Participant's benefits under a defined benefit or defined contribution retirement plan of the Employer.

Section 14.2 Application.

Except where provided otherwise, the following sections of this Article shall apply for any Plan Year during which the Plan is a top-heavy plan.

Section 14.3 Top-Heavy Rules.

(a) Subject to the provisions of subsection (b), each non-key employee who is a Participant in the Plan and is credited with at least 1,000 Hours of Service during the Plan Year shall be entitled to an annual retirement benefit (expressed as a single life annuity beginning at the normal retirement date with no ancillary benefits) derived from Employer contributions equal to the lesser of (i) 20% of average earnings, or (ii) 2% of average earnings multiplied by the number of years of service. For purposes of the preceding sentence, only years of service completed in a Plan Year beginning after December 31, 1983, and which include the last day of a Plan Year during which the Plan is a top-heavy plan shall be taken into account. This subsection (a) shall not apply for any Plan Year in which its application would reduce the accrued benefit of any Participant attributable to such Plan Year.

(b) If a non-key employee participates in two or more top-heavy defined benefit retirement plans of the Employer, the minimum benefit requirements of subsection (a) may be satisfied by combining the benefits provided under such plans. A non-key employee who during any Plan Year participates in one or more top-heavy defined benefit retirement plans and one or more top-heavy defined contribution retirement plans of the Employer shall receive, in lieu of the amount required by subsection (a), combined allocations provided under such defined benefit and defined contribution retirement plans comparable to the benefit required by subsection (a).

Section 14.4. Top-Heavy Plan Adjustments.

(a) If the requirements of subsection (b) are not satisfied, the dollar limitations described in Sections 11.9(c)(i)(A) and 11.9(c)(ii)(B) shall not be multiplied by 125% but shall be multiplied by 100%.

(b) The requirements of this subsection are satisfied if:

(i) beginning January 1, 1984, a Participant who participates in one or more top-heavy defined benefit retirement plans and one or more top-heavy defined contribution retirement plans of the Employer does not accrue a benefit or receive an annual addition under such plans for any limitation year beginning or ending within the Plan Year for which such plans are top-heavy; or

(ii) (A) the aggregate present value of the accrued benefits and account balances for key employees under all qualified retirement plans included in the aggregation group exceeds 60% but does not exceed 90% of the aggregate present value of the accrued benefits and account balances for all employees, and

(B) 30% and 3% are substituted for 20% and 2%, respectively, in Section 14.3(a).

(c) The provisions of this Section 14.4 shall be repealed effective with respect to limitation years beginning after December 31, 1999.

Section 14.5. Eligibility of Non-Key Employees.

The eligibility of a non-key employee who is a Participant in the Plan for a minimum benefit under Sections 14.3 and 14.4(b)(ii)(B) shall be determined without regard to the following: (a) employment on a specified date or (b) exclusion from participation or failure to accrue a benefit by reason of Compensation being less than a stated amount or failure to make mandatory contributions for a Plan Year.

Section 14.6. Accelerated Vesting.

(a) If a Participant has at least one Hour of Service on or after the first day of a Plan Year during which the Plan is a top-heavy Plan, and if the following schedule would result in faster vesting for the Participant, it shall be substituted for the vesting schedule set forth in Section 4.3(b):

3-YEAR CLIFF VESTING

Less than 3 Vesting Years	0%
At least 3 Vesting Years	100%

(b) The vesting schedule set forth in subsection (a) shall apply only to Plan Years in which the Plan is a top-heavy plan. When the vesting schedule set forth in subsection (a) ceases to apply by reason of the preceding sentence, Section 4.3(b) shall apply as if the Plan had been amended, effective immediately, on the first day of the Plan Year in which the Plan is no longer a top-heavy plan.

Section 14.7 Modification of Top-Heavy Rules under the Economic Growth and Tax Relief Reconciliation Act.

(a) Effective for Plan Years beginning after December 31, 2001, this Section 14.7 shall supercede the provisions of Article XIV that are inconsistent with this Section 14.7.

(b) The term "Key Employee" shall mean any Employee or former Employee (including any deceased Employee) who, at any time during the Plan Year that includes the Determination Date, was an officer of a Contributing Employer having annual Compensation greater than $130,000 (as adjusted under Code §416(i)(1) for Plan Years beginning after December 31, 2002), a 5% owner of a Contributing Employer, or a 1% owner of a Contributing Employer having annual Compensation of more than $150,000. For this purpose, annual Compensation means compensation within the meaning of Code §415(c)(3). The determination of who is a Key Employee will be made in accordance with Code §416(i)(1), applicable Regulations issued by the Secretary of the Treasury, and other guidance of general applicability issued thereunder.

(c) This subsection (c) shall apply for purposes of determining the present value of accrued benefits and the amounts of account balances of Employees as of the Determination Date.

(i) The present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Code §416(g)(2) during the 1-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Code §416(g)(2)(A)(i). In the case of a distribution made for a reason other than severance from employment, death or disability, this provision shall be applied by substituting "5-year period" for "1-year period."

(ii) The accrued benefits and accounts of any individual who has not performed services for a Contributing Employer during the 1-year period ending on the Determination Date shall not be taken into account.

(d) For purposes of satisfying the minimum benefit requirements of Code §416(c)(1) and the Plan, in determining years of service with a Contributing Employer, any service with a Contributing Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Code §410(b)) no Key Employee or Former Key Employee.

ARTICLE XV

Amendments

Section 15.1 Amendment.

This Plan may be amended at any time by the majority vote of the Trustees. Amendments shall be in writing and signed by all of the Trustees or by the Co-Chairmen. However, no amendment may decrease the benefits accrued by any Participant, except:

(a) As necessary to establish or maintain the qualification of the Plan or the Trust Fund under the Internal Revenue Code and to maintain compliance of the Plan with the requirements of ERISA, or

(b) If the amendment meets the requirements of Section 412(c)(8) of the Internal Revenue Code, and the Secretary of Labor has been notified of such amendment and has either approved of it or, within 90 days after the date on which such notice was filed, failed to disapprove.

SIGNATURE PAGE TO FOLLOW (PAGE 177 OF 186, INCLUDING EXHIBITS)

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Second Amendment on September 16, 2014.

UNION TRUSTEES	EMPLOYER TRUSTEES
x 9/17/14 John Nimmons	 John Ferrucci
x David A. Roche	x Kenneth R. Kleeberg
x Robert Vivari, Jr.	x Lynne A. Kleeberg Lynne A. Kleeberg
x Jeremy A. Zeedyk	x Michael Thompson

<u>Exhibit I</u>

Listing of Top-Paid Group Elections under Plan §2.24(a)(iii)(A)

Name of Contributing Employer making "Top-Paid Group Election"	Plan Year for which "Top-Paid Group Election" made

(a) For purposes of this Exhibit I, a "Top-Paid Group Election" means that a Contributing Employer has elected to utilize the election described in Section 414(q)(1)(B)(ii) of the Internal Revenue Code of 1986, as amended, when determining such Contributing Employer's Highly Compensated Employees for purposes of Plan §2.24 and has notified the Trustees in writing of such election.

(b) As of the date of adoption of the Thirty-First Amendment to the Plan, no Contributing Employer has notified the Trustees in writing of a Top-Paid Group Election when determining such Contributing Employer's Highly Compensated Employees for purposes of Plan §2.24. In the event that a Contributing Employer makes such a Top-Paid Group Election in the future and notifies the Trustees in writing, the Contributing Employer's Top-Paid Group Election will be reflected in the above table.

Exhibit II

Minimum Distribution Requirements -
Section 401(a)(9) Final and Temporary Regulations

Section A. General Rules.

A.1 Effective Date. The provisions of this **Exhibit II** will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

A.2 Precedence. The requirements of this **Exhibit II** will apply only to the extent the terms of the Plan do not otherwise comply with the requirements of Code §401(a)(9) and any regulations issued thereunder or the Plan is administered in such fashion.

A.3 Requirements of Treasury Regulations Incorporated. All distributions required under this **Exhibit II** will be determined and made in accordance with the Treasury regulations under Code §401(a)(9).

Section B. Limits on Distribution Periods.

B.1 As of the first distribution calendar year, distributions to a Participant, if not made in a single lump sum, may only be made over one of the following periods:

(a) the life of the Participant,

(b) the joint lives of the Participant and a designated beneficiary,

(c) a period certain, not extending beyond the life expectancy of the Participant, or

(d) a period certain, not extending beyond the joint life and last survivor expectancy of the Participant and a designated beneficiary.

Section C. Time and Manner of Distribution.

C.1 Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, no later than the Participant's required beginning date, as defined in Section I.6.

C.2 Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving Spouse is the Participant's sole designated beneficiary, then, except as provided in Section J, distributions to the surviving Spouse will begin by the December 31st of the calendar year immediately following the calendar year in which the Participant died, or by the December 31st of the calendar year in which the Participant would have attained age 70-½, if later.

(b) If the Participant's surviving Spouse is not the Participant's sole designated beneficiary, then, except as provided in Section J, distributions to the designated beneficiary will begin by the December 31st of the calendar year immediately following the calendar year in which the Participant died.

(c) If there is no designated beneficiary as of the September 30th of the year following the year of the Participant's death, the Participant's entire interest will be distributed by the December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the Participant's surviving Spouse is the Participant's sole designated beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse are required to begin, this Section C.2, other than Section C.2(a), will apply as if the surviving Spouse were the Participant.

For purposes of this Section C.2 and Section F, unless Section C.2(d) applies, distributions are considered to begin on the Participant's required beginning date. If Section C.2(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section C.2(a). If distributions under an annuity meeting the requirements of this **Exhibit II** commence to the Participant before the Participant's required beginning date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section C.2(a)), the date distributions are considered to begin is the date distributions actually commence.

C.3 Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single lump sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections D, E and F of this **Exhibit II**. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the Treasury regulations. Any part of the Participant's interest which is in the form of an individual account described in Code §414(k) will be distributed in a manner satisfying the requirements of Code §401(a)(9) and the Treasury regulations that apply to individual accounts.

Section D Determination of Amount to be Distributed Each Year.

D.1 General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity shall satisfy the following requirements:

(a) the annuity distributions will be paid in periodic payments made at uniform intervals not longer than one year,

(b) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections E or F,

(c) once payments have begun over a period, the period will only be changed in accordance with Section G,

(d) payments will either be nonincreasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the percentage increase in an eligible cost-of-living index for a 12-month period ending in the year during which the increase occurs or a prior year, or

(2) by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index since the annuity starting date or, if later, the date of the most recent percentage increase, or

(3) by a constant percentage of less than 5 percent (5%) per year, applied not less frequently than annually, or

(4) as a result of dividend or other payments that result from actuarial gains, provided:

(A) the actuarial gain is measured not less frequently than annually, and

(B) the resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity (beginning no later than the year following the year for which the actuarial experience is measured), and

(C) the actuarial gain taken into account is limited to the actuarial gain from investment experience, and

(D) the assumed interest rate used to calculate such actuarial gains is not less than 3 percent (3%), and

(E) the annuity payments are not increased by a constant percentage as described in (d)(3) of this Section D.1.

(e) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period in Section E dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Code §414(p),

(f) to provide a final payment upon the Participant's death not greater than the excess of the actuarial present value of the Participant's accrued benefit (within the meaning of Code §411(a)(7)) calculated as of the annuity starting date using the applicable interest rate of Plan Section 2.23 and the applicable mortality table of Plan Section 2.23 over the total of payments before the Participant's death,

(g) to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single lump sum distribution upon the Participant's death; or

(h) to pay increased benefits that result from a Plan amendment.

D.2 Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section C.2 (a) or (b)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

D.3 Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

Section E Requirement For Annuity Distributions That Commence During Participant's Lifetime.

E.1 Joint Life Annuities Where the Beneficiary is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant (using the table set forth in Treasury regulation §1.401(a)(9)-6, Q & A-2(c)(2), in the manner described in Q & A-2(c)(1) of such regulations, to determine the applicable percentage). If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

E.2 Period Certain Annuities. Unless the Participant's Spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury regulation §1.401(a)(9)-9, Q & A-2, for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treasury regulation §1.401(a)(9)-9, Q & A-2, plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this subsection E.2, or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Treasury regulation §1.401(a)(9)-9, Q & A-3, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

Section F Requirements For Minimum Distributions After the Participant's Death.

F.1 Death After Date Distributions Begin. If the Participant dies after distribution of his or her interest begins in the form of an annuity meeting the requirements of this **Exhibit II**, the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

F.2 Death Before Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. Except as provided in Section J, if the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section C.2 (a) or (b), over the life of the designated beneficiary or over a period certain not exceeding:

(1) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death, or

(2) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of the September 30th of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by the December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole designated beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section F will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section C.2 (a).

Section G. Changes to Annuity Payment Period.

G.1 Permitted Changes. An annuity payment may be changed only in association with an annuity payment increase described in Section D.1 (d), above, or in accordance with Section G.2, below.

G.2 Reannuitization. An annuity payment period may be changed and the annuity payments modified in accordance with that change if the conditions in Section G.3 are satisfied and:

(a) the modification occurs when the Participant retires or in connection with a Plan termination,

(b) the payment period prior to the modification is a period certain without life contingencies, or

(c) the annuity payments after modification are paid under a qualified joint and survivor annuity over the joint lives of the Participant and a designated beneficiary, the Participant's Spouse is the sole designated beneficiary, and the modification occurs in connection with the Participant becoming married to such Spouse.

G.3 Conditions. The conditions in this Section G.3 are satisfied if:

(a) the future payments after modification satisfy the requirements of Code §401(a)(9), the associated Treasury regulations, and this **Exhibit II** (determined by treating the date of the change as a new annuity starting date and the actuarial present value of the remaining payments prior to modification as the entire interest of the Participant), and

(b) for purposes of Code §§415 and 417, the modification is treated as a new annuity starting date, and

(c) after taking into account the modification, the annuity (including all past and future payments) satisfies the requirements of Code §415 (determined at the original annuity starting date, using the interest rates and mortality tables applicable to such date), and

(d) the end point of the period certain, if any, for any modified payment period is not later than the end point available to the employee at the original annuity starting date under Code §401(a)(9) and this **Exhibit II**.

Section H Payments to a Surviving Child.

H.1 Special rule. For purposes of this **Exhibit II**, payments made to the Participant's surviving child until the child reaches the age of majority (or dies, if earlier) shall be treated as if such payments were made to the surviving Spouse to the extent the payments become payable to the surviving Spouse upon cessation of the payments to the child.

H.2 Age of majority. For purposes of this Section H, a child shall be treated as having not reached the age of majority if the child has not completed a specified course of education and is under the age of 26. In addition, a child who is disabled within the meaning of Code §72(m)(7) when the child reaches the age of majority shall be treated as not having reached the age of majority so long as the child continues to be disabled.

Section I. Definitions. For purposes of this **Exhibit II**, the following definitions shall apply:

I.1 "Actuarial gain" means the difference between an amount determined using the actuarial assumptions (*i.e.*, investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Further, actuarial gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the actuarial gain (if any) is determined.

I.2 "Designated beneficiary" means the individual or entity that is designated as the Beneficiary of a Participant under Plan Section 8.4 and, therefore, is the designated beneficiary under Code §401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

I.3 "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section C.2.

I.4 "Eligible cost-of-living index" means an index described in paragraphs (b)(2), (b)(3) or (b)(4) in Section 1.401(a)(9)-6, Q & A-14 of the Treasury regulations.

I.5 "Life expectancy" means the life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9, Q & A-1, of the Treasury regulations.

I.6 "Required beginning date" means the applicable date specified in Plan Section 10.1(a)(i)(B).

Section J Special Elections.

J.1 Election to Allow Participants or Beneficiaries to Elect 5-Year Rule. A Participant or designated beneficiary may elect on an individual basis whether the 5-year rule or the life expectancy rule in Sections C.2 and E.2 of this **Exhibit II** applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of the September 30th of the calendar year in which distribution would be required to begin under Section C.2 of this **Exhibit II**, or by the September 30th of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving Spouse's) death. If neither the Participant nor designated beneficiary makes an election under this Section J.1, distributions will be made in accordance with Sections C.2 and E.2 of this **Exhibit II**.

J.2 Election to Allow Designated Beneficiary Receiving Distributions Under 5-Year Rule to Elect Life Expectancy Distributions. A designated beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

FIFTY-THIRD AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(III) of this 53rd Plan Amendment, which is effective for Plan Years commencing on and after January 1, 2017); and

(III) for each Plan Year commencing on and after January 1, 2018 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	$95
Between 549,999 and 500,000	$90
Between 499,999 and 450,000	$85
Between 449,999 and 400,000	$80
399,999 or less	$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(IV) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

2. Effective January 1, 2016, subsection (d) of Section 5.3 (governing the "Additional Future Service Pension Credits") is amended to read:

"(d) Except as provided in Section 4.11, a Disabled Participant who is determined by the Trustees to be entitled to a Total Disability Pension under Section 4.4(c)(i)(A) on or after January 1, 2005 and who has 20 or more Pension Credits (counting disability hours converted to a partial Credit pursuant to Section 5.3(a) and banked hours converted to Credits pursuant to Section 5.8(h)) on the date as of which monthly disability benefits under a Social Security Disability Award begin (whether that date is before or after the date the Award is issued) shall be entitled to receive additional Future Service Pension Credits equal to the lesser of the following:

- the number of Future Service Pension Credits that equals the number of years (including fractions thereof, rounded to the nearest tenth) between the first day of the month after the Fund Administrator receives the Social Security Disability Award (or if later, the date as of which monthly disability benefits under a Social Security Disability Award begin) and the first day of the month after the date the Disabled Participant will attain age 62, using the Regular Pension Benefit Rate as of the date of the Disabled Participant's retirement, and

- five (5) Future Service Pension Credits, reduced by any fraction of a Future Service Pension Credit awarded to the Disabled Participant under Section 5.3(a) for the disability which was the basis for the Total Disability Pension, using the Regular Pension Benefit Rate as of the date of the Disabled Participant's retirement."

3. Effective as of January 1, 2017, paragraph (B) of subsection (e)(ii)(B) of Section 5.8 (governing the "Banking of Hours") is clarified by amending such paragraph so that a new paragraph (C) is also added, and that paragraphs (B) and (C) read as follows:

"(ii) For a Participant who initially retires under Article IV at any time on or after December 1, 2013, hours in such a Participant's bank:

(A) shall not be applied during any Plan Year prior to January 1, 2007 that the Participant did not work at least 400 hours in Covered Employment, and

(B) shall be applied during any Plan Year commencing on or after January 1, 2007, regardless of the number of hours the Participant worked in Covered Employment during such a Plan Year, and

(C) shall be applied, in all instances on and after January 1, 2017, in a manner that maximizes the Pension Credit accrued by such Participant."

4. Effective January 1, 2017, subsection (h) of Section 5.8 (governing the "Banking of Hours") is amended to read:

"(h) Anything in this Section 5.8 to the contrary notwithstanding, upon a Participant's retirement or death on or after February 1, 1985, the hours remaining in his bank shall be converted to Future Service Pension Credit in accordance with the schedule in or referred to in Section 5.2 hereof (depending upon the schedule in effect in the year [but not later than 2006] the Participant last worked), regardless of whether he worked 400 hours in Covered Employment in the calendar year of his retirement or the following calendar year. Such Credit shall be counted in determining whether a Participant has attained Vested Status or is entitled to a Disability or Early Retirement Pension. Such Credit shall also be counted in computing the Participant's retirement benefit at the Benefit Rate to which the Participant is entitled for credit earned when he last worked, provided that in no event shall such Benefit Rate exceed $80 (assuming benefits are paid in Life Pension form). Such Credit shall not be counted in considering whether the Participant incurred a Break in Service or whether the benefit limitations rules of Section 4.5 are applicable. This paragraph (h) applies only at the time of a Participant's actual retirement or death and banking of hours for periods prior to retirement or death shall continue to be governed by the other provisions of this Section 5.8."

5. Effective January 1, 2017, subsection (i) of Section 5.8 (governing the "Banking of Hours") is amended to read:

"(i) Banked Hours:

(i) attributable to work other than Residential Sheet Metal Work, of a Participant who retires on or after January 1, 1989 will be credited at the greater of the following Benefit Rates:

(A) $42, if benefits are paid as in Life Pension form, which was the Benefit Rate in effect on January 1, 1989 for Pension Credits earned after 1988, or

(B) subject to Section 4.5, the Benefit Rate in effect at the time of the Participant's retirement, provided that in no event shall such Benefit Rate exceed $80 (assuming benefits are paid in Life Pension form).

(ii) attributable to Residential Sheet Metal Work by a Participant who retires on or after January 1, 2005 will be credited, subject to Section 4.5, at the Benefit Rate in effect for Residential Sheet Metal Work at the time of the Participant's retirement, provided that in no event shall such Benefit Rate exceed $40 (assuming benefits are paid in Life Pension form).

(iii) with respect to hours in the bank of a Participant as of December 31, 2004 who is an hourly-paid Employee of Sheet Metal Workers' Local No. 40 Health Fund, the Benefit Rate shall not be less than the Benefit Rate that would apply to those hours if such Participant retired on December 31, 2004."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Third Amendment on this 20 day of September, 2016.

John Ferrucci	Jeremy A. Zcedyk
Lynne A. Kleeberg	David A. Roche
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Robert Vivari, Jr.

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FIFTY-FOURTH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. For clarification, that portion of subsection (a) of Section 2.1 of the Plan (the definition of "Actuarial Equivalent") which solely governs Mortality Rates is amended to read as follows:

"Mortality Rates: UP 1984 Table, with ages of employees set forward one year and ages of beneficiaries set back four years.

For purposes of determining the 'Joint and Survivor Pension payment for Total Disability Pensions,' under Section 4.4(b)(i) of the Plan on or after January 1, 2005 and before the Disabled Participant attains age 62, the actuarial conversion factor shall be determined by reference to the ages of the Disabled Participant and the Disabled Participant's Beneficiary on the Disabled Participant's Normal Retirement Age.

For purposes of determining the cost of "Total Disability Pensions," under Section 4.4(b)(i)(A) of the Plan as in effect before July 31, 2005 and before the Disabled Participant attains age 62, mortality rates will be determined using the Pension Benefit Guaranty Corporation's Table V.

For purposes of calculating optional forms of payment for Total Disability Pensions under Section 4.4(b)(i) of the Plan on or after July 1, 2007 and before the Disabled Participant attains age 62, the actuarial conversion factor shall be determined by reference to the ages of the Disabled Participant and the Disabled Participant's Beneficiary, if applicable, on the Disabled Participant's Normal Retirement Age."

2. For clarification, the reference in subsection (b) of Section 4.6 to "$20.000" shall be changed to read "$20.00."

3. For clarification, the reference in subsection (b) of Section 7.5 to "Section 8.6(b)" shall be changed to "Section 8.4".

4. For clarification, subsection (b) of Section 7.8 is amended to read as follows:

"(b) Upon the death of a Disabled Participant prior to his Normal Retirement Date and while he is receiving a Total Disability Pension described in Section 4.4(b)(i) in the form of a Joint and Survivor Pension, a Joint and 75% Survivor Pension, or a Joint and 100% Survivor Pension, subject to paragraph (c), there shall be payable to his surviving Spouse for her life a monthly benefit equal to the 50%, 75%, or 100% survivor percentage, as accepted or elected, of the amount of Total Disability Pension the Disabled Participant received in the month before his death."

5. For clarification, subsection (b) of Section 8.1 is amended to read as follows:

"(b) 'Ten Years Certain and Life Pension' means a lifetime monthly pension benefit for a Participant which will continue to him or his Beneficiary for 10 years. Subject to Section 4.7, Normal, Early Retirement, Disability and Pro-Rata Pensions for unmarried Participants, or those who qualify but file with the Trustees in writing a timely rejection, with the required consents, of the Joint and Survivor Pension or the Life Pension, as the case may be, and do not elect the Joint and 75% Survivor Pension or the Joint and 100% Survivor Pension, may, at the Participant's election with the required consents, be paid in the form of a Ten Years Certain and Life Pension."

6. Effective April 1, 2018, Section 10.4 of the Plan (governing the "Denial of Claim for Benefits") is amended to read as follows:

"Section 10.4 Denial of Claim for Benefits.

(a) Except as provided in subsection (d) with respect to Applications for Disability Pensions, the Trustees shall cause any Participant, Spouse or Beneficiary to be notified in writing of the action taken regarding his or her Application for Benefits within 90 days following the receipt of a properly filed Application, unless special circumstances require an extension of the time for processing the claim. If an extension of time is required, a written notice of this extension explaining the reasons therefor, will be provided to the applicant prior to the termination of the 90 day period. In no event shall an extension exceed a period of 90 days from the end of the initial 90 day period. If a written decision on an Application for Benefits or a notice of an extension is not received by the applicant within 90 days, or a written decision following an extension is not received within 180 days, the applicant may assume the Application has been denied and shall be permitted to proceed to the review stage described in subsection (b) below. In the event of a denial of benefits under this subsection (a), the Trustees shall cause written notice to be furnish to the applicant the reasons for the denial; including specific references to the Plan provision(s) on which the denial is based; a description of any additional material or information necessary for the applicant to perfect the Application, and an explanation of why such material or information is necessary; and an explanation of the review procedure set forth in subsections (a) and (b) of this Section 10.4, including a statement of the applicant's right to bring a civil action under ERISA §502(a) following an adverse benefit determination on review.

(b) (i) (A) If an applicant has received a written denial of his Application for Benefits, he or she may appeal by filing with the Trustees a written request for review. Such request must be made within 60 days following the receipt of the written denial, and such request must include all facts and/or arguments that are known, or that should be known, by the applicant. In connection with any timely request for review, the Fund Administrator will provide to the applicant, upon request and free of charge, copies of and reasonable access to all documents, records and other information relevant to the applicant's claim for benefits during the regular business hours of the Fund's administrative office. In addition, the applicant may submit written comments, documents, records, and other information relating to the claim for benefits.

(B) All requests for review of a denial that are made on a timely basis will be given a full and fair review, with consideration given to all comments, documents, records and other information that relate to the Application for Benefits which are received by the Fund Administrator on a timely basis.

(C) Comments, documents, records or other information relating to an Application for Benefits received by the Fund Administrator after an applicant has exhausted all levels of review under the Plan, or after the expiration of the time period for filing a request for review, will not be considered and will not serve to support a new Application for Benefits or establish a new claim under the Plan.

(D) If a written request for review is not received by the Trustees within 60 days following the applicant's receipt of a written denial, the right to an appeal shall be lost.

(ii) Upon receipt of a properly and timely filed written appeal as described in (i) above, the Board of Trustees or its delegate(s) will review the denied claim, and reach a decision. A decision on review shall be made no later than the date of the meeting of the Board of Trustees which immediately follows the Fund's receipt of a request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a decision may be made no later than the date of the second meeting following the Fund's receipt of the request for review. If special circumstances require an extension of time for processing the request a decision will be rendered as soon as possible but not later than the third meeting of the Board of Trustees after the receipt of a request for review.

If an extension for processing is required, the Trustees will send a written notice of the extension to the applicant, along with a description of the special circumstances, before the extension begins. The Trustees will send a written explanation of the reasons for any decision, referring to the provision(s) of the Plan on which it is based. In the event the applicant has not received written notice of the decision on review or written notice of an extension within the appropriate time periods, he or she may assume the claim has been denied.

(iii) An applicant whose claim has been denied pursuant to this Section 10.4 shall not have the right to further review or appeal in the absence of relevant newly discovered evidence which, in the full and complete discretion of the Trustees, is sufficient to support such further review or appeal.

(iv) The Board of Trustees may delegate the authority to review and decide on any appeal or request for review.

(c) The Plan's claims and appeal procedures, as described in this Section 10.4, shall be administered in accordance with ERISA §503 and all applicable regulations issued thereunder, including 29 Code of Federal Regulations Section 2560.503-1.

(d) (i) Any Participant who files an Application for a Disability Pension under Section 4.4 (for purposes of this subsection (d), an 'Applicant') shall be notified in writing of the action taken by the Fund regarding such Application within 45 days following the receipt of a properly filed Application, unless special circumstances require an extension of the time for processing the Application. If an extension of time is required due to matters beyond the Plan's control, a written notice of the extension explaining the reasons therefor will be provided to the Applicant prior to the termination of the 45 day period. The extension generally shall not exceed a period of 30 days from the end of the initial 45 day period. The period for making a decision may be delayed an additional 30 days, provided the Fund notifies the Applicant prior to the expiration of the first 30-day extension period, of the circumstances beyond its control requiring the extension and the date as of which the Plan expects to render a decision. Any notice of extension shall explain the standards on which entitlement to a Disability Pension is based, the unresolved issues preventing a decision, and any additional information needed to resolve those issues.

In the event of a denial, in whole or in part, of a Disability Pension by the Fund, the Fund Administrator shall furnish written or electronic notice to the Applicant with the specific reason(s) for the denial, including:

(A) specific references to the pertinent Plan provision(s) on which the denial is based, as applicable, and

(B) a description of any additional material or information necessary for the Applicant to perfect the Application, and an explanation of why such material or information is necessary, and

(C) a description of the review procedures set forth in this Section 10.4(d), and

(D) a statement of the Applicant's right to bring a lawsuit under ERISA §502(a) following an adverse determination with respect to the Application for a Disability Pension on review, and

(E) a discussion of the decision, including an explanation of the basis for disagreeing with or not with the following items (I) through (III), as may be applicable:

(I) the views presented by the Applicant to the Plan of health care professionals treating the Applicant and vocational professionals who evaluated the Applicant,

(II) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with such denial, without regard to whether the advice was relied upon in making that denial,

(III) a disability determination regarding the Applicant presented by the Applicant to the Plan made by the Social Security Administration, and

(F) if the denial is based on the absence of medical necessity, or other similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Applicant's medical circumstances, or a statement that such explanation will be provided free of charge upon the Applicant's request, and

(G) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the denial, or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist, and

(H) a statement that the Applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Applicant's claim for a Disability Pension.

Any determination of relevance under (H), above, shall be made in accordance with 29 Code of Federal Regulations Section 2560.503-1(m)(8). Further, any notice provided by pursuant to this paragraph (i) shall comply with 29 Code of Federal Regulations Section 2560.503-1(o), including but not limited to the requirement to provide notices in a culturally and linguistically appropriate manner.

(ii) (A) In the event an Applicant has received a written denial of his or her Application for a Disability Pension as described in paragraph (i) above, he or she may appeal by filing with the Trustees a timely written request for review. Such request must be made within 180 days following the receipt of the written denial and such request must include all facts and/or arguments that are known, or that should be known, by the Applicant. Any Applicant filing a timely appeal may submit additional materials for the Trustees' consideration or review, including a written explanation by the Applicant of the issues and his comments on the issues, and the Applicant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her Application for a Disability Pension.

(B) All requests for review of a denial that are made on a timely basis will be given a full and fair review, with consideration given to all comments, documents, records and other information that relate to the Application for a Disability Pension which are received by the Fund on a timely basis.

(C) Comments, documents, records or other information relating to an Application for a Disability Pension received by the Fund after an Applicant has exhausted all levels of review under the Plan, or after the expiration of the time period for filing a request for review, will not be considered and will not serve to support a new Application for a Disability Pension or establish a new claim under the Plan.

(D) If a written request for review is not received by the Trustees within 180 days following the Applicant's receipt of a written denial, the right to an appeal shall be lost.

(iii) Upon receipt of a properly and timely filed written appeal for a Disability Pension as described in paragraph (ii) above, the Board of Trustees will review the denied Application for a Disability Pension. A decision on review shall be made no later than the date of the meeting of the Board of Trustees which immediately follows the Fund's receipt of a request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a decision may be made no later than the date of the second meeting following the Fund's receipt of the request for review. If special circumstances require an extension of time for processing the Application, a decision will be rendered as soon as possible but not later than the third meeting of the Board of Trustees after the receipt of a request for review. If an extension for processing the Application is required, the Trustees will send a written notice of the extension to the Applicant, along with a description of the special circumstances, before the extension begins. The Trustees will send a written determination within 5 days after the decision is made.

(iv) The decision on an appeal with respect to a Disability Pension which is denied, in whole or in part, shall be provided in writing or electronically, and shall include:

(A) the specific reason(s) for the decision, and

(B) the specific reference(s) to the pertinent Plan provision(s) on which the decision is based, and

(C) a statement that the Applicant may receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to his Application for a Disability Pension, and

(D) a statement of the Applicant's right to bring a lawsuit under ERISA §502(a) including, if applicable, a description of the Plan's limitation period for bringing an action with respect to the decision, along with the calendar date on which such limitation period expires, and

(E) a discussion of the decision, including an explanation of the basis for disagreeing with or not with the following items (I) through (III), as may be applicable:

(I) the views presented by the Applicant to the Plan of health care professionals treating the Applicant and vocational professionals who evaluated the Applicant,

(II) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with such denial, without regard to whether the advice was relied upon in making that denial,

(III) a disability determination regarding the Applicant presented by the Applicant to the Plan made by the Social Security Administration, and

(F) if the decision is based on the absence of medical necessity, or other similar exclusion or limit, either an explanation of the scientific or clinical judgment for the denial, applying the terms of the Plan to the Applicant's medical circumstances, or a statement that such explanation will be provided free of charge upon the Applicant's request, and

(G) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the denial, or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

Any determination of relevance under (C), above, shall be made in accordance with 29 Code of Federal Regulations Section 2560.503-1(m)(8). Further, any notice provided by pursuant to this paragraph (iv) shall comply with 29 Code of Federal Regulations Section 2560.503-1(o), including but not limited to the requirement to provide notices in a culturally and linguistically appropriate manner.

(v) The decision of an appeal on review with respect to a Disability Pension as described in paragraph (iii) will not afford deference to the initial denial that is the subject of the appeal. In addition, the decision of an appeal on review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the initial denial that is the subject of the appeal, nor the subordinate of such individual.

(vi) For clarity, this subsection (d) shall also be applicable in the event that a Participant is initially found to be eligible for a Disability Pension under the Plan, a determination is subsequently made that such individual is no longer eligible for such Disability Pension, and such individual desires to request a review of such determination."

7. Effective October 1, 2014, Section 10.5 is amended to read as follows:

"Section 10.5 Restriction on Retired Status.

To be deemed retired, a Participant or Pensioner may not work in Connecticut as an employee or self-employed person for more than forty (40) hours in any calendar month in any phase of the sheet metal trade or craft, provided that such work after the April 1st following the calendar year in which the Participant reaches age 70 ½ shall not restrict a Participant's retired status."

8. Effective October 1, 2014, subsection (a) of Section 10.6 is amended to read as follows:

"(a) If a Pensioner continues to work or returns to work described in Section 10.5, after appropriate notification to him, his pension benefits will be suspended for any calendar month in which he is so employed for more than forty (40) hours.

The Pensioner's benefits will resume on a date which is not later than the first day of the third calendar month after the month in which he ceases such employment, provided he has complied with the notification requirements of the Plan."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Fourth Amendment on this 20 day of March, 2018.

John Ferrucci	Jeremy A. Zeedyk
Lynne A. Kleeberg	David A. Roche
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Robert Vivari, Jr.

02653.004/684621.2

FIFTY-FIFTH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(III) of the 53rd Plan Amendment); and

(III) for the 2018 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2018, and banked hours drawn on for the 2018 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2016 to June 30, 2017 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(III) of the 53rd Plan Amendment); and

(IV) for the 2019 Plan Year, $85.00 for each Pension Credit in force attributable to Covered Employment performed in 2019, and banked hours drawn on for the 2019 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $85.00 rate is based on: (i) the hours worked during the July 1, 2017 to June 30, 2018 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(III) of the 53rd Plan Amendment); and

(V) for each Plan Year commencing on and after January 1, 2020 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	$95
Between 549,999 and 500,000	$90
Between 499,999 and 450,000	$85
Between 449,999 and 400,000	$80
399,999 or less	$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(VI) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

[signature page follows]

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Fifth Amendment on this 18 day of December, 2018.

John Ferrucci	Marek E. Bronhart
Lynne A. Kleeberg	David A. Roche
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Jason M. Sherman

02653.004/692832.1

FIFTY-SIXTH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 56th Plan Amendment); and

(III) for the 2018 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2018, and banked hours drawn on for the 2018 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2016 to June 30, 2017 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 56th Plan Amendment); and

(IV) for the 2019 Plan Year, $85.00 for each Pension Credit in force attributable to Covered Employment performed in 2019, and banked hours drawn on for the 2019 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $85.00 rate is based on: (i) the hours worked during the July 1, 2017 to June 30, 2018 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 56th Plan Amendment); and

(V) for the 2020 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2020, and banked hours drawn on for the 2020 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2018 to June 30, 2019 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 56th Plan Amendment); and

(VI) for each Plan Year commencing on and after January 1, 2021 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	$95
Between 549,999 and 500,000	$90
Between 499,999 and 450,000	$85
Between 449,999 and 400,000	$80
399,999 or less	$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by

Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(VII) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Sixth Amendment on this 15 day of September, 2020.

John Iannucci	Marek Bronhart Marek E. Bronhart
Lynne A. Kleeberg Lynne A. Kleeberg	David A. Roche
Kenneth R. Kleeberg Kenneth R. Kleeberg	John Nimmons John Nimmons
Michael Thompson Michael Thompson	Jason M. Sherman

02653.004/716154.1

FIFTY-SEVENTH AMENDMENT TO SHEET METAL WORKERS' LOCAL NO. 40 PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective January 1, 2014, in order to correct a scriveners error, the introductory paragraph of the Plan, directly above Article I, is modified to read as follows:

   "In accordance with the provisions of Section 15.1 of the Sheet Metal Workers' Local No. 40 Pension Plan (the "Plan"), the Trustees of the Sheet Metal Workers' Local No. 40 Pension Fund hereby agree that the Plan, as previously amended, shall be further amended in the form of a completely restated Plan, as follows:"

2. Effective January 1, 2020, solely the last sentence of Section 2.4 of the Plan (definition of "Annuity Starting Date") is amended to read as follows:

   "In any event, the Annuity Starting Date will not be later than the April 1st following the calendar year in which the Participant reaches: (a) age 70-½ (if such Participant was born before July 1, 1949), or (b) age 72 (if such Participant was born after June 30, 1949)."

3. Effective January 1, 2014, in order to correct a scriveners error, Section 3.4 of the Plan (regarding the Participation of Employers) is modified to read as follows:

   "Section 3.4 Participation of Employers.

   An Employer who has become a party to a Collective Bargaining Agreement with the Local Union shall become a Contributing Employer and participate in the Plan. The Local Union acting for its Employees, or an Employee Benefit Fund acting for its Employees may also become Contributing Employers as provided in Section 2.13 and participate in the Plan."

4. Effective January 1, 2014, in order to correct a scriveners error, Section 11.3 of the Plan (regarding New Employers) is modified to read as follows:

   "Section 11.3 New Employers.

   If an Employer is sold, merged or otherwise undergoes a change of identity, the successor employer shall participate as to the employees theretofore covered in the Plan just as if it were the original employer, provided it remains a Contributing Employer as defined in Section 2.13."

5. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 57th Plan Amendment); and

(III) for the 2018 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2018, and banked hours drawn on for the 2018 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2016 to June 30, 2017 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 57th Plan Amendment); and

(IV) for the 2019 Plan Year, $85.00 for each Pension Credit in force attributable to Covered Employment performed in 2019, and banked hours drawn on for the 2019 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $85.00 rate is based on: (i) the hours worked during the July 1, 2017 to June 30, 2018 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 57th Plan Amendment); and

(V) for the 2020 Plan Year, \$95.00 for each Pension Credit in force attributable to Covered Employment performed in 2020, and banked hours drawn on for the 2020 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$95.00 rate is based on: (i) the hours worked during the July 1, 2018 to June 30, 2019 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 57th Plan Amendment); and

(VI) for the 2021 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2021, and banked hours drawn on for the 2021 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$85.00 rate is based on: (i) the hours worked during the July 1, 2019 to June 30, 2020 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VI) of this 57th Plan Amendment); and

(VII) for each Plan Year commencing on and after January 1, 2022 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	\$95
Between 549,999 and 500,000	\$90
Between 499,999 and 450,000	\$85
Between 449,999 and 400,000	\$80
399,999 or less	\$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(VIII) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force with respect to such applicable Plan Year, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

6. Effective January 1, 2020, solely the last sentence of Section 7.1 of the Plan is amended to read as follows:

"In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches: (a) age 70-½ (if such Participant was born before July 1, 1949), or (b) age 72 (if such Participant was born after June 30, 1949)."

7. Effective January 1, 2020, subsection (b) of Section 7.5 of the Plan is amended to read as follows:

"(b) Subject to the provisions of Section 10.1(b) governing the submission of an Application for Benefits, payment of the Joint and Survivor pre-retirement survivor benefit shall commence to a surviving Spouse as of the date that the Participant would have been eligible for benefits under the provisions of Section 4.1 or Section 4.2, as the case may be. In addition, payment of the Joint and Survivor pre-retirement survivor benefit may be deferred by the surviving Spouse until the Participant would have reached: (i) age 70-½ (if such Participant was born before July 1, 1949), or (ii) age 72 (if such Participant was born after June 30, 1949). If benefits are deferred and the Spouse dies before payments commence, the deferred benefits must be distributed to the Beneficiary, designated by the Spouse in the manner described in Section 8.4, or, if she has no such Beneficiary, to her estate, within five years of the Spouse's death."

8. Effective January 1, 2020, solely the last sentence of subsection (a) of Section 7.6 of the Plan is amended to read as follows:

"In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches: (i) age 70-½ (if such Participant was born before July 1, 1949), or (ii) age 72 (if such Participant was born after June 30, 1949)."

9. Effective January 1, 2020, solely the last sentence of subsection (a) of Section 7.7 of the Plan is amended to read as follows:

"In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches: (i) age 70-½ (if such Participant was born before July 1, 1949), or (ii) age 72 (if such Participant was born after June 30, 1949)."

10. Effective January 1, 2020, solely the last sentence of subsection (c) of Section 8.1 of the Plan is amended to read as follows:

"In any event, benefit payments must begin by the April 1st following the calendar year in which the Participant reaches: (i) age 70-½ (if such Participant was born before July 1, 1949), or (ii) age 72 (if such Participant was born after June 30, 1949)."

11. Effective January 1, 2020, subparagraph (B) of Section 10.1(a)(i) of the Plan is amended to read as follows; and further, for clarity, with respect to Section I, 6 of **Exhibit II** of the Plan (which cross-references to Section 10.1(a)(i)(B) of the Plan), the Plan shall utilize the modified definition of "Required beginning date" under the Code as of January 1, 2020:

    "(B) the April 1st following the calendar year in which the Participant reaches: (I) age 70-½ (if such Participant was born before July 1, 1949), or (II) age 72 (if such Participant was born after June 30, 1949)."

12. Effective January 1, 2020, subparagraph (B) of Section 10.6(e)(i) of the Plan is amended to read as follows:

    "(B) the April 1st following the calendar year in which the Participant reaches: (I) age 70-½ (if such Participant was born before July 1, 1949), or (II) age 72 (if such Participant was born after June 30, 1949)."

13. Effective January 1, 2020, subparagraph (B) of Section 10.6(e)(ii) of the Plan is amended to read as follows:

    "(B) the April 1st following the calendar year in which the Participant reaches: (I) age 70-½ (if such Participant was born before July 1, 1949), or (II) age 72 (if such Participant was born after June 30, 1949)."

14. Effective January 1, 2020, Section 11.11 of the Plan (governing Section 401(a)(9) Requirements) is amended to read as follows:

    "Section 11.11 Section 401(a)(9) Requirements.
    Subject to Sections 2.4, 7.1, 8.1, 10.1, 10.5 and 10.6, which provide that distributions to a Participant must commence no later than the April 1st following the calendar year in which the Participant attains (or would have attained): (a) age 70-½ (if such Participant was born before July 1, 1949), or (b) age 72 (if such Participant was born after June 30, 1949), all distributions (and survivor benefits) required under the Plan will be made in accordance with the provisions of Code §401(a)(9) and any regulations issued thereunder, including the incidental benefit requirements of Code §401(a)(9)(G) and applicable Treasury regulations. To the extent the Plan's rules do not comply with the provisions of Code §401(a)(9) and any regulations issued thereunder or the Plan is administered in such fashion, the provisions of Exhibit II will govern."

15. Effective January 1, 2020, paragraph (a) of Section C.2 of Exhibit II of the Plan (governing Minimum Distribution Requirements - Section 401(a)(9) Final and Temporary Regulations) is amended to read as follows:

"(a) If the Participant's surviving Spouse is the Participant's sole designated beneficiary, then, except as provided in Section J, distributions to the surviving Spouse will begin by the December 31st of the calendar year immediately following the calendar year in which the Participant died, or by the December 31st of the calendar year in which the Participant would have attained: (i) age 70-½ (if such Participant was born before July 1, 1949), or (b) age 72 (if such Participant was born after June 30, 1949), if later."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Seventh Amendment on this 15 day of December, 2020.

John Ferrucci	Marek E. Bronhart
Lynne A. Kleeberg	David A. Roche
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Jason M. Sherman

02653.004/737040.1

FIFTY-EIGHTH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VIII) of this 58th Plan Amendment); and

(III) for the 2018 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2018, and banked hours drawn on for the 2018 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2016 to June 30, 2017 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VIII) of this 58th Plan Amendment); and

(IV) for the 2019 Plan Year, $85.00 for each Pension Credit in force attributable to Covered Employment performed in 2019, and banked hours drawn on for the 2019 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $85.00 rate is based on: (i) the hours worked during the July 1, 2017 to June 30, 2018 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VIII) of this 58th Plan Amendment); and

(V) for the 2020 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2020, and banked hours drawn on for the 2020 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2018 to June 30, 2019 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VIII) of this 58th Plan Amendment); and

(VI) for the 2021 Plan Year, $85.00 for each Pension Credit in force attributable to Covered Employment performed in 2021, and banked hours drawn on for the 2021 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $85.00 rate is based on: (i) the hours worked during the July 1, 2019 to June 30, 2020 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VIII) of this 58th Plan Amendment); and

(VII) for the 2022 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2022, and banked hours drawn on for the 2022 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the hours worked during the July 1, 2020 to June 30, 2021 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(VIII) of this 58th Plan Amendment); and

(VIII) for each Plan Year commencing on and after January 1, 2023 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	$95
Between 549,999 and 500,000	$90
Between 499,999 and 450,000	$85
Between 449,999 and 400,000	$80
399,999 or less	$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve-month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(IX) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Eighth Amendment on this 14 day of December, 2021.

John Ferrucci John Ferrucci	John Beal
Lynne A. Kleeberg Lynne A. Kleeberg	Fred Descy
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Jason M. Sherman

02653.004/758223.1

FIFTY-NINTH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, $80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(III) for the 2018 Plan Year, $95.00 for each Pension Credit in force attributable to Covered Employment performed in 2018, and banked hours drawn on for the 2018 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $95.00 rate is based on: (i) the hours worked during the July 1, 2016 to June 30, 2017 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(IV) for the 2019 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2019, and banked hours drawn on for the 2019 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$85.00 rate is based on: (i) the hours worked during the July 1, 2017 to June 30, 2018 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(V) for the 2020 Plan Year, \$95.00 for each Pension Credit in force attributable to Covered Employment performed in 2020, and banked hours drawn on for the 2020 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$95.00 rate is based on: (i) the hours worked during the July 1, 2018 to June 30, 2019 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(VI) for the 2021 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2021, and banked hours drawn on for the 2021 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$85.00 rate is based on: (i) the hours worked during the July 1, 2019 to June 30, 2020 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(VII) for the 2022 Plan Year, \$80.00 for each Pension Credit in force attributable to Covered Employment performed in 2022, and banked hours drawn on for the 2022 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$80.00 rate is based on: (i) the hours worked during the July 1, 2020 to June 30, 2021 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(VIII) for the 2023 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2023, and banked hours drawn on for the 2023 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$85.00 rate is based on: (i) the hours worked during the July 1, 2021 to June 30, 2022 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(IX) of this 59th Plan Amendment); and

(IX) for each Plan Year commencing on and after January 1, 2024 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	$95
Between 549,999 and 500,000	$90
Between 499,999 and 450,000	$85
Between 449,999 and 400,000	$80
399,999 or less	$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve-month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(X) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than

Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016 by hourly-paid Employees of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Fifty-Ninth Amendment on this 14 day of December, 2022.

John Ferrucci	John Beal
Lynne A. Kleeberg	Fred Descy
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Jason M. Sherman

02653.004/777796.1

SIXTIETH AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40 PENSION PLAN

WHEREAS, the Board of Trustees has applied to the Pension Benefit Guaranty Corporation ("PBGC") under Section 4262 of the Employment Retirement Income Security Act of 1974, as amended ("ERISA"), and 29 C.F.R. Section 4262 for special financial assistance; and

WHEREAS, 29 C.F.R. Section 4262.6(e)(1) requires that the plan sponsor of a plan applying for special financial assistance amend the written instrument governing the plan to require that the plan be administered in accordance with the restrictions and conditions specified in Section 4262 of ERISA and 29 C.F.R part 4262 and that the amendment will be contingent upon approval by the PBGC of the plan's application for special financial assistance; and

WHEREAS, the Board of Trustees now wishes to amend the Plan as required under Section 4262 of ERISA and 29 C.F.R part 4262 for the PBGC's consideration of the Plan's application for the receipt of special financial assistance.

NOW, THEREFORE, BE IT RESOLVED, in accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, a new ARTICLE XVI, Section 16.1 is added to the Plan to read as follows:

"ARTICLE XVI

PBGC Special Financial Assistance

Section 16.1 PBGC Special Financial Assistance.

Beginning with the special financial assistance measurement date selected by the Trustees in the Fund's application for special financial assistance, notwithstanding anything to the contrary in the Plan or any other document governing the Fund, the Fund shall be administered in accordance with the restrictions and conditions specified in Section 4262 of ERISA and 29 CRF part 4262. This amendment is contingent upon approval by the PBGC of the Fund's application for special financial assistance."

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Trustees have executed this Sixtieth Amendment on this 16 day of May, 2023.

John Ferrucci 5/19/23

John Ferrucci

Lynne Kleeberg 5/19/23

Lynne A. Kleeberg

Kenneth R Kleeberg 5/19/23

Kenneth R. Kleeberg

Michael Thompson

John Beal

Fred Descy

John Nimmons

Jason Sherman

Jason M. Sherman

SIXTY-FIRST AMENDMENT
TO
SHEET METAL WORKERS' LOCAL NO. 40
PENSION PLAN

In accordance with the provisions of Section 15.1 of the Plan, the undersigned Trustees of the Plan hereby agree that the Plan, as previously amended, shall be further amended as follows, effective as provided below:

1. Effective as provided therein, subsection (b) of Section 4.1 (governing the calculation of a Normal Pension) is amended to read:

"(b) In the case of a Participant who first files an Application for Benefits which becomes effective on or after January 1, 2016, subject to the provisions of Section 4.5, the Regular Pension Benefit Rate shall be a monthly amount equal to:

(i) (A) (I) for the 2016 Plan Year, \$80.00 for each Pension Credit in force attributable to Covered Employment performed in 2016, and banked hours drawn on for the 2016 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$80.00 rate is based on: (i) the Total hours worked in Covered Employment during the July 1, 2014 to June 30, 2015 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(II) of the 52nd Plan Amendment and Restatement to the Plan); and

(II) for the 2017 Plan Year, \$95.00 for each Pension Credit in force attributable to Covered Employment performed in 2017, and banked hours drawn on for the 2017 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$95.00 rate is based on: (i) the hours worked during the July 1, 2015 to June 30, 2016 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(III) for the 2018 Plan Year, \$95.00 for each Pension Credit in force attributable to Covered Employment performed in 2018, and banked hours drawn on for the 2018 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$95.00 rate is based on: (i) the hours worked during the July 1, 2016 to June 30, 2017 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(IV) for the 2019 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2019, and banked hours drawn on for the 2019 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$85.00 rate is based on: (i) the hours worked during the July 1, 2017 to June 30, 2018 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(V) for the 2020 Plan Year, \$95.00 for each Pension Credit in force attributable to Covered Employment performed in 2020, and banked hours drawn on for the 2020 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$95.00 rate is based on: (i) the hours worked during the July 1, 2018 to June 30, 2019 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(VI) for the 2021 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2021, and banked hours drawn on for the 2021 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$85.00 rate is based on: (i) the hours worked during the July 1, 2019 to June 30, 2020 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(VII) for the 2022 Plan Year, \$80.00 for each Pension Credit in force attributable to Covered Employment performed in 2022, and banked hours drawn on for the 2022 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such \$80.00 rate is based on: (i) the hours worked during the July 1, 2020 to June 30, 2021 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(VIII) for the 2023 Plan Year, \$85.00 for each Pension Credit in force attributable to Covered Employment performed in 2023, and banked hours drawn on for the 2023 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $85.00 rate is based on: (i) the hours worked during the July 1, 2021 to June 30, 2022 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(IX) for the 2024 Plan Year, $90.00 for each Pension Credit in force attributable to Covered Employment performed in 2024, and banked hours drawn on for the 2024 Plan Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension (such $90.00 rate is based on: (i) the hours worked during the July 1, 2022 to June 30, 2023 Measuring Period and (ii) the schedule as written in Section 4.1(b)(i)(A)(X) of this 61st Plan Amendment); and

(X) for each Plan Year commencing on and after January 1, 2025 and ending with the Plan Year prior to the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)), the benefit rate for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension, shall be determined in accordance with the following schedule:

Total hours worked in Covered Employment during the Measuring Period prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in 'Life Pension' form:
550,000 or more	$95
Between 549,999 and 500,000	$90
Between 499,999 and 450,000	$85
Between 449,999 and 400,000	$80
399,999 or less	$75

For purposes of the chart above, the term 'Measuring Period' shall mean, for any Plan Year, the twelve-month period ending on the June 30th preceding the start of the Plan Year. Further, the term 'Total hours worked in Covered Employment' shall mean all hours worked during the Measuring Period that have been reported by Contributing Employers on remittance reports at the time the calculation is performed by the Pension Fund's administrative office or service provider, with assistance as necessary from the Fund's professionals. The Pension Fund's administrative office or service provider will perform the calculation noted above as soon as administratively possible after receiving the remittance reports required for the final month of the relevant Measuring Period (June), and in no event later than the December 31st immediately following the end of such Measuring Period; and

(XI) for the Plan Year in which the Plan emerges from 'critical status' (as described in Code §432(e)(4)(B)) and each Plan Year thereafter, $95.00 for each Pension Credit in force attributable to Covered Employment performed in that Year, and banked hours drawn on for that Year, other than Residential Sheet Metal Work, if benefits are payable in the form of a Life Pension;

plus

(B) one-half of the Benefit Rate in force for the applicable Plan Year as determined pursuant to paragraph (A), above, for each Pension Credit in force, if benefits are payable in the form of a Life Pension, attributable to

(I) Work on and after January 1, 2016 in Residential Sheet Metal Work,

(II) Work on and after January 1, 2016 by Employees of the Local Union who are engaged in work that requires contributions to the Pension Fund under the Local Union's collective bargaining agreement with OPEIU #376 AFL-CIO, or

(III) Work on and after January 1, 2016, and prior to November 1, 2019, by an hourly-paid Employee of the Sheet Metal Workers' Local No. 40 Health Fund;

or

(ii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i) if benefits are payable in the form of a Joint and Survivor Pension or a Ten Years Certain and Life Pension;

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if

or

(iii) the Actuarial Equivalent of the Benefit Rates described in subparagraph (i), reduced by the cost of the Pop-Up Feature described in Section 7.9, if benefits are payable in the form of a Joint and 75% Survivor Pension or a Joint and 100% Survivor Pension."

IN WITNESS WHEREOF, the undersigned Trustees have executed this Sixty-First Amendment on this 15 day of November, 2023.

John Ferrucci Digitally signed by John Ferrucci DN: C=US, E=jferrucci@ffmechanical.com, O="F+F Mechanical", CN=John Ferrucci Date: 2023.11.15 09:52:17-05'00'

John Ferrucci

John Beal

Lynne A. Kleeberg

Fred Descy

Kenneth R. Kleeberg

John Nimmons

Michael Thompson

Jason M. Sherman

AGREEMENT AND DECLARATION OF TRUST

THE SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

THIRTEENTH AMENDMENT

TO

AGREEMENT AND DECLARATION OF TRUST

THE SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

THIRTEENTH AMENDMENT

TO

AGREEMENT AND DECLARATION OF TRUST

THE SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

THIS AGREEMENT, effective as of May 1, 2021, is entered into by and among DAVID A. ROCHE, MAREK E. BRONHART, JOHN NIMMONS and JASON M. SHERMAN (hereinafter referred to, with their successors, as the "Union Trustees"), and MICHAEL THOMPSON, JOHN FERRUCCI, LYNNE A. KLEEBERG and KENNETH R. KLEEBERG (hereinafter referred to, with their successors, as the "Association Trustees").

W I T N E S S E T H:

WHEREAS, the Trustees and their predecessors entered into an Agreement and Declaration of Trust establishing The Sheet Metal Workers' Local No. 40 Pension Fund effective October 1, 1956; and

WHEREAS, the Trustees amended the said Agreement of October 1, 1956 in the form of a completely restated Agreement and Declaration of Trust as of January 1, 1976; and

WHEREAS, the Trustees amended the said Agreement of January 1, 1976 in the form of a completely restated Agreement and Declaration of Trust as of November 1, 1989; and

NOW, THEREFORE, in accordance with the provisions of Section 8.1 of said restated Agreement of November 1, 1989, as amended, the Trustees, constituting all the Trustees under said Agreement, hereby agree that said Agreement, as amended, shall be further amended in the form of a complete restatement, effective May 1, 2021, as follows:

A R T I C L E I

Creation of Pension Fund

Section 1.1 The Trust Fund maintained hereunder shall continue to be known as "The Sheet Metal Workers' Local No. 40 Pension Fund."

Section 1.2 The Trust Fund shall be used for the purpose of providing retirement income benefits for Employees and their dependents and beneficiaries as may be determined by the Trustees, and shall further provide the means for financing the expenses of the Trustees and all costs incurred in connection with the establishment, operation and administration of the Trust Fund, in accordance with this Agreement and Declaration of Trust.

A R T I C L E II

Definitions

Unless the context or subject matter otherwise requires, the following definitions shall govern in the Agreement:

Section 2.1 The term "Agreement and Declaration of Trust" or "Trust Agreement" means this instrument, including any amendment hereto.

Section 2.2 The term "Association" means The Associated Sheet Metal and Roofing Contractors of Connecticut, Inc., a Connecticut corporation, and its successors.

Section 2.3 The term "Collective Bargaining Agreement" means a collective bargaining agreement, participation agreement or other written agreement now or hereafter in effect, including any extensions or renewals thereof, requiring contributions to the Trust Fund.

Section 2.3A The term "Employee Benefit Fund" means Connecticut-based trust funds, sponsored by the Union and the Association, established under the Labor Management Relations

Act and exempt under the federal Internal Revenue Code, which provide benefits to or for Employees.

Section 2.4 The term "Employees" means:

(a) all persons (exclusive of self-employed persons, partners and sole proprietors) who are covered by a Collective Bargaining Agreement between an Employer and the Union;

(b) Connecticut officers, agents or employees of the Union who primarily work in Connecticut, and

(i) other employees of the Union who are not members of a bargaining unit which has bargained in good faith on the subject of retirement benefits,

(ii) other employees of the Union who are members of a bargaining unit which has bargained in good faith to require contributions by the Union to the Pension Plan for such employees; and

(iii) other employees of the Union who are Pension Plan participants and who are employed by the Union in such positions as are approved by the Trustees on an annual basis, provided that the Union shall be responsible for the contributions made on behalf of such employees;

(c) subject to the approval of the Trustees and such additional conditions as may be prescribed by the Trustees:

(i) employees of an Employee Benefit Fund, provided that such Employee Benefit Fund shall be responsible for contributions on behalf of such employees; and

(ii) Alumni, defined as employees of Employers who meet the following criteria as of January 1, 1994:

(A) The employee is currently employed in the sheet metal industry by an Employer, and

(B) The employee formerly was a member of a unit of Employees covered by a Collective Bargaining Agreement, and

(C) A Collective Bargaining Agreement or participation agreement provides for the Employee to benefit under the Pension Plan, and

(D) The employee is currently a member in good standing of the Union, and

(E) The employee has worked continuously for an Employer since he last worked under the terms of a Collective Bargaining Agreement.

Section 2.5 The term "Employer" means any employer who is a member of the Association, and persons, firms or corporations who employ members of the Union or other Employees and is obligated to make contributions to this Trust Fund on behalf of such members or other Employees. The term shall also include Employers who participate in this Fund by action of the Trustees pursuant to Section 4.4 of Article IV hereof, for the particular Employees affected, and shall also include the Union, the Health Fund, the Pension Fund and the Apprentice and Training Fund, acting for their respective Employees, all as provided in Section 2.4.

Section 2.6 The term "Investment Manager" means any investment advisor, bank or insurance company appointed by the Trustees in accordance with the provisions of Section 4.9:

(i) which has the power to manage, acquire or dispose of any asset of the Trust Fund;

(ii) which is (A) registered as an investment advisor under the Investment Advisers Act of 1940; (B) a bank, as defined in that Act; or (C) is an insurance company qualified to perform services described in subparagraph (i) under the laws of more than one State; and

(iii) which has acknowledged in writing that it is a fiduciary, as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Trust Fund and any Plan maintained thereunder.

Section 2.7 The terms "Plan" or "Pension Plan" means any plan or program of retirement income benefits and other benefits incidental thereto established by the Trustees pursuant to this Agreement and Declaration of Trust.

Section 2.8 The term "Trust Fund" means the trust fund created pursuant to this Agreement and Declaration of Trust, and shall mean generally the money or other things of value which comprise the corpus and all additions and increments to the corpus, less any expenses, losses or payments made therefrom.

Section 2.9 The term "Trustees" means the Association Trustees and the Union Trustees collectively, and shall include their successors acting as Trustees.

The term "Association Trustees" shall mean the Trustees designated by or on behalf of the Association.

The term "Union Trustees" shall mean the Trustees designated by or on behalf of the Union.

Section 2.10 The term "Union" means The Northeast Regional Council of SMART .

ARTICLE III

Trustees - General

Section 3.1 The Trustees in their collective capacity shall be known as Trustees of "The Sheet Metal Workers' Local No. 40 Pension Fund" and shall conduct the business of the Trust and execute all instruments in that name.

Section 3.2

(a) The Trust Fund shall be administered by four Union and four Association Trustees. The Trustees in their collective capacity shall be the "administrator" and "named fiduciary" as such terms are used in said Act with respect to the Trust Fund and any Plan maintained thereunder.

(b) The Union shall designate the four Union Trustees.

(c) The Association shall designate the four Association Trustees.

(d) No person shall be appointed as a Trustee or continue to serve as a Trustee following his conviction for any crime as defined in Section 411(a) of the Employee Retirement Income Security Act of 1974, as amended.

(e) In no event shall the Union, the Health Fund, the Pension Fund or the Apprentice and Training Fund, acting as an Employer, participate in any manner in the selection of any Association Trustee.

Section 3.3 A Trustee may resign, and become and remain fully discharged from all further duty or responsibility hereunder to the extent permitted by applicable law, upon giving thirty (30) days notice in writing to the remaining Trustees, or such shorter notice as the said Trustees may accept as sufficient. A copy of such notice shall also be furnished by a resigning Association Trustee to the Association or by a resigning Union Trustee to the Union. Such notice shall state a date when such resignation shall take effect. The resignation shall take effect on the date specified in the notice unless a successor Trustee shall have been designated at an earlier date, in which event such resignation shall take effect immediately upon the designation of, and acceptance of this Trust by, such successor Trustee.

Section 3.4 The Union may remove a Union Trustee at any time. The Association may remove an Association Trustee at any time.

Section 3.5

(a) In the event that any Union Trustee shall die, become permanently incapable of acting hereunder, resign, or be removed, a successor Trustee shall be immediately be appointed by the Union.

(b) In the event that any Association Trustee shall die, become permanently incapable of acting hereunder, resign or be removed, a successor Association Trustee shall be immediately appointed by the Association.

(c) The successor to a Union Trustee shall be certified to the Trustees by an instrument signed by the President and the Recording Secretary of the Union. The successor to an Association Trustee shall be certified to the Trustees by an instrument signed by the Executive Director of the Association. The instrument removing any Trustee and/or designating a successor Trustee shall be addressed to the Co-Chairmen of the Trust Fund and shall certify that such action was duly taken in accordance with this Agreement and Declaration of Trust and the constitution, by-laws or other applicable rules of the Union or Association governing the removal of a Trustee and/or the designation of a successor Trustee. Upon receipt by the Trustees of such certification, such successor Trustee shall be considered to have been properly designated a Trustee hereunder. Any successor Trustee shall immediately, upon his designation as a Trustee and his acceptance of the trusteeship in writing, become vested with all the rights, powers, duties and obligations of a Trustee hereunder with like effect as if originally named as a Trustee.

Section 3.6 No vacancy or vacancies in the office of Trustee shall impair the power of the remaining Trustees, acting in the manner herein provided, to administer the affairs of this trust. In the event of the failure of any party to designate a successor Trustee for a period of sixty (60) days after a vacancy occurs, any two (2) Trustees may petition a court of appropriate jurisdiction for appointment of a successor Trustee to fill such vacancy and such appointment shall be fully effective as if made by the party originally entitled to designate such Trustee.

Section 3.7 The Union Trustees shall designate one of their number to act as Co-Chairman and the Association Trustees shall designate one of their number to act as the other Co-Chairman. The term of office of such Co-Chairmen shall run for twelve (12) months or until a successor Co-Chairman is appointed. The two Co-Chairmen shall alternate as presiding officer at successive meetings of the Trustees. The Trustees shall appoint a person, who may or may not be a Trustee, to have charge of and supervise the keeping of minutes and records of all meetings, proceedings and acts of the Trustees, which shall be kept on file and available for inspection by both the Union and the Association.

Section 3.8 The vote of the Trustees may be cast by them in person at a meeting, or, without a meeting if there is unanimous written concurrence by all of the Trustees then in office to such action.

Section 3.9

(a) The Trustees shall meet periodically as they determine necessary for administration of the business of the Trust Fund. Either Co-Chairman or any two Trustees may call a special meeting of the Trustees at any time. Five days written notice of the time and place of any meeting of Trustees shall be furnished to each Trustee. Meetings of the Trustees shall also be held at any time without written notice if all the Trustees consent thereto.

(b) A majority of the Union Trustees then serving and a majority of the Association Trustees then serving, present in person at any meeting shall constitute a quorum for the transaction of business at the meeting. A Trustee may participate in a meeting of the Board by means of conference telephone or similar communications or computer equipment enabling all Trustees participating in this meeting to hear one another, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

(c) At any meeting at which a quorum is present and at which an equal number of Union and Association Trustees are present, any action may be taken by the affirmative vote of a majority of the Trustees present, except as otherwise provided in Section 8.1.

(d) At any meeting at which a quorum is present and at which an unequal number of Union and Association Trustees is present, the group of Trustees (either Union or Association) which has the fewer Trustees present shall be entitled to cast in the aggregate that number of votes which equals the total votes of the group which has the larger number of Trustees present. In that event, each Trustee in the larger group shall be entitled to one vote and each Trustee in the smaller group shall be entitled to cast that number of full and partial votes which equals the number of Trustees in the larger group divided by the number of Trustees in the smaller group. Any action at such meeting may be taken by the affirmative vote of a majority of the Trustees present, the Trustees voting in the manner described in the preceding sentence. This paragraph (d) shall not be applicable to votes pursuant to Section 8.1.

(e) In the event of any dispute or deadlock upon any question coming before the Trustees for decision, the Trustees shall agree on an impartial umpire whose decision on the matter in dispute shall be final and binding. If the Trustees are unable to agree on an impartial umpire within five (5) days, then the Trustees shall, upon written application of the Trustees or of either all of the Association Trustees then serving or all of the Union Trustees then serving, submit such question to arbitration by an arbitrator or arbitrators under the then existing rules of the American Arbitration Association. The decision of said arbitrator(s) shall be final, binding and conclusive upon the Trustees and all persons concerned. The fee of the arbitrator(s) and of the American Arbitration Association, together with such other costs and expenses related to such arbitration which may be authorized by the Trustees, shall be proper charges against the Fund, which the Trustees are authorized to pay. The arbitrator(s) shall have no authority to alter, amend or disregard any of the provisions of this Trust Agreement or any Plan maintained hereunder.

<u>Section 3.10</u> The Trustees shall be reimbursed for all expenses properly and actually incurred in the performance of their duties. In addition, a Trustee may be paid for wages lost due to the performance of Trustee duties, unless payment of such fee would be prohibited under the

applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, or any regulations or ruling issued thereunder.

ARTICLE IV

Trustees - Powers, Duties and Obligations

Section 4.1 The Trustees shall discharge their duties with respect to the Trust Fund and the Plan solely in the interest of the Employees and beneficiaries and for the exclusive purpose of providing benefits to Employees and their beneficiaries and defraying reasonable expenses of administering the Plan. The Trustees shall discharge their duties with respect to the Trust Fund and the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Trustees shall diversify the investments of the Trust Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Trustees shall discharge their duties in accordance with the documents and instruments governing the Trust Fund and any Plan insofar as such documents and instruments are consistent with applicable law.

Section 4.2 The Trustees shall have the power to construe the provisions of this Agreement and Declaration of Trust and the Plan established hereunder and the terms used herein and therein. The provisions of this Trust Agreement shall be liberally construed in order to promote and effectuate the operation of the pension program herein contemplated. Any such construction adopted by the Trustees in good faith shall be binding upon the Union, the Association, the Employers and the Employees and their respective families, dependents, beneficiaries, legal representatives, successors and assigns.

Section 4.3 The Trustees are hereby empowered, in addition to such other powers as are set forth herein or conferred by law and subject to the provisions of Section 4.1 hereof:

(a) To establish and administer a Plan to provide retirement income benefits and other benefits incidental thereto; to determine the benefits to be provided under the Plan; to establish different Plans for different categories of Employees or with respect to differing amounts of contributions; and to amend any Plan at any time as the Trustees in their discretion shall determine. The Trustees shall establish and observe a funding method and policy consistent with the objectives of the Plan, and requirements of applicable law and the short and long-run financial needs of the Plan and the Trust Fund.

(b) To promulgate and establish rules and regulations for the administration and operation of the Plan, in order to implement the purposes of the Plan; and (without limitation on the powers of the Trustees by reason of such enumeration), to formulate and establish conditions of eligibility with respect to coverage and qualification for benefits, the method of providing benefits, and the method of payment of premiums or deposits on any insurance contract issued to the Trustees.

(c) To demand, collect and receive contributions and other funds to which the Trustees shall be entitled, and to take such steps, including the institution and prosecution of or the intervention in any proceeding at law or in equity or in bankruptcy, as may be necessary or desirable to effectuate the collection of such contributions and other funds to which said Trustees shall be entitled. All suits and proceedings may be instituted by or in the name of any two Trustees, one of whom shall be a Union Trustee and one of whom shall be an Association Trustee, as authorized by the Trustees.

(d) To lease or purchase such premises, materials, supplies and equipment and to employ and retain such legal counsel, investment counsel, consulting, administrative, accounting, actuarial, clerical and other assistants, agents or employees as in their discretion they may find necessary or appropriate in the performance of their duties, at such rates and terms as the Trustees, in their discretion, shall deem appropriate and to pay for all of such rents, costs, fees and expenses from the Trust Fund.

(e) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and Declaration of Trust and for the administration of the Trust Fund as they, in their discretion, may deem necessary and advisable.

(f) To compromise, settle, arbitrate, and release claims or demands in favor of, or against, the Trust Fund or the Trustees on such terms and conditions as the Trustees may deem advisable, and such action of the Trustees shall be binding on all parties having any interest in the Trust Fund.

(g) To establish and accumulate as part of the Trust Fund a reserve or reserves, adequate, in the opinion of the Trustees, to carry out the purposes of the Trust Fund.

(h) To pay out of the Trust Fund all real and personal property taxes, income taxes and other taxes of any and all kinds levied or assessed under existing or future laws upon or in respect to the Trust Fund or any money, property, or securities forming a part thereof.

(i) To make appropriate allocations of common administrative expenses and disbursements shared or to be shared with any other plan or trust fund.

(j) To receive contributions or payments from any source whatsoever to the extent permitted by law.

(k) To invest and reinvest such portion of the Trust Fund that, in the sole judgment of the Trustees, is not required for current expenditures, in such properties or securities, as may be selected by the Trustees and which are legal for investment of trust funds under the Employee Retirement Income Security Act of 1974, as amended, including, but not limited to so-called "mutual funds," "common," "collective," "group" or "pooled" trusts or funds, state statutory trusts, limited partnership interests, limited liability company interests, interests in real property, or insurance, annuity, investment or other contracts issued by insurance companies, U.S. Government and agency obligations, commercial paper, and certificates of deposit, and to take any and all action with respect to the holding, buying, selling or maintaining such investments as the Trustees, in their sole discretion, may deem appropriate, provided that no loans shall be made to the Union or the Association, and no loans shall be made to, or investments made in the business of, contributing employers other than investments in common and preferred stocks which are currently fully listed and registered upon an exchange registered with the Securities and Exchange Commission as a

National Securities Exchange, or other than bonds, debentures and equipment trust obligations of contributing employers who have common and preferred stocks so listed. To the extent of any investment in common, collective, group, or pooled trusts or funds, state statutory trusts, limited partnership interests, or limited liability company interests, the provisions of the documents governing such trusts or funds or partnerships, as they may be amended from time to time, shall govern any investment therein and are hereby made a part of this Trust Agreement. The Trustees shall have the exclusive authority and discretion to manage, control, invest and reinvest the assets of the Fund, except to the extent that the Trustees delegate such authority to one or more Investment Managers in accordance with the provisions of the Employee Retirement Income Security Act of 1974, as amended and this Trust Agreement.

(l) To establish a savings or checking bank account or accounts to the extent deemed necessary and to keep such portion of the Trust Fund in cash or cash balances as the Trustees may deem to be in the best interests of the Trust Fund, without liability for interest thereon.

(m) To pay or provide for the payment of any benefits to Employees who shall be eligible in accordance with the rules and regulations of the Pension Plan as determined by the Trustees, either directly from the Trust Fund or by payment of premiums on insurance contracts issued by an insurance company qualified to do business in the State of Connecticut. Any such insurance contract may contain such provisions as the Trustees may determine and shall be contracted for in the name of, and issued to, the Trustees.

(n) To extend the time of payment of any obligation owing to the Trust Fund, to accept either total or partial satisfaction of any such obligation, and to compromise or settle any claim, demand or controversy in such manner as the Trustees shall determine.

(o) To attend and participate in such conferences, seminars and other educational meetings as the Trustees shall determine to be of assistance to them in administering the affairs of the Trust Fund; and to be reimbursed for all expenses properly and actually incurred related to such meetings.

(p) To purchase and maintain such bonding coverage as may be required by law or determined by the Trustees to be in the best interests of the Trust Fund.

(q) To register any investment held in the Trust Fund in the name of a nominee or nominees and to hold any investment in bearer form, provided that the books and records of the Trust Fund shall at all times show that all such investments are part of the Trust Fund; and provided further that the Trustees shall not maintain the indicia of ownership of any assets of the Trust Fund outside the jurisdiction of the District Courts of the United States.

(r) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary or proper to carry out the terms of this Agreement, and for the protection of the property held hereunder.

Section 4.4 The Trustees are hereby authorized to enter into agreements with Trustees of other employee benefit plans and/or trusts to provide for (a) reciprocity of coverage of employees or for the acceptance and transfer of moneys for the account of an employee in connection with such agreement, or (b) the acceptance of moneys otherwise due from Contributing Employers for the benefit of an Employee, all upon such basis as the Trustees in their absolute discretion shall determine.

Section 4.5 The Trustees are hereby authorized to merge this Trust Fund and the assets of this Fund, or any portion thereof, with another trust fund providing retirement income and related benefits in which either this Trust Fund or the other fund may be the surviving trust fund; provided, however, that said merger and transfer of assets in connection therewith shall be contingent upon receipt of a favorable determination letter from the U.S. Treasury Department, or an opinion of legal counsel, with respect to the continued qualification of the surviving trust fund after effecting such merger. In the event of such a merger in which the other trust fund is the surviving trust fund, anything to the contrary herein notwithstanding, the Trustees are hereby authorized to rescind this Trust Agreement in its entirety and to adopt in its stead the Trust Agreement of the surviving trust fund. All activities undertaken by the Trustees pursuant to this Section 4.5, including exploration and study of merger proposals or implementation of merger decisions (both with assistance of advisors as appropriate), shall be governed by the fiduciary provisions of ERISA and by the terms of the Fund's governing documents and expenses attendant thereto shall be proper charges against the Trust Fund.

Section 4.6 Subject to the requirements and provisions of Section 4.1 hereof and the Employee Retirement Income Security Act of 1974, as amended, no Trustee shall be liable for any action pursuant to this Declaration of Trust in good faith taken or omitted, nor for the action or omission of any agent, employee or legal counsel selected with reasonable care, nor for any act or omission of any other Trustee, nor for any loss in value of any asset of the Trust Fund held by the Trustees or by any Investment Manager. The Trustees may consult with counsel selected by the Trustees and the opinion of said counsel shall be full and complete authority and protection in respect to any action taken or omitted by the Trustees in good faith, in accordance with the opinion of said counsel. The Trustees shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, appraisal, opinion, letter or other paper or document believed by the Trustees or their agent, employee or attorney to be genuine and to have been signed or presented by the proper party or parties. The expenses and legal fees reasonably incurred by the Trustees, or any of them, or their estates, in connection with any action, suit or proceeding in which they may be involved by reason of their being or having been a Trustee hereunder (whether or not they continue to be a Trustee at the time of incurring such expenses) shall be payable out of the Trust Fund, except in relation to matters as to which they shall be determined to be liable by reason of having breached their fiduciary obligations to the Trust Fund.

Section 4.7 The Trustees may cause the Trust Fund to purchase and pay for insurance for the benefit of the Trust Fund and for the protection of the Trustees and any fiduciary employed or retained by the Trustees against any loss by reason of any error or omission of the Trustees or such fiduciary or any of them, provided such insurance shall permit recourse by the insurer against any Trustee or fiduciary who is found to have breached his fiduciary obligations to the Trust Fund.

<u>Section 4.8</u> Neither the Association, the Employers nor the Union shall in any way be liable in any respect for any of the acts, omissions or obligations of the Trustees, individually or collectively.

<u>Section 4.9</u> The Trustees may appoint an Investment Manager or Managers to manage, acquire or dispose of any assets of the Trust Fund in accordance with the terms of such agreement as may be entered into between the Trustees and the Investment Manager. Such Investment Manager shall have full authority and responsibility as to the investment and reinvestment of any assets delivered to it under the terms of such agreement, subject to such written investment guidelines, if any, as may be established by the Trustees and delivered to the Investment Manager. If an Investment Manager has been appointed in accordance with this Section 4.9, then notwithstanding any other provisions of this Agreement and Declaration of Trust and subject only to the requirements of applicable law, no Trustee shall be liable for the acts or omissions of such Investment Manager or be under any obligation to invest or otherwise manage any asset of the Trust Fund which has been delivered to and which is subject to the management of such Investment Manager.

<u>Section 4.10</u> The Trustees may enter into a written agreement, signed by all of the Trustees, allocating among the Trustees, or any one or more of them, any of the specific responsibilities, obligations or duties imposed upon the Trustees under any of the provisions of this Agreement and Declaration of Trust. Notwithstanding any other provisions of this Agreement and Declaration of Trust and subject only to the requirements of applicable law, a Trustee to whom certain responsibilities, obligations or duties have not been allocated under such written agreement shall not be liable either individually or as a Trustee for any loss resulting to the Trust Fund arising out of the acts or omissions on the part of another Trustee to whom such responsibilities, obligations or duties have been allocated under such written agreement, provided that the Trustees have acted prudently and in the interests of the Employees and beneficiaries in establishing and maintaining such allocation of responsibilities, obligations and duties.

<u>Section 4.11</u> The Trustees may enter into a written agreement with any person or business organization allocating or delegating to such person or organization any of the fiduciary

responsibilities of the Trustees other than the management and control of the assets of the Trust Fund. Notwithstanding any other provisions of this Agreement and Declaration of Trust, and subject only to the requirements of applicable law, the Trustees shall not be liable for any act or omission of any person or business organization to whom such fiduciary responsibility is allocated or delegated, provided that the Trustees have acted prudently and in the interests of the Employees and beneficiaries in selecting and retaining such person or business organization.

Section 4.12 The Trustees may authorize an Association Trustee and a Union Trustee or any joint group equally composed of Association and Union Trustees to execute jointly any notice or other instrument in writing and all persons and business organizations may rely thereon that such notice or instrument has been duly authorized and is binding on the Trust Fund and the Trustees. In addition, the Trustees may authorize one or more agents or employees of the Trust Fund to certify copies of resolutions adopted by the Trustees, and any person or business organization may rely thereon that such resolutions have been adopted by the Trustees and are in full force and effect.

Section 4.13 All moneys received by the Trustees or their duly authorized agents hereunder shall be promptly deposited by them in such bank or banks as the Trustees may designate for that purpose and all withdrawals of moneys from such account or accounts shall be made only by checks or vouchers signed by the authorized Trustees, their employees or agents as hereafter provided. All checks or vouchers for withdrawal of funds from the account or accounts of the Trust Fund shall be signed by one Association Trustee and one Union Trustee, as authorized by resolutions which may be adopted by the Trustees from time to time. In addition, the Trustees may, in their discretion, designate and authorize an employee or agent of the Trust Fund to sign checks upon such separate and specific bank account or bank accounts as the Trustees may designate and establish for such purpose.

Section 4.14 The Trustees and any employees or agents of the Trustees who are empowered and authorized to sign checks as aforesaid shall be bonded by a duly authorized surety company in such amounts as may be determined from time to time by the Trustees. Any employee or agent of the Trustees who may be engaged in handling moneys of the Trust Fund shall also be bonded by a duly authorized surety company in the same manner.

Section 4.15 The Trustees shall keep true and accurate books of account and records of all of their transactions as Trustees, which shall be audited annually, or at the discretion of the Trustees more often, by a certified public accountant chosen by the Trustees. A copy of the annual audit shall be available for inspection by interested persons at the principal office of the Trust Fund during normal business hours. The Trustees, or such agents or employees as the Trustees may designate, shall be responsible for maintaining such administrative records and for filing all reports with the U.S. Treasury Department, the Labor Department and the Pension Benefit Guaranty Corporation as may be required under the provisions of the Employee Retirement Income Security Act of 1974, as amended, or regulations or rulings issued thereunder.

Section 4.16 The Trustees shall once each year render a written report of the financial condition of the Trust Fund and transactions thereunder to the Union and the Association. The Union acting on behalf of the Employees and the Association acting on behalf of the Employers shall be deemed to have approved any such account unless they shall file with the Trustees written objections thereto within sixty (60) days after receipt of such account, and in the absence of such objections, the Trustees shall be released, relieved and discharged with respect to all matters and things set forth in such account as though the same had been settled by the decree of a court of competent jurisdiction. This shall not, however, deprive the Trustees of the right to have a judicial settlement of any account if they so desire.

Section 4.17 The Trustees or, where Trustee responsibility has been delegated to others, such other persons shall, subject to the requirements of the law, be the sole judges of the standard of proof required in any case and the application and interpretation of this Trust Agreement or the Plan, and decisions of the Trustees or their delegates shall be final and binding.

All questions or controversies of whatsoever character arising in any manner or between any parties or persons in connection with this Trust Agreement or the Plan or their respective operations, whether as to any claim for benefits, as to the construction of the language of this Trust

Agreement or the Plan or any rules and regulations adopted by the Trustees, or as to any writing, decision, instrument or account in connection with the operation of this Trust Agreement or the Plan or otherwise, shall be submitted to the Trustees or their delegates for decision, and the Trustees or their delegates shall have the full authority and discretion to determine all such questions or controversies. In the event a claim for benefits has been denied, no lawsuit or other action against the Fund or its Trustees may be filed until the matter has been submitted for review under the appeal procedure set forth in the Plan. The decision on review shall be binding upon all persons dealing with the Plan or claiming any benefit thereunder, except to the extent that such decision may be determined to be arbitrary or capricious by a court or arbitrator having jurisdiction over such matter.

ARTICLE V
Contributions to the Fund

Section 5.1 Employers shall contribute to the Trust Fund in accordance with the terms of Collective Bargaining Agreements requiring periodic contributions to the Fund. Such contributions shall be made in such manner as may be required by the Trustees provided that such requirements shall not be in conflict with the provisions of the applicable Collective Bargaining Agreement. In the event that the Trustees determine that an Employer has made a contribution to the Trust Fund as a result of a mistake of fact or law (except as provided below), the Trustees may, in their absolute discretion, return such contribution to the Employer within six months after the determination by the Trustees of the existence of the mistake. A "mistake of fact or law" shall not include a mistake as to whether the Plan or Trust are qualified under Sections 401 or 501, respectively, of the Internal Revenue Code, except that if a contribution is made on the condition that the Plan receive initial qualification under Section 401 of the Code, the Trustees, in their absolute discretion, may return such contribution to the Employer within one year of the date the Trustees receive official notification from the Internal Revenue Service of the denial of such initial qualification.

Section 5.2 All contributions or payments shall be made effective as required by the Collective Bargaining Agreement and shall continue to be paid as long as the Employer is so obligated pursuant to a Collective Bargaining Agreement with the Union.

Section 5.3 All contributions shall be payable to The Sheet Metal Workers' Local No. 40 Pension Fund, and shall be paid in the manner and form determined by the Trustees. Each Collective Bargaining Agreement providing for contributions to the Trust Fund shall contain such provisions with respect to contributions to the Trust Fund and other matters as may be required or acceptable to the Trustees. No Collective Bargaining Agreement shall impose any duties or responsibilities upon the Trustees without their consent.

Section 5.4 Nonpayment by an Employer of any contributions when due shall not relieve any other Employer of its obligation to make payments. In addition to any other remedies available to the Trustees, an Employer in default in payment of any contributions for ten (10) working days may be required at the discretion of the Trustees to pay such reasonable rate of interest as the Trustees may fix on the moneys due to the Trustees from the date when the payment was due to the date when payment is made together with all expenses of collection incurred by the Trustees, including attorney's fees and an administration fee in such amount as may be determined by the Trustees, plus an amount equal to the greater of (i) interest on the unpaid contributions at the rate of 12% per annum (or such higher rate as may be permitted by applicable Connecticut or Federal law), or (ii) liquidated damages in an amount equal to 20% of such delinquency (or any higher percentage which may be permitted by Connecticut or Federal law). The Trustees may take any action necessary to enforce payment of such amounts due hereunder, including, but not limited to, proceedings at law or in equity or in bankruptcy, and the Employer shall be liable for all court costs and attorney's fees incurred in such proceedings, including proceedings to collect unpaid attorney's fees.

Section 5.5 The Employers shall make all reports on contributions required by the Trustees on forms furnished by the Trustees. The Trustees, or their authorized representatives, upon reasonable notice, may examine the pertinent payroll records of any Employer, including, but not limited to, all quarterly and yearly payroll tax returns, payroll listings, time reports, individual earnings records and checks, whenever such examination is deemed necessary by the Trustees, or their authorized representatives, in connection with the proper administration of the Trust Fund. The expense of such audit of an Employer's records shall be borne by the Trust Fund, unless the results of such audit disclose that the Employer has been delinquent in contributions to the Trust Fund, in which event the expense of such audit may, under rules and regulations adopted by the Trustees, be charged against the Employer. If the expense of such audit charged against the Employer is not paid by the Employer within ten days after written notice from the Trustees, or their authorized representative, the Trustees may take any action, including but not limited to proceedings at law and in equity, necessary to enforce payment of such audit expense, including reasonable interest and an administration fee at such rates and in such amount as the Trustees may determine, and including all court costs and attorney's fees involved in collection of such audit expense, interest and administration fee. In the event that the Trustees shall incur attorney's fees or other expenses in order to enforce the Trustees' right to audit the records of any Employer, such attorney's fees or other expenses shall be charged against such Employer regardless of whether the Employer shall have been delinquent in contributions to the Trust Fund for the period of the audit.

Section 5.6 The Trustees may accept any partial payment made by an Employer of any amounts due the Trust Fund, including full payment of the original amount of any delinquent contribution made without payment of attorney's fees, costs, audit fees, interest or other expenses of collection due on said contribution, without waiver of the right to collect the balance of said delinquent contribution and/or the attorney's fees, costs, audit fees, interest or other expenses of collection due on said contribution.

Section 5.7 The Trustees may, in their discretion, require, collect and receive such cash and surety bonds from contributing employers to this Fund. Except to the extent their discretion is limited by Collective Bargaining Agreements, the Trustees may determine the appropriate amount of such bonds and adopt such rules and regulations regarding the amount, collection, holding and use of such bonds as the Trustees, in their sole discretion, shall determine. In those cases where a bond is held hereunder and is no longer required, the bond shall be returned to the Employer; provided that the Trustees (i) shall have no obligation to return any amount representing interest or earnings on cash bonds which have been held by them, and (ii) may declare the bond forfeited and apply the bond to the general purposes of the Trust Fund where a notice sent to the Employer by certified mail has been returned without a forwarding address of the Employer. Anything contained herein to the contrary notwithstanding, the Trustees may, in their discretion, delegate their authority to determine the amount of such cash or surety bonds, and the adoption and administration of rules and regulations regarding the holding and use of such bonds, to a Committee composed of trustees of this and other benefit funds covering Employees. The Trustees shall not be required to implement, enforce or pursue any bonding or other procedures pertaining to the collection of contributions due to the Trust Fund established under any Collective Bargaining Agreement except to the extent that the Trustees, in their absolute discretion, shall determine that such procedures are in the best interest of the Trust Fund and do not impose undue burdens upon the Trustees.

ARTICLE VI
Plan of Benefits

Section 6.1 The Trustees shall have full authority to determine all questions of the nature, amount and duration of benefits to be provided under the Pension Plan based upon the funding policy and method established and maintained by the Trustees. In this connection, the Trustees shall have made such periodic valuations of the Plan and Trust Fund as shall be deemed advisable by the Trustees or as shall be required by law. The benefits shall be provided in accordance with the written terms of the Pension Plan established and maintained by the Trustees. The Pension Plan may be amended from time to time as provided in the Plan document.

Section 6.2 This Trust has previously received the approval of the U. S. Treasury Department under Sections 401 and 501 of the Internal Revenue Code through the issuance of a favorable determination letter. In the event of failure of the Trust to receive or retain approval as an exempt Trust under the terms of the Internal Revenue Code, or if the Employers are not allowed a tax deduction for the full amount of their contributions hereto, the Trustees shall make such changes as are necessary to receive or retain such approval or authority to make such deduction.

ARTICLE VII

Execution of Trust Agreement

Section 7.1 This Trust Agreement or amendments hereto may be executed in one or more counterparts. The signature of a party on any counterpart shall be sufficient evidence of his execution thereof.

ARTICLE VIII

Amendment to Trust Agreement

Section 8.1 This Agreement and Declaration of Trust may be amended in any respect from time to time by the unanimous vote of all of the Trustees then serving. Each amendment shall be duly executed in writing by the Trustees. The Trustees, in their sole discretion, shall have full power to make such amendment retroactive and to fix the effective date of any amendment.

Section 8.2 No amendment may be adopted which will alter the basic purpose of this Agreement and Declaration of Trust, be in conflict with the Collective Bargaining Agreements as such Agreements provide for contributions to the Trust Fund created hereunder, be contrary to the provisions of the Employee Retirement Income Security Act of 1974, as amended, or other laws governing trust funds of this nature, be contrary to any agreements entered into by the Trustees, or permit any part of the income or corpus of the Fund, directly or indirectly, to revert or accrue to the benefit of any contributing Employer or the Union.

Section 8.3 Whenever an amendment is adopted in accordance with this Article, a copy thereof shall be distributed to all Trustees. Copies of such amendments shall be available for inspection by the Union and the Association upon request. Descriptions of amendments shall be furnished to Employees and beneficiaries as required by the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE IX

Termination of Trust

Section 9.1 This Agreement and Declaration of Trust may be terminated by an instrument in writing executed by all of the Trustees when there is no longer in force and effect a Collective Bargaining Agreement between any Employer and the Union requiring contributions to the Trust Fund, but nothing herein shall authorize such action in any period where there is a dispute between the Union and an Employer concerning the terms of a Collective Bargaining Agreement.

Section 9.2 This Agreement and Declaration of Trust may be terminated by an instrument in writing duly executed by the Association and the Union.

Section 9.3 In the event of the termination of this Agreement and Declaration of Trust, the Trustees shall apply the Trust Fund to pay or to provide for the payment of any and all obligations of the Trust Fund and of the Plan and shall distribute and apply any remaining surplus in accordance with the provisions of the Plan, including any amendments which may be adopted by the Trustees in connection with the termination of the Plan and Trust Fund; provided, however, that no part of the corpus or income of said Fund shall be used for or diverted to purposes other than for the exclusive benefit of the Employees and the beneficiaries, or the reasonable administrative expenses of the Trust Fund or for other payments in accordance with the provisions of the Plan or this Agreement. Under no circumstances shall any portion of the corpus or income of the Trust Fund, directly or indirectly, revert or accrue to the benefit of any contributing Employer or the Union. In the event of the termination of the Trust Fund, notice shall be provided to the Federal Pension Benefit Guaranty Corporation, at the time and in the manner required by applicable regulations and the Trust Fund will conform to the requirements of all applicable sections of the Employee Retirement Income Security Act of 1974, as amended.

Section 9.4 Upon termination of the Trust Fund in accordance with this Article, the Trustees shall forthwith notify the Union, the Association, and each Employer; and the Trustees shall continue as Trustees for the purpose of winding up the affairs of the Trust. Upon the disbursement of the entire Trust Fund, this Trust shall terminate.

ARTICLE X
Miscellaneous Provisions

Section 10.1 In the event it is determined by the Trustees that any Employee or beneficiary is unable to care for his affairs because of physical or mental incapacity, the Trustees or their agents or employees may pay any benefits due such Employee or beneficiary to his legal guardian or conservator or to any relative by blood or by marriage to be used and applied for the benefit of such Employee or beneficiary. Payment by the Trustees to such legal representative or relative shall discharge the Trustees from all liability to such Employee or beneficiary or anyone representing him or his interest, and the Trustees shall have no duty or obligation to see that the funds are used or applied for the benefit of such Employee or beneficiary.

Section 10.2 No Employee or any person claiming by or through such Employee, including his family, dependents, beneficiary and/or legal representative, shall have any right, title or interest in or to the Trust Fund or any property of the Trust Fund or any part thereof except as may be specifically-determined by the Trustees.

Section 10.3 Except as provided in the Pension Plan with respect to Qualified Domestic Relations Orders, and except as permitted by the Employee Retirement Income Security Act of 1974, as amended, and approved by the Trustees, no moneys, property or equity, of any nature whatsoever, in the Trust Fund, or policies or benefits or moneys payable therefrom, shall be subject in any manner by any Employee or person claiming through such Employee to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, mortgage, lien or charge, and any attempt to cause the same to be subject thereto shall be null and void.

Section 10.4 This Agreement and Declaration of Trust is accepted by the Trustees in the Town of Rocky Hill, State of Connecticut, and such place shall be deemed the situs of the Trust Fund created hereunder. All questions pertaining to the validity, construction and administration of the Trust and the Plan shall be determined in accordance with the laws of the State of Connecticut and applicable federal law.

Section 10.5 Wherever any words are used in this Agreement and Declaration of Trust in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply; and wherever any words are used in this Agreement and Declaration of Trust in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply; and wherever any words are used in this Agreement and Declaration of Trust in the plural form, they shall be construed as though they were also used in the singular form in all situations where they would so apply.

Section 10.6 Should any provision in this Trust Agreement or in the Plan or rules and regulations adopted thereunder be held to be unlawful or invalid for any reason, such fact shall not adversely affect the remaining provisions herein and therein contained unless such illegality shall make impossible or impractical the functioning of the Trust and the Plan, and in such case, the Trustees shall promptly adopt a new provision to take the place of the illegal or invalid provision.

Section 10.7 No party dealing with the Trustees in relation to this Trust shall be obliged to see to the application of any money or property of the Trust, or to see that the terms of this Trust have been complied with, or be obliged to inquire into the necessity or expediency of any act of the Trustees, and every instrument executed by an Association Trustee and a Union Trustee shall be conclusive in favor of every person relying thereon (1) that at the time of the delivery of said instrument the Trust hereby created was in full force and effect, (2) that said instrument was executed in accordance with the terms and conditions contained in this Agreement and Declaration of Trust, and (3) that the Trustees were duly authorized and empowered to execute such instrument.

Section 10.8

(a) Until a check or other instrument issued in payment of a benefit hereunder is presented for payment, the funds represented thereby shall remain plan assets, as that term is used in the Act, and are not to be deemed property held by the Fund for the benefit of the payee of the check or instrument. Unless presented for payment within 90 days of the date of issue, such check or instrument shall be void and the funds represented thereby shall continue to be plan assets, available for the uses and purposes of the Fund described in Article I. The preceding sentence shall not be deemed to prohibit a Participant or Beneficiary, otherwise entitled thereto, from submitting a new application for benefits for the amount of such check.

(b) Employer contributions to the Pension Fund are plan assets on the day those contributions become due and owing in accordance with a Collective Bargaining Agreement.

Section 10.9 Unless the Trustees have specifically adopted other rules of order by majority vote, the rules of order as set forth in Robert's Rules of Order shall govern the conduct of all Trustees meetings, except where otherwise specifically provided in the Plan or this Trust Agreement.

[signature page follows]

IN WITNESS WHEREOF, the undersigned Trustees have executed this Thirteenth Amendment this 18 day of May, 2021.

John Ferrucci	Marek E. Bronhart
Lynne A. Kleeberg	David A. Roche
Kenneth R. Kleeberg	John Nimmons
Michael Thompson	Jason M. Sherman

Segal Consulting

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2018

Segal Consulting

116 Huntington Ave., 8th Floor Boston, MA 02116-5744
T 617.424.7300 www.segalco.com

October 2, 2018

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
100 Old Forge Rd.
Rocky Hill, CT 06067-3758

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2018. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the staff of the Sheet Metal Workers' Local 40 Pension Plan, under the direction of Mr. Robert Hertel. That assistance is gratefully acknowledged. The actuarial calculations were completed under my supervision.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting, a Member of The Segal Group

By: ____________________

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

cc: Mr. Robert Hertel
Douglas K. Knight, Esq.
Peter Graeb, CPA

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Section 1: Actuarial Valuation Summary

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Section 4: Certificate of Actuarial Valuation

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing Plan.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, it is an estimated forecast — the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

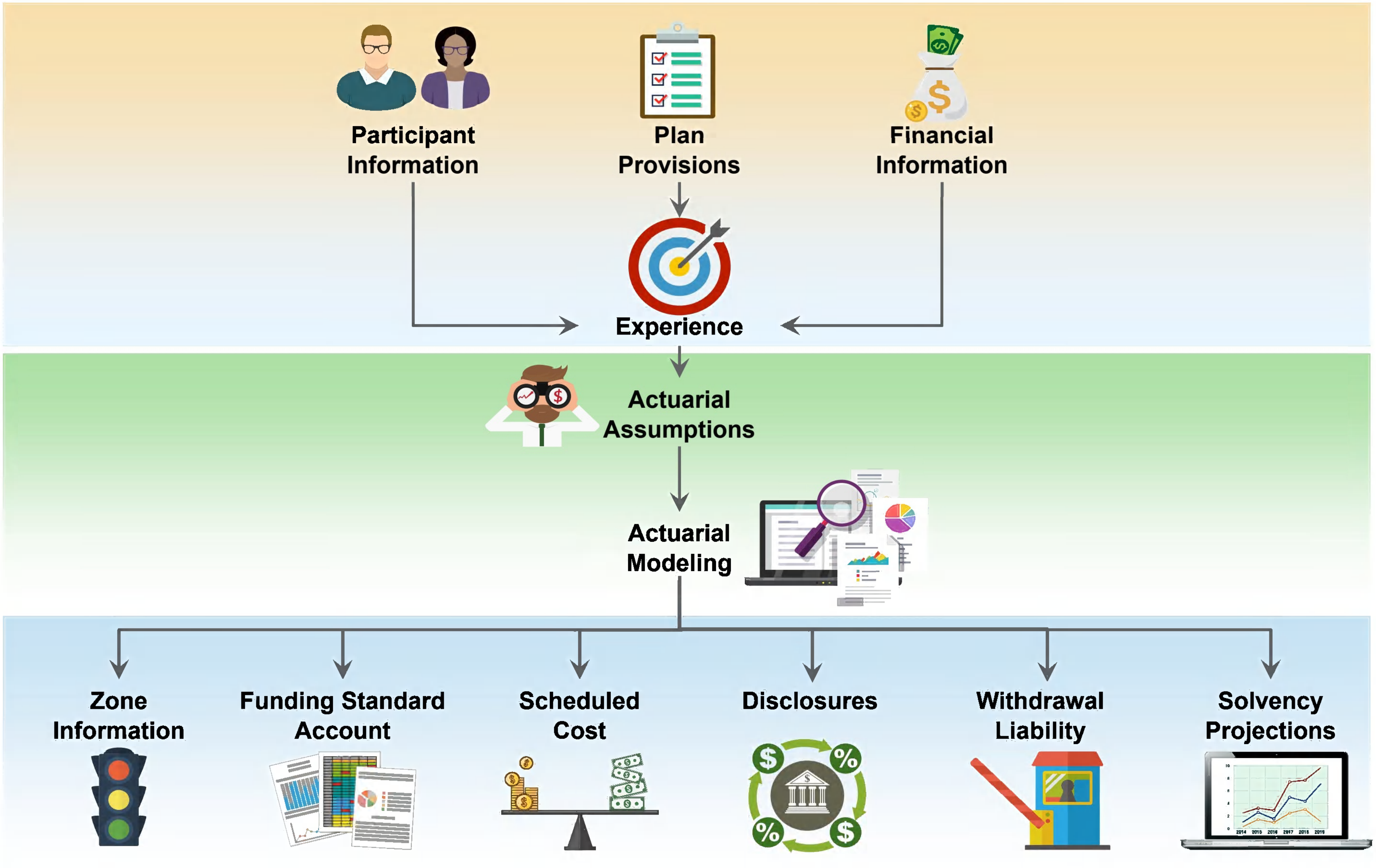
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may require the award of a Social Security disability pension as a condition for receiving a disability pension from the plan. If so, changes in the Social Security law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. Some plans include assets, such as private equity holdings, real estate, or hedge funds, that are not subject to valuation by reference to transactions in the marketplace. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results and will have no impact on the actual cost of the plan (the total of benefits and expenses paid out over time). In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Actuarial results in this report are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
- ERISA requires a plan's enrolled actuary to provide a statement for inclusion in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that we can evaluate it and take it into account.
- A certification of "zone" status under PPA'06 is a separate document from the actuarial valuation.
- Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

ACTUARIAL VALUATION OVERVIEW



Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		2017		2018	
Certified Zone Status		*Critical*		*Critical*	
Demographic Data:	• Number of active participants	370		355	
	• Number of inactive participants with vested rights	176		186	
	• Number of retired participants and beneficiaries	533		521	
Assets:	• Market value of assets (MVA)	$45,275,618		$49,453,187	
	• Actuarial value of assets (AVA)	50,597,776		49,262,542	
	• AVA as a percent of MVA	111.8%		99.6%	
Cash Flow:	• Projected employer contributions	$7,986,000		$7,305,000	
	• Actual contributions	7,216,082		--	
	• Projected benefit payments and expenses	10,088,462		9,905,684	
	• Insolvency projected in Plan Year beginning	N/A		N/A	
Statutory Funding Information:	• Minimum required contribution	$26,264,720		$28,464,795	
	• Maximum deductible contribution	239,510,279		260,905,342	
	• Annual Funding Notice percentage	42.4%		39.9%	
	• FSA deficiency?	Yes		Yes	
		Amount	**Per Hour**	**Amount**	**Per Hour**
Scheduled Cost and Contributions:	• Projected contributions[1]	$7,986,000	$14.52	$7,305,000	$14.61
	• Scheduled Cost	9,414,327	17.12	10,008,244	20.02
	• Margin/(Deficit)	-1,428,327	-2.60	-2,703,244	-5.41
	• Projected contributions for the upcoming year	7,986,000		7,305,000	
	• Actual contributions	7,216,082		- -	
Cost Elements on a Scheduled Cost Basis:	• Normal cost, including administrative expenses[2]	$1,819,031		$1,910,355	
	• Actuarial accrued liability	119,257,418		123,569,063	
	• Unfunded actuarial accrued liability (based on AVA)	68,659,642		74,306,521	
Withdrawal Liability:[3]	• Present value of vested benefits	$116,888,559		$121,245,195	
	• Unfunded present value of vested benefits (based on MVA)	71,612,941		71,792,008	

1 Projected contributions for 2018 assume an average contribution rate of $14.40 plus a $0.21 per hour Reserve Fund contribution and an employment assumption of 500,000 hours. Projected contributions for 2017 assume an average contribution rate of $14.31 plus a $0.21 per hour Reserve Fund contribution and an employment assumption of 550,000 hours.

2 An allowance of $105,000 was added to the normal cost for 2018 and $115,500 in 2017 to reflect benefits expected to be paid from the Reserve Fund in the coming year.

3 Using the assumptions described in *Section 2: Withdrawal Liability*.

Comparison of Funded Percentages

	Funded Percentages as of January 1		2018	
	2017	2018	Liabilities	Assets
1. Present Value of Future Benefits	37.8%	36.1%	$136,391,532	$49,262,542
2. Actuarial Accrued Liability	42.4%	39.9%	123,569,063	49,262,542
3. PPA'06 Liability and Annual Funding Notice	42.4%	39.9%	123,569,063	49,262,542
4. Accumulated Benefits Liability	38.0%	40.0%	123,569,063	49,453,187
5. Withdrawal Liability	38.7%	40.8%	121,245,195	49,453,187
6. Current Liability	22.3%	22.9%	216,216,825	49,453,187

Notes:

1. The value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants. Used to develop the actuarial accrued liability, based on the long-term funding investment return assumption of 7.25% and the actuarial value of assets. The funded percentage using market value of assets is 33.9% for 2017 and 36.3% for 2018.
2. The portion of the present value of future benefits allocated by the actuarial cost method to years prior to the valuation date. Used in determining Scheduled Cost, based on the long-term funding investment return assumption of 7.25% and the actuarial value of assets. The funded percentage using market value of assets is 38.0% for 2017 and 40.0% for 2018.
3. The present value of benefits earned through the valuation date (accrued benefits) defined by PPA'06, based on the long-term funding investment return assumption of 7.25% and compared to the actuarial value of assets.
4. The present value of accrued benefits for disclosure in the audited financial statements, based on the long-term funding investment return assumption of 7.25%, and compared to the market value of assets.
5. The present value of vested benefits for withdrawal liability purposes, based on the funding assumptions described in *Section 2: Withdrawal Liability Assumptions*, the present value of vested benefits, and compared to the market value of assets.
6. The present value of accrued benefits based on a government-prescribed mortality table and investment return assumption of 3.05% for 2017 and 2.98% for 2018, and compared to the market value of assets. Used to develop the maximum tax-deductible contribution and shown on the Schedule MB if less than 70%.

Disclosure: These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions.

This January 1, 2018 actuarial valuation report is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected unless specifically identified, and will affect future results. Segal is prepared to work with the Trustees to analyze the effects of any subsequent developments. The current year's actuarial valuation results follow.

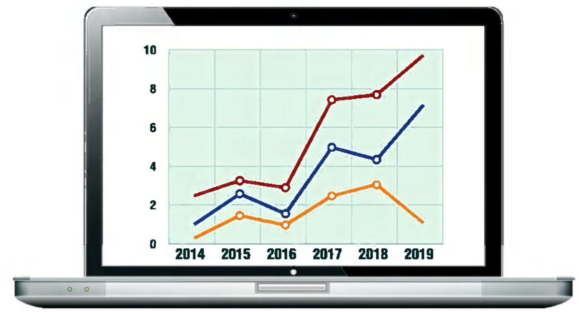
A. Developments Since Last Valuation

1. The rate of return on the market value of plan assets was 15.75% for the 2017 plan year. The rate of return on the actuarial value of assets was 2.72%. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, we have lowered the assumed long-term rate of return on investments from 7.50% to 7.25%.
2. In addition to the change in the assumed rate of return on investments, the following assumptions were changed with this valuation:
   - The mortality assumption was updated from the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables set forward 1 year projected generationally from 2006 using Scale SSA-2014 to the same tables with no set forward projected generationally from 2006 using Scale MP-2017; and
   - The administrative expense assumption was decreased from $438,000 to $425,000 for the year beginning January 1, 2018.
3. Effective July 1, 2017, the contribution rate is $15.00. Based on lower rates for apprentices and fund office staff, the average contribution rate for 2018 is $14.40 plus the $0.21 Reserve Fund contribution.
4. The 2018 certification, issued on March 30, 2018, based on the liabilities calculated in the 2017 actuarial valuation, projected to December 31, 2017, and estimated asset information as of December 31, 2017, classified the Plan as critical because the funded percentage was 41.1% and there was a deficiency in the FSA. This projection was based on the Trustees' industry activity assumption that the active population will remain level and, on average, contributions will be made for a total of 500,000 hours in 2018, 525,000 hours in 2019 and 550,000 hours in later years.

B. Funded Percentage and Funding Standard Account

1. Based on this January 1, 2018 actuarial valuation, the funded percentage that will be reported on the 2018 Annual Funding Notice is 39.9%.
2. The funding deficiency in the FSA as of December 31, 2017 was $17,859,945, an increase of $2,753,629 from the prior year. A projection of the FSA indicated the credit balance is expected to be positive as of December 31, 2049, assuming experience emerges and projected and no changes in the Plan, actuarial assumptions, law or regulations. This is one year later than what was projected in the prior report and was due to the net impact of the changes in the assumptions, the increase in the contribution rate and the investment performance on a market value basis.

C. Solvency Projections



Based on this valuation, the current value of assets plus future investment earnings and contribution income is projected to exceed benefit payments and administrative expenses for at least 30 years, assuming experience emerges as projected and there are no changes in the Plan provisions, contribution rates, actuarial assumptions, law or regulations. The projected assets are shown in *Section 2*. If requested by the Trustees, we can perform additional projections of the financial status of the Plan.

D. Scheduled Cost Deficit

1. The projected annual contributions of $7,305,000 fall short of the Scheduled Cost of $10,008,244, resulting in a deficit of $2,703,244, or $5.41 per hour as compared to a deficit of $2.60 per hour in the prior valuation. The increase in the deficit is due to the impact of the changes in the assumptions, the investment loss on an actuarial basis, and the change in the employment assumption, partially offset by the contribution rate increase.
2. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years. We will continue to monitor this approach and advise the Trustees as to whether it continues to provide an adequate basis for assessing the funding needs of the Plan.

E. Funding Concerns

The imbalance between the benefit levels in the Plan and the resources available to pay for them must continue to be monitored.

F. Risk

1. The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions. We have included a discussion of various risks that may affect the Plan in *Section 2*.
2. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan. A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan.

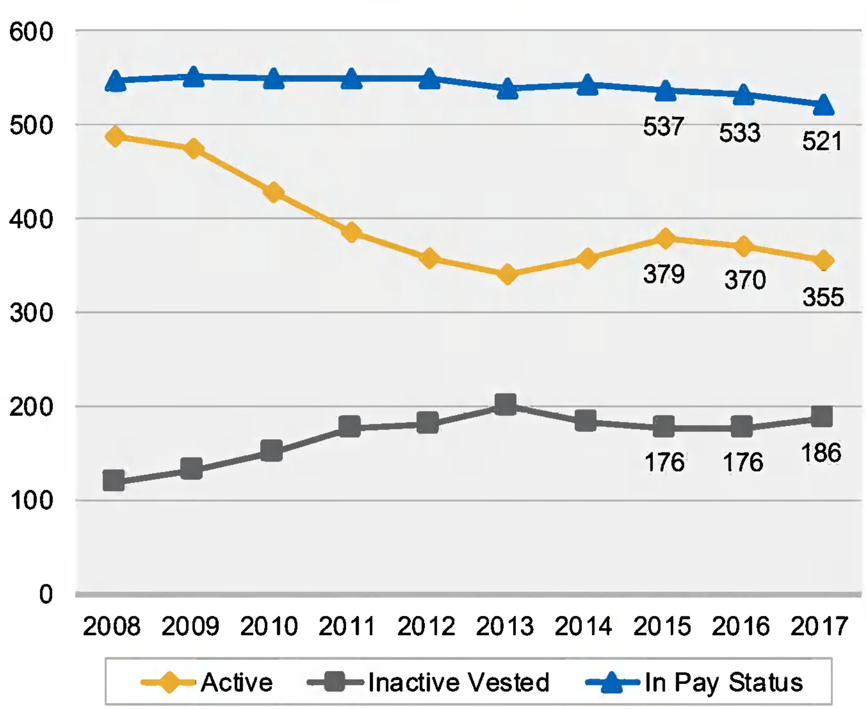
G. Withdrawal Liability

1. The unfunded present value of vested benefits for withdrawal liability purposes (UVB) is $71,792,008 (using the assumptions outlined in *Section 2: Withdrawal Liability Assumptions*) or $179,067 higher than the unfunded present value of vested benefits of $71,612,941 last year.
2. This is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions. For purposes of determining the present value of vested benefits, we excluded some benefits that are not protected by IRC Section 411(d)(6), including lump sum death benefits, and include a liability for benefit reductions that are implemented as part of a Rehabilitation Plan.

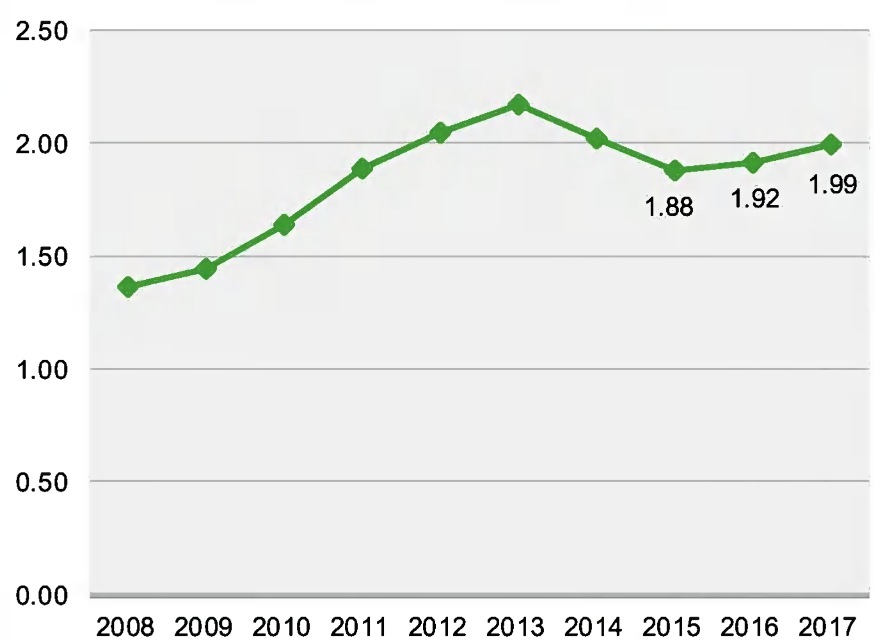
Participant Information

- The Actuarial Valuation is based on demographic data as of December 31, 2017.
- There are 355 active participants in the current valuation, compared to 370 in the prior valuation.
- The ratio of non-actives to actives has increased to 1.99 from 1.92 in the prior year.
- More details on the historical information are included in *Section 3, Exhibits A* and *B*.

POPULATION AS OF DECEMBER 31



RATIO OF NON-ACTIVES TO ACTIVES AS OF DECEMBER 31

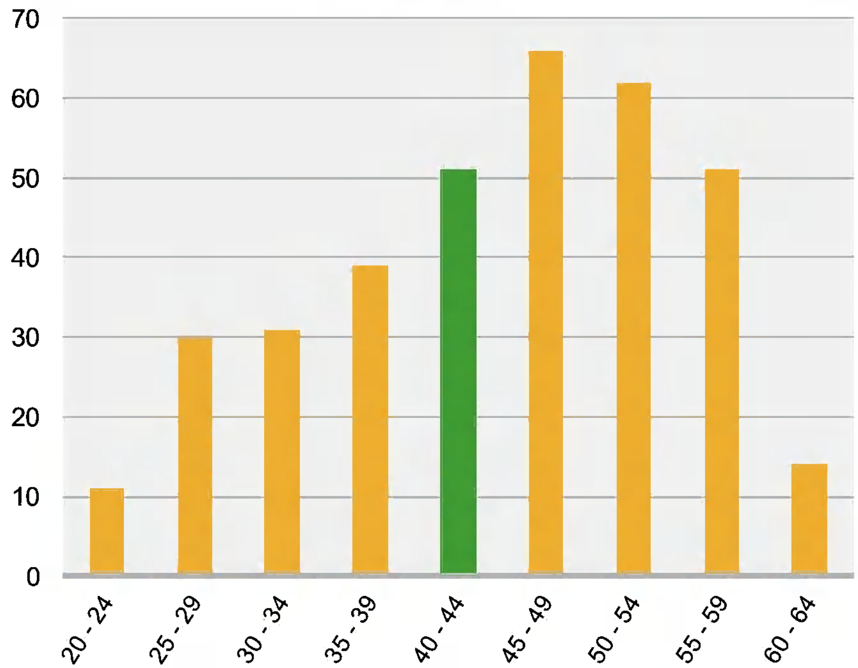


Active Participants

- There were 355 active participants this year, a decrease of 4.1% compared to 370 in the prior year.
- The age and service distribution is included in *Section 4, Exhibit 6*.

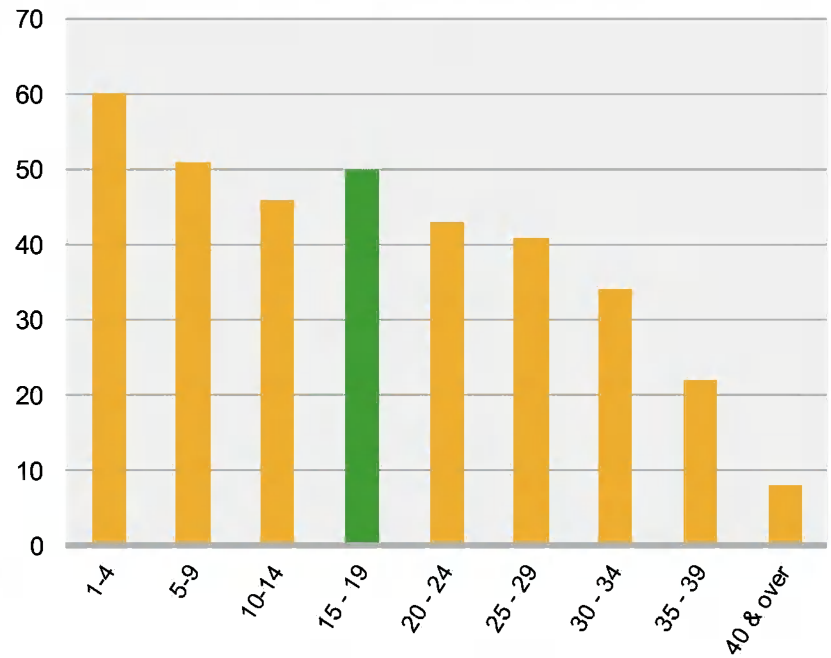
Distribution of Active Participants as of December 31, 2017

BY AGE



Average age	44.9
Prior year average age	44.5
Difference	0.4

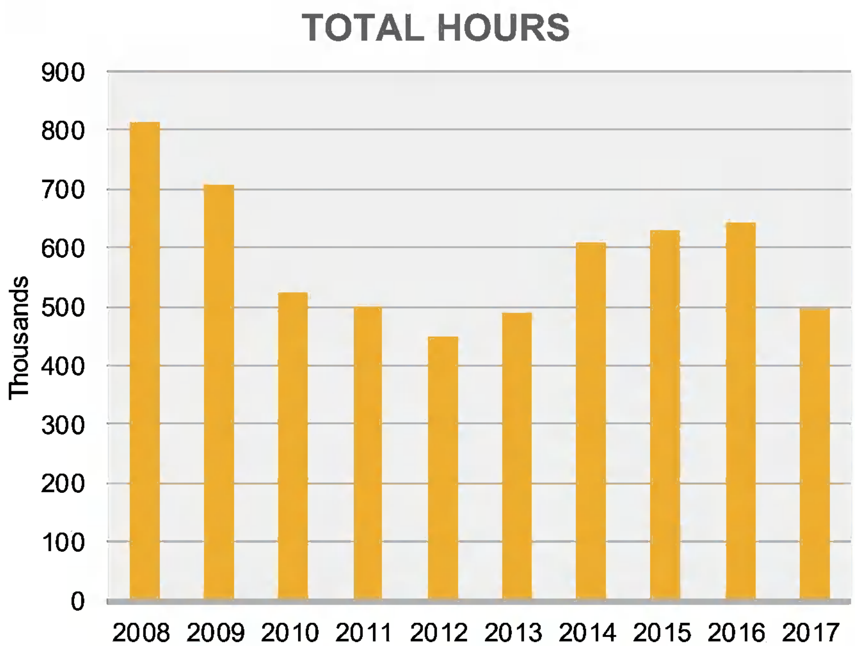
BY PENSION CREDITS



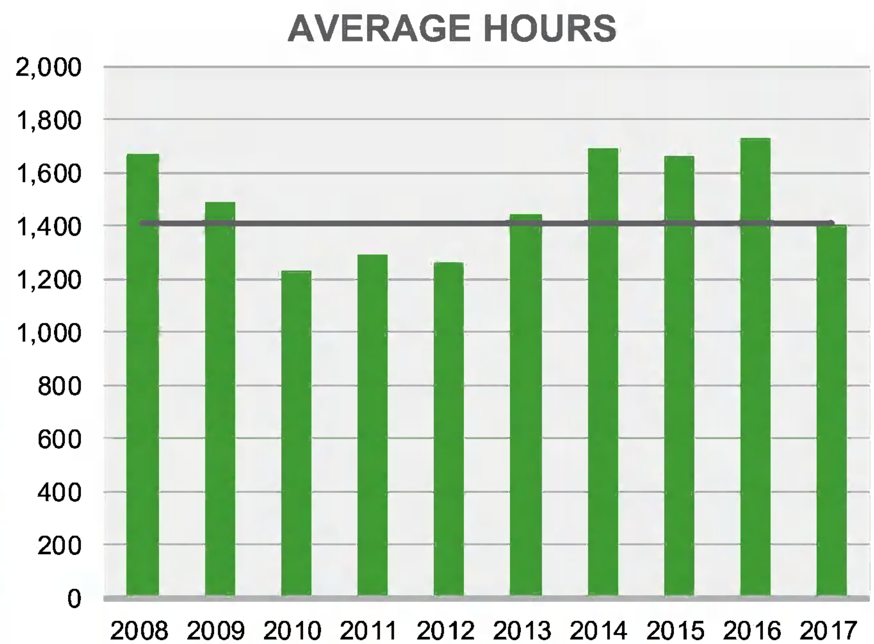
Average pension credits	17.9
Prior year average pension credits	17.3
Difference	0.6

Historical Employment

- The charts below show a history of hours worked over the last ten years.
- The 2018 zone certification and the projections in this report are based on an industry activity assumption of 500,000 total hours worked in 2018, 525,000 hours in 2019 and 550,000 hours in later years.
- Total hours decreased significantly from 2016 to 2017 after increasing over the previous four years.



Historical Average Total Hours	
Last year	498,396
Last five years	573,901
Last 10 years	586,533



Historical Average Hours	
Last year	1,404
Last five years	1,589
Last 10 years	1,489

New Pensions Awarded

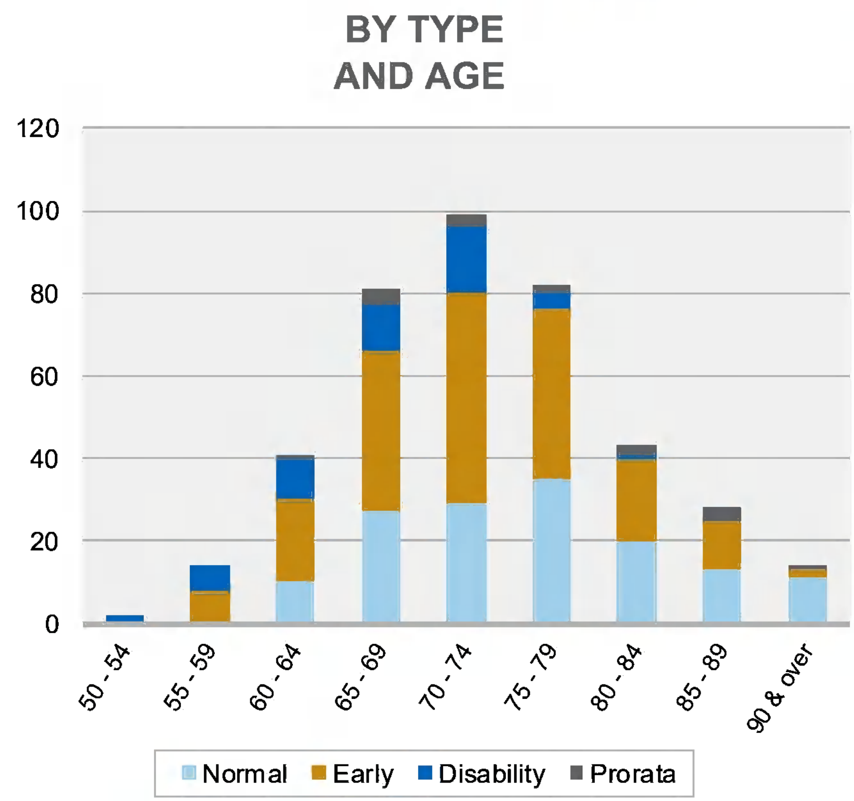
- During the fiscal year ended December 31, 2017 there were 11 pensions awarded as detailed in this chart.

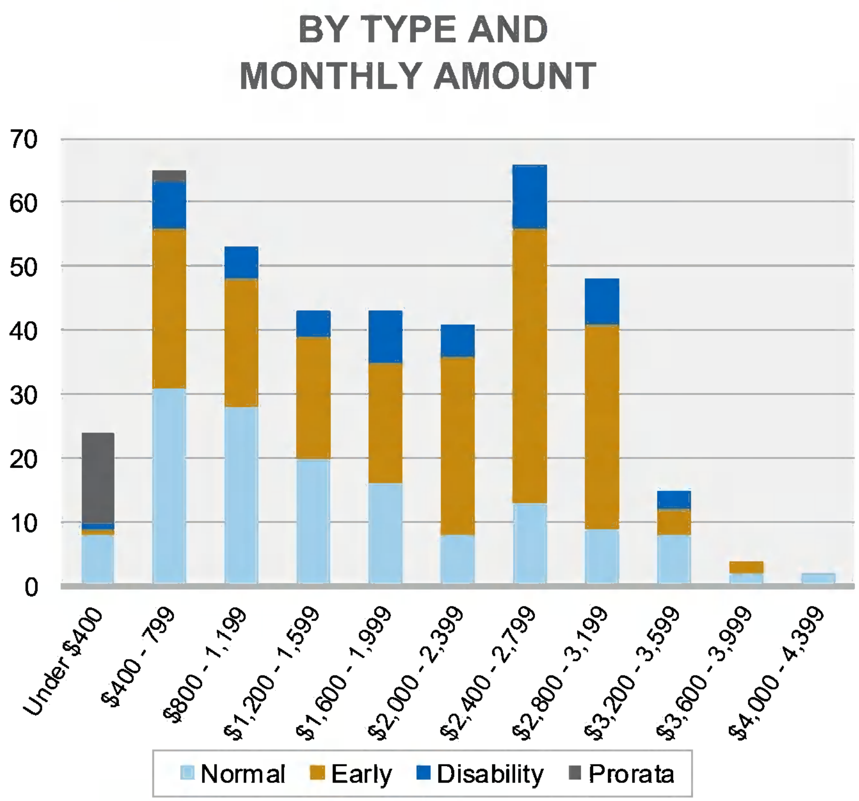
Year Ended Dec 31	Total		Normal		Early		Disability		Prorata	
	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2008	26	$2,195	11	$2,241	8	$2,646	5	$2,228	2	$58
2009	9	1,703	4	1,565	5	1,814	–	–	–	–
2010	18	1,496	14	1,353	2	1,844	2	2,148	–	–
2011	13	2,100	9	2,000	2	3,398	2	1,250	–	–
2012	16	1,725	6	1,252	4	2,403	5	2,042	1	274
2013	11	2,419	1	736	7	2,436	3	2,940	–	–
2014	13	1,682	7	1,672	4	2,401	–	–	2	282
2015	13	1,455	6	753	5	1,966	2	2,281	–	–
2016	19	1,653	8	1,491	8	1,967	2	1,820	1	109
2017	11	1,651	6	1,536	4	1,974	1	1,055	–	–

Pay Status Information

- There were 404 pensioners and 117 beneficiaries this year, compared to 412 and 121, respectively, in the prior year.
- Monthly benefits for the plan year ending December 31, 2017 total $775,286, as compared to $783,415 in the prior year.

Distribution of Pensioners as of December 31, 2017

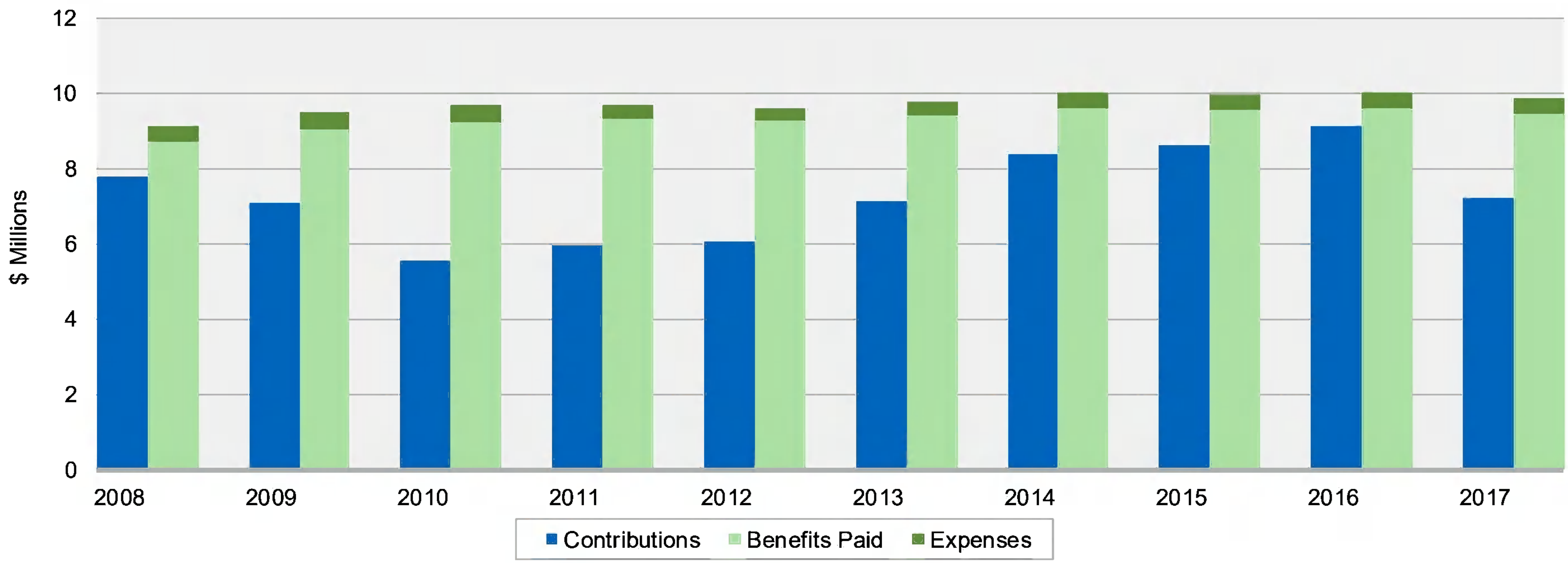




Financial Information

- Benefits and expenses are funded solely from contributions and investment earnings.
- Additional detail is in *Section 3, Exhibit B*.
- For the most recent year, benefit payments and expenses were 1.4 times contributions.

COMPARISON OF EMPLOYER CONTRIBUTIONS
WITH BENEFITS AND EXPENSES PAID



Determination of Actuarial Value of Assets

- The asset valuation method gradually recognizes annual market value fluctuations to help mitigate volatility in the actuarial cost calculations.
- Less volatility in the actuarial cost better aligns with a negotiated contribution rate.

		Original Amount[1]	Unrecognized Return[2]	
1	Market value of assets, December 31, 2017			$49,453,187
2	Calculation of unrecognized return			
	(a) Year ended December 31, 2017	$3,582,360	$2,865,888	
	(b) Year ended December 31, 2016	-541,026	-324,616	
	(c) Year ended December 31, 2015	-4,827,958	-1,931,183	
	(d) Year ended December 31, 2014	-2,097,220	-419,444	
	(e) Year ended December 31, 2013	2,763,955	0	
	(f) Year ended December 31, 2008	-17,064,652	0	
	(g) Total unrecognized return			$190,645
3	Preliminary actuarial value: **(1) - (2g)**			49,262,542
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2017: **(3) + (4)**			49,262,542
6	Actuarial value as a percentage of market value: **(5) ÷ (1)**			99.6%
7	Amount deferred for future recognition: **(1) - (5)**			$190,645

[1] Total return minus expected return on a market value basis.
[2] Recognition at 10% per year over 10 years for year ended December 31, 2008, and 20% per year over 5 years for remaining years.

Actuarial Experience

- Assumptions should reflect experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the contribution requirement as an experience gain or loss.
- Assumptions are not changed if experience is believed to be a short-term development and that, over the long run, experience will return to assumed levels.
- The net experience variation for the year, other than investment experience, was 0.4% of the projected actuarial accrued liability from the prior valuation, and was not significant when compared to that liability.

EXPERIENCE FOR THE YEAR ENDED DECEMBER 31, 2017

1	Loss from investments	-$2,329,605
2	Gain from administrative expenses	41,603
3	Net gain from other experience	382,535
4	**Net experience loss: 1 + 2 + 3**	**-$1,905,467**

Actuarial Value Investment Experience

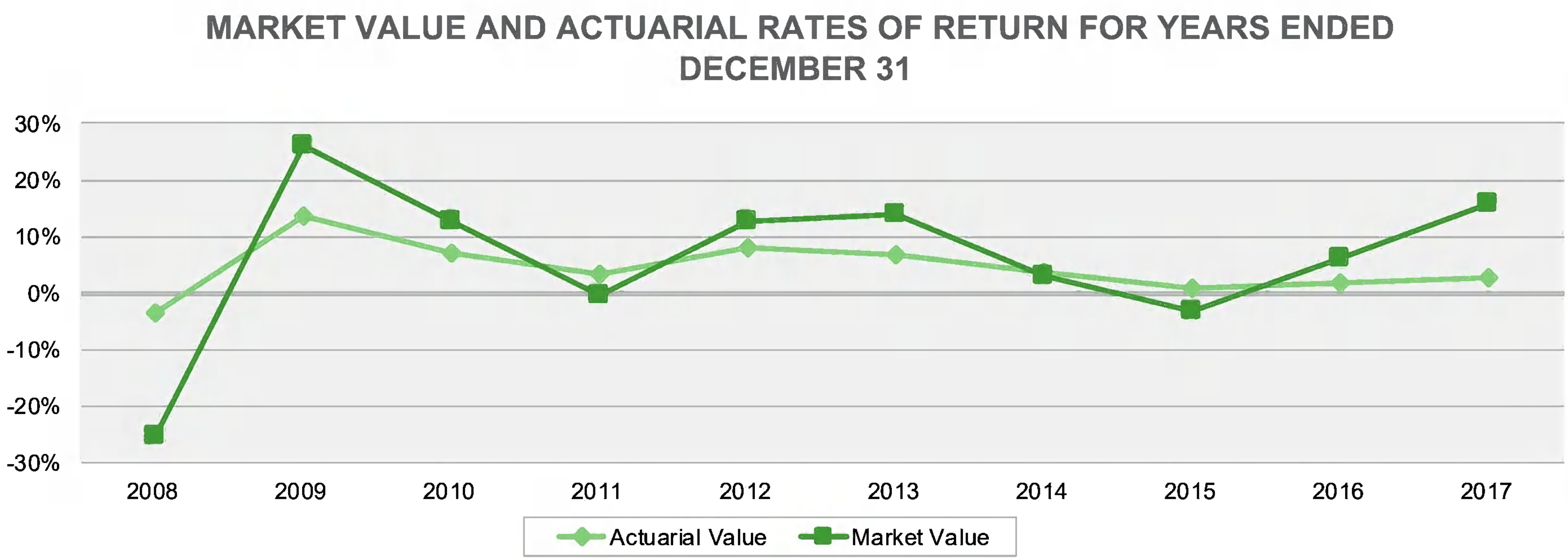
- Net investment income consists of expected investment income at the actuarially assumed rate of return, and an adjustment for market value changes. Investment expenses are subtracted.
- The actuarial value of assets does not yet fully recognize past investment gains and losses, which will affect future actuarial investment returns.

INVESTMENT EXPERIENCE FOR THE YEAR ENDED DECEMBER 31, 2017

1	Net investment income	$1,327,266
2	Average actuarial value of assets	48,758,275
3	Rate of return: 1 ÷ 2	2.72%
4	Assumed rate of return	7.50%
5	Expected net investment income: 2 x 4	$3,656,871
6	**Actuarial loss from investments: 1 - 5**	**-$2,329,605**

Historical Investment Returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- Given past experience, the Trustees' asset allocation policy and future expectations, we have lowered the investment return assumption from 7.50% to 7.25%.



Average Rates of Return	Actuarial Value	Market Value
Most recent year return:	2.72%	15.75%
Most recent five-year average return:	3.20%	6.99%
Ten-year average return:	4.38%	5.09%

Non-Investment Experience

Administrative Expenses

- Administrative expenses for the year ended December 31, 2017 totaled $415,162, as compared to the assumption of $438,000.
- We have decreased the assumption form $438,000 to $425,000 for the current year based on information on expenses provided by the Fund Office.

Mortality Experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners over the past 5 years was 24.6 per year compared to 23.3 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.4 per year compared to 0.8 projected deaths per year. Taking into account this experience and new mortality tables published by the Society of Actuaries, we have updated the assumption for mortality improvement.

Other Experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected) and the number of disability retirements.

Actual Assumptions

- The following assumptions were changed with this valuation:
  - The assumed rate of return on investments was lowered from 7.50% to 7.25%.
  - The mortality assumption was updated from the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables set forward 1 year projected generationally from 2006 using Scale SSA-2014 to the same tables with no set forward projected generationally from 2006 using Scale MP-2017; and
  - The administrative expense assumption was decreased from $438,000 to $425,000 for the year beginning January 1, 2018.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit 8*.

Plan Provisions

- There were no changes in plan provisions purposes since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit 9*.

Contribution Rate Changes

- Effective July 1, 2017, the contribution rate increased from $14.91 to $15.00 plus a Reserve Fund contribution of $0.21. Based on lower rates for apprentices and fund office staff, the average contribution rate for 2018 is $14.40 plus the $0.21 Reserve Fund contribution.

Pension Protection Act of 2006

2018 Actuarial Status Certification

- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Details are shown in *Section 3, Exhibit F*.
- The 2018 certification, completed on March 30, 2018, was based on the liabilities calculated in the January 1, 2017 actuarial valuation, adjusted for subsequent events and projected to December 31, 2017, and estimated asset information as of December 31, 2017. The Trustees provided an industry assumption of 500,000 hours per year in 2018, 525,000 hours in 2019, and 550,000 hours in later years.
- This Plan was classified as critical (*Red Zone*) because the funded percentage was 41.1% and there was a deficiency in the FSA.

Year	Zone Status
2009	RED
2010	RED
2011	RED
2012	RED
2013	RED
2014	RED
2015	RED
2016	RED
2017	RED
2018	RED

Rehabilitation Plan Update

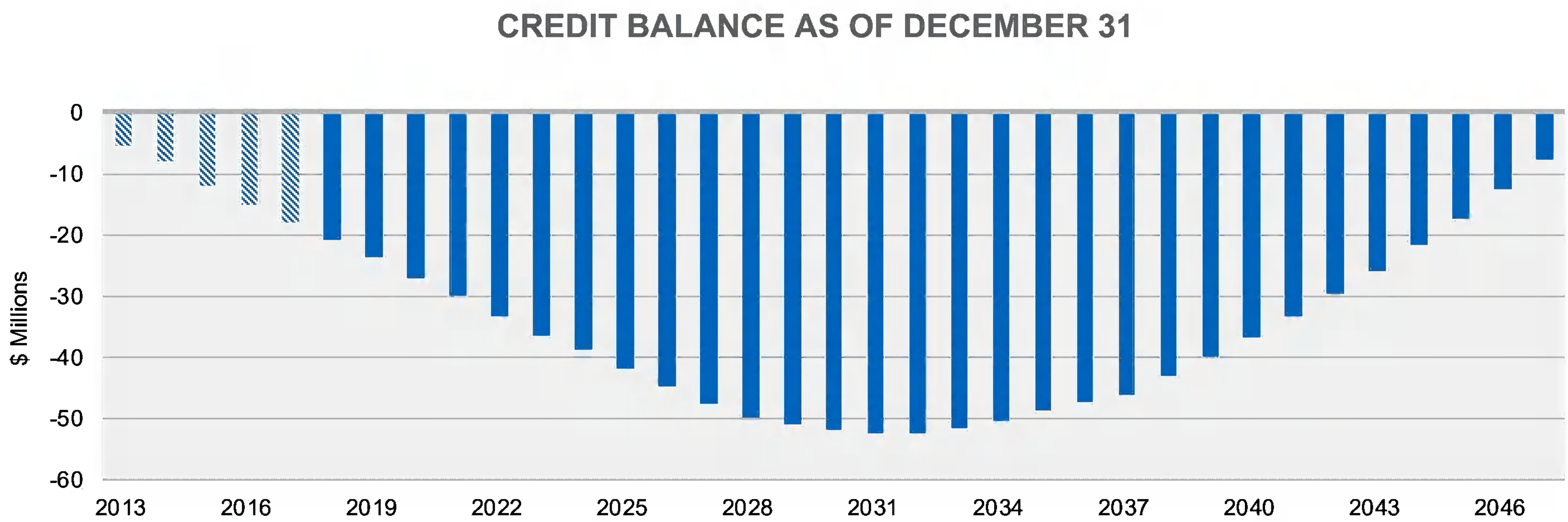
- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The Plan's original Rehabilitation Period began January 1, 2011 and ended December 31, 2023. The Rehabilitation Plan was most recently updated in 2016 which extended the date at which the Plan is projected to become positive to December 31, 2055.
- The annual standards detailed in the Rehabilitation Plan are projected to be met as of December 31, 2055.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

Funding Standard Account (FSA)

- On December 31, 2017, the FSA had a funding deficiency of $17,859,945, as will be shown on the 2017 Schedule MB. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency.
- Employers contributing to plans in critical status will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.
- The minimum funding requirement for the year beginning January 1, 2018 is $28,464,795.
- Based on the assumption that participants will work a total of 500,000 hours at a $14.61 average contribution rate, the contributions projected for the year beginning January 1, 2018 are $7,305,000. The funding deficiency is projected to decrease by approximately $3,035,044 to $20,894,989 as of December 31, 2018.
- A summary of the ERISA minimum funding requirements and the FSA for the year ended December 31, 2017 is included in *Section 3, Exhibit E.*

Funding Standard Account Projection

- A 30-year projection indicates the credit balance will remain negative, assuming that:
  - The Plan will earn a market rate of return equal to 7.25% each year,
  - All other experience emerges as assumed, no assumption changes are made, and
  - There are no plan amendments or changes in law/regulation.
- The projection is based on an employment assumption of 500,000 hours per year in 2018, 525,000 hours in 2019, and 550,000 hours in later years.

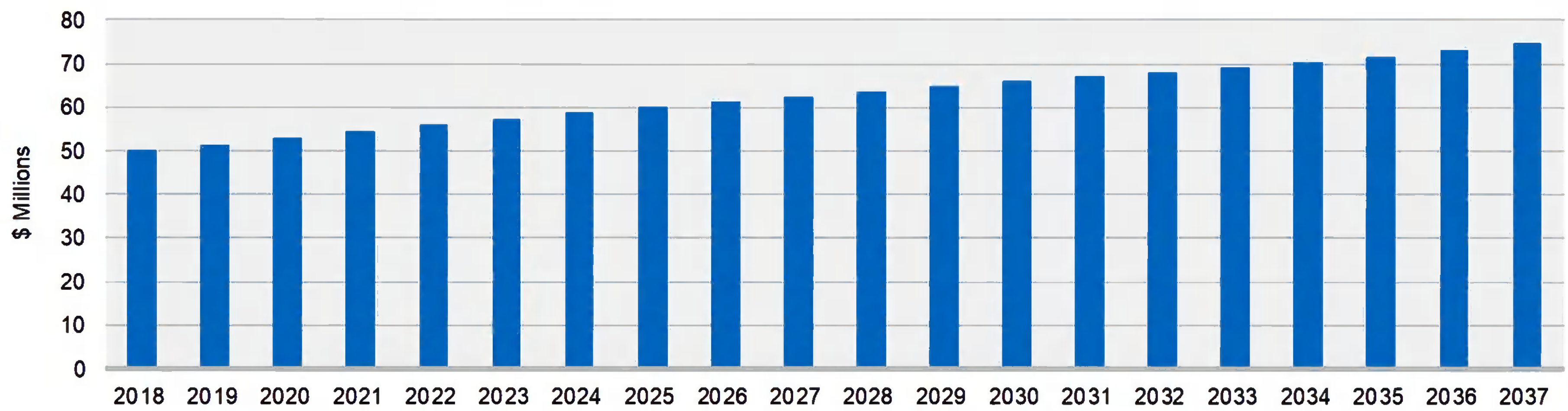


Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

Solvency Projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due. MPRA classifies red zone plans that are projected to become insolvent within 15 or 20 years as "critical and declining." See *Section 3, Exhibit F* for more information.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumptions.

PROJECTED ASSETS AS OF DECEMBER 31



Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

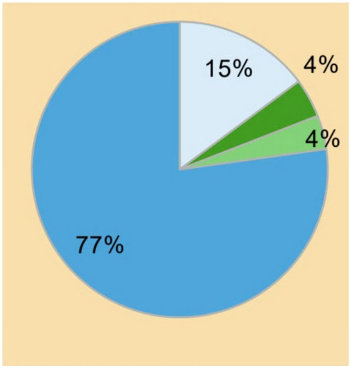
Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets that is compared to projected contributions to assess the Plan's long-term financial position.
- As of January 1, 2018, the unfunded actuarial accrued liability totaled $74,306,521 (actuarial accrued liability of $123,569,063 less assets of $49,262,542).
- Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization schedule adopted by the Trustees is held constant at 15 years.
- The plan of benefits and actuarial assumptions are the same as those used for the FSA for the year beginning January 1, 2018.
- The average contribution rate is $14.61 for 2018.

Scheduled Cost and Reconciliation

	Year Beginning January 1	
	2017	2018
Normal cost	$1,381,031	$1,485,355
Administrative expenses	438,000	425,000
Amortization of the unfunded actuarial accrued liability	7,235,592	7,727,508
Adjustment for monthly payments	359,704	370,381
Annual Scheduled Cost, payable monthly	**$9,414,327**	**$10,008,244**

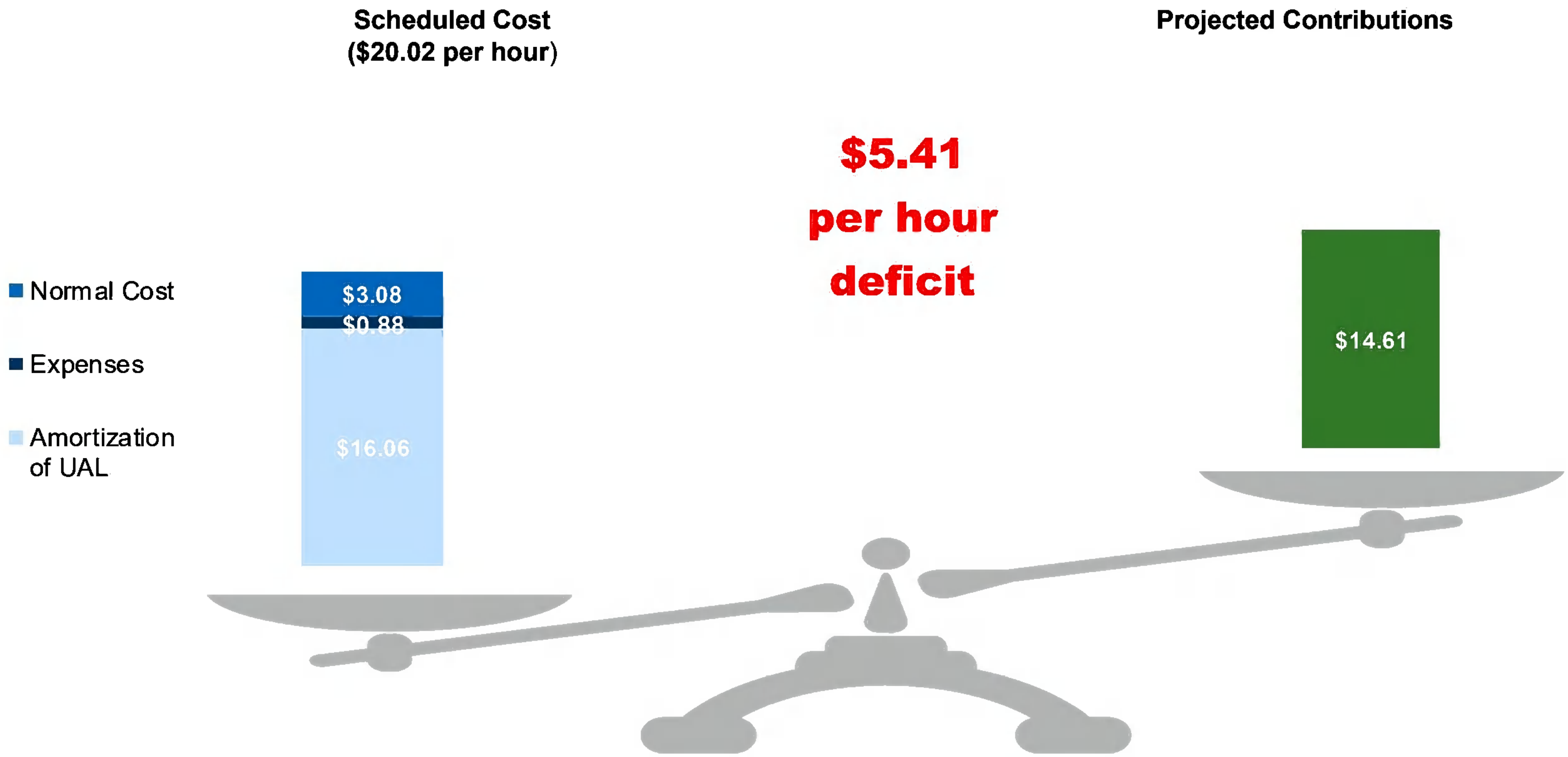
2018



Scheduled Cost as of January 1, 2017		$9,414,327
• Effect of frozen amortization period	-$306,248	
• Effect of change in administrative expense assumption	-13,500	
• Effect of change in other actuarial assumptions	392,699	
• Effect of contributions less than Scheduled Cost	256,009	
• Effect of investment loss	265,417	
• Effect of other gains and losses on accrued liability	-48,323	
• Effect of net other changes, including composition and number of participants	47,863	
Total change		*$593,917*
Scheduled Cost as of January 1, 2018		$10,008,244

Scheduled Cost vs. Contribution

- Projected employer contributions of $7,305,000 are based on the Trustees' assumption that participants will work a total of 500,000 hours in 2018 at the $14.61 average contribution rate.
- This falls short of the Scheduled Cost of $10,008,244 by $2,703,244, or 37.0% of projected contributions.



- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be $2,682,656, or $5.37 per hour.

Funding Concerns

- The imbalance between the benefit levels in the Plan and the resources available to pay for them must continue to be monitored.
- Due to the net impact of changes in assumptions, the increase in the contribution rate and investment performance in 2017, the year that the credit balance is projected to be positive changed from 2048 in the prior valuation to 2049 in the current. However, as described on the following page, there are various risks that can effect a pension plan.

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.
- Investment Risk (the risk that returns will be different than expected)

  To illustrate the sensitivity of the projections to investment losses we have modeled the impact of three investment performance scenarios on the credit balance projections based on the 7.25% investment return assumption:

  - If the market return over the next five years were 6.25% instead of the assumed 7.25%, the year the credit balance is projected to be positive would change from 2049 to 2053.
  - If the market return for 2018 were 0% instead of the assumed 7.25%, the year the credit balance is projected to be positive would change from 2049 to 2055.
  - If the market return for 2018 were negative, then we project that the Plan would not meet the Rehabilitation Plan goal of a positive credit balance by December 31, 2055.
- Employment Risk (the risk that actual contributions will be different from projected contributions)
- Longevity Risk (the risk that mortality experience will be different than expected)
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:

  - Actual retirements occurring earlier or later than assumed.
  - More or less active participant turnover than assumed.
  - Return to covered employment of previously inactive participants.

- Actual Experience over the Last 10 years and Implications for the Future

  Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

  - The investment gain(loss) on market value for a year has ranged from a loss of $17,064,652 to a gain of $6,514,883.
  - The non-investment gain(loss) for a year has ranged from a loss of $2,840,724 to a gain of $796,417.
  - Since 2008, the funded percentage for PPA purposes has ranged from a low of 39.9% in 2018 to a high of 49.0% in 2010.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, *i.e.* when the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

  - Over the past ten years, the ratio of non-active participants to active participants has varied from a low of 1.36 to a high of 2.17 and is currently 1.99.
  - As of December 31, 2017, the retired life actuarial accrued liability represents 66% of the total actuarial accrued liability and the actuarial accrued liability for inactive vested participants represents 8% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in contribution requirements.
  - Benefits and administrative expenses exceeded contributions by $2,662,500 in 2017, which is approximately 5% of the market value of assets.

Withdrawal Liability

- As of December 31, 2017, the actuarial present value of vested plan benefits for withdrawal liability purposes is $121,042,457 based on the 7.25% investment return assumption.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (Red Zone) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $121,245,195.

		December 31	
		2016	2017
1	Present value of vested benefits (PVVB) measured as of valuation date	$116,664,783	$121,042,457
2	Unamortized value of Affected Benefits pools	223,776	202,738
3	Total present value of vested benefits: 1 + 2	$116,888,559	$121,245,195
4	Market value of assets	45,275,618	49,453,187
5	Unfunded present value of vested benefits (UVB): 3 - 4, not less than $0	$71,612,941	$71,792,008

Withdrawal Liability Assumptions

- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2018 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2018 are described in *Section 4, Exhibit 8* of this report and are reasonable to determine withdrawal liability.

Disclosure Requirements

Annual Funding Notice

- The actuarial information to be provided in the annual funding notice is shown in *Section 3, Exhibit D.*
- The value of plan benefits earned to date as of January 1, 2018 is $123,569,063 using the long-term funding interest rate of 7.25%. As the actuarial value of assets is $49,262,542, the Plan's funded percentage is 39.9%, compared to 42.4% in the prior year.

Current Liability

- The Plan's current liability as of January 1, 2018 is $216,216,825 using an interest rate of 2.98%. As the market value of assets is $49,453,187, the funded current liability percentage is 22.9%. This is required to be disclosed on the 2018 Schedule MB of IRS Form 5500 since it is less than 70%. Details are shown in *Section 4, Exhibit 3*.

Accounting Information

- The Financial Accounting Standards Board (FASB) requires determination of the present value of accumulated plan benefits - the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. Additional details on the present value of the accumulated plan benefits can be found in *Section 4, Exhibit 2.*

EXHIBIT A - TABLE OF PLAN COVERAGE

Category	Year Ended December 31		Change from Prior Year
	2016	2017	
Active participants in valuation:			
• Number[1]	370	355	-4.1%
• Average age	44.5	44.9	0.4
• Average pension credits	17.3	17.9	0.6
• Average contribution rate as of the valuation date[2]	$14.52	$14.61	0.6%
• Total active vested participants	305	296	-3.0%
Inactive participants with rights to a pension:			
• Number	171	181	5.8%
• Average age	47.5	48.1	0.6
• Average monthly benefit	$917	$915	-0.2%
• Beneficiaries with rights to deferred payments	5	5	0.0%
Pensioners:			
• Number in pay status	412	404	-1.9%
• Average age	72.9	73.2	0.3
• Average monthly benefit	$1,752	$1,767	0.9%
Beneficiaries:			
• Number in pay status	121	117	-3.3%
• Average age	79.1	78.9	-0.2
• Average monthly benefit	$508	$524	3.1%
Total Participants	**1,079**	**1,062**	**-1.6%**

1 The active count excludes 10 employees who were either not participants as of December 31, 2017 (participation is granted after working 1,000 hours in a 12-month period) or had less than one pension credit or fewer than 100 hours worked in 2017. 22 employees were excluded as of December 31, 2016.

2 The contribution rates include the Reserve Fund contribution for 2016 and 2017.

EXHIBIT B - SUMMARY STATEMENT OF INCOME AND EXPENSES ON AN ACTUARIAL BASIS

	Year Ended December 31, 2016		Year Ended December 31, 2017	
Contribution income:				
• Employer contributions	$9,110,585		$7,216,082	
• Administrative expenses	-427,797		-415,162	
Net contribution income		*$8,682,788*		*$6,800,920*
Investment income:				
• Expected investment income	$3,715,597		$3,656,871	
• Adjustment toward market value	-2,569,041		-2,133,275	
• Less investment fees	-239,206		-196,330	
Net investment income		*907,350*		*1,327,266*
Total income available for benefits		**$9,590,138**		**$8,128,186**
Less benefit payments		-$9,571,546		-$9,463,420
Change in reserve for future benefits		**$18,592**		**-$1,335,234**

EXHIBIT C - INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE

Year Ended December 31	Change in Asset Method		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2008	$3,746,154	7.32%	-$1,819,112	-3.55%	-$12,975,271	-25.38%
2009	- -	- -	6,527,863	13.75%	9,415,044	25.97%
2010	- -	- -	3,557,402	7.01%	5,364,273	12.66%
2011	- -	- -	1,675,695	3.33%	-141,442	-0.32%
2012	- -	- -	3,838,668	7.93%	5,045,253	12.60%
2013	- -	- -	3,334,398	6.78%	5,915,392	14.08%
2014	- -	- -	1,894,820	3.76%	1,337,061	2.92%
2015	- -	- -	481,449	0.96%	-1,446,712	-3.21%
2016	- -	- -	907,350	1.83%	2,645,080	6.23%
2017	- -	- -	1,327,266	2.72%	6,840,069	15.75%
Total	$3,746,154		$21,725,799		$21,998,747	
			Most recent five-year average return:	**3.20%**		**6.99%**
			Ten-year average return:	**4.38%**		**5.09%**

Notes: Each year's yield is weighted by the average asset value in that year.
2008 and later years' actuarial returns reflect the Trustees' election of funding relief.

EXHIBIT D - ANNUAL FUNDING NOTICE FOR PLAN YEAR BEGINNING JANUARY 1, 2018 AND ENDING DECEMBER 31, 2018

	2018 Plan Year	2017 Plan Year	2016 Plan Year
Actuarial valuation date	January 1, 2018	January 1, 2017	January 1, 2016
Funded percentage	39.9%	42.4%	42.2%
Value of assets	$49,262,542	$50,597,776	$50,579,184
Value of liabilities	123,569,063	119,257,418	119,746,387
Market value of assets as of plan year end	Not available	49,453,187	45,275,618

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2017. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. An update to the Rehabilitation Plan was adopted December 20, 2016, with the Plan required to emerge from Critical Status by December 31, 2055.

EXHIBIT E - FUNDING STANDARD ACCOUNT

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred. For a plan that is in critical status under PPA'06, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the Trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions and withdrawal liability payments. All items, including the prior credit balance or deficiency, are adjusted with interest at the actuarially assumed rate.
- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

FSA FOR THE YEAR ENDED DECEMBER 31, 2017

Charges			Credits		
1	Prior year funding deficiency	$15,106,316	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	1,648,360	7	Employer contributions	7,216,082
3	Total amortization charges	8,993,101	8	Total amortization credits	2,190,493
4	Interest to end of the year	1,931,083	9	Interest to end of the year	412,340
5	*Total charges*	*$27,678,860*	10	Full-funding limitation credit	0
			11	*Total credits*	*$9,818,915*
				Credit balance (Funding deficiency): 11 - 5	**-$17,859,945**

PPA'06 Zone Status

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones": critical status, endangered status, or neither.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

Critical Status (*Red Zone*)	A plan is classified as being in critical status (the *Red Zone*) if: • The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or • There is a projected FSA deficiency within four years, or • There is a projected inability to pay benefits within five years, or • The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or • As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status. A critical status plan is further classified as being in critical and declining status if: • The ratio of inactives to actives is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or • The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or • There is an inability to pay benefits projected within 15 years. Any amortization extensions are ignored for testing initial entry into the *Red Zone*. The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency. Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within 10 years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone.*

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years must elect whether or not to enter the *Red Zone* for the current year.

Section 4: Certificate of Actuarial Valuation

OCTOBER 2, 2018

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2018 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the Fund Office Staff with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached *Exhibit 8*.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-4134

EXHIBIT 1 - SUMMARY OF ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

Pensioners as of the valuation date (including 117 beneficiaries in pay status)		521
Participants inactive during year ended December 31, 2017 with vested rights (including 5 beneficiaries with rights to a deferred pension)		186
Participants active during the year ended December 31, 2017		355
• Fully vested	296	
• Not vested	59	
Total participants		**1,062**

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$1,910,355
Actuarial accrued liability		123,569,063
• Pensioners and beneficiaries	$81,837,471	
• Inactive participants with vested rights	9,831,888	
• Active participants	31,899,704	
Actuarial value of assets ($49,453,187 at market value as reported in draft financial statements)		49,262,542
Unfunded actuarial accrued liability		74,306,521

Note: An allowance of $105,500 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.

EXHIBIT 2 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2017 and as of January 1, 2018. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	January 1, 2017	January 1, 2018
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$80,724,002	$81,837,471
• Other vested benefits	35,956,542	39,220,209
• Total vested benefits	$116,680,544	$121,057,680
Actuarial present value of non-vested accumulated plan benefits	2,576,874	2,511,383
Total actuarial present value of accumulated plan benefits	**$119,257,418**	**$123,569,063**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$1,114,594
Benefits paid	-9,463,420
Changes in actuarial assumptions	4,100,616
Interest	8,559,855
Total	**$4,311,645**

EXHIBIT 3 - CURRENT LIABILITY

The table below presents the current liability for the Plan Year beginning January 1, 2018.

Item[1]		Amount
Retired participants and beneficiaries receiving payments		$120,220,393
Inactive vested participants		23,445,732
Active participants		
• Non-vested benefits	$4,901,877	
• Vested benefits	67,648,823	
• *Total active*		72,550,700
Total		$216,216,825

Expected increase in current liability due to benefits accruing during the plan year	$3,633,801
Expected release from current liability for the plan year	9,598,683
Expected plan disbursements for the plan year, including administrative expenses of $425,000	10,023,683

Current value of assets	$49,453,187
Percentage funded for Schedule MB	22.9%

[1] The actuarial assumptions used to calculate these values are shown in *Exhibit 8*.

EXHIBIT 4 - INFORMATION ON PLAN STATUS AS OF JANUARY 1, 2018

Plan status (as certified on March 30, 2018, for the 2018 zone certification)	***Critical***
Scheduled progress (as certified on March 30, 2018, for the 2018 zone certification)	Yes
Actuarial value of assets for FSA	$49,262,542
Accrued liability under unit credit cost method	123,569,063
Funded percentage for monitoring plan's status	39.9%
Projected date of positive credit balance	December 31, 2049

EXHIBIT 5 - SCHEDULE OF PROJECTION OF EXPECTED BENEFIT PAYMENTS

(SCHEDULE MB, LINE 8b(1))

Plan Year	Expected Annual Benefit Payments[1]
2018	$9,585,684
2019	9,624,253
2020	9,674,249
2021	9,682,356
2022	9,802,477
2023	9,876,138
2024	9,993,616
2025	10,030,792
2026	10,059,242
2027	10,135,399

[1] Assuming as of the valuation date:

- no additional accruals,
- experience is in line with valuation assumptions, and
- no new entrants are covered by the plan.

EXHIBIT 6 - SCHEDULE OF ACTIVE PARTICIPANT DATA

(SCHEDULE MB, LINE 8b(2))

The participant data is for the year ended December 31, 2017.

		Pension Credits								
Age	Total	1-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	11	11	–	–	–	–	–	–	–	–
25 - 29	30	16	12	2	–	–	–	–	–	–
30 - 34	31	13	12	6	–	–	–	–	–	–
35 - 39	39	9	5	7	6	11	1	–	–	–
40 - 44	51	5	9	6	16	9	4	2	–	–
45 - 49	66	3	8	7	8	15	11	14	–	–
50 - 54	62	–	2	8	10	4	15	11	12	–
55 - 59	51	2	3	9	7	3	7	5	9	6
60 - 64	14	1	–	1	3	1	3	2	1	2
Total	**355**	**60**	**51**	**46**	**50**	**43**	**41**	**34**	**22**	**8**

Notes: Excludes 10 employees who were either not participants as of December 31, 2017 (participation is granted after working 1,000 hours in a 12-month period) or had less than one pension credit or fewer than 100 hours worked in 2017.
Pension credit shown includes credit from banked hours.

EXHIBIT 7 - FUNDING STANDARD ACCOUNT

The table below presents the FSA for the Plan Year ending December 31, 2018.

	Charges			Credits	
1	Prior year funding deficiency	$17,859,945	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	1,910,355	7	Amortization credits	2,381,158
3	Amortization charges	9,151,459	8	Interest on **6 and 7**	172,634
4	Interest on **1, 2 and 3**	2,096,828	9	Full-funding limitation credit	0
5	Total charges	$31,018,587	10	Total credits	$2,553,792
Minimum contribution with interest required to avoid a funding deficiency: **5 - 10**, not less than zero					$28,464,795

Full Funding Limitation (FFL) and Credits	
ERISA FFL (accrued liability FFL)	$81,742,600
RPA'94 override (90% current liability FFL)	152,581,065
FFL credit	0

Notes: Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2018 are available.
An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan amendment	01/01/1989	$18,821	1	$18,821
Plan amendment	01/01/1990	102,785	1	102,785
Plan amendment	01/01/1991	62,784	3	175,907
Assumption change	01/01/1993	75,464	5	329,640
Plan amendment	01/01/1994	117,852	5	514,797
Plan amendment	01/01/1995	130,121	7	745,589
Plan amendment	01/01/1997	46,669	9	322,662
Plan amendment	01/01/1998	79,877	10	594,804
Shortfall loss	01/01/1999	693	1	693
Assumption change	01/01/1999	243,746	11	1,936,109
Plan amendment	01/01/1999	736,068	11	5,846,682
Plan amendment	01/01/2000	108,829	12	914,834
Plan amendment (2001)	01/01/2002	269,470	14	2,490,035
Shortfall loss	01/01/2003	59,632	5	260,482
Plan amendment (2002)	01/01/2003	338,276	15	3,252,810
Shortfall loss	01/01/2004	159,582	6	809,541
Plan amendment	01/01/2005	119,561	17	1,230,535
Actuarial loss	01/01/2005	807,971	2	1,561,324
Shortfall loss	01/01/2006	42,391	8	268,870
Actuarial loss	01/01/2006	454,914	3	1,274,566
Shortfall loss	01/01/2007	53,299	9	368,504

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Actuarial loss	01/01/2007	178,645	4	645,334
Actuarial loss	01/01/2008	225,631	5	985,599
Actuarial loss	01/01/2009	382,247	6	1,939,101
Assumption change	01/01/2009	444,407	6	2,254,429
Base due to Dec. 31, 2008 investment loss	01/01/2009	900,130	20	10,031,605
Assumption change	01/01/2010	96,055	7	550,392
Base due to Dec. 31, 2008 investment loss	01/01/2010	126,673	20	1,411,721
Assumption change	01/01/2011	285,325	8	1,809,710
Shortfall loss	01/01/2011	308,392	8	1,956,015
Base due to Dec. 31, 2008 investment loss	01/01/2011	217,984	20	2,429,346
Assumption change	01/01/2012	37,410	9	258,647
Actuarial loss	01/01/2012	99,349	9	686,886
Shortfall loss	01/01/2012	103,959	9	718,759
Base due to Dec. 31, 2008 investment loss	01/01/2012	173,555	20	1,934,203
Base due to Dec. 31, 2008 investment loss	01/01/2013	145,495	20	1,621,482
Shortfall loss	01/01/2013	231,299	10	1,722,371
Assumption change	01/01/2013	574,971	10	4,281,521
Shortfall loss	01/01/2014	20,378	11	161,865
Base due to Dec. 31, 2008 investment loss	01/01/2014	115,329	20	1,285,297
Assumption change	01/01/2015	28,910	12	243,023
Actuarial loss	01/01/2015	Deferred to 2020	12	3,817,165
Assumption change	01/01/2016	66	13	582
Actuarial loss	01/01/2016	Deferred to 2020	13	3,999,748

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Actuarial loss	01/01/2017	Deferred to 2020	14	2,186,240
Shortfall loss	01/01/2018	Deferred to 2020	15	940,640
Actuarial loss	01/01/2018	Deferred to 2020	15	1,905,468
Assumption change	01/01/2018	426,444	15	4,100,616
Total		**$9,151,459**		**$76,897,755**

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED*)

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Assumption change	01/01/1992	$74,695	4	$269,825
Shortfall gain	01/01/2000	5,885	2	11,372
Shortfall gain	01/01/2001	40,664	3	113,930
Shortfall gain	01/01/2002	57,026	4	205,998
Actuarial gain	01/01/2004	92,651	1	92,651
Shortfall gain	01/01/2005	87,269	7	500,048
Plan amendment	01/01/2007	171,703	19	1,868,150
Shortfall gain	01/01/2008	204,011	5	891,158
Shortfall gain	01/01/2009	39,839	6	202,099
Change in asset method	01/01/2009	291,021	21	3,315,087
Shortfall gain	01/01/2010	44,932	7	257,459
Plan amendment	01/01/2010	123,977	7	710,385
Actuarial gain	01/01/2010	583,322	7	3,342,422
Actuarial gain	01/01/2011	375,317	8	2,380,496
Actuarial loss	01/01/2013	184,664	10	1,375,099
Actuarial loss	01/01/2014	4,182	11	33,216
Shortfall gain	01/01/2015	Deferred to 2020	12	1,284,694
Shortfall gain	01/01/2016	Deferred to 2020	13	1,810,922
Shortfall gain	01/01/2017	Deferred to 2020	14	1,786,168
Total		**$2,381,158**		**$20,451,179**

EXHIBIT 8 - STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates

Healthy: RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally from 2006 using Scale SSA-2017 (previously, set forward 1 year projected generationally from 2006 using Scale SSA-2014)

Disabled: RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally from 2006 using Scale SSA-2017 (previously, set forward 1 year projected generationally from 2006 using Scale SSA-2014)

The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the past 5 years. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Termination Rates before Retirement

	Rate (%)					
	Mortality[1]					
	Current		Previous			
Age	Male	Female	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.07	0.02	0.26	5.33
25	0.07	0.02	0.07	0.02	0.27	3.98
30	0.06	0.02	0.06	0.02	0.28	2.93
35	0.07	0.03	0.08	0.04	0.29	2.13
40	0.10	0.05	0.11	0.06	0.33	1.56
45	0.16	0.09	0.17	0.09	0.42	1.11
50	0.26	0.13	0.28	0.14	0.59	0.72
55	0.38	0.19	0.42	0.21	0.87	0.00
60	0.64	0.31	0.73	0.35	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

1 Mortality rates shown for base table.
2 80% of the disability rates shown represent Total Disability.

Retirement Rates	Age[1] / Retirement Rates: 55 – 59: 5%; 60 -61: 15%; 62: 60%; 63 – 64: 30%; 65: 100%

Age[1]	Retirement Rates
55 – 59	5%
60 -61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2018 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.

[1] If eligible.

Net Investment Return	7.25% (previously, 7.50%) The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$425,000, payable at the beginning of the year, for the year beginning January 1, 2018 (previously, $438,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the actuarial value, and is recognized over a five-year period (ten-year period for 2008 plan year investment loss). The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	*Interest: 2.98%*, within the permissible range prescribed under IRC Section 431(c)(6)(E) (previously, 3.05%) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1: RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants.
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g): 2.7%,* for the Plan Year ending December 31, 2017 *On current (market) value of assets (Schedule MB, line 6h):* 15.7%, for the Plan Year ending December 31, 2017
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 3.05% to 2.98% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the following actuarial assumptions were changed as of January 1, 2018: • The assumed rate of return on investments was decreased from 7.50% to 7.25%. • The mortality assumption was updated from the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables set forward 1 year projected generationally from 2006 using Scale SSA-2014 to the same tables with no set forward projected generationally from 2006 using Scale MP-2017; and • The administrative expense assumption was decreased from $438,000 to $425,000 for the year beginning January 1, 2018. The January 1, 2018 assumption changes will be reflected in the December 31, 2018 unfunded vested liability for withdrawal liability purposes.

EXHIBIT 9 - SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Normal Pension	• *Age and Service Requirements:* 62 years with 5 years of participation • *Amount:* $80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $40 for each pension credit earned through December 31, 2013.

Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

The accrual rates for the 2014-2018 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014	$75 per Credit
2015	$75 per Credit
2016	$80 per Credit
2017	$95 per Credit
2018	$95 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.,* “Commercial”) Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

  For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

  For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability

- *Age Requirement:* None
- *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability.
- *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter.
- *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005.

  For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced.
- *Occupational Disability Pension Amount:* Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.

Vesting	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits • *Amount:* Normal or early pension accrued based on plan in effect when last active. • *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • *Service Requirement:* Five vesting credits • *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	• *Joint and Survivor:* If married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.
Automatic Benefit Forms	• *Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• *Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.*, 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.

Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	$15.00 per hour plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.40 plus the Reserve Fund contribution for 2018 and thereafter.
Changes in Plan Provisions	None.

Segal Consulting

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2019

This report has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

Segal Consulting

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T 617.424.7300 www.segalco.com

September 17, 2019

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
100 Old Forge Rd.
Rocky Hill, CT 06067-3758

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2019. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the staff of the Sheet Metal Workers' Local 40 Pension Plan, under the direction of Mr. Robert Hertel. That assistance is gratefully acknowledged. The actuarial calculations were completed under my supervision.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting, a Member of The Segal Group

By: ______________________

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

cc: Mr. Robert Hertel
Douglas K. Knight, Esq.
Peter Graeb, CPA

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Sheet Metal Workers' Local 40 Pension Plan Actuarial Valuation and Review as of January 1, 2019

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing Plan.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

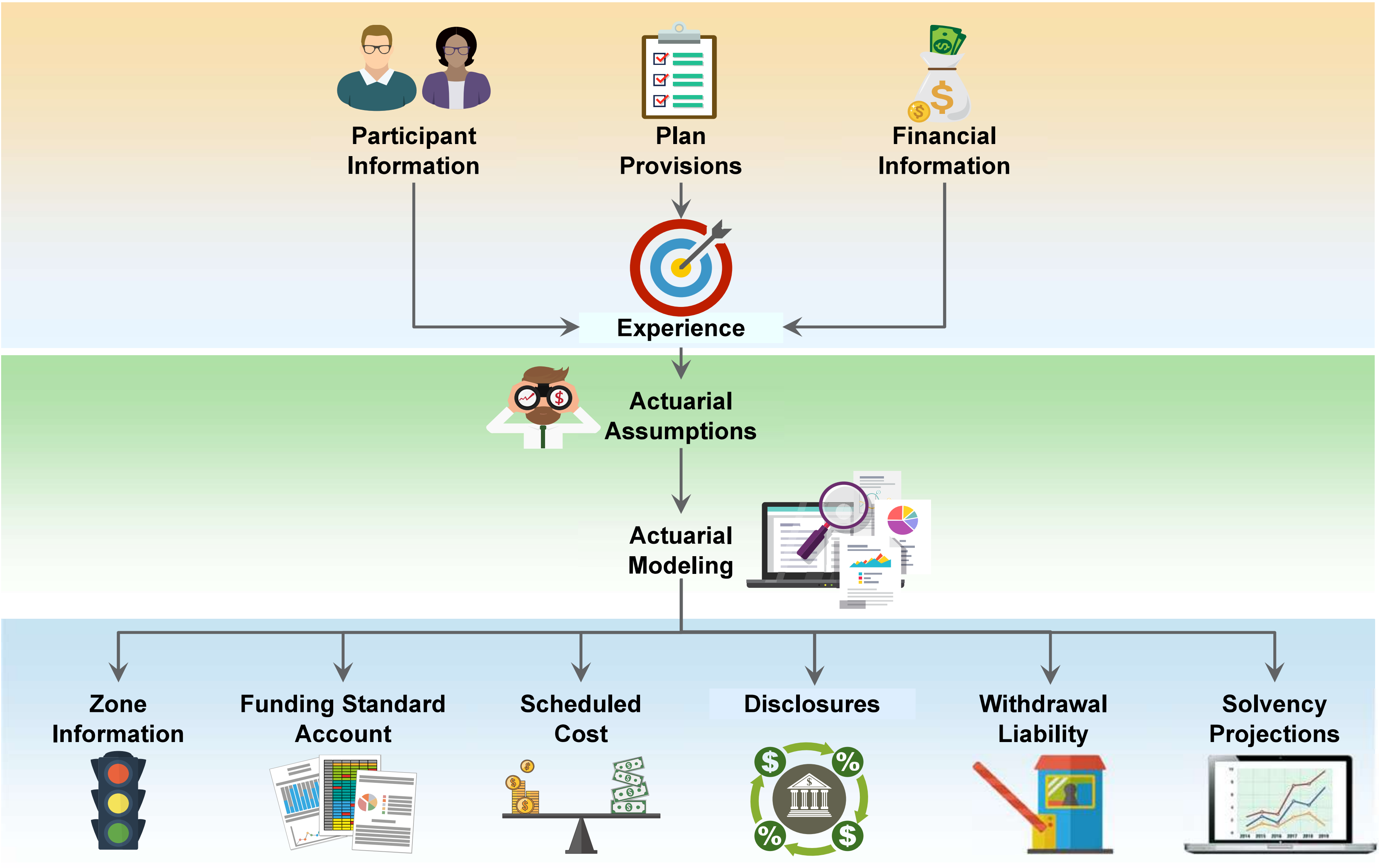
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
- ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
- Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

ACTUARIAL VALUATION OVERVIEW



Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		2018		2019	
Certified Zone Status		***Critical***		***Critical***	
Demographic Data:	• Number of active participants	355		326	
	• Number of inactive participants with vested rights	186		196	
	• Number of retired participants and beneficiaries	521		510	
Assets:	• Market value of assets (MVA)	$49,453,187		$44,016,054	
	• Actuarial value of assets (AVA)	49,262,542		48,337,083	
	• AVA as a percent of MVA	99.6%		109.8%	
Cash Flow:	• Projected contributions[1]	$7,305,000		$7,827,750	
	• Actual contributions	7,616,225		--	
	• Projected benefit payments and expenses	9,905,684		10,127,598	
	• Insolvency projected in Plan Year beginning	N/A		N/A	
Statutory Funding Information:	• Minimum required contribution	$28,464,796		$31,658,478	
	• Maximum deductible contribution	260,905,342		256,955,086	
	• Annual Funding Notice percentage	39.9%		38.8%	
	• FSA deficiency:	Yes		Yes	
		Amount	**Per Hour**	**Amount**	**Per Hour**
Scheduled Cost and Contributions:	• Projected contributions[1]	$7,305,000	$14.61	$7,827,750	$14.91
	• Scheduled Cost	10,008,244	20.02	10,211,873	19.45
	• Margin/(Deficit)	-2,703,244	-5.41	-2,384,123	-4.54
	• Actual contributions	7,616,225		- -	
Cost Elements on a Scheduled Cost Basis:	• Normal cost, including administrative expenses[2]	$1,910,355		$1,890,606	
	• Actuarial accrued liability	123,569,063		124,719,107	
	• Unfunded actuarial accrued liability (based on AVA)	74,306,521		76,382,024	
Withdrawal Liability:[3]	• Present value of vested benefits	$121,245,195		$122,383,318	
	• Unfunded present value of vested benefits (based on MVA)	71,792,008		78,367,264	

1 Projected contributions for 2019 assume an average contribution rate of $14.70 plus a $0.21 per hour Reserve Fund contribution and an employment assumption of 525,000 hours. Projected contributions for 2018 assume an average contribution rate of $14.40 plus a $0.21 per hour Reserve Fund contribution and an employment assumption of 500,000 hours.

2 An allowance of $110,250 was added to the normal cost for 2019 and $105,000 in 2018 to reflect benefits expected to be paid from the Reserve Fund in the coming year.

3 Using the assumptions described in *Section 2: Withdrawal Liability Assumptions*.

Comparison of Funded Percentages

	Funded Percentages as of January 1		2019	
	2018	2019	Liabilities	Assets
1. Present Value of Future Benefits	36.1%	35.1%	$137,647,409	$48,337,083
2. Actuarial Accrued Liability	39.9%	38.8%	124,719,107	48,337,083
3. PPA'06 Liability and Annual Funding Notice	39.9%	38.8%	124,719,107	48,337,083
4. Accumulated Benefits Liability	40.0%	35.3%	124,719,107	44,016,054
5. Withdrawal Liability	40.8%	36.0%	122,383,318	44,016,054
6. Current Liability	22.9%	20.7%	212,916,533	44,016,054

Notes:

1. The value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants. Used to develop the actuarial accrued liability, based on the long-term funding investment return assumption of 7.25% and the actuarial value of assets. The funded percentage using market value of assets is 36.3% for 2018 and 32.0% for 2019.
2. The portion of the present value of future benefits allocated by the actuarial cost method to years prior to the valuation date. Used in determining Scheduled Cost, based on the long-term funding investment return assumption of 7.25% and the actuarial value of assets. The funded percentage using market value of assets is 40.0% for 2018 and 35.3% for 2019.
3. The present value of benefits earned through the valuation date (accrued benefits) defined by PPA'06, based on the long-term funding investment return assumption of 7.25% and compared to the actuarial value of assets.
4. The present value of accrued benefits for disclosure in the audited financial statements, based on the long-term funding investment return assumption of 7.25%, and compared to the market value of assets.
5. The present value of vested benefits for withdrawal liability purposes based on the funding assumptions described in *Section 2*: *Withdrawal Liability Assumptions* and compared to the market value of assets.
6. The present value of accrued benefits based on a government-prescribed mortality table and investment return assumption of 2.98% for 2018 and 3.06% for 2019, and compared to the market value of assets. Used to develop the maximum tax-deductible contribution and shown on the Schedule MB if less than 70%.

Disclosure: These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions.

This January 1, 2019 actuarial valuation report is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected unless specifically identified, and will affect future results. Segal is prepared to work with the Trustees to analyze the effects of any subsequent developments. The current year's actuarial valuation results follow.

A. Developments Since Last Valuation

1. The rate of return on the market value of plan assets was -6.59% for the 2018 plan year. The rate of return on the actuarial value of assets was 2.87%. Given the current interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, we will continue to evaluate the Plan's anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.
2. The administrative expense assumption was increased from $425,000 to $450,000 for the year beginning January 1, 2019.
3. Effective July 1, 2019, the contribution rate increased from $15.21 to $15.41. Based on lower rates for apprentices and fund office staff, the average contribution rate for 2019 is $14.70 plus the $0.21 Reserve Fund contribution. The contribution rate for 2020 and later years is $14.79 plus the $0.21 Reserve Fund contribution.
4. The 2019 certification, issued on March 29, 2019, based on the liabilities calculated in the 2018 actuarial valuation, projected to December 31, 2018, and estimated asset information as of December 31, 2018, classified the Plan as critical because the funded percentage was 38.8% and there was a deficiency in the FSA. The projection was based on the Trustees' industry activity assumption that the active population will remain level and, on average, contributions will be made for a total of 525,000 hours in 2019 and 550,000 hours in later years.

B. Funded Percentage and Funding Standard Account

1. Based on this January 1, 2019 actuarial valuation, the funded percentage that will be reported on the 2019 Annual Funding Notice is 38.8%.
2. The funding deficiency in the FSA as of December 31, 2018 was $20,887,136, an increase of $3,027,191 from the prior year. A projection of the FSA indicated the credit balance is expected to be positive as of December 31, 2061, assuming experience emerges and projected and no changes in the Plan, actuarial assumptions, law or regulations. This is ten years earlier than what was projected in the 2019 zone certification and was primarily due to the increase in the average contribution rate.

C. Solvency Projections

Based on this valuation, the current value of assets plus future investment earnings and contribution income is projected to exceed benefit payments and administrative expenses for at least 30 years, assuming experience emerges as projected and there are no changes in the Plan provisions, contribution rates, actuarial assumptions, law or regulations. The projected assets are shown in *Section 2*. If requested by the Trustees, we can perform additional projections of the financial status of the Plan.

D. Scheduled Cost Deficit

1. The projected annual contributions of $7,827,750 fall short of the Scheduled Cost of $10,211,873, resulting in a deficit of $2,384,123, or $4.54 per hour as compared to a deficit of $5.41 per hour in the prior valuation. The decrease in the deficit is due the change in the employment assumption from 500,000 to 525,000 hours and the contribution rate increase, partially offset by the investment loss on an actuarial basis.
2. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years. We will continue to monitor this approach and advise the Trustees as to whether it continues to provide an adequate basis for assessing the funding needs of the Plan.

E. Funding Concerns and Risk

1. The imbalance between the benefit levels in the Plan and the resources available to pay for them must continue to be monitored.
2. The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions. We have included a discussion of various risks that may affect the Plan in *Section 2*.
3. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan. A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling. A detailed risk assessment could be important for your Plan because
   - relatively small changes in investment performance can produce large swings in the unfunded liabilities;
   - inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience; and
   - the Trustees have not had a detailed risk assessment.

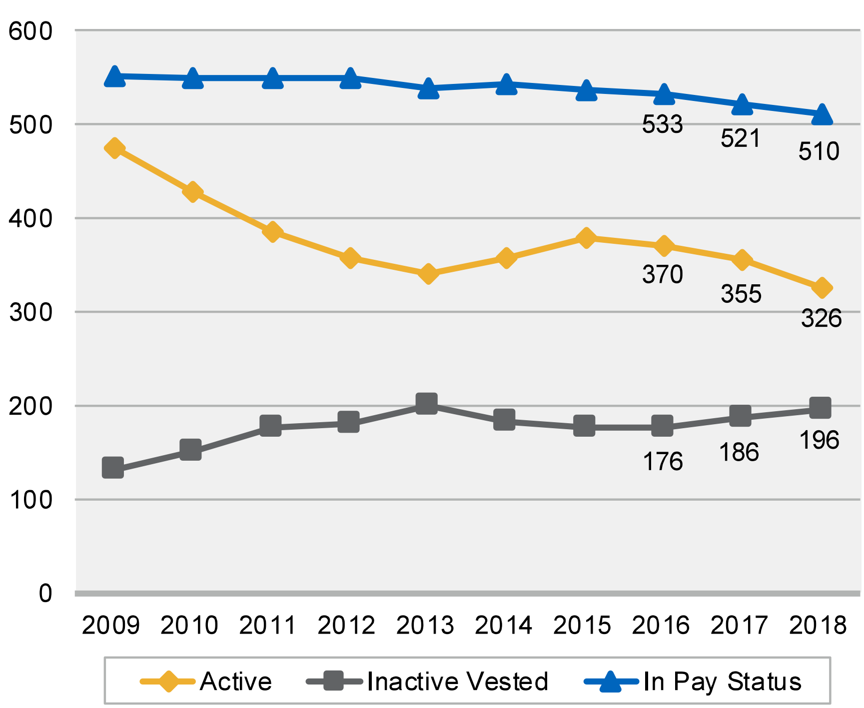
F. Withdrawal Liability

1. The unfunded present value of vested benefits for withdrawal liability purposes (UVB) is $78,367,264 (using the assumptions outlined in *Section 2: Withdrawal Liability Assumptions*) or $6,575,256 higher than the unfunded present value of vested benefits of $71,792,008 last year.
2. This is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions. For purposes of determining the present value of vested benefits, we excluded some benefits that are not protected by IRC Section 411(d)(6), including lump sum death benefits, and include a liability for benefit reductions that are implemented as part of a Rehabilitation Plan.

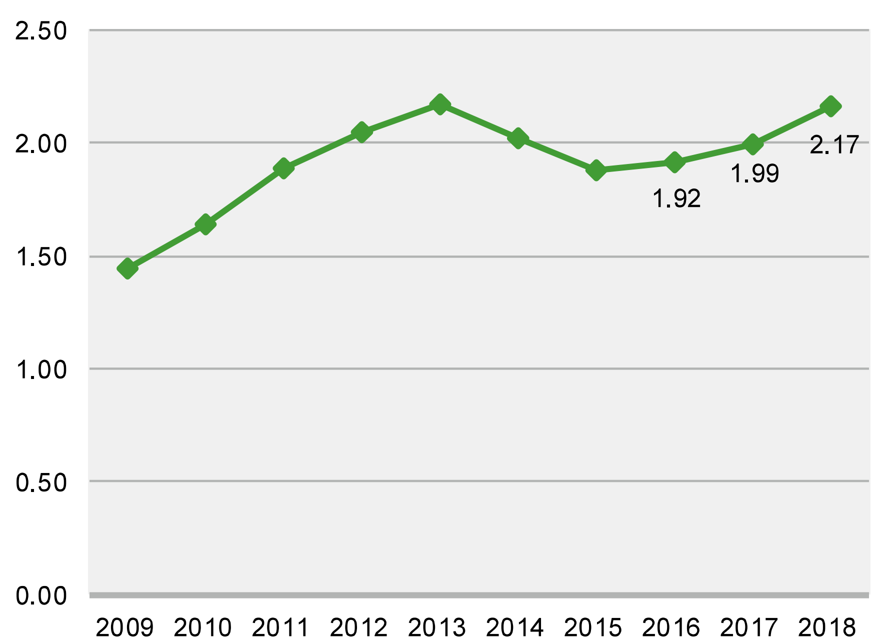
Participant Information

- The Actuarial Valuation is based on demographic data as of December 31, 2018.
- There are 326 active participants in the current valuation, compared to 355 in the prior valuation.
- The ratio of non-actives to actives has increased to 2.17 from 1.99 in the prior year.
- More details on the historical information are included in *Section 3, Exhibit A.*

POPULATION AS OF DECEMBER 31



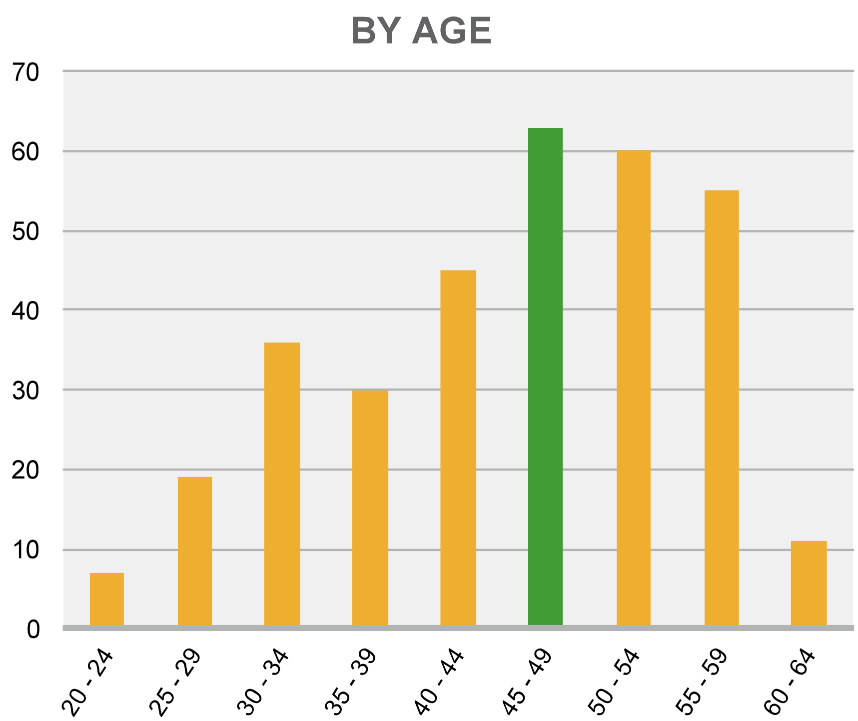
RATIO OF NON-ACTIVES TO ACTIVES AS OF DECEMBER 31

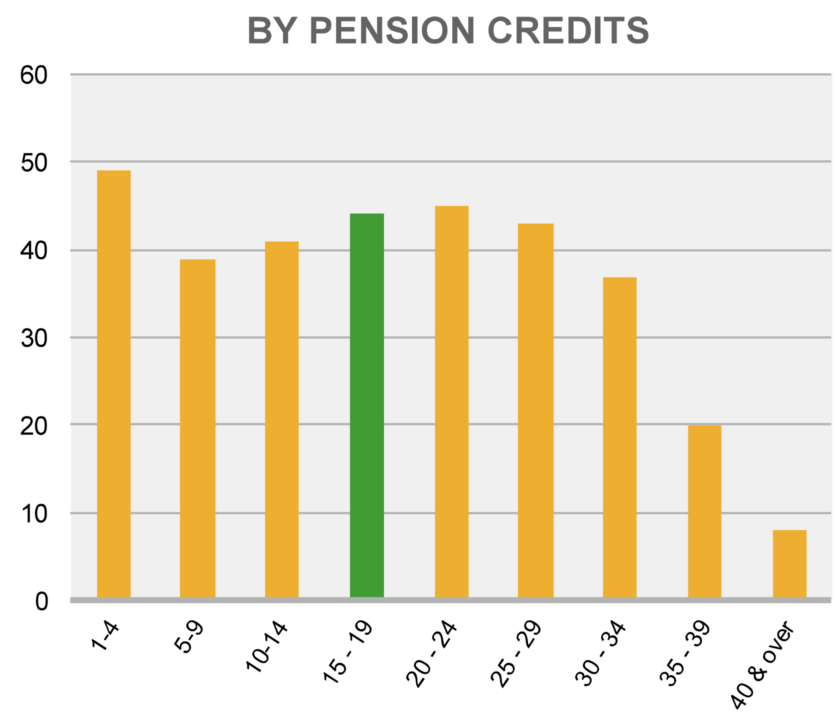


Active Participants

- There are 326 active participants this year, a decrease of 8.2% compared to 355 in the prior year.
- The age and service distribution is included in *Section 4, Exhibit 6*.

Distribution of Active Participants as of December 31, 2018



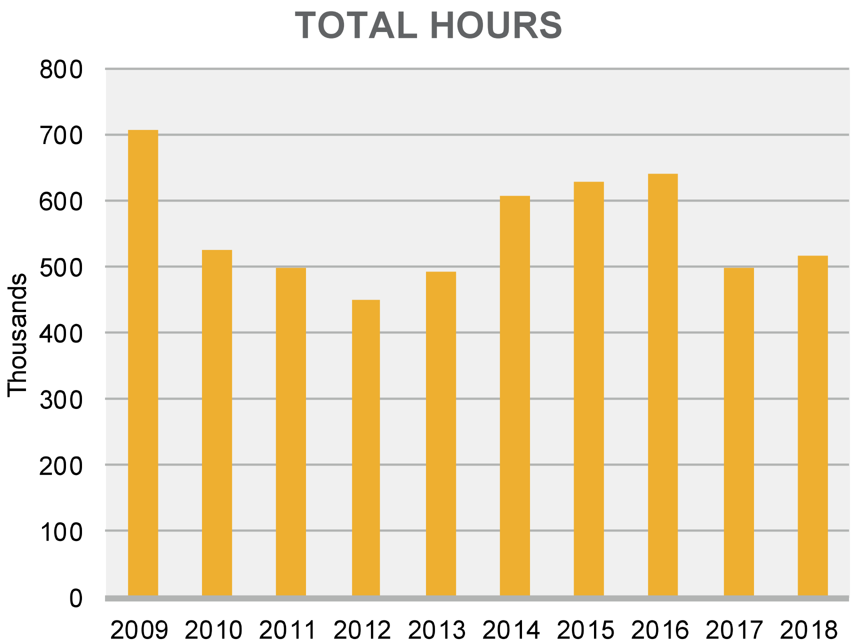


Average age	45.7
Prior year average age	44.9
Difference	**0.8**

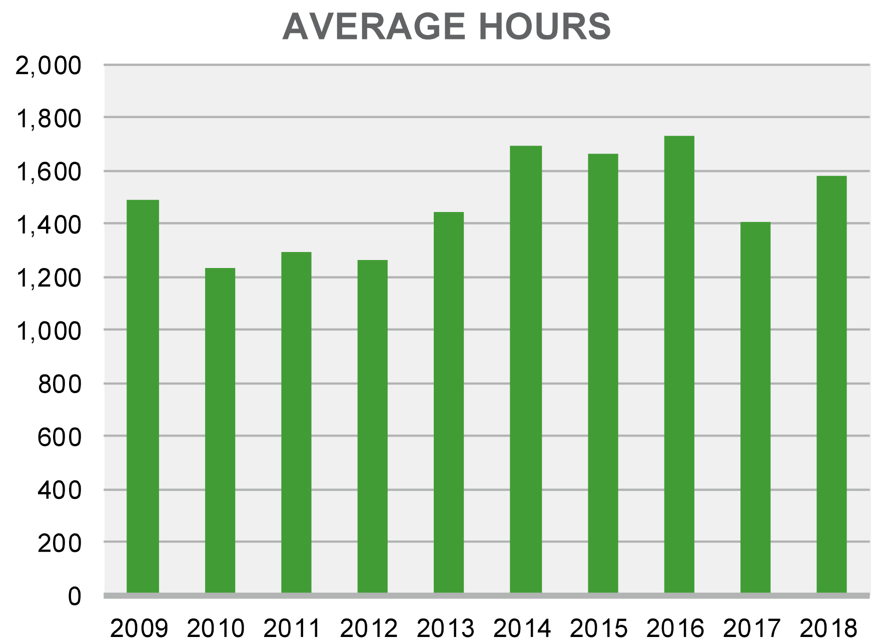
Average pension credits	19.0
Prior year average pension credits	17.9
Difference	**1.1**

Historical Employment

- The chart below shows a history of hours worked over the last ten years.
- The 2019 zone certification and the projections in this report are based on an industry assumption of 525,000 hours in 2019 and 550,000 hours per year in later years.
- Total hours increased from 2017 to 2018 after decreasing significantly in the prior year.



Historical Average Total Hours	
Last year	515,663
Last five years	578,704
Last 10 years	556,628

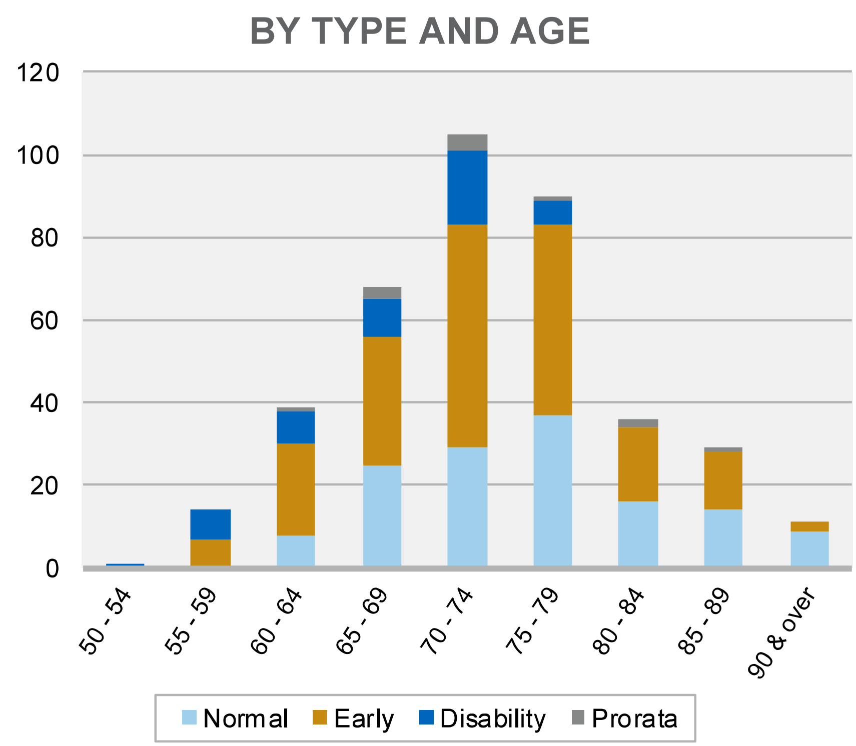


Historical Average Hours	
Last year	1,582
Last five years	1,616
Last 10 years	1,481

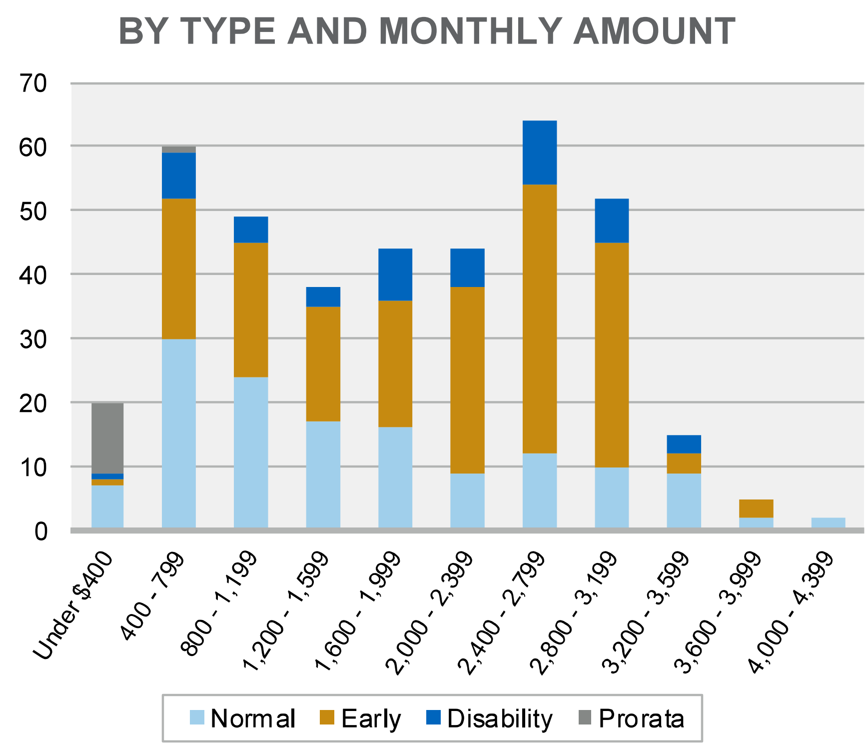
Pay Status Information

- There are 393 pensioners and 117 beneficiaries this year, compared to 404 and 117, respectively, in the prior year.
- Monthly benefits for the Plan Year ending December 31, 2018 total $780,227, as compared to $775,286 in the prior year.

Distribution of Pensioners as of December 31, 2018



Average age	73.3
Prior year average age	73.2
Difference	0.1

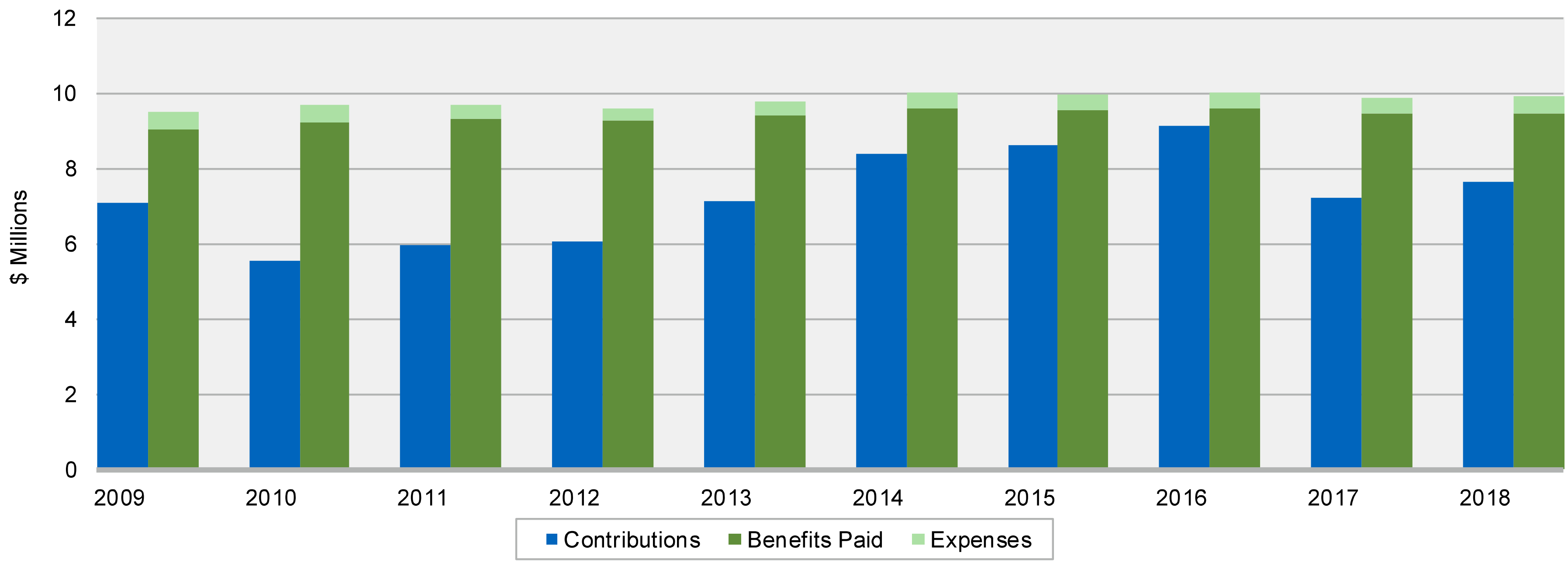


Average amount	$1,827
Prior year average amount	$1,767
Difference	$60

Financial Information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 1.3 times contributions.
- Additional detail is in *Section 3, Exhibit B*.

COMPARISON OF EMPLOYER CONTRIBUTIONS
WITH BENEFITS AND EXPENSES PAID



Determination of Actuarial Value of Assets

- The asset valuation method gradually recognizes annual market value fluctuations to help mitigate volatility in the actuarial cost calculations.
- Less volatility in the actuarial cost better aligns with a negotiated contribution rate.
- The return on the market value of assets for the year ending December 31, 2018 was -6.59%, which produced a loss of $6,610,553 when compared to the assumed return of 7.25%.

		Original Amount[1]	Unrecognized Return[2]	
1	Market value of assets, December 31, 2018			$44,016,054
2	Calculation of unrecognized return			
	(a) Year ended December 31, 2018	-$6,610,553	-$5,288,442	
	(b) Year ended December 31, 2017	3,582,360	2,149,416	
	(c) Year ended December 31, 2016	-541,026	-216,411	
	(d) Year ended December 31, 2015	-4,827,958	-965,592	
	(e) Year ended December 31, 2014	-2,097,220	0	
	(f) Total unrecognized return			-$4,321,029
3	Preliminary actuarial value: **(1) - (2f)**			48,337,083
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2018: **(3) + (4)**			48,337,083
6	Actuarial value as a percentage of market value: **(5) ÷ (1)**			109.8%
7	Amount deferred for future recognition: **(1) - (5)**			-$4,321,029

1 Total return minus expected return on a market value basis.
2 Recognition at 20% per year over 5 years.

Actuarial Experience

- Assumptions should reflect experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the contribution requirement as an experience gain or loss.
- Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term.
- The net experience variation for the year, other than investment experience, was 0.3% of the projected actuarial accrued liability from the prior valuation, and was not significant when compared to that liability.

EXPERIENCE FOR THE YEAR ENDED DECEMBER 31, 2018

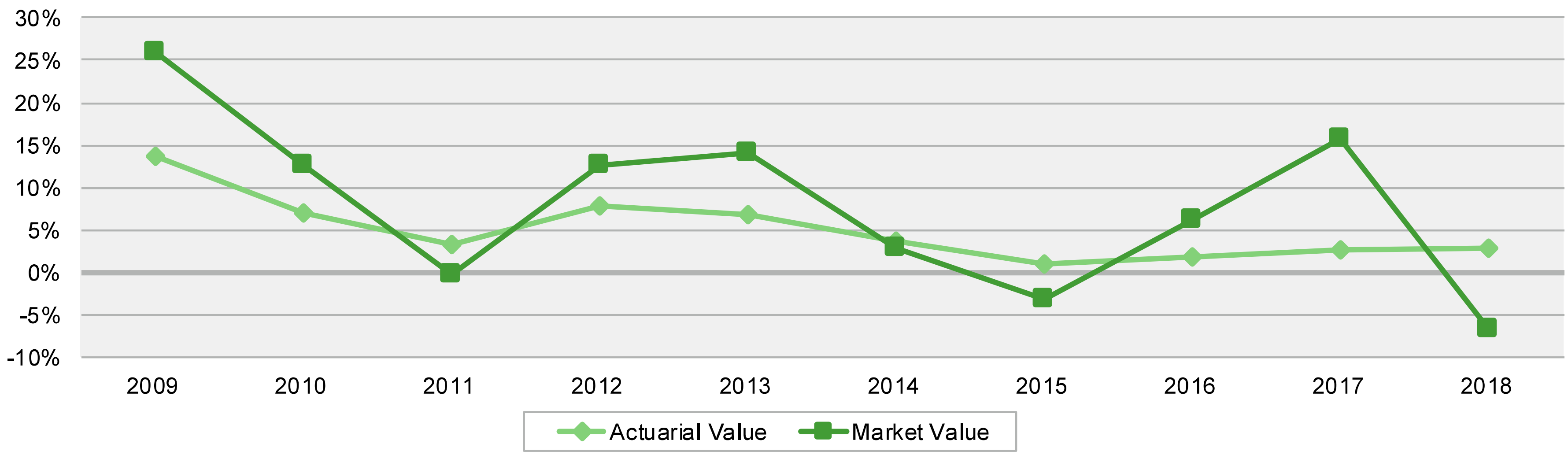
1	Loss from investments	
	a. Net investment income	$1,364,149
	b. Average actuarial value of assets	47,575,259
	c. Rate of return: **a ÷ b**	2.87%
	d. Assumed rate of return	7.25%
	e. Expected net investment income: **b x d**	$3,449,206
	f. Actuarial loss from investments: a - e	-2,085,057
2	Loss from administrative expenses	-9,233
3	Net loss from other experience	-414,440
4	**Net experience loss: 1f + 2 + 3**	**-$2,508,730**

- Net investment income consists of expected investment income at the actuarially assumed rate of return, net of investment expenses, and an adjustment for market value changes.
- The actuarial value of assets does not yet fully recognize past investment gains and losses, which will affect future actuarial investment returns.

Historical Investment Returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.25% considers the Trustees' asset allocation policy and future expectations.

MARKET VALUE AND ACTUARIAL RATES OF RETURN FOR YEARS ENDED DECEMBER 31



Average Rates of Return	Actuarial Value	Market Value
Most recent year return:	2.87%	-6.59%
Most recent five-year average return:	2.42%	2.77%
Ten-year average return:	5.06%	7.42%

Non-Investment Experience

Administrative Expenses

- Administrative expenses for the year ended December 31, 2018 totaled $450,272, as compared to the assumption of $425,000.
- We have increased the assumption from $425,000 to $450,000 for current year based on information on expenses provided by the Fund Office.

Mortality Experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners over the past 5 years was 24.8 per year compared to 23.2 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.6 per year compared to 0.8 projected deaths per year. Taking into account this experience, we have maintained the assumption for mortality.

Other Experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected), the number of disability retirements and mortality experience of disabled pensioners.

Actuarial Assumptions

- The following assumption was changed with this valuation:
  - The administrative expense assumption was increased from $425,000 to $450,000 for the year beginning January 1, 2019.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit 8*.

Plan Provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit 9*.

Contribution Rate Changes

- Effective July 1, 2019, the contribution rate increased from $15.21 to $15.41. Based on lower rates for apprentices and fund office staff, the average contribution rate for 2019 is $14.70 plus the $0.21 Reserve Fund contribution. The contribution rate for 2020 and later years is $14.79 plus the $0.21 Reserve Fund contribution.

Pension Protection Act of 2006

2019 Actuarial Status Certification

- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Details are shown in *Section 3, Exhibit F*.
- The 2019 certification, completed on March 29, 2019, was based on the liabilities calculated in the January 1, 2018 actuarial valuation, adjusted for subsequent events and projected to December 31, 2018, and estimated asset information as of December 31, 2018. The Trustees provided an industry activity assumption of 525,000 hours in 2019 and 550,000 hours per year in later years.
- This Plan was classified as critical (in the *Red Zone*) because the funded percentage was 38.8% and there was a deficiency in the FSA.

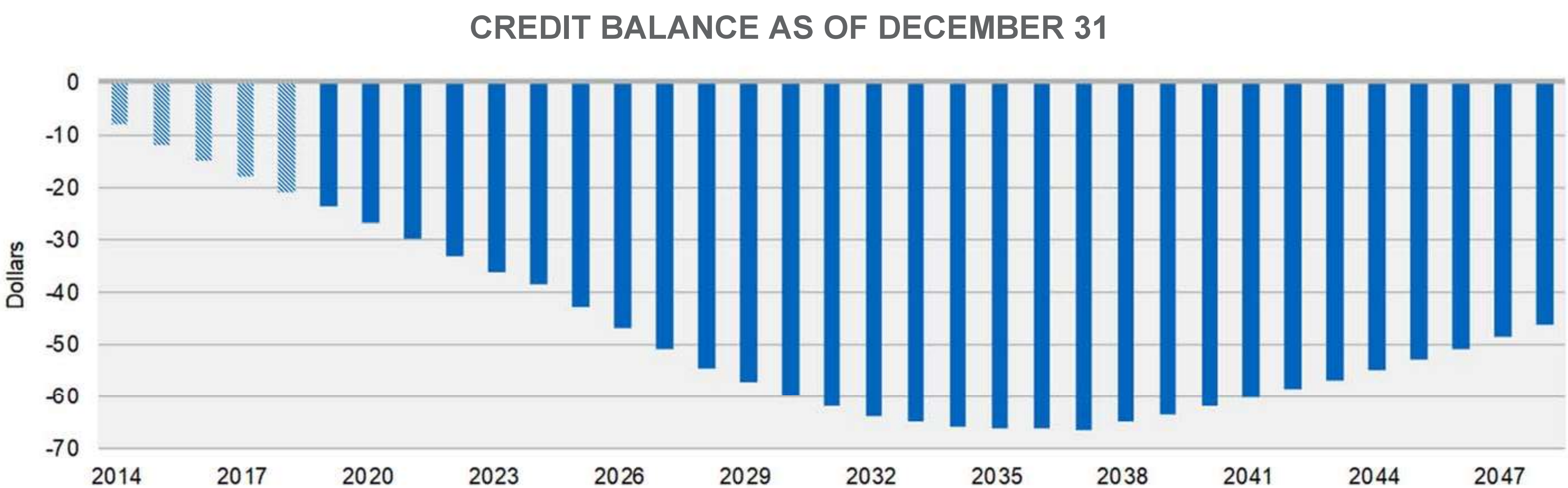
Year	Zone Status
2009	RED
2010	RED
2011	RED
2012	RED
2013	RED
2014	RED
2015	RED
2016	RED
2017	RED
2018	RED
2019	RED

Rehabilitation Plan

- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The Plan's original Rehabilitation Period began January 1, 2011 and ended December 31, 2023. The Rehabilitation Plan was most recently updated on December 18, 2018 and extended the date at which the Plan is projected to become positive to December 31, 2065.
- When the zone certification was completed in March 2019, the annual standards detailed in the Rehabilitation Plan were not projected to be met as of December 31, 2065. With the contribution rate increase effective July 1, 2019 reflected in this valuation, the Plan is now meeting the Rehabilitation Plan requirements.
- Segal will continue to assist the Trustees to evaluate and update t he Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

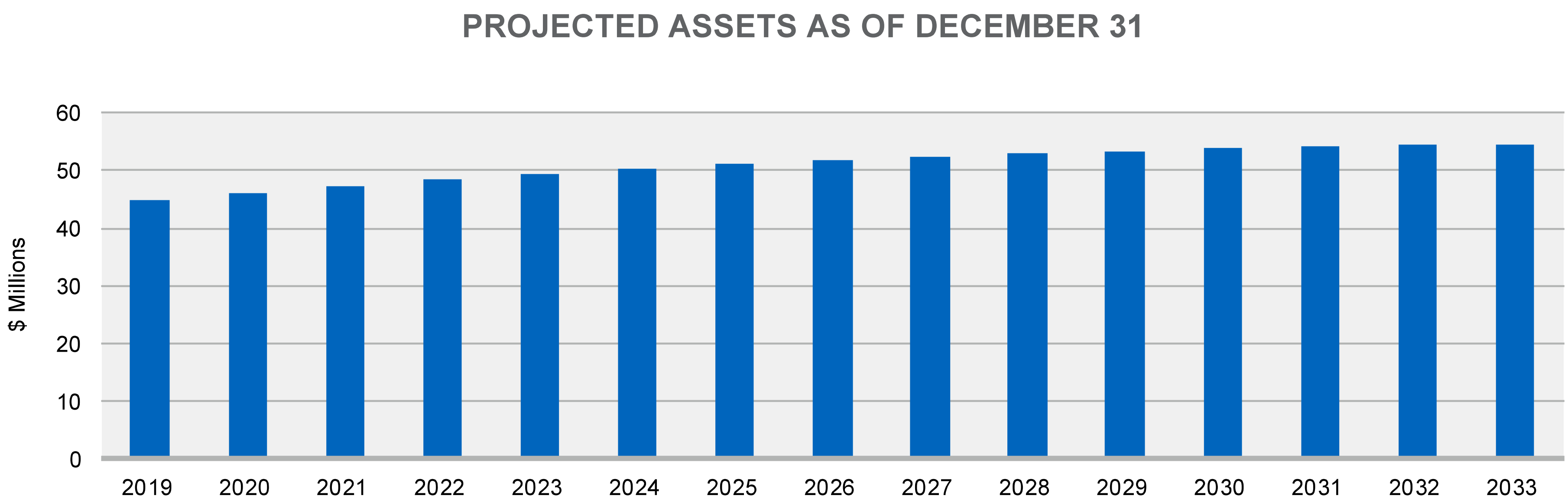
Funding Standard Account (FSA)

- The minimum funding requirement for the year beginning January 1, 2019 is $31,658,478.
- Based on the assumption that participants will work a total of 525,000 hours at a $14.91 average contribution rate, the contributions projected for the year beginning January 1, 2019 are $7,827,750. The funding deficiency is projected to increase by approximately $2,683,482 to $23,570,618 as of December 31, 2019.
- A 30-year projection indicates the credit balance will remain positive indefinitely, assuming that:
  - The Plan will earn a market rate of return equal to 7.25% each year.
  - All other experience emerges as assumed, no assumption changes are made,
  - There are no plan amendments or changes in law/regulation, and
  - Administrative expenses are projected to increase 2.5% per year.
- The projection is based on an employment assumption of 525,000 hours and an average contribution rate of $14.91 in 2019 and 550,000 hours and an average contribution rate of $15.00 in later years.



Solvency Projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due. MPRA classifies red zone plans that are projected to become insolvent within 15 or 20 years as "critical and declining." See *Section 3, Exhibit F* for more information.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumptions.



Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

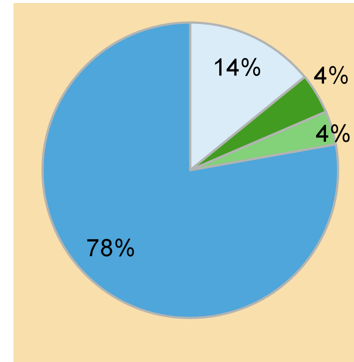
Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets that is compared to projected contributions to assess the Plan's long-term financial position.
- As of January 1, 2019, the unfunded actuarial accrued liability totaled $76,382,024 (actuarial accrued liability of $124,719,107 less assets of $48,337,083).
- Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization schedule adopted by the Trustees is held constant at 15 years.
- The plan of benefits and actuarial assumptions are the same as those used for the FSA for the year beginning January 1, 2019.
- The average contribution rate is $14.91 for 2019.

Scheduled Cost and Reconciliation

	Year Beginning January 1	
	2018	2019
Normal cost	$1,485,355	$1,440,606
Administrative expenses	425,000	450,000
Amortization of the unfunded actuarial accrued liability	7,727,508	7,943,350
Adjustment for monthly payments	370,381	377,917
Annual Scheduled Cost, payable monthly	**$10,008,244**	**$10,211,873**

2019



Scheduled Cost as of January 1, 2018		$10,008,244
• Effect of frozen amortization period	-$335,061	
• Effect of change in administrative expense assumption	25,961	
• Effect of contributions less than Scheduled Cost	263,963	
• Effect of investment loss	225,169	
• Effect of other gains and losses on accrued liability	48,238	
• Effect of net other changes, including composition and number of participants	-24,641	
Total change		*$203,629*
Scheduled Cost as of January 1, 2019		$10,211,873

Scheduled Cost vs. Contributions

- Projected annual employer contributions of $7,827,750 are based on the Trustees' assumption that participants will work 525,000 hours in 2019 at the $14.91 average contribution rate.
- This falls short of the Scheduled Cost of $10,211,873 by $2,384,123, or 30.5% of projected contributions.

- Projected annual employer contributions for 2020 and later years are $8,250,000, based on participants working 550,000 hours at a $15.00 average contribution rate. Using these contributions, the deficit would be $1,961,873 ($3.57 per hour or 23.8% of projected contributions).
- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be $2,850,758 ($5.43 per hour, or 36.4% of projected contributions.)

Funding Concerns

- The imbalance between the benefit levels in the Plan and the resources available to pay for them must continue to be monitored.
- Due to the net impact of investment performance in 2018 and the increase in the contribution rate, the year that the credit balance is projected to be positive changed from 2049 in the prior valuation to 2061 in the current. However, as described on the following page, there are various risks that can affect a pension plan.

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling.
- A detailed risk assessment could be important for your Plan because
  - relatively small changes in investment performance can produce large swings in the unfunded liabilities;
  - inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience; and
  - the Trustees have not had a detailed risk assessment.
- Investment Risk (the risk that returns will be different than expected)

  If the market return over the next five years were 6.50% instead of the assumed the 7.25%, the year the credit balance is projected to be positive would change from 2061 to 2068.

  If the market return for 2019 were -1.0% instead of the assumed 7.25%, the credit balance would not be projected to become positive.
- Employment Risk (the risk that actual contributions will be different from projected contributions)
- Longevity Risk (the risk that mortality experience will be different than expected)
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.
  - More or less active participant turnover than assumed.
  - Return to covered employment of previously inactive participants.

- Actual Experience over the Last 10 years

  Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years:

  - The investment gain(loss) on market value for a year has ranged from a loss of $6,610,553 to a gain of $6,514,883.
  - The non-investment gain(loss) for a year has ranged from a loss of $1,190,158 to a gain of $796,417.
  - Since 2009, the funded percentage for PPA purposes has ranged from a low of 38.8% in 2019 to a high of 49.0% in 2010.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

  - Over the past ten years, the ratio of non-active participants to active participants has increased from a low of 1.44 to a high of 2.17.
  - As of December 31, 2018, the retired life actuarial accrued liability represents 65% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 9% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.
  - Benefits and administrative expenses less contributions totaled $2,289,608 in 2018, which is approximately 5% of the market value of assets. The Plan is dependent upon investment returns in order to pay a portion of benefits.

- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant impacts on the Plan. For example, the work the Joint Select Committee on Solvency of Multiemployer Pension Plans in 2018 showed that Congress is considering possible changes to funding requirements for multiemployer plans (such as limits on the actuarial interest rate assumption) and increases in PBGC premiums.

Withdrawal Liability

- As of December 31, 2018, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $122,203,301.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $122,383,318

		December 31	
		2017	2018
1	Present value of vested benefits (PVVB) measured as of valuation date	$121,042,457	$122,203,301
2	Unamortized value of Affected Benefits pools	202,738	180,017
3	Total present value of vested benefits: **1 + 2**	$121,245,195	$122,383,318
4	Market value of assets	49,453,187	44,016,054
5	Unfunded present value of vested benefits (UVB): **3 - 4**, not less than $0	$71,792,008	$78,367,264

Withdrawal Liability Assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2019 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2019 are described in *Section 4, Exhibit 8* of this report and are reasonable to determine withdrawal liability.

Section 3: Supplementary Information

EXHIBIT A – TABLE OF PLAN COVERAGE

Category	Year Ended December 31 2017	Year Ended December 31 2018	Change from Prior Year
Active participants in valuation:			
• Number[1]	355	326	-8.2%
• Average age	44.9	45.7	0.8
• Average pension credits	17.9	19.0	1.1
• Average contribution rate as of the valuation date[2]	$14.61	$14.81	1.4%
• Total active vested participants	296	279	-5.7%
Inactive participants with rights to a pension:			
• Number	181	191	5.5%
• Average age	48.1	48.6	0.5
• Average monthly benefit	$915	$911	-0.4%
• Beneficiaries with rights to deferred payments	5	5	0.0%
Pensioners:			
• Number in pay status	404	393	-2.7%
• Average age	73.2	73.3	0.1
• Average monthly benefit	$1,767	$1,827	3.4%
Beneficiaries:			
• Number in pay status	117	117	0.0%
• Average age	78.9	79.2	0.3
• Average monthly benefit	$524	$531	1.5%
Total Participants	**1,062**	**1,032**	**-2.8%**

1 The active count excludes 6 employees who were either not participants as of December 31, 2018 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2018. 10 employees were excluded as of December 31, 2017.
2 The contribution rates include the Reserve Fund contribution for 2017 and 2018.

EXHIBIT B – SUMMARY STATEMENT OF INCOME AND EXPENSES ON AN ACTUARIAL BASIS

	Year Ended December 31, 2017		Year Ended December 31, 2018	
Contribution income:				
• Employer contributions	$7,216,082		$7,616,225	
• Administrative expenses	-415,162		-450,272	
Net contribution income		*$6,800,920*		*$7,165,953*
Investment income:				
• Expected investment income	$3,656,871		$3,449,206	
• Adjustment toward market value	-2,133,275		-1,871,500	
• Less investment fees	-196,330		-213,557	
Net investment income		*1,327,266*		*1,364,149*
Total income available for benefits		**$8,128,186**		**$8,530,102**
Less benefit payments and expenses:		-$9,463,420		-$9,455,561
Change in actuarial value of assets		**-$1,335,234**		**-$925,459**
Actuarial value of assets		**$49,262,542**		**$48,337,083**
Market value of assets		**$49,453,187**		**$44,016,054**

EXHIBIT C – INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE

Year Ended December 31	Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent
2009	$6,527,863	13.75%	$9,415,044	25.97%
2010	3,557,402	7.01%	5,364,273	12.66%
2011	1,675,695	3.33%	-141,442	-0.32%
2012	3,838,668	7.93%	5,045,253	12.60%
2013	3,334,398	6.78%	5,915,392	14.08%
2014	1,894,820	3.76%	1,337,061	2.92%
2015	481,449	0.96%	-1,446,712	-3.21%
2016	907,350	1.83%	2,645,080	6.23%
2017	1,327,266	2.72%	6,840,069	15.75%
2018	1,364,149	2.87%	-3,147,525	-6.59%
Total	$24,909,060		$31,826,493	
Most recent five-year average return:		**2.42%**		**2.77%**
Ten-year average return:		**5.06%**		**7.42%**

Note: Each year's yield is weighted by the average asset value in that year.

EXHIBIT D – ANNUAL FUNDING NOTICE FOR PLAN YEAR BEGINNING JANUARY 1, 2019 AND ENDING DECEMBER 31, 2019

	2019 Plan Year	2018 Plan Year	2017 Plan Year
Actuarial valuation date	January 1, 2019	January 1, 2018	January 1, 2017
Funded percentage	38.8%	39.9%	42.4%
Value of assets	$48,337,083	$49,262,542	$50,597,776
Value of liabilities	124,719,107	123,569,063	119,257,418
Market value of assets as of plan year end	Not available	44,016,054	49,453,187

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2018. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. An update to the Rehabilitation Plan was adopted December 18, 2018, with the Plan required to emerge from Critical Status by December 31, 2065.

EXHIBIT E – FUNDING STANDARD ACCOUNT

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred. For a plan that is in critical status under PPA ’06, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the Trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions and withdrawal liability payments. All items, including the prior credit balance or deficiency, are adjusted with interest at the actuarially assumed rate.
- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

FSA FOR THE YEAR ENDED DECEMBER 31, 2018

	Charges			Credits	
1	Prior year funding deficiency	$17,859,945	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	1,970,199	7	Employer contributions	7,616,225
3	Total amortization charges	9,438,139	8	Total amortization credits	2,455,750
4	Interest to end of the year	2,121,951	9	Interest to end of the year	431,123
5	*Total charges*	*$31,390,234*	10	Full-funding limitation credit	0
			11	*Total credits*	*$10,503,098*
				Credit balance (Funding deficiency): 11 - 5	**-$20,887,136**

PPA'06 Zone Status

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the "zones" described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

<table>
<tr>
<td>Critical Status
(Red Zone)</td>
<td>
A plan is classified as being in critical status (the Red Zone) if:
• The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
• There is a projected FSA deficiency within four years, or
• There is a projected inability to pay benefits within five years, or
• The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or
• As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the Red Zone within the next five years and the plan sponsor elects to be in critical status.

A critical status plan is further classified as being in critical and declining status if:
• The ratio of inactives to actives is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or
• The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or
• There is an inability to pay benefits projected within 15 years.

Any amortization extensions are ignored for testing initial entry into the Red Zone.

The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency.

Trustees of Red Zone plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.
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Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within 10 years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone.*

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years must elect whether or not to enter the *Red Zone* for the current year.

Section 4: Certificate of Actuarial Valuation

SEPTEMBER 17, 2019

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2019 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the Fund Office Staff with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached *Exhibit 8*.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-4134

EXHIBIT 1 – SUMMARY OF ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

Pensioners as of the valuation date (including 117 beneficiaries in pay status)		510
Participants inactive during year ended December 31, 2018 with vested rights (including 5 beneficiaries with rights to a deferred pension)		196
Participants active during the year ended December 31, 2018		326
• Fully vested	279	
• Not vested	47	
Total participants		**1,032**

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$1,890,606
Actuarial accrued liability		124,719,107
• Pensioners and beneficiaries	$81,649,553	
• Inactive participants with vested rights	10,634,714	
• Active participants	32,434,840	
Actuarial value of assets ($44,016,054 at market value as reported in the draft financial statements)		48,337,083
Unfunded actuarial accrued liability		76,382,024

Note: An allowance of $110,250 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

EXHIBIT 2 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2018 and as of January 1, 2019. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	January 1, 2018	January 1, 2019
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$81,837,471	$81,649,553
• Other vested benefits	39,220,209	40,567,910
• Total vested benefits	$121,057,680	$122,217,463
Actuarial present value of non-vested accumulated plan benefits	2,511,383	2,501,644
Total actuarial present value of accumulated plan benefits	**$123,569,063**	**$124,719,107**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$2,018,176
Benefits paid	-9,455,561
Interest	8,587,429
Total	**$1,150,044**

EXHIBIT 3 – CURRENT LIABILITY

The table below presents the current liability for the Plan Year beginning January 1, 2019.

Item[1]		Amount
Retired participants and beneficiaries receiving payments		$117,688,676
Inactive vested participants		24,332,506
Active participants		
• Non-vested benefits	$4,887,588	
• Vested benefits	66,007,763	
• *Total active*		70,895,351
Total		**$212,916,533**

Expected increase in current liability due to benefits accruing during the plan year	$3,289,710
Expected release from current liability for the plan year	9,689,419
Expected plan disbursements for the plan year, including administrative expenses of $450,000	10,139,419

Current value of assets	$44,016,054
Percentage funded for Schedule MB	20.7%

[1] The actuarial assumptions used to calculate these values are shown in *Exhibit 8.*

EXHIBIT 4 – INFORMATION ON PLAN STATUS AS OF JANUARY 1, 2019

Plan status (as certified on March 29, 2019, for the 2019 zone certification)	***Critical***
Scheduled progress (as certified on March 29, 2019, for the 2019 zone certification)	No
Actuarial value of assets for FSA	$48,337,083
Accrued liability under unit credit cost method	124,719,107
Funded percentage for monitoring plan's status	38.8%
Projected date of positive credit balance	December 31, 2061

EXHIBIT 5 – SCHEDULE OF PROJECTION OF EXPECTED BENEFIT PAYMENTS

(SCHEDULE MB, LINE 8b(1))

Plan Year	Expected Annual Benefit Payments[1]
2019	$9,677,598
2020	9,750,298
2021	9,748,875
2022	9,860,914
2023	9,954,144
2024	10,079,023
2025	10,144,486
2026	10,185,613
2027	10,281,808
2028	10,325,953

[1] Assuming as of the valuation date:

- no additional accruals,
- experience is in line with valuation assumptions, and
- no new entrants are covered by the plan.

EXHIBIT 6 – SCHEDULE OF ACTIVE PARTICIPANT DATA

(SCHEDULE MB, LINE 8b(2))

The participant data is for the year ended December 31, 2018.

		Pension Credits								
Age	Total	1-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	7	7	–	–	–	–	–	–	–	–
25 - 29	19	11	6	2	–	–	–	–	–	–
30 - 34	36	14	13	9	–	–	–	–	–	–
35 - 39	30	6	5	6	6	6	1	–	–	–
40 - 44	45	5	6	5	11	11	6	1	–	–
45 - 49	63	3	4	7	11	13	9	16	–	–
50 - 54	60	1	2	6	8	8	14	12	8	1
55 - 59	55	2	3	5	6	5	11	8	10	5
60 - 64	11	–	–	1	2	2	2	–	2	2
Total	**326**	**49**	**39**	**41**	**44**	**45**	**43**	**37**	**20**	**8**

Notes: Excludes 6 employees who were either not participants as of December 31, 2018 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2018.
Pension credit shown includes credit from banked hours.

EXHIBIT 7 – FUNDING STANDARD ACCOUNT

The table below presents the FSA for the Plan Year ending December 31, 2019.

	Charges			Credits	
1	Prior year funding deficiency	$20,887,136	**6**	Prior year credit balance	$0
2	Normal cost, including administrative expenses	1,890,606	**7**	Amortization credits	2,288,506
3	Amortization charges	9,029,159	**8**	Interest on **6 and 7**	165,917
4	Interest on **1, 2 and 3**	2,306,000	**9**	Full-funding limitation credit	0
5	Total charges	$34,112,901	**10**	Total credits	$2,454,423
Minimum contribution with interest required to avoid a funding deficiency: **5 - 10**, not less than zero					$31,658,478

Full Funding Limitation (FFL) and Credits	
ERISA FFL (accrued liability FFL)	$88,581,699
RPA’94 override (90% current liability FFL)	150,439,353
FFL credit	0

Notes: Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2019 are available.
An allowance of $110,250 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

EXHIBIT 7 – FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan amendment	01/01/1991	$62,784	2	$121,324
Assumption change	01/01/1993	75,464	4	272,604
Plan amendment	01/01/1994	117,852	4	425,724
Plan amendment	01/01/1995	130,121	6	660,089
Plan amendment	01/01/1997	46,669	8	296,002
Plan amendment	01/01/1998	79,877	9	552,259
Assumption change	01/01/1999	243,746	10	1,815,059
Plan amendment	01/01/1999	736,068	10	5,481,134
Plan amendment	01/01/2000	108,829	11	864,440
Plan amendment (2001)	01/01/2002	269,470	13	2,381,556
Shortfall loss	01/01/2003	59,632	4	215,412
Plan amendment (2002)	01/01/2003	338,276	14	3,125,838
Shortfall loss	01/01/2004	159,581	5	697,081
Actuarial loss	01/01/2005	807,971	1	807,971
Plan amendment	01/01/2005	119,561	16	1,191,520
Shortfall loss	01/01/2006	42,391	7	242,899
Actuarial loss	01/01/2006	454,914	2	879,077
Shortfall loss	01/01/2007	53,299	8	338,057
Actuarial loss	01/01/2007	178,645	3	500,524
Actuarial loss	01/01/2008	225,632	4	815,066
Actuarial loss	01/01/2009	382,247	5	1,669,726
Assumption change	01/01/2009	444,407	5	1,941,249

EXHIBIT 7 – FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Base due to Dec. 31, 2008 investment loss	01/01/2009	900,130	19	9,793,507
Assumption change	01/01/2010	96,055	6	487,276
Base due to Dec. 31, 2008 investment loss	01/01/2010	126,673	19	1,378,214
Assumption change	01/01/2011	285,325	7	1,634,903
Shortfall loss	01/01/2011	308,392	7	1,767,076
Base due to Dec. 31, 2008 investment loss	01/01/2011	217,984	19	2,371,686
Assumption change	01/01/2012	37,410	8	237,277
Actuarial loss	01/01/2012	99,349	8	630,133
Shortfall loss	01/01/2012	103,959	8	659,373
Base due to Dec. 31, 2008 investment loss	01/01/2012	173,555	19	1,888,295
Base due to Dec. 31, 2008 investment loss	01/01/2013	145,495	19	1,582,996
Shortfall loss	01/01/2013	231,299	9	1,599,175
Assumption change	01/01/2013	574,970	9	3,975,275
Shortfall loss	01/01/2014	20,378	10	151,745
Base due to Dec. 31, 2008 investment loss	01/01/2014	115,329	19	1,254,791
Assumption change	01/01/2015	28,910	11	229,636
Actuarial loss	01/01/2015	Deferred to 2020	11	4,093,909
Assumption change	01/01/2016	66	12	552
Actuarial loss	01/01/2016	Deferred to 2020	12	4,289,730
Actuarial loss	01/01/2017	Deferred to 2020	13	2,344,742

EXHIBIT 7 – FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Shortfall loss	01/01/2018	Deferred to 2020	14	1,008,836
Actuarial loss	01/01/2018	Deferred to 2020	14	2,043,614
Assumption change	01/01/2018	426,444	14	3,940,549
Actuarial loss	01/01/2019	Deferred to 2020	15	2,508,730
Total		**$9,029,159**		**$75,166,631**

EXHIBIT 7 – FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Assumption change	01/01/1992	$74,695	3	$209,277
Shortfall gain	01/01/2000	5,885	1	5,885
Shortfall gain	01/01/2001	40,663	2	78,578
Shortfall gain	01/01/2002	57,025	3	159,772
Shortfall gain	01/01/2005	87,269	6	442,705
Plan amendment	01/01/2007	171,703	18	1,819,439
Shortfall gain	01/01/2008	204,011	4	736,965
Shortfall gain	01/01/2009	39,839	5	174,024
Change in asset method	01/01/2009	291,021	20	3,243,311
Shortfall gain	01/01/2010	44,932	6	227,935
Plan amendment	01/01/2010	123,977	6	628,923
Actuarial gain	01/01/2010	583,323	6	2,959,135
Actuarial gain	01/01/2011	375,317	7	2,150,554
Actuarial gain	01/01/2013	184,664	9	1,276,742
Actuarial gain	01/01/2014	4,182	10	31,139
Shortfall gain	01/01/2015	Deferred to 2020	11	1,377,834
Shortfall gain	01/01/2016	Deferred to 2020	12	1,942,214
Shortfall gain	01/01/2017	Deferred to 2020	13	1,915,665
Shortfall gain	01/01/2019	Deferred to 2020	15	291,646
Total		**$2,288,506**		**$19,671,743**

EXHIBIT 8 – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates

Healthy: RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

Disabled: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the past 5 years. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior year's assumption over the most recent 5 years.

1 Mortality rates shown for base table.
2 80% of the disability rates shown represent Total Disability.

Retirement Rates	<table><tr><th>Age[1]</th><th>Retirement Rates</th></tr><tr><td>55 – 59</td><td>5%</td></tr><tr><td>60 -61</td><td>15%</td></tr><tr><td>62</td><td>60%</td></tr><tr><td>63 – 64</td><td>30%</td></tr><tr><td>65</td><td>100%</td></tr></table> The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior year's assumption over the most recent 5 years.
Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2019 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior year's assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.

1 If eligible.

Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$450,000, payable at the beginning of the year, for the year beginning January 1, 2019 (previously, $425,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the actuarial value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $110,250 (previously, $105,000) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	Interest: 3.06%, within the permissible range prescribed under IRC Section 431(c)(6)(E) (previously, 2.98%) Mortality: Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2016
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 2.9%, for the Plan Year ending December 31, 2018 *On current (market) value of assets (Schedule MB, line 6h):* -6.6%, for the Plan Year ending December 31, 2018
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 2.98% to 3.06% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the following actuarial assumption was changed as of January 1, 2019: • The administrative expense assumption was increased from $425,000 to $450,000 for the plan year beginning January 1, 2019.

EXHIBIT 9 – SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Normal Pension	*Age and Service Requirements:* 62 years with 5 years of participation

Amount: \$80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, \$40 for each pension credit earned through December 31, 2013.

Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	\$80 per Credit
Between 549,999 and 500,000	\$75 per Credit
Between 499,999 and 450,000	\$70 per Credit
Between 449,999 and 400,000	\$65 per Credit
399,999 or lower	\$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	\$95 per Credit
Between 549,999 and 500,000	\$90 per Credit
Between 499,999 and 450,000	\$85 per Credit
Between 449,999 and 400,000	\$80 per Credit
399,999 or lower	\$75 per Credit

	The accrual rates for the 2014-2019 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 - 2015	$75 per Credit
2016	$80 per Credit
2017 – 2018	$95 per Credit
2019	$85 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.,* “Commercial”) Sheet Metal Work.

Early Retirement

Age Requirement: 55

Service Requirement: 15 pension credits

Amount: For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability

Age Requirement: None

Service Requirement: Ten pension credits, including 0.1 credit in the six months immediately preceding disability.

Total Disability Requirement: Those who collect a Total Disability Benefit must provide a Social Security Disability letter.

Total Disability Pension Amount: Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005.

For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced.

Occupational Disability Pension Amount: Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.

Vesting	*Age Requirement:* None *Service Requirement:* 5 vesting credits *Amount:* Normal or early pension accrued based on plan in effect when last active. *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	*Age Requirement:* None *Service Requirement:* Five vesting credits *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	*Age Requirement:* None *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	*Joint and Survivor:* If married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.
Automatic Benefit Forms	*Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	*Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.,* 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.

Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	$15.21 increasing to $15.41 per hour effective July 1, 2019 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.70 plus the Reserve Fund contribution for 2019 and $14.79 plus the Reserve Fund contribution thereafter.
Changes in Plan Provisions	None.

a

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2020

Segal

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Boston, MA 02116-5744
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T 617.424.7300

December 15, 2020

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
c/o Zenith American Solutions, Inc.
P.O. Box 5817
Wallingford, CT 06492-7617

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2020. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by Zenith American Solutions, Inc. That assistance is gratefully acknowledged. The actuarial calculations were completed under my supervision.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal

By: ______________________________
Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

cc: Zenith American Solutions, Inc.
Douglas K. Knight, Esq.
Kaitlyn Legassey, Esq.
Peter Graeb, CPA

Table of Contents

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing Plan.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

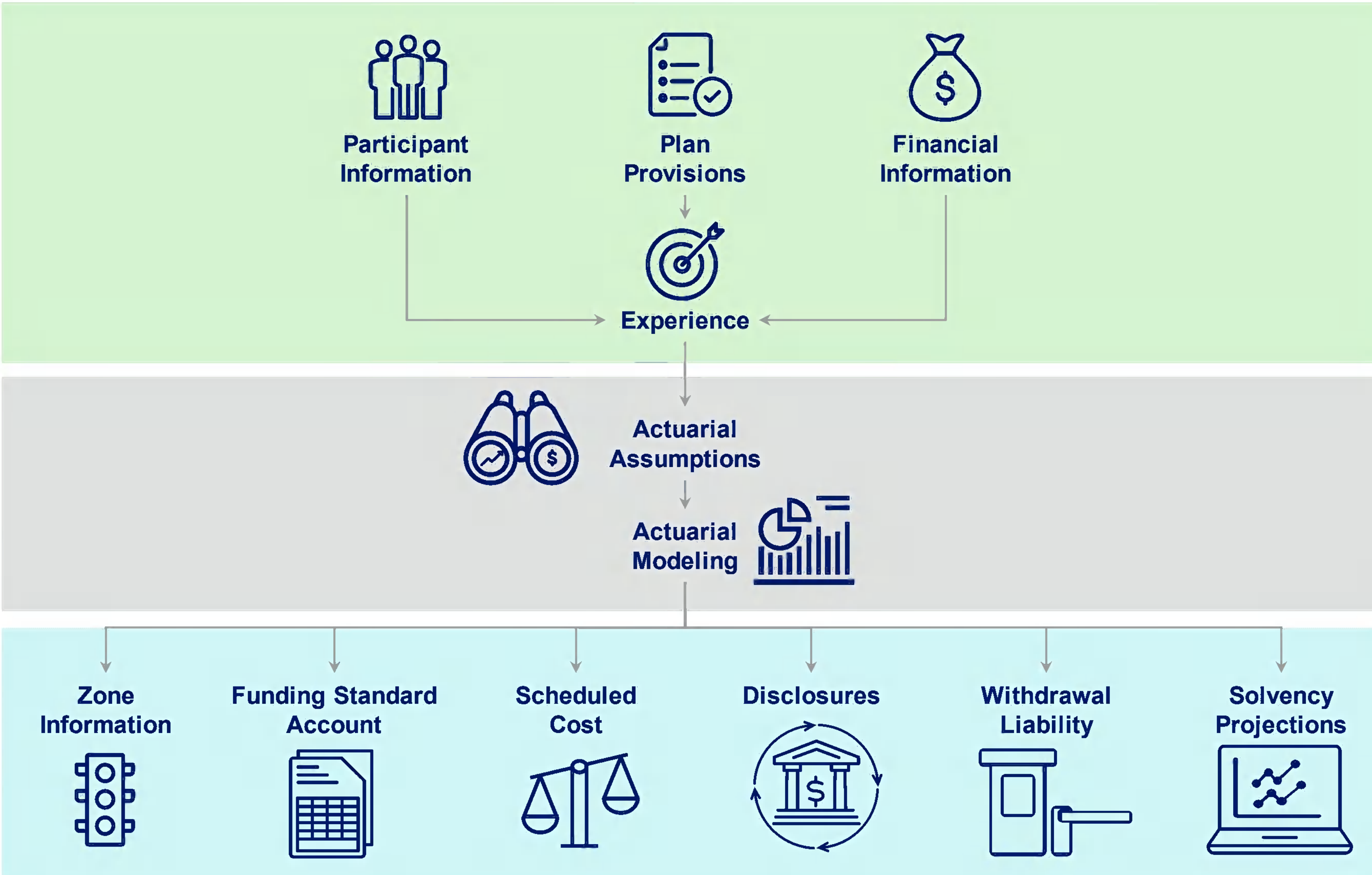
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a “perfect” result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year’s contribution requirement, especially in volatile markets. Plan sponsors often use an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan’s benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan’s assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Actuarial valuation overview



Section 1: Trustee Summary

Summary of key valuation results

Plan Year Beginning		January 1, 2019	January 1, 2020
Certified Zone Status		***Critical***	***Critical***
Demographic Data:	• Number of active participants	326	318
	• Number of inactive participants with vested rights	196	194
	• Number of retired participants and beneficiaries	510	506
	• Total number of participants	1,032	1,018
	• Participant ratio: non-active to actives	2.17	2.20
Assets:	• Market value of assets (MVA)	$44,016,054	$50,269,381
	• Actuarial value of assets (AVA)	48,337,083	48,933,961
	• Market value net investment return, prior year	-6.59%	18.93%
	• Actuarial value net investment return, prior year	2.87%	5.12%
Actuarial Liabilities[1]:	• Valuation interest rate	7.25%	7.25%
	• Normal cost, including administrative expenses[2]	$1,890,606	$1,996,433
	• Actuarial accrued liability	124,719,107	125,410,375
	• Unfunded actuarial accrued liability	76,382,024	76,476,414
Funded Percentages:	• Actuarial accrued liabilities under unit credit method	$124,719,107	$125,410,375
	• MVA funded percentage	35.3%	40.1%
	• AVA funded percentage (PPA basis)	38.8%	39.0%
Statutory Funding Information:	• Credit balance (funding deficiency) at the end of prior plan year	-$20,887,136	-$23,607,561
	• Minimum required contribution	31,658,478	35,320,868
	• Maximum deductible contribution	256,955,086	260,418,176

[1] Based on Unit Credit actuarial cost method used for Funding Standard Account.

[2] An allowance of $115,500 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $110,250.

This January 1, 2020 actuarial valuation report is based on financial and demographic information as of that date. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2019. The Plan's actuarial status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. While it is impossible to determine how the market will perform over the next several months, and how that will affect the results of next year's valuation, Segal is available to prepare projections of potential outcomes upon request. The current year's actuarial valuation results follow.

A. Developments since last valuation

The following are developments since the last valuation, from January 1, 2019 to January 1, 2020.

1. *Participant demographics.* The number of active participants decreased 2.5% from 326 to 318. The ratio of non-active to active participants, which is one measure of plan maturity, increased from 2.17 to 2.20.
2. *Plan assets.* The net investment return on the market value of assets was 18.93%. For comparison, the assumed rate of return on plan assets over the long term is 7.25%. The net investment return on an actuarial value of assets, which reflects smoothing of prior year gains and losses, was 5.12%. The change in the market value of assets over the last two plan years can be found in Section 3, while the calculation of the actuarial value of assets for the current plan year can be found in Section 2. Given the current interest rate environment, target asset allocation and expectation of future investment returns for various assets classes, we will continue to evaluate the Plan's anticipated investment returns relative to the current assumed long-term rate of 7.25%.
3. *Cash flows.* Cash inflow includes contributions and cash outflow includes benefits paid to participants and administrative expenses. In the prior plan year, the plan had a net cash outflow of $1.8 million, or about -3.59% of assets on a market value basis.
4. *Assumption changes.* Since the last valuation, we lowered the administrative expense assumption from $450,000 to $400,000.
5. *Contribution rates.* Effective July 1, 2019, the contribution rate increased from $15.21 to $15.41, plus the Reserve Fund contribution of $0.21. The average contribution rate increased from $14.70 in 2019 to $14.79 in 2020, plus the Reserve Fund contribution of $0.21.
6. *Rehabilitation plan.* On December 17, 2019, the Trustees reviewed the updated Rehabilitation plan from 2018. Based on the July 1, 2019 increase in the contribution rate and after reflecting investment performance for 2018, the Trustees determined that the Plan was making scheduled progress toward emerging from critical status by the end of the 2065 Plan Year.

B. Actuarial valuation results

The following commentary applies to various funding measures for the current plan year.

1. *Zone status.* The 2020 certification, issued on March 30, 2020, classified the Plan as critical (in the *Red* Zone) because the funded percentage was 38.9% and there was a deficiency in the FSA. The projection was based on the Trustees' industry activity assumption that the active population will remain level and, on average, contributions will be made for a total of 550,000 hours in 2020 and later years.
2. *Funded percentages:* During the last plan year, the funded percentage that will be reported on the Plan's annual funding notice increased from 38.8% to 39.0%. Please note that there are different measurements of funded percentage for different purposes. More information can be found in Section 2.
3. *Funding Standard Account:* During the last plan year, the funding deficiency increased from $20.9 million to $23.6 million. The increase in the funding deficiency was due to the fact that the net charges in the FSA exceeded contributions for the plan year. For the current plan year, the minimum required contribution is $35.32 million, compared with $8.25 million in expected contributions.
4. *Scheduled Cost:* Scheduled Cost for the plan year is the sum of normal cost (the cost of benefit accruals plus administrative expenses) and an amortization of the unfunded liability. For the current plan year, there is a $2.1 million deficit between expected contributions and Scheduled Cost, or about $3.79 per hour. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years.
5. *Withdrawal liability:* The unfunded vested benefits is $72.9 million as of December 31, 2019, which is used for determining employer withdrawal liability for the plan year beginning January 1, 2020. The unfunded vested benefits decreased from $78.4 million for the prior year, due primarily to positive investment performance.
6. *Funding concerns:* The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The actions already taken to address this issue include the adoption of a Rehabilitation Plan, which began January 1, 2011. We will continue working with the Trustees to evaluate and monitor all options.

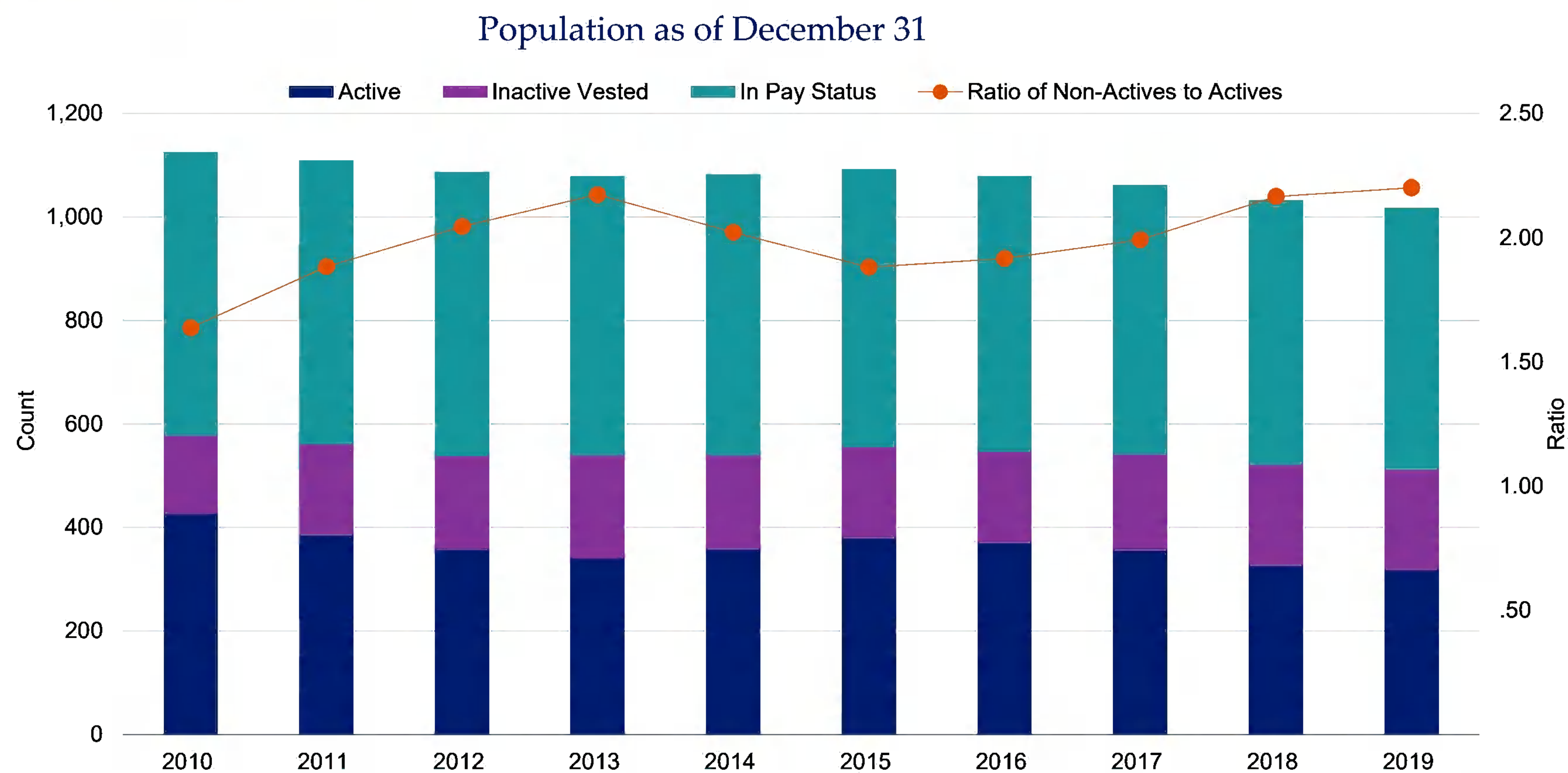
C. Projections and risk

1. *Importance of projections:* Most of the results included in this valuation report are snapshot measurements, showing the Plan's status as of the valuation date. In addition to understanding the Plan's current status, it is also important to understand where the plan is headed through actuarial projections. Projections may evaluate various metrics, such as funded percentage, Funding Standard Account, zone status, cash flows and solvency.
2. *Baseline projections:* If participants work 420,000 hours in 2020 (compared to the assumption of 550,000 hours), and the accrual rate for 2021 is $85 based on hours for the period July 1, 2019 through June 30, 2020, and assuming the assets return the 7.25% assumption, the credit balance is expected to become positive at the end of the 2049 Plan Year.
3. *Understanding risk:* Projections can also help the Trustees understand the sensitivity of future results to various risk factors, such as investment volatility or changes in future contributions. For example, if future investment returns are less than the actuarial assumption, or future contributions are less than projected, the Plan may not meeting its funding objectives or may face eventual insolvency. See Section 2 for a general discussion on the risks facing the Plan, and how they might be better evaluated, understood and addressed. A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress-testing and stochastic modeling. A detailed risk assessment could be important for your Plan because:

   - The outlook for financial markets and future industry activity is uncertain due to COVID-19.
   - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
   - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
   - The Trustees have not had a detailed risk assessment.

Section 2: Actuarial Valuation Results

Participant information

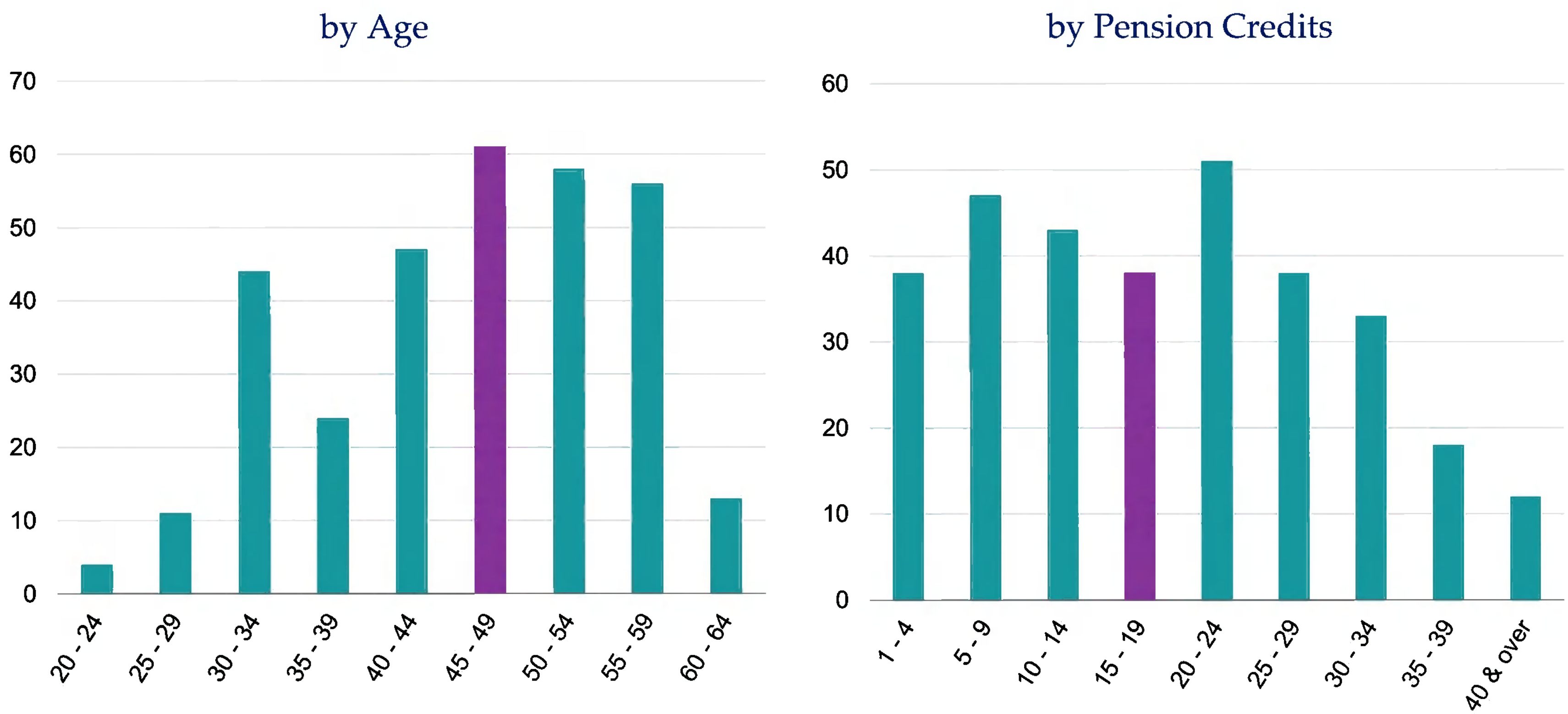


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
In Pay Status	549	549	549	539	542	537	533	521	510	506
Inactive Vested	150	176	181	200	182	176	176	186	196	194
Active	427	385	357	340	358	379	370	355	326	318
Ratio	1.64	1.88	2.04	2.17	2.02	1.88	1.92	1.99	2.17	2.20

Active participants

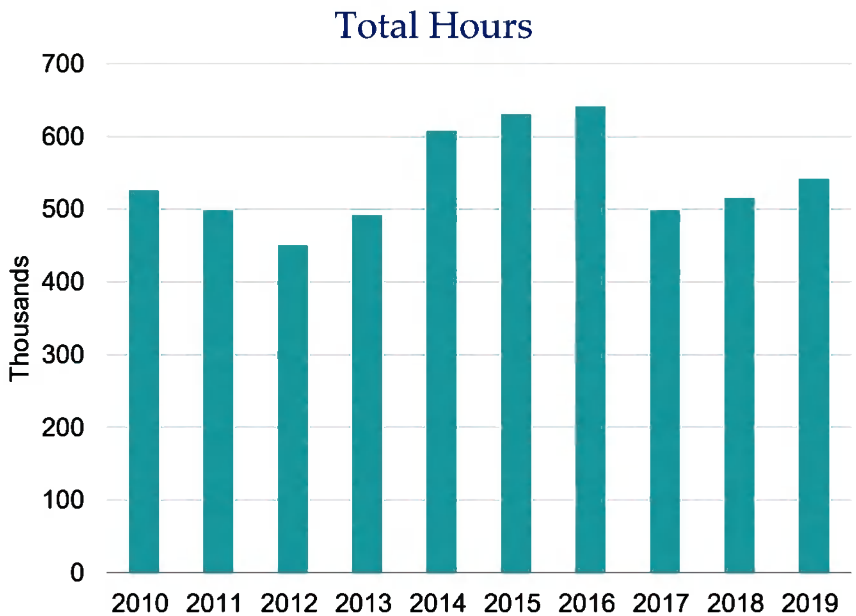
As of December 31,	2018	2019	Change
Active participants	326	318	-2.5%
Average age	45.7	46.2	0.5
Average pension credits	19.0	19.1	0.1

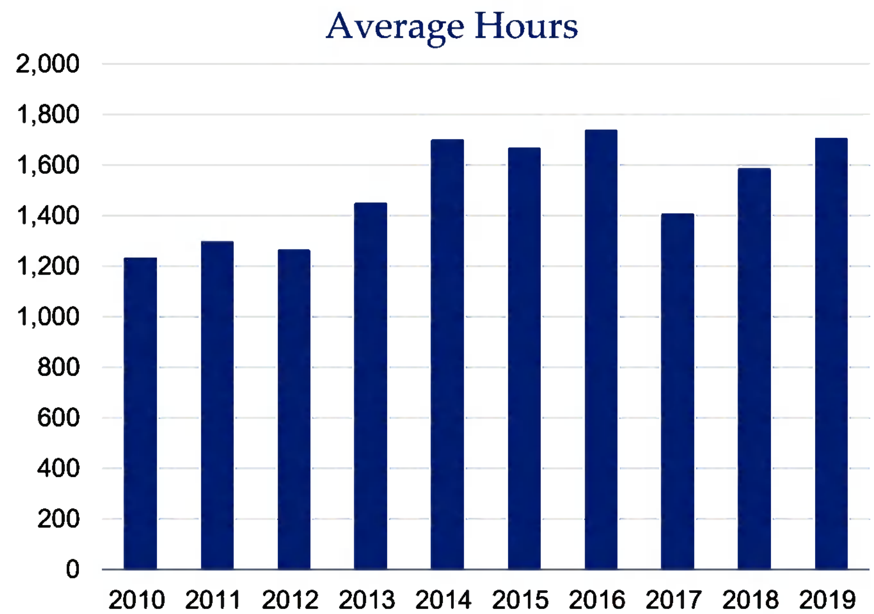
Distribution of Active Participants as of December 31, 2019



Historical employment

- The 2020 zone certification was based on an industry activity assumption of 550,000 total hours worked.
- The valuation is based on a long-term employment projection of 550,000 total hours worked.





	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	5-year average	10-year average
Total Hours[1]	525.52	498.78	450.50	491.65	607.36	630.49	641.61	498.40	515.66	541.59	565.55	540.16
Average Hours	1,231	1,296	1,262	1,446	1,697	1,664	1,734	1,404	1,582	1,703	1,617	1,502

[1] In thousands

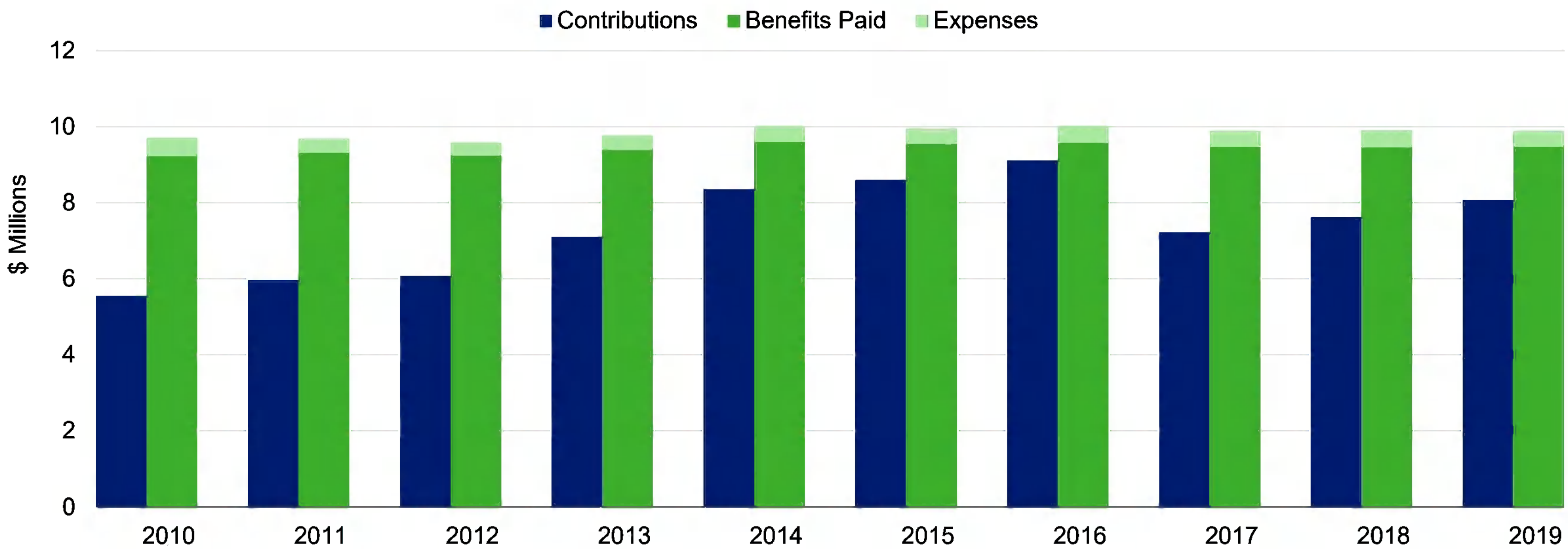
Pay status information

As of December 31,	2018	2019	Change
Pensioners	393	390	-0.8%
Average age	73.3	73.5	0.2
Average amount	$1,827	$1,856	1.6%
Beneficiaries	117	116	-0.9%
Total monthly amount	$780,227	$786,805	0.8%

Financial information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 1.2 times contributions.

Cash Flow



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contributions[1]	$5.55	$5.97	$6.07	$7.10	$8.36	$8.59	$9.11	$7.22	$7.62	$8.08
Benefits Paid[1]	9.22	9.32	9.24	9.40	9.59	9.54	9.57	9.46	9.46	9.47
Expenses[1]	0.48	0.37	0.33	0.36	0.40	0.40	0.43	0.42	0.45	0.41

[1] In millions

Determination of Actuarial Value of Assets

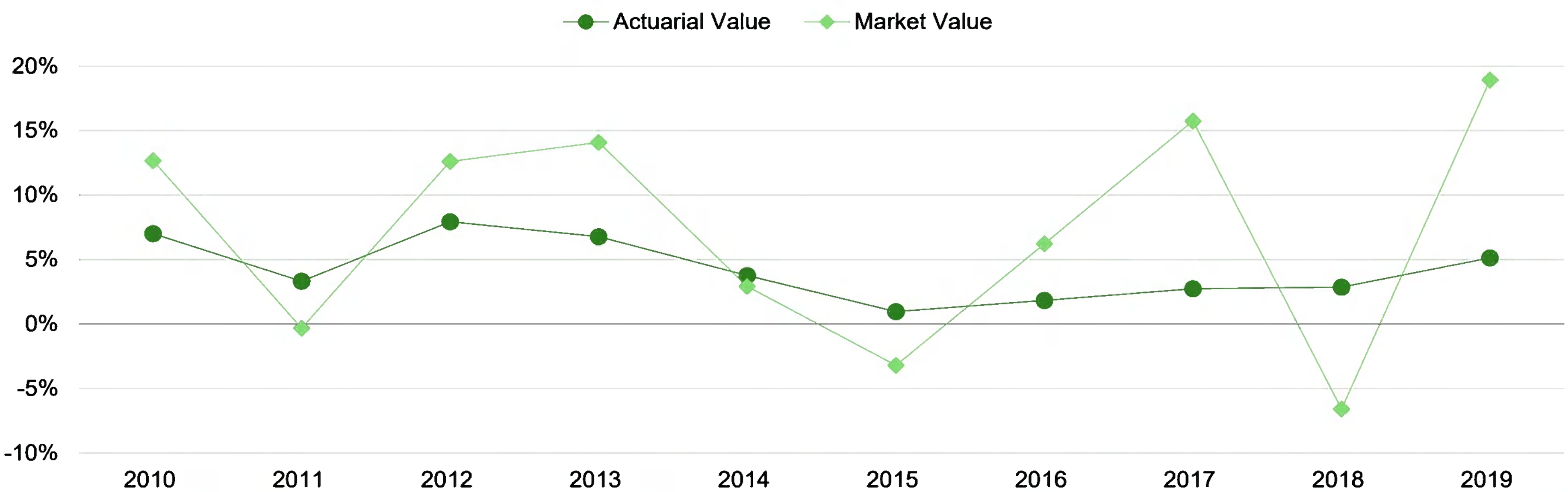
			Original Amount[1]	Unrecognized Return[2]	
1	Market value of assets, December 31, 2019				$50,269,381
2	Calculation of unrecognized return		Original Amount[1]	Unrecognized Return[2]	
	(a)	Year ended December 31, 2019	$4,971,266	$3,977,013	
	(b)	Year ended December 31, 2018	-6,610,553	-3,966,332	
	(c)	Year ended December 31, 2017	3,582,360	1,432,944	
	(d)	Year ended December 31, 2016	-541,026	-108,205	
	(e)	Year ended December 31, 2015	-4,827,958	0	
	(f)	Total unrecognized return			$1,335,420
3	Preliminary actuarial value: 1 - 2f				48,933,961
4	Adjustment to be within 20% corridor				0
5	Final actuarial value of assets as of December 31, 2019: 3 + 4				48,933,961
6	Actuarial value as a percentage of market value: 5 ÷ 1				97.3%
7	Amount deferred for future recognition: 1 - 5				$1,335,420

[1] Total return minus expected return on a market value basis.
[2] Recognition at 20% over 5 years.

Historical investment returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.25% considers the Trustees' asset allocation policy and future expectations. We will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.

Market Value and Actuarial Rates of Return for Years Ended December 31



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
AVA	7.01%	3.33%	7.93%	6.78%	3.76%	0.96%	1.83%	2.72%	2.87%	5.12%
MVA	12.66%	-0.32%	12.60%	14.08%	2.92%	-3.21%	6.23%	15.75%	-6.59%	18.93%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	2.67%	5.85%
Most recent ten-year average return:	4.22%	7.00%

Actuarial experience

- Assumptions should reflect experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the contribution requirement as an experience gain or loss. Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term.

Experience for the Year Ended December 31, 2019

1	Loss from investments	-$998,458
2	Gain from administrative expenses	58,797
3	Net gain from other experience (0.1% of projected accrued liability)	67,239
4	**Net experience loss: 1 + 2 + 3**	**-$872,422**

Investment experience

Loss from Investments

1	Average actuarial value of assets	$46,893,228
2	Assumed rate of return	7.25%
3	Expected net investment income: 1 x 2	$3,399,759
4	Net investment income (5.12% actual rate of return)	2,401,301
5	**Actuarial loss from investments: 4 – 3**	**-$998,458**

Administrative expenses

- Administrative expenses for the year ended December 31, 2019 totaled $410,364, as compared to the assumption of $450,000, resulting in a gain of $58,797.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners and beneficiaries over the past 5 years was 26.8 per year compared to 23.1 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.4 per year compared to 0.9 projected deaths per year.

Other experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected) and the number of disability retirements.

Actuarial assumptions

- With this valuation, the administrative expense assumption was lowered from $450,000 to $400,000 for the year beginning January 1, 2020.
- Details on actuarial assumptions and methods are in Section 3.

Plan provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in Section 3.

Contribution rate changes

- Effective July 1, 2019, the contribution rate increased from $15.21 to $15.41, plus the Reserve Fund contribution of $0.21. The average contribution rate increased from $14.70 in 2019 to $14.79 in 2020, plus the Reserve Fund contribution of $0.21.

Plan funding

Comparison of Funded Percentages

Plan Year Beginning	January 1, 2019		January 1, 2020	
Market Value of Assets	**$44,016,054**		**$50,269,381**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• Present value (PV) of future benefits	$137,647,409	32.0%	$138,591,438	36.3%
• Actuarial accrued liability[1]	124,719,107	35.3%	125,410,375	40.1%
• PV of accumulated plan benefits	124,719,107	35.3%	125,410,375	40.1%
• PV of vested benefits for withdrawal liability[2]	122,383,318	36.0%	123,159,034	40.8%
• Current liability interest rate	3.06%		2.95%	
• Current liability	$212,916,533	20.7%	$215,622,680	23.3%
Actuarial Value of Assets	**$48,337,083**		**$48,933,961**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• PV of future benefits	$137,647,409	35.1%	$138,591,438	35.3%
• Actuarial accrued liability[1]	124,719,107	38.8%	125,410,375	39.0%
• PPA'06 liability and annual funding notice	124,719,107	38.8%	125,410,375	39.0%

These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. The funded percentages based on the actuarial value of assets would be different if they were based on the market value of assets.

[1] Based on Unit Credit actuarial cost method and on Scheduled Cost basis.
[2] The present value of vested benefits for withdrawal liability purposes based on the funding assumptions described later in this section.

Pension Protection Act of 2006

2020 Actuarial status certification

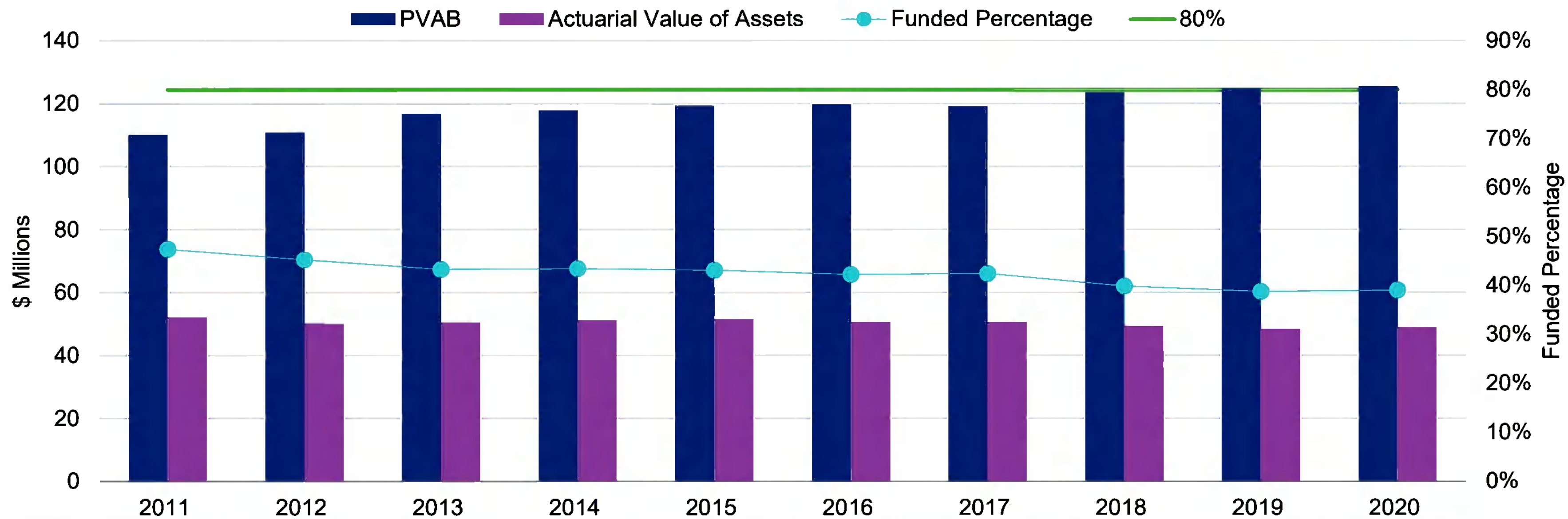
- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively.
- As reported in the 2020 certification, this Plan was classified as critical but not declining (in the Red Zone) because the funded percentage was 38.9% and there was a deficiency in the FSA.
- In addition, the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan.

Rehabilitation Plan

- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The Plan's original Rehabilitation Period began January 1, 2011 and was scheduled to end December 31, 2023. The Rehabilitation Plan was most recently reviewed on December 17, 2019. Based on the current scheduled progress, there was no change to the current benchmark of December 31, 2065 for emergence from the Red Zone.
- Based on this valuation, projections show the Plan is expected to emerge from critical status within the Rehabilitation Period.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

Pension Protection Act of 2006 historical information

Funded Percentage and Zone



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Zone Status	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
PVAB[1]	$110.09	$110.81	$116.79	$117.83	$119.31	$119.75	$119.26	$123.57	$124.72	$125.41
AVA[1]	52.21	50.17	50.50	51.18	51.44	50.58	50.60	49.26	48.34	48.93
Funded %	47.4%	45.3%	43.2%	43.4%	43.1%	42.2%	42.4%	39.9%	38.8%	39.0%

[1] In millions

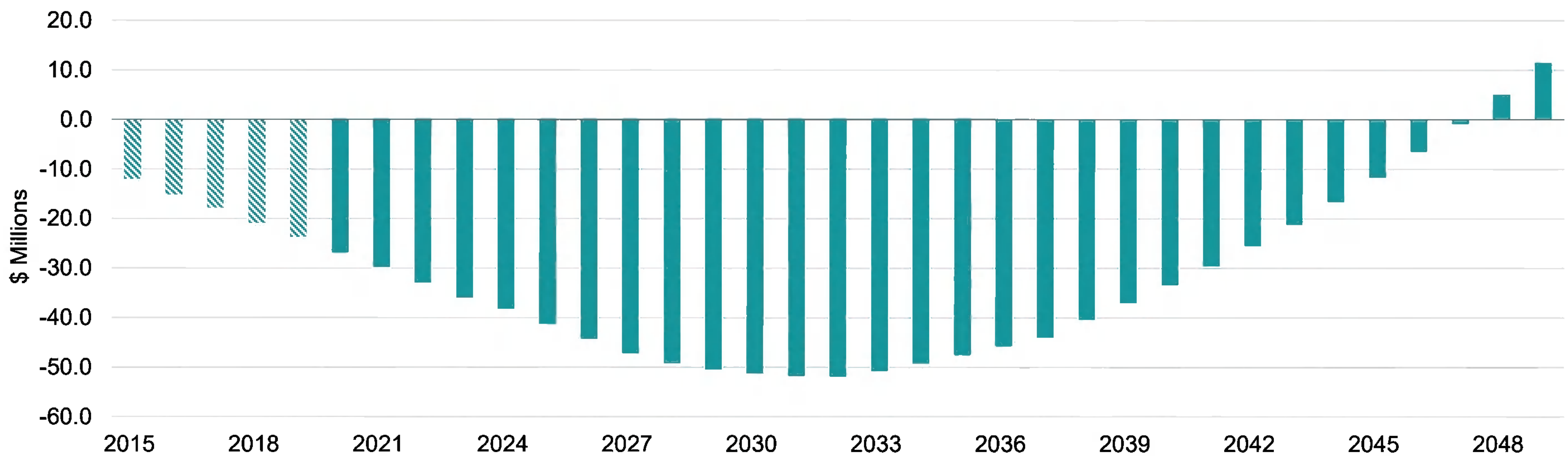
Projections

- The projections on the following pages assume the following, unless otherwise noted:
  - The Plan will earn a market rate of return equal to 7.25% each year.
  - Industry activity is based on the Trustees' assumption of 550,000 hours per year and an average contribution rate of $15.00 for each year.
  - Administrative expenses are projected to increase 2.5% per year.
  - There are no plan amendments or changes in law/regulation.
  - All other experience emerges as assumed and no assumption changes are made.
  - The Normal Cost was determined based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels.
- The projections in this valuation illustrate the potential future impact of one given set of assumptions. Additional scenarios would demonstrate sensitivity to risk from investment return, employment and other factors.

Funding Standard Account (FSA)

- The minimum funding requirement for the year beginning January 1, 2020 is $35,320,868.
- Based on the assumption that participants will work a total of 550,000 hours at a $15.00 average contribution rate, the contributions projected for the year beginning January 1, 2020 are $8,250,000. The funding deficiency is projected to increase by approximately $3,189,167 to -$26,796,728 as of December 31, 2020.
- A 30-year projection indicates the credit balance will become positive by December 31, 2048 based on the assumptions detailed on the prior page.

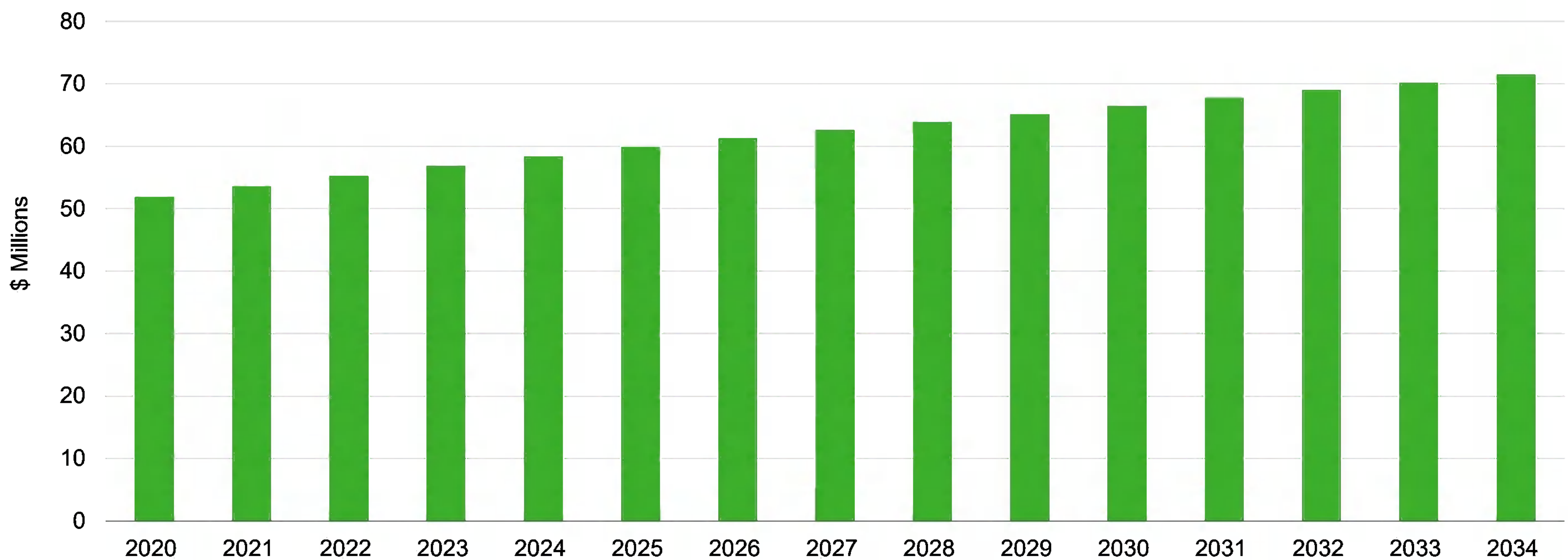
Credit Balance as of December 31



Solvency projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due.
- Based on this valuation, the Plan is not projected to become insolvent.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumption.

Projected Assets as of December 31



Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets that is compared to projected contributions to assess the Plan's long-term financial position. Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization schedule adopted by the Trustees is held constant at 15 years.

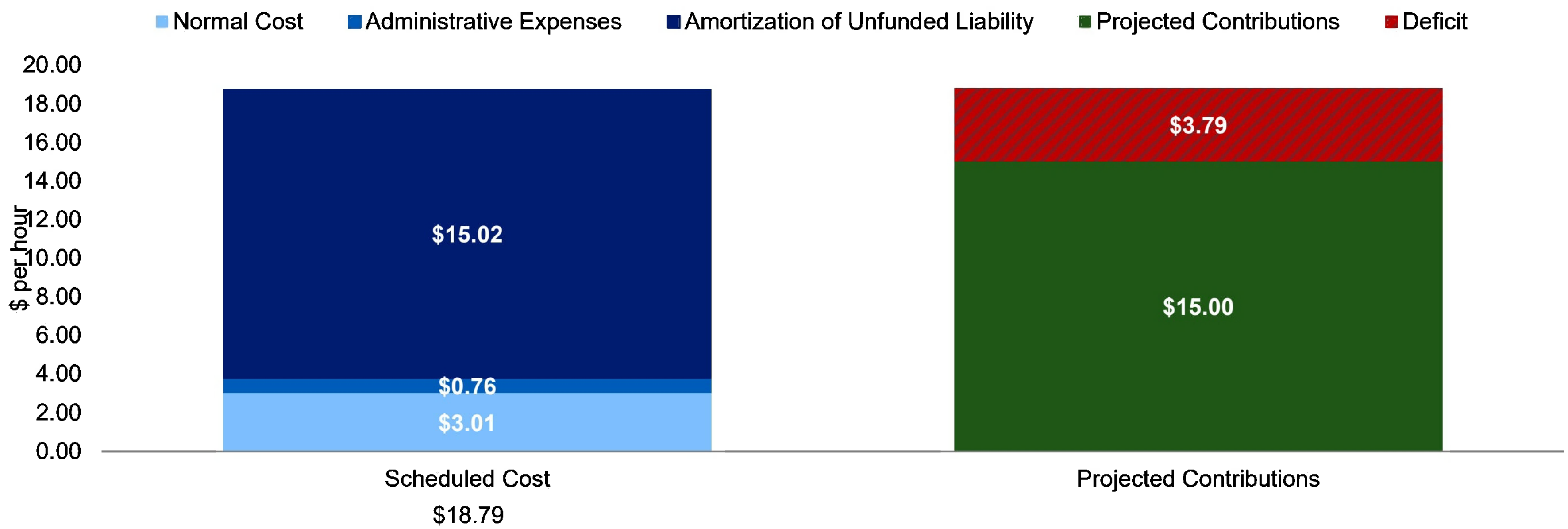
Scheduled Cost

	Year Beginning January 1	
Cost Element	**2019**	**2020**
Normal cost[1]	$1,495,968	$1,657,784
Administrative expenses[1]	467,294	415,371
Amortization of the unfunded actuarial accrued liability[1]	8,248,611	8,258,805
• Actuarial accrued liability	124,719,107	125,410,375
• Actuarial value of assets	48,337,083	48,933,961
• Unfunded actuarial accrued liability	76,382,024	76,476,414
• Amortization period	15	15
Annual Scheduled Cost, payable monthly	**$10,211,873**	**$10,331,960**
Projected contributions[2]	7,827,750	8,250,000
• Total hours assumption	525,000	550,000
• Ultimate negotiated contribution rate	$14.91	$15.00
Margin/(deficit)	**-$2,384,123**	**-$2,081,960**
Margin/(deficit) as a % of projected contributions	-30.5%	-25.2%

[1] An allowance of $115,500 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $110,250. Includes adjustment for monthly payments.
[2] The contribution rates include the Reserve Fund contribution for 2018 and 2019.

Scheduled Cost margin/deficit

- The margin or deficit is represented by the difference between projected contributions at the average negotiated contribution rate and the Scheduled Cost.



- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be $1,937,746 ($3.52 per hour, or 23.5% of projected contributions.).

Scheduled Cost reconciliation

Scheduled Cost as of January 1, 2019		$10,211,873
• Effect of frozen amortization period	-$335,475	
• Effect of change in administrative expense assumption	-51,921	
• Effect of contributions less than Scheduled Cost	244,885	
• Effect of investment loss	112,205	
• Effect of other gains and losses on accrued liability	68,915	
• Effect of net other changes, including composition and number of participants	81,478	
Total change		***120,087***
Scheduled Cost as of January 1, 2020		$10,331,960

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- Economic Shock Risk. Potential implications for the Plan due to the effects of the COVID-19 pandemic (that were not reflected as of the valuation date) include:
  - Volatile financial markets and investment returns lower than assumed
  - Short-term or long-term employment levels far different than past experience, including a projected rate of recovery and possible "new normal" long-term state
  - Changes in future demographic experience, such as retirement, disability, turnover, and mortality patterns
- Investment Risk (the risk that returns will be different than expected)

  If the actual return in 2020 is 0.0%, we project that the credit balance would become positive by December 31, 2052.

  As can be seen in Section 2, the market value rate of return over the last 10 years ended December 31, 2019 has ranged from a low of -6.59% to a high of 18.93%, which both occurred in the last two plan years.
- Contribution Risk (the risk that actual contributions will be different from projected contributions)
- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the required contribution.
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply. While it is difficult to quantify the impact of potential experience, earlier retirements would generally result in higher costs for your plan.
  - More or less active participant turnover than assumed. Lower turnover would generally result in higher costs for your Plan.
  - Return to covered employment of previously inactive participants. More rehires would generally result in higher costs for your Plan.

Section 2: Actuarial Valuation Results

- Actual Experience over the Last Ten Years

  Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years ended December 31, 2019:

  – The investment gain (loss) on market value for a year has ranged from a loss of $6.6 million to a gain of $5.0 million.

  – The non-investment gain (loss) for a year has ranged from a loss of $1.2 million to a gain of $0.8 million.

  – The funded percentage for PPA purposes has ranged from a low of 38.8% in 2019 to a high of 47.4% in 2011.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

  – Over the past ten years ended December 31, 2019, the ratio of non-active participants to active participants has varied from a low of 1.64 to a high of 2.20.

  – As of December 31, 2019, the retired life actuarial accrued liability represents 65% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 9% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.

  – Benefits and administrative expenses exceeded contributions by $1,804,423 as of December 31, 2019, which is approximately 4% of the market value of assets. The Plan is dependent upon investment returns in order to pay a portion of benefits.

- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan. For example, legislative proposals in 2018 showed that Congress continues to consider possible changes to funding requirements for multiemployer plans (such as changes to the zone rules) and increases in PBGC premiums.

- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling. A detailed risk assessment could be important for your Plan because:

  – The outlook for financial markets and future industry activity is uncertain due to COVID-19.

  – Relatively small changes in investment performance can produce large swings in the unfunded liabilities.

  – Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.

  – The Trustees have not had a detailed risk assessment.

Withdrawal liability

- As of December 31, 2019, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $123,003,557.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $123,159,034.

		December 31	
		2018	**2019**
1	Present value of vested benefits (PVVB) measured as of valuation date	$122,203,301	$123,003,557
2	Unamortized value of Affected Benefits Pools	180,017	155,477
3	Total present value of vested benefits: **1 + 2**	$122,383,318	$123,159,034
4	Market value of assets	44,016,054	50,269,381
5	Unfunded present value of vested benefits (UVB): **3 - 4**, not less than $0	$78,367,264	$72,889,653

Withdrawal liability assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2020 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2020 are described in Section 3 of this report and are reasonable to determine withdrawal liability.

Summary of PPA'06 zone status rules

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the "zones" described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

Critical Status (*Red Zone*)	A plan is classified as being in critical status (the Red Zone) if: • The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or • There is a projected FSA deficiency within four years, or • There is a projected inability to pay benefits within five years, or • The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or • As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status. • A critical status plan is further classified as being in *critical and declining status* if: • The ratio of inactive participants to active participants is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or • The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or • There is an inability to pay benefits projected within 15 years. Any amortization extensions are ignored for testing initial entry into the *Red Zone*. The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency. Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within ten years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone*.
Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years may elect whether or not to enter the *Red Zone* for the current year.

Section 3: Certificate of Actuarial Valuation

December 15, 2020

Certificate of Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2020 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit J.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-4134

Exhibit A: Table of Plan Coverage

The valuation was made with respect to the following data supplied to us by the Plan Administrator.

Category	Year Ended December 31		Change from Prior Year
	2018	2019	
Active participants in valuation:			
• Number[1]	326	318	-2.5%
• Average age	45.7	46.2	0.5
• Average pension credits	19.0	19.1	0.1
• Average contribution rate as of the valuation date[2]	$14.91	$15.00	0.6%
• Total active vested participants	279	281	0.7%
Inactive participants with rights to a pension:			
• Number	191	189	-1.0%
• Average age	48.6	49.1	0.5
• Average monthly benefit	$911	$931	2.2%
• Beneficiaries with rights to deferred payments	5	5	0.0%
Pensioners:			
• Number in pay status	393	390	-0.8%
• Average age	73.3	73.5	2.0
• Average monthly benefit	$1,827	$1,856	1.6%
Beneficiaries:			
• Number in pay status	117	116	-0.9%
• Average age	79.2	79.5	0.3
• Average monthly benefit	$531	$544	2.4%
Total participants	**1,032**	**1,018**	**-1.4%**

[1] The active count excludes 24 employees who were either not participants as of December 31, 2019 (participation is granted after working 1,000 hours in a 12 month period) or had less than 100 hours worked in 2019. 6 employees were excluded as of December 31, 2018.

[2] The contribution rates include the Reserve Fund contribution for 2018 and 2019.

Exhibit B: Actuarial Factors for Minimum Funding

		2019		2020
Interest rate assumption		7.25%		7.25%
Normal cost, including administrative expenses		$1,890,606		$1,996,433
Actuarial accrued liability		**$124,719,107**		**$125,410,375**
• Pensioners and beneficiaries	$81,649,553		$81,646,156	
• Inactive participants with vested rights	10,634,714		11,253,673	
• Active participants	32,434,840		32,510,546	
Actuarial value of assets		$48,337,083		$48,933,961
Market value as reported in the draft financial statements		44,016,054		50,269,381
Unfunded actuarial accrued liability		76,382,024		76,476,414

Note:
An allowance of $115,500 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $110,250.

Exhibit C: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2018		Year Ended December 31, 2019	
Contribution income:		**$7,616,225**		**$8,075,076**
Investment income:				
• Interest and dividends	$954,725		$1,058,290	
• Capital appreciation/(depreciation)	-3,888,693		7,216,702	
• Less investment fees	-213,557		-217,242	
Net investment income		*-3,147,525*		*8,057,750*
Total income available for benefits		**$4,468,700**		**$16,132,826**
Less benefit payments and expenses:				
• Pension benefits	-$9,455,561		-9,469,135	
• Administrative expenses	-450,272		-410,364	
Total benefit payments and expenses		*-$9,905,833*		*-$9,879,499*
Market value of assets		**$44,016,054**		**$50,269,381**

Exhibit D: Information on Plan Status as of January 1, 2020

Plan status (as certified on March 30, 2020, for the 2020 zone certification)	***Critical***
Scheduled progress (as certified on March 30, 2020, for the 2020 zone certification)	Yes
Actuarial value of assets for FSA	$48,933,961
Accrued liability under unit credit cost method	125,410,375
Funded percentage for monitoring plan's status	39.0%
Year plan projected to emerge	2048

Annual Funding Notice for Plan Year Beginning January 1, 2020 and Ending December 31, 2020

	2020 Plan Year	2019 Plan Year	2018 Plan Year
Actuarial valuation date	January 1, 2020	January 1, 2019	January 1, 2018
Funded percentage	39.0%	38.8%	39.9%
Value of assets	$48,933,961	$48,337,083	$49,262,542
Value of liabilities	125,410,375	124,719,107	123,569,063
Market value of assets as of plan year end	Not available	50,269,381	44,016,054

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2019. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. An update to the Rehabilitation Plan was adopted December 18, 2018, with the Plan required to emerge from Critical Status by December 31, 2065.

Exhibit E: Schedule of Projection of Expected Benefit Payments

(Schedule MB, Line 8b(1))

Plan Year	Expected Annual Benefit Payments
2020	$9,783,945
2021	9,787,161
2022	9,897,803
2023	9,988,746
2024	10,155,745
2025	10,217,393
2026	10,269,585
2027	10,356,954
2028	10,410,257
2029	10,364,313

This assumes the following:

- No additional benefits will be accrued.
- Experience is in line with valuation assumptions.
- No new entrants are covered by the plan.

Exhibit F: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2019.

		Pension Credits								
Age	**Total**	**1 - 4**	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	4	4	–	–	–	–	–	–	–	–
25 - 29	11	6	5	–	–	–	–	–	–	–
30 - 34	44	14	18	11	1	–	–	–	–	–
35 - 39	24	2	8	4	5	5	–	–	–	–
40 - 44	47	7	6	7	9	11	7	–	–	–
45 - 49	61	2	5	8	7	16	10	10	3	–
50 - 54	58	2	3	7	8	9	9	14	6	–
55 - 59	56	1	1	5	8	5	10	9	9	8
60 - 64	13	–	1	1	–	5	2	–	–	4
Total	**318**	**38**	**47**	**43**	**38**	**51**	**38**	**33**	**18**	**12**

Notes:
Excludes 24 employees who were either not participants as of December 31, 2019 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2019.
Pension credit shown includes credit from banked hours.

Exhibit G: Funding Standard Account

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions.
- Employers contributing to plans in critical status will generally not be subject to the excise tax if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.

		December 31, 2019	December 31, 2020[1]
1	Prior year funding deficiency	$20,887,136	$23,607,561
2	Normal cost, including administrative expenses	1,950,342	1,996,433
3	Amortization charges	9,314,446	10,350,784
4	Interest on **1, 2 and 3**	2,331,014	2,606,721
5	Total charges	$34,482,938	$38,561,499
6	Prior year credit balance	$0	$0
7	Employer contributions	8,075,076	TBD
8	Amortization credits	2,360,814	3,021,567
9	Interest on **6, 7 and 8**	439,487	219,064
10	Full funding limitation credits	0	0
11	Total credits	10,875,377	3,240,631
12	Credit balance/(Funding deficiency): **11 - 5**	-$23,607,561	TBD
13	Minimum contribution with interest required to avoid a funding deficiency: **5 -11** not less than zero	N/A	$35,320,868

Full Funding Limitation (FFL) and Credits for Plan Year January 1, 2020	
ERISA FFL (accrued liability FFL)	$84,162,128
RPA'94 override (90% current liability FFL)	152,457,194
FFL credit	0

[1] Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2020 are available. An allowance of $115,500 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Plan amendment	01/01/1991	$62,784	1	$62,784
Assumption change	01/01/1993	211,433	3	75,464
Plan amendment	01/01/1994	330,193	3	117,851
Plan amendment	01/01/1995	568,391	5	130,121
Plan amendment	01/01/1997	267,410	7	46,669
Plan amendment	01/01/1998	506,630	8	79,877
Assumption change	01/01/1999	1,685,233	9	243,746
Plan amendment	01/01/1999	5,089,083	9	736,068
Plan amendment	01/01/2000	810,393	10	108,829
Plan amendment (2001)	01/01/2002	2,265,211	12	269,470
Shortfall loss	01/01/2003	167,074	3	59,632
Plan amendment (2002)	01/01/2003	2,989,660	13	338,276
Shortfall loss	01/01/2004	576,469	4	159,582
Plan amendment	01/01/2005	1,149,676	15	119,561
Shortfall loss	01/01/2006	215,045	6	42,391
Actuarial loss	01/01/2006	454,915	1	454,915
Shortfall loss	01/01/2007	305,403	7	53,299
Actuarial loss	01/01/2007	345,215	2	178,646
Actuarial loss	01/01/2008	632,168	3	225,631
Actuarial loss	01/01/2009	1,380,821	4	382,247
Assumption change	01/01/2009	1,605,363	4	444,406
Base due to Dec. 31, 2008 investment loss	01/01/2009	9,538,147	18	900,131
Assumption change	01/01/2010	419,585	5	96,055

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,342,278	18	126,673
Assumption change	01/01/2011	1,447,422	6	285,325
Shortfall loss	01/01/2011	1,564,439	6	308,392
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,309,845	18	217,984
Assumption change	01/01/2012	214,357	7	37,410
Actuarial loss	01/01/2012	569,266	7	99,349
Shortfall loss	01/01/2012	595,682	7	103,959
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,839,059	18	173,555
Shortfall loss	01/01/2013	1,467,047	8	231,299
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,541,720	18	145,495
Assumption change	01/01/2013	3,646,827	8	574,971
Shortfall loss	01/01/2014	140,891	9	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,222,073	18	115,329
Assumption change	01/01/2015	215,279	10	28,910
Actuarial loss	01/01/2015	4,390,717	10	589,635
Assumption change	01/01/2016	521	11	66
Actuarial loss	01/01/2016	4,600,735	11	579,209
Actuarial loss	01/01/2017	2,514,736	12	299,153
Shortfall loss	01/01/2018	1,081,977	13	122,424
Actuarial loss	01/01/2018	2,191,776	13	247,997
Assumption change	01/01/2018	3,768,878	13	426,444
Actuarial loss	01/01/2019	2,690,613	14	291,176
Actuarial loss	01/01/2020	872,422	15	Deferred to 2024
Total		**$71,804,862**		**$10,350,784**

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1992	$144,339	2	$74,694
Shortfall gain	01/01/2001	40,664	1	40,664
Shortfall gain	01/01/2002	110,196	2	57,025
Shortfall gain	01/01/2005	381,205	5	87,269
Plan amendment	01/01/2007	1,767,197	17	171,703
Shortfall gain	01/01/2008	571,593	3	204,011
Shortfall gain	01/01/2009	143,913	4	39,839
Change in asset method	01/01/2009	3,166,331	19	291,020
Shortfall gain	01/01/2010	196,271	5	44,932
Plan amendment	01/01/2010	541,555	5	123,977
Actuarial gain	01/01/2010	2,548,058	5	583,322
Actuarial gain	01/01/2011	1,903,942	6	375,317
Actuarial gain	01/01/2013	1,171,254	8	184,664
Actuarial gain	01/01/2014	28,911	9	4,182
Shortfall gain	01/01/2015	1,477,727	10	198,446
Shortfall gain	01/01/2016	2,083,025	11	262,242
Shortfall gain	01/01/2017	2,054,551	12	244,410
Shortfall gain	01/01/2019	312,790	14	33,850
Shortfall gain	01/01/2020	292,487	15	Deferred to 2024
Total		**$18,936,009**		**$3,021,567**

Exhibit H: Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2020.

Item[1]	Number of Participants		Current Liability
Interest rate assumption			2.95%
Retired participants and beneficiaries receiving payments	506		$118,275,100
Inactive vested participants	194		25,601,701
Active participants			
• Non-vested benefits		4,567,599	
• Vested benefits		67,178,280	
• Total active	318		$71,745,879
Total	**1,018**		**$215,622,680**

Expected increase in current liability due to benefits accruing during the plan year	$3,607,356
Expected release from current liability for the plan year	9,679,927
Expected plan disbursements for the plan year, including administrative expenses of $400,000	10,095,299

Current value of assets	$50,269,381
Percentage funded for Schedule MB	23.31%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit J.

Exhibit I: Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2019 and as of January 1, 2020. In addition, a reconciliation between the two dates follows.

	Benefit Information Date	
	January 1, 2019	**January 1, 2020**
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$81,649,553	$81,646,156
• Other vested benefits	40,567,910	41,371,825
• Total vested benefits	$122,217,463	$123,017,981
Actuarial present value of non-vested accumulated plan benefits	2,501,644	2,392,394
Total actuarial present value of accumulated plan benefits	**$124,719,107**	**$125,410,375**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$1,490,129
Benefits paid	-9,469,135
Interest	8,670,274
Total	**$691,268**

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Section 3: Certificate of Actuarial Valuation

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2020 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$400,000, payable at the beginning of the year, for the year beginning January 1, 2020 (previously, $450,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $115,500 (previously, $110,250) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit K*.
Current Liability Assumptions	*Interest:* 2.95%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2018 (previously, the MP-2017 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 5.1%, for the Plan Year ending December 31, 2019 *On current (market) value of assets (Schedule MB, line 6h):* 18.7%, for the Plan Year ending December 31, 2019
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 3.06% to 2.95% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the following actuarial assumption was changed as of January 1, 2020: • The administrative expense assumption was decreased from $450,000 to $400,000 for the plan year beginning January 1, 2020.

Exhibit K: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Normal Pension	• *Age and Service Requirements:* 62 years with 5 years of participation • *Amount:* $80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $40 for each pension credit earned through December 31, 2013.

Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

	The accrual rates for the 2014-2020 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	$75 per Credit
2016	$80 per Credit
2017 – 2018	$95 per Credit
2019	$85 per Credit
2020	$95 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.*, "Commercial") Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

  For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

  For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability

- *Age Requirement:* None
- *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability.
- *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter.
- *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005.

  For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced.
- *Occupational Disability Pension Amount:* Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.

Vesting	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits • *Amount:* Normal or early pension accrued based on plan in effect when last active. • *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • *Service Requirement:* Five vesting credits • *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	• *Joint and Survivor:* If married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.
Automatic Benefit Forms	• *Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• *Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.*, 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.

Section 3: Certificate of Actuarial Valuation

Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	$15.21 increasing to $15.41 per hour effective July 1, 2019 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.79 plus the Reserve Fund contribution for 2020 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2021

Segal

116 Huntington Ave., 8th Floor
Boston, MA 02116-5744
segalco.com
T 617.424.7300

September 15, 2021

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
c/o Zenith American Solutions, Inc.
P.O. Box 5817
Wallingford, CT 06492-7617

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2021. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by Zenith American Solutions, Inc.. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Kathleen A. Riley, FSA, MAAA, EA.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal

By:

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

Joshua D. Timm, CEBS
Senior Vice President and Benefits Consultant

cc: Zenith American Solutions, Inc.
Douglas K. Knight, Esq.
Kaitlyn Legassey, Esq.
Peter Graeb, CPA

Table of Contents

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing Plan.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

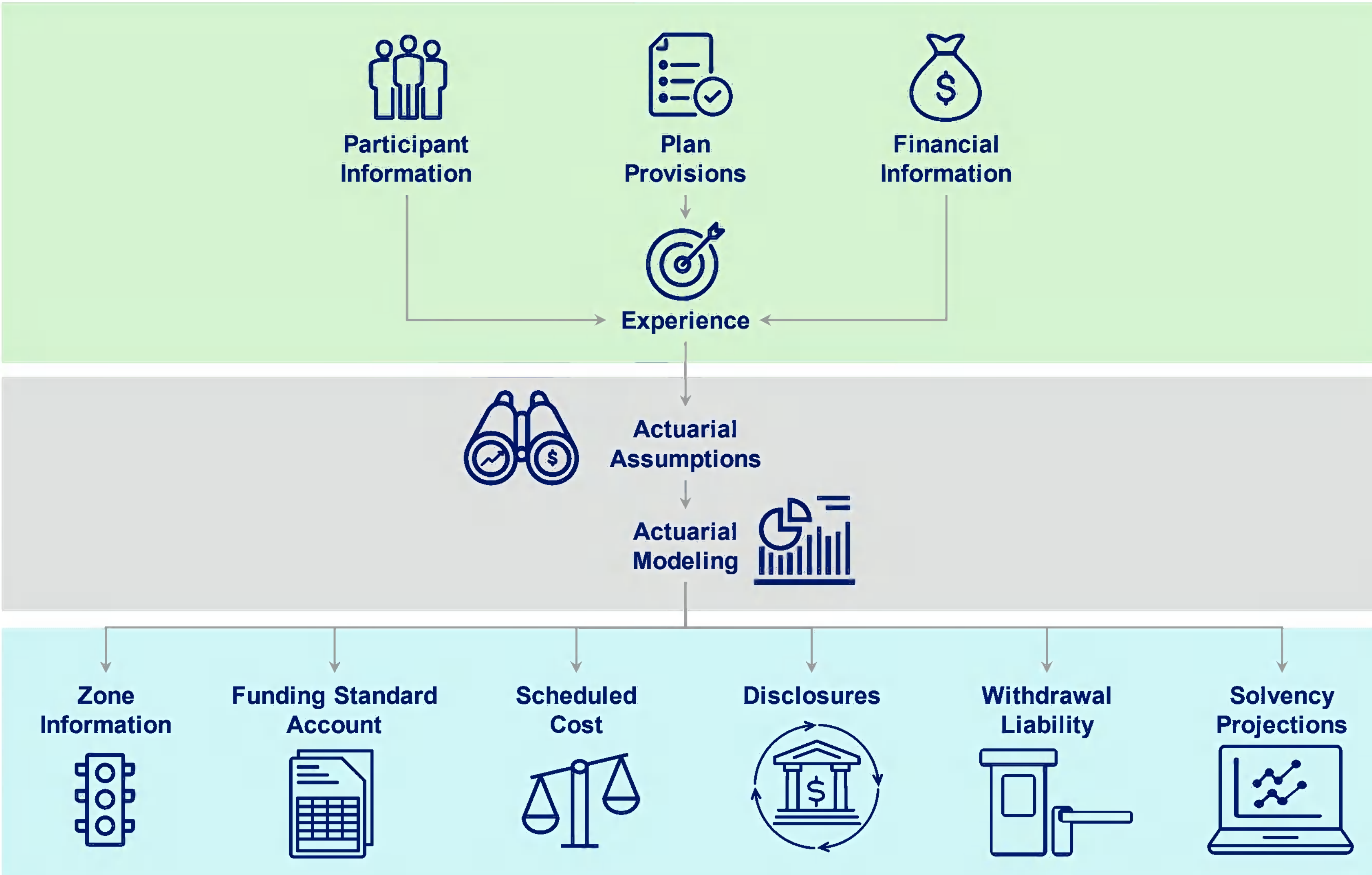
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Actuarial valuation overview



Section 1: Trustee Summary

Summary of key valuation results

Plan Year Beginning		January 1, 2020	January 1, 2021
Certified Zone Status		*Critical*	*Critical*
Demographic Data:	• Number of active participants	318	298
	• Number of inactive participants with vested rights	194	207
	• Number of retired participants and beneficiaries	506	503
	• Total number of participants	1,018	1,008
	• Participant ratio: non-active to actives	2.20	2.38
Assets:	• Market value of assets (MVA)	$50,269,381	$52,703,080
	• Actuarial value of assets (AVA)	48,933,961	49,886,702
	• Market value net investment return, prior year	18.93%	11.82%
	• Actuarial value net investment return, prior year	5.12%	9.00%
Actuarial Liabilities[1]:	• Valuation interest rate	7.25%	7.25%
	• Normal cost, including administrative expenses[2]	$1,996,433	$1,820,871
	• Actuarial accrued liability	125,410,375	125,952,595
	• Unfunded actuarial accrued liability	76,476,414	76,065,893
Funded Percentages:	• Actuarial accrued liabilities under unit credit method	$125,410,375	$125,952,595
	• MVA funded percentage	40.1%	41.8%
	• AVA funded percentage (PPA basis)	39.0%	39.6%
Statutory Funding Information:	• Funding deficiency at the end of prior plan year	-$23,607,561	-$26,328,229
	• Minimum required contribution	35,320,869	37,538,872
	• Maximum deductible contribution	260,418,176	280,083,524

[1] Based on Unit Credit actuarial cost method used for Funding Standard Account.
[2] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $115,500.

Section 1: Trustee Summary

This January 1, 2021 actuarial valuation report is based on financial and demographic information as of that date. The Plan's actuarial status does not reflect short-term fluctuations of the financial markets or employment levels, but rather is based on the market values on the last day of the Plan Year. While it is impossible to determine how economic conditions will change in the future, Segal is available to prepare projections of potential outcomes upon request. This report does not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA) on March 11. We continue to monitor the impact, if any, of ARPA on the Plan. The current year's actuarial valuation results follow.

A. Developments since last valuation

The following are developments since the last valuation, from January 1, 2020 to January 1, 2021.

1. *Participant demographics:* The number of active participants decreased 6.3% from 318 to 298. The ratio of non-active to active participants, which is one measure of plan maturity, increased from 2.20 to 2.38.
2. *Plan assets:* The net investment return on the market value of assets was 11.82%. For comparison, the assumed rate of return on plan assets over the long term is 7.25%. The net investment return on the actuarial value of assets, which reflects smoothing of prior year gains and losses, was 9.00%. The calculation of the actuarial value of assets for the current plan year can be found in Section 2 and the change in the market value of assets over the last two plan years can be found in Section 3.
3. *Cash flows:* Cash inflow includes contributions and cash outflow includes benefits paid to participants and administrative expenses. In the plan year ending December 31, 2020, the plan had a net cash outflow of $3.3 million, or about -6.48% of assets on a market value basis.
4. *Assumption changes:* Since the last valuation, we increased the administrative expense assumption from $400,000 to $410,000.
5. *Contribution rates:* Effective July 1, 2020, the contribution rate increased from $15.41 to $15.56, plus the Reserve Fund contribution of $0.21. After a review of the number of hours worked under the bargaining agreement and under reciprocal agreements, we have lowered the average contribution rate used to project total contributions from $15.00 in 2020 to $14.96 in 2021. The average contribution rate includes the Reserve Fund contribution of $0.21.
6. *Rehabilitation plan:* On December 15, 2020, the Trustees reviewed the updated Rehabilitation plan from 2019. After reflecting investment performance for 2019 and 2020 year-to-date, the Trustees determined that the Plan was making scheduled progress toward emerging from critical status by the end of the 2065 Plan Year.

B. Actuarial valuation results

The following commentary applies to various funding measures for the current plan year.

1. *Zone status:* The Plan was certified to be in critical status under the Pension Protection Act of 2006 (PPA) for the current plan year, in other words, the Plan is in the "Red Zone." This certification result is due to the fact that the funded percentage was 39.3% and there was a deficiency in the FSA. The projection was based on the Trustees' revised industry activity assumption that the active population will remain level and, on average, contributions will be made for a total of 500,000 hours in 2021 and later years.
2. *Funded percentages:* During the last plan year, the funded percentage that will be reported on the Plan's annual funding notice increased from 39.0% to 39.6%. Please note that there are different measurements of funded percentage for different purposes. More information can be found in Section 2.
3. *Funding Standard Account:* During the last plan year, the funding deficiency increased from $23.6 million to $26.3 million. The increase in the funding deficiency was due to the fact that the net charges in the FSA exceeded contributions for the plan year. For the current plan year, the minimum required contribution is $37.54 million, compared with $7.48 million in expected contributions.
4. *Scheduled Cost:* Scheduled Cost for the plan year is the sum of normal cost (the cost of benefit accruals plus administrative expenses) and an amortization of the unfunded liability. For the current plan year, there is a $2.6 million deficit between expected contributions and Scheduled Cost, or about $5.25 per hour. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years.
5. *Withdrawal liability:* The unfunded vested benefits is $71.2 million as of December 31, 2020, which is used for determining employer withdrawal liability for the plan year beginning January 1, 2021. The unfunded vested benefits decreased from $72.9 million for the prior year, due mainly to positive investment performance.
6. *Funding concerns:* The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The actions already taken to address this issue include the adoption of a Rehabilitation Plan, which began January 1, 2011. We will continue working with the Trustees to evaluate and monitor all options.

C. Projections and risk

1. *Importance of projections:* Most of the results included in this valuation report are snapshot measurements, showing the Plan's status as of the valuation date. In addition to understanding the Plan's current status, it is also important to understand where the plan is headed through actuarial projections. Projections may evaluate various metrics, such as funded percentage, Funding Standard Account, zone status, cash flows and solvency.
2. *Baseline projections:* If participants work 500,000 hours in 2021 and beyond and assuming the assets return the 7.25% assumption, the credit balance is expected to become positive at the end of the 2060 Plan Year. This projection is based on an $85 accrual rate 2021 and 2022 increasing to $90 thereafter, based on projected hours for the prior year ending June 30,
3. *Understanding risk:* Projections can also help the Trustees understand the sensitivity of future results to various risk factors, such as investment volatility or changes in future contributions. For example, if future investment returns are less than the actuarial assumption, or future contributions are less than projected, the Plan may not meeting its funding objectives or may face eventual insolvency. See Section 2 for a general discussion on the risks facing the Plan, and how they might be better evaluated, understood and addressed.

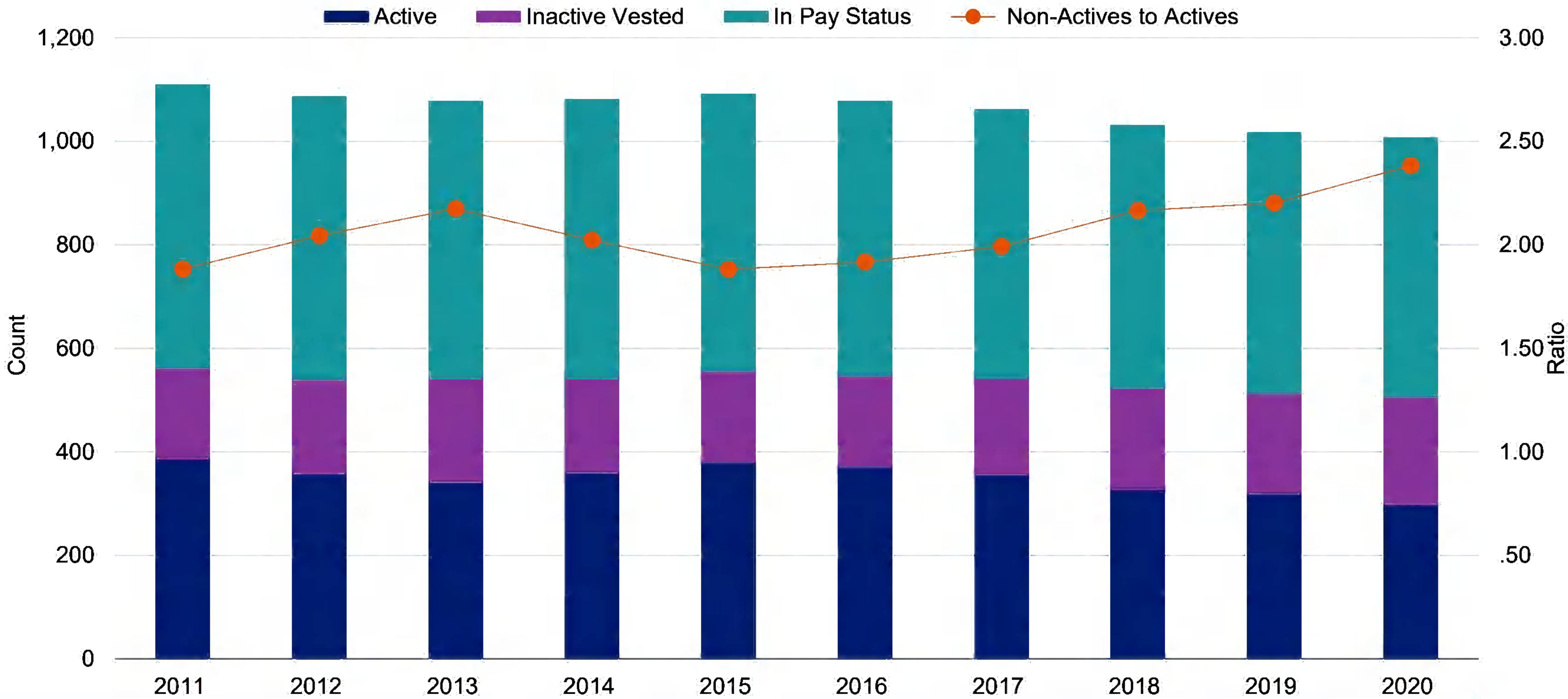
   A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling. A detailed risk assessment could be important for your Plan because:

   - The outlook for financial markets and future industry activity is uncertain.
   - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
   - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
   - The Trustees have not had a detailed risk assessment.

Section 2: Actuarial Valuation Results

Participant information

Population as of December 31



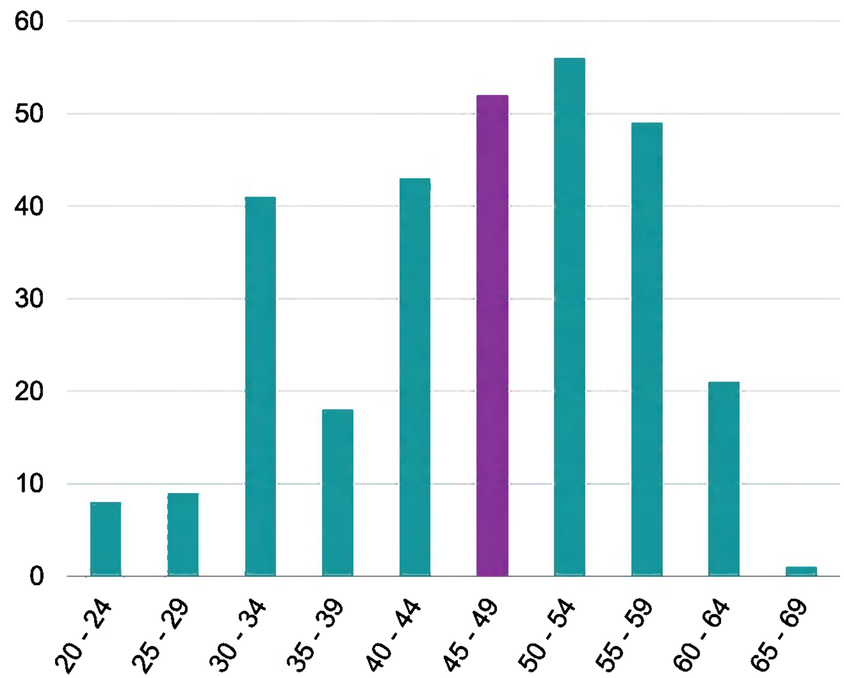
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
In Pay Status	549	549	539	542	537	533	521	510	506	503
Inactive Vested	176	181	200	182	176	176	186	196	194	207
Active	385	357	340	358	379	370	355	326	318	298
Ratio	1.88	2.04	2.17	2.02	1.88	1.92	1.99	2.17	2.20	2.38

Active participants

As of December 31,	2019	2020	Change
Active participants	318	298	-6.3%
Average age	46.2	46.5	0.3
Average pension credits	19.1	19.6	0.5

Distribution of Active Participants as of December 31, 2020

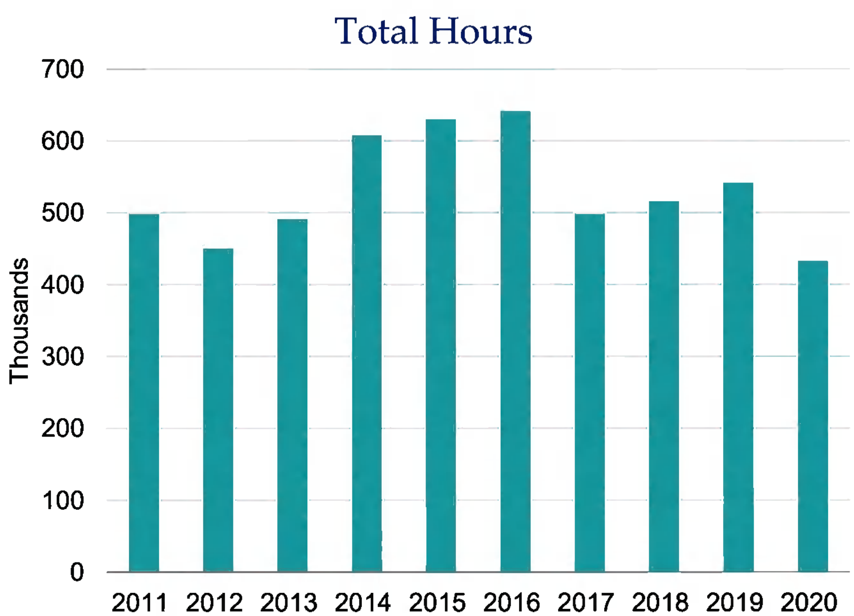
by Age

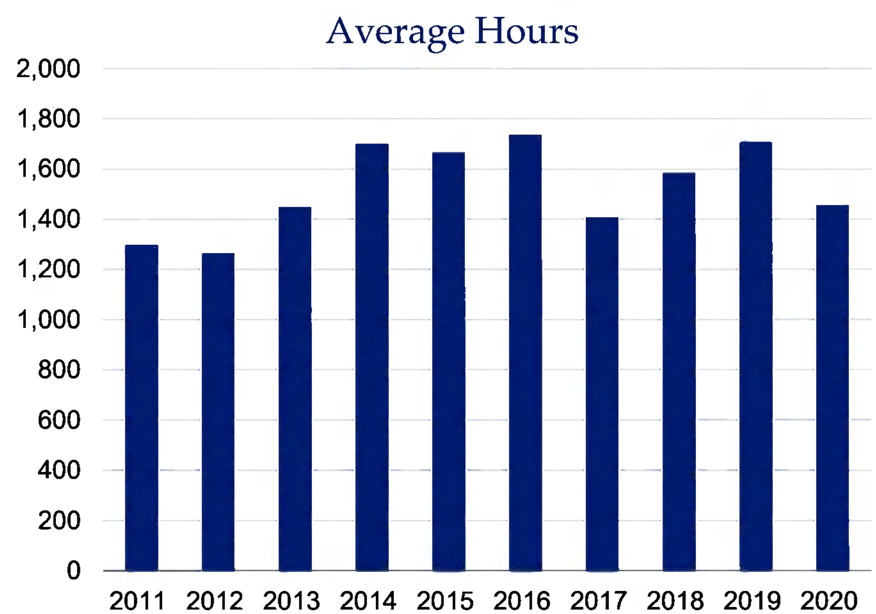


by Pension Credits

Historical employment

- The 2021 zone certification was based on an industry activity assumption of 500,000 total hours worked.
- The valuation is based on 298 actives and a long-term employment projection of 500,000 total hours worked.
-





	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	5-year average	10-year average
Total Hours[1]	498.78	450.50	491.65	607.36	630.49	641.61	498.40	515.66	541.59	432.52	525.96	530.86
Average Hours	1,296	1,262	1,446	1,697	1,664	1,734	1,404	1,582	1,703	1,451	1,575	1,524

[1] In thousands

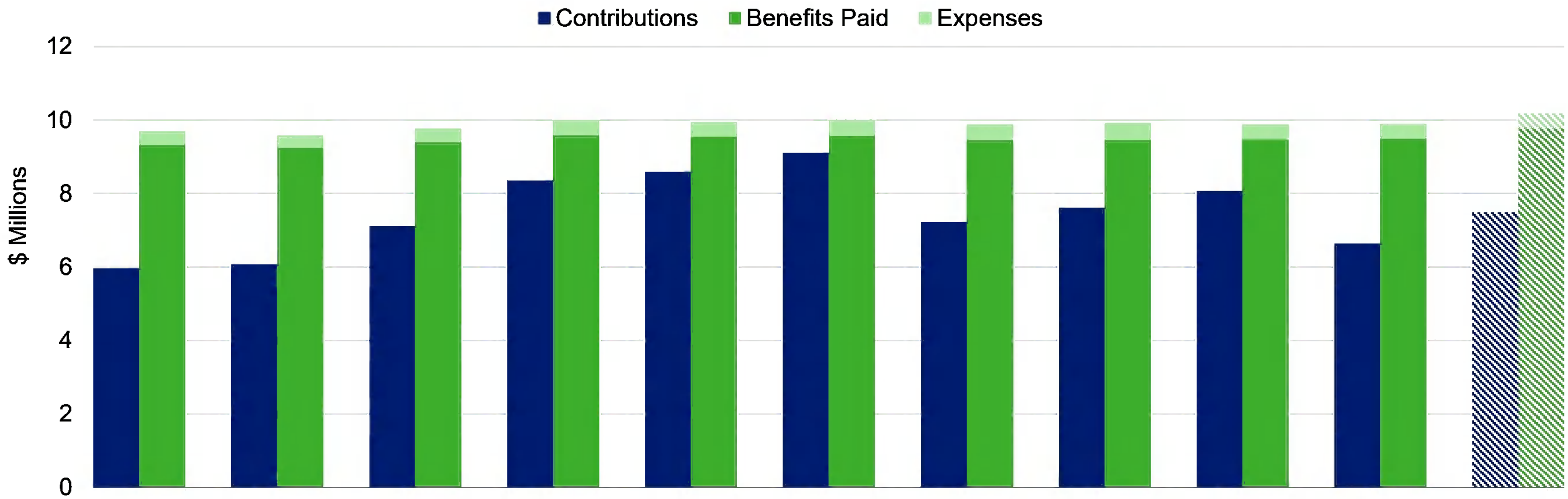
Pay status information

As of December 31,	2019	2020	Change
Pensioners	390	390	0.0%
Average age	73.5	73.8	0.3
Average amount	$1,856	$1,855	-0.1%
Beneficiaries	116	113	-2.6%
Total monthly amount	$786,805	$784,891	-0.2%

Financial information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 1.5 times contributions.

Cash Flow



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 [1]
Contributions[2]	$5.97	$6.07	$7.10	$8.36	$8.59	$9.11	$7.22	$7.62	$8.08	$6.64	$7.48
Benefits Paid[2]	9.32	9.24	9.40	9.59	9.54	9.57	9.46	9.46	9.47	9.49	9.77
Expenses[2]	0.37	0.33	0.36	0.40	0.40	0.43	0.42	0.45	0.41	0.40	0.41

[1] Projected
[2] In millions

Determination of actuarial value of assets

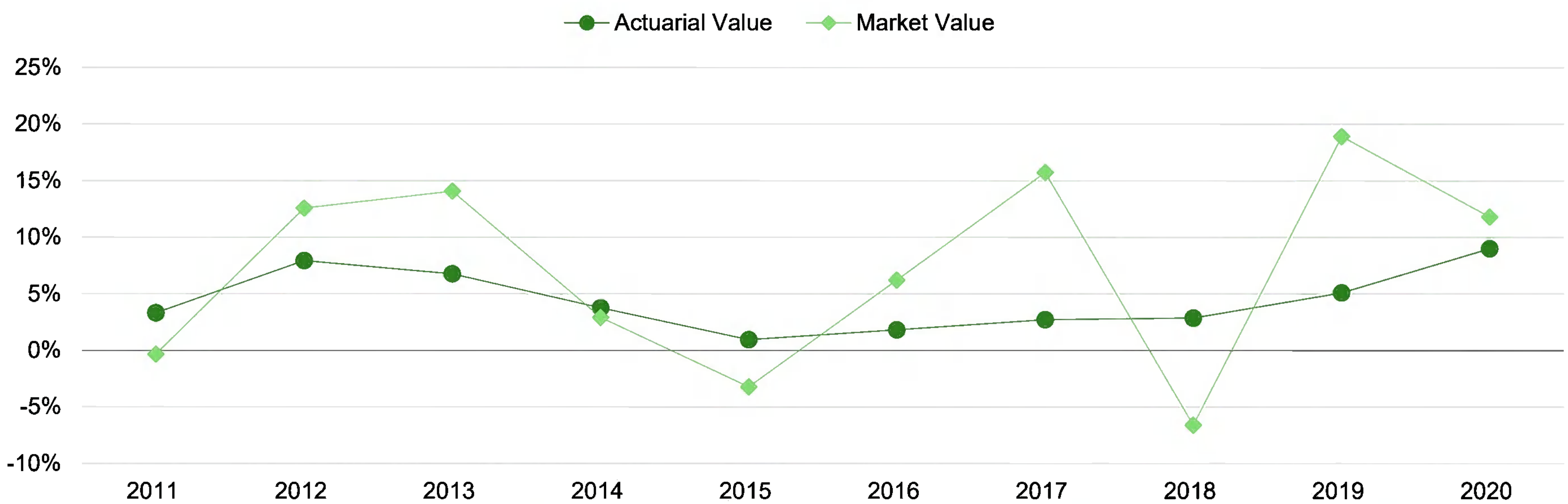
1	Market value of assets, December 31, 2020				$52,703,080
2	Calculation of unrecognized return		Original Amount[1]	Unrecognized Return[2]	
	(a)	Year ended December 31, 2020	$2,201,710	$1,761,367	
	(b)	Year ended December 31, 2019	4,971,266	2,982,760	
	(c)	Year ended December 31, 2018	-6,610,553	-2,644,221	
	(d)	Year ended December 31, 2017	3,582,360	716,472	
	(e)	Year ended December 31, 2016	-541,026	0	
	(f)	Total unrecognized return			2,816,378
3	Preliminary actuarial value: **1 - 2f**				49,886,702
4	Adjustment to be within 20% corridor				0
5	Final actuarial value of assets as of December 31, 2020: **3 + 4**				49,886,702
6	Actuarial value as a percentage of market value: **5 ÷ 1**				94.7%
7	Amount deferred for future recognition: **1 - 5**				$2,816,378

[1] Total return minus expected return on a market value basis.
[2] Recognition at 20% per year over five years.

Historical investment returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.25% considers the Trustees' asset allocation policy and future expectations. We will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.

Market Value and Actuarial Rates of Return for Years Ended December 31



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
AVA	3.33%	7.93%	6.78%	3.76%	0.96%	1.83%	2.72%	2.87%	5.12%	9.00%
MVA	-0.32%	12.60%	14.08%	2.92%	-3.21%	6.23%	15.75%	-6.59%	18.93%	11.82%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	4.26%	8.95%
Ten-year average return:	4.39%	6.98%

Actuarial experience

- Assumptions should consider experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.
- Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is to expected to continue, assumptions are changed.

Experience for the Year Ended December 31, 2020

1	Gain from investments	$817,570
2	Gain from administrative expenses	12,694
3	Net gain from other experience (0.3% of projected accrued liability)	409,634
4	**Net experience gain: 1 + 2 + 3**	**$1,239,898**

Investment experience

Gain from Investments

1	Average actuarial value of assets	$46,826,068
2	Assumed rate of return	7.25%
3	Expected net investment income: 1 x 2	$3,394,890
4	Net investment income (9.00% actual rate of return)	4,212,460
5	**Actuarial gain from investments: 4 – 3**	**$817,570**

Administrative expenses

- Administrative expenses for the year ended December 31, 2020 totaled $403,081, as compared to the assumption of $400,000.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners and beneficiaries over the past 5 years was 25.6 per year compared to 22.8 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.6 per year compared to 0.9 projected deaths per year.

Other experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected) and the number of disability retirements.

Actuarial assumptions

- With this valuation, the administrative expense assumption was increased from $400,000 to $410,000 for the year beginning January 1, 2021.
- Details on actuarial assumptions and methods are in Section 3.

Plan provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in Section 3.

Contribution rates

- Effective July 1, 2020, the contribution rate increased from $15.41 to $15.56, plus the Reserve Fund contribution of $0.21. After a review of the number of hours worked under the bargaining agreement and under reciprocal agreements, we have lowered the average contribution rate used to project total contributions from $15.00 in 2020 to $14.96 in 2021. The average contribution rate includes the Reserve Fund contribution of $0.21.

Plan funding

Comparison of Funded Percentages

Plan Year Beginning	January 1, 2020		January 1, 2021	
Market Value of Assets	**$50,269,381**		**$52,703,080**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• Present value (PV) of future benefits	$138,591,438	36.3%	$136,415,981	38.6%
• Actuarial accrued liability[1]	125,410,375	40.1%	125,952,595	41.8%
• PV of accumulated plan benefits (PVAB)	125,410,375	40.1%	125,952,595	41.8%
• PV of vested benefits for withdrawal liability[2]	123,159,034	40.8%	123,952,396	42.5%
• Current liability interest rate	2.95%		2.43%	
• Current liability	$215,622,680	23.3%	$231,176,321	22.8%
Actuarial Value of Assets	**$48,933,961**		**$49,886,702**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• PV of future benefits	$138,591,438	35.3%	$136,415,981	36.6%
• Actuarial accrued liability[1]	125,410,375	39.0%	125,952,595	39.6%
• PPA'06 liability and annual funding notice	125,410,375	39.0%	125,952,595	39.6%

These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. The funded percentages based on the actuarial value of assets would be different if they were based on the market value of assets.

[1] Based on Unit Credit actuarial cost method used for Scheduled Cost

[2] The present value of vested benefits for withdrawal liability purposes based on the blended interest rate and other assumptions described later in this section.

Pension Protection Act of 2006

2021 Actuarial status certification

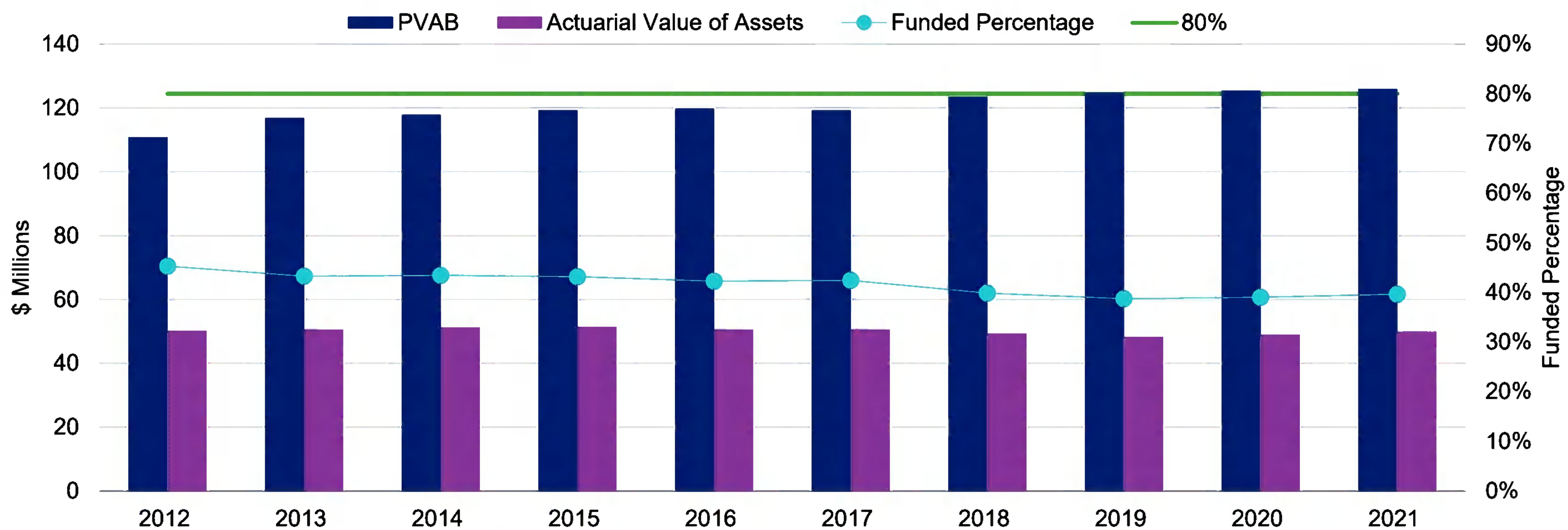
- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively.
- As reported in the 2021 certification, this Plan was classified as critical (in the Red Zone) but is not critical and declining because the funded percentage was less than 39.3% and there was a deficiency in the FSA.
- In addition, the Plan is making the scheduled progress in meeting its rehabilitation plan.

Rehabilitation Plan

- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The Plan's original Rehabilitation Period began January 1, 2011 and was scheduled to end December 31, 2023. The Rehabilitation Plan was most recently reviewed on December 15, 2020. Based on the current scheduled progress, there was no change to the current benchmark of December 31, 2065 for emergence from the Red Zone.
- Based on this valuation, projections show the Plan is expected to emerge from critical status within the Rehabilitation Period.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

Pension Protection Act of 2006 historical information

Funded Percentage and Zone



Zone Status	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
PVAB[1]	$110.81	$116.79	$117.83	$119.31	$119.75	$119.26	$123.57	$124.72	$125.41	$125.95
AVA[1]	50.17	50.50	51.18	51.44	50.58	50.60	49.26	48.34	48.93	49.89
Funded %	45.3%	43.2%	43.4%	43.1%	42.2%	42.4%	39.9%	38.8%	39.0%	39.6%

[1] In millions

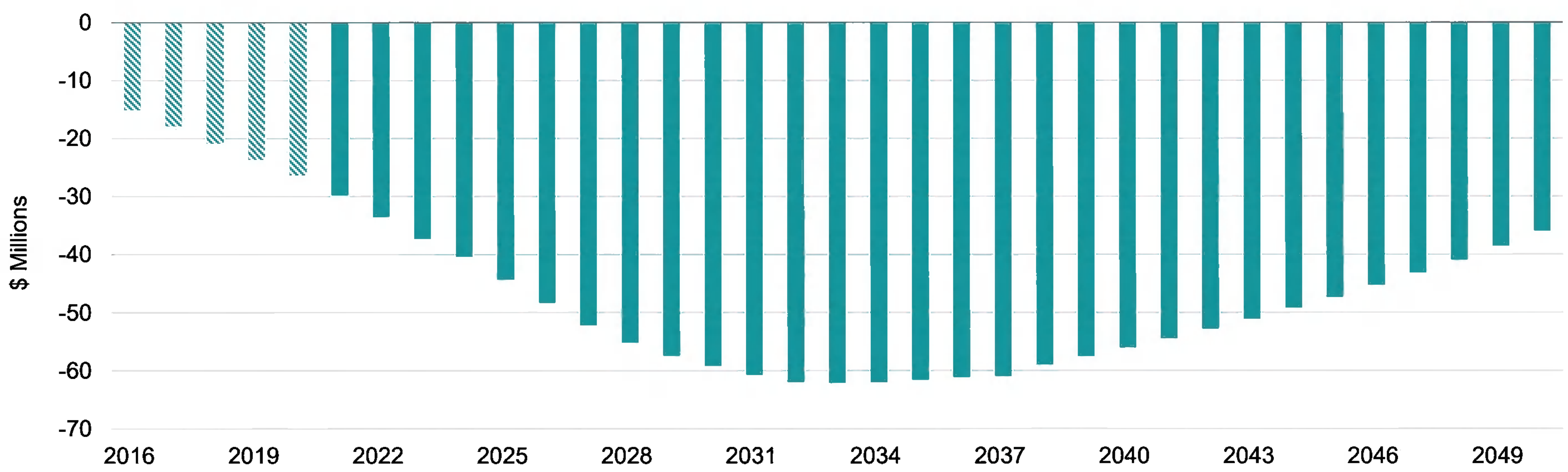
Projections

- The projections on the following pages assume the following, unless otherwise noted:
  - The Plan will earn a market rate of return equal to 7.25% each year.
  - Industry activity is based on the Trustees' assumption of 500,000 hours per year and an average contribution rate of $14.96 for each year.
  - Administrative expenses are projected to increase 2.5% per year.
  - There are no plan amendments or changes in law/regulation.
  - All other experience emerges as assumed and no assumption changes are made.
  - The Normal Cost was determined based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels.
- The projections in this valuation illustrate the potential future impact of one given set of assumptions. Additional scenarios would demonstrate sensitivity to risk from investment return, employment and other factors.

Funding Standard Account (FSA)

- The minimum funding requirement for the year beginning January 1, 2021 is $37,538,872.
- Based on the assumption that participants will work a total of 500,000 hours at a $14.96 average contribution rate, the contributions projected for the year beginning January 1, 2021 are $7,480,000. The credit balance is projected to decrease by approximately $3,459,493 to -$29,787,722 as of December 31, 2021.
- A 40-year projection indicates the credit balance will become positive by December 31, 2060 based on the assumptions detailed on the prior page.

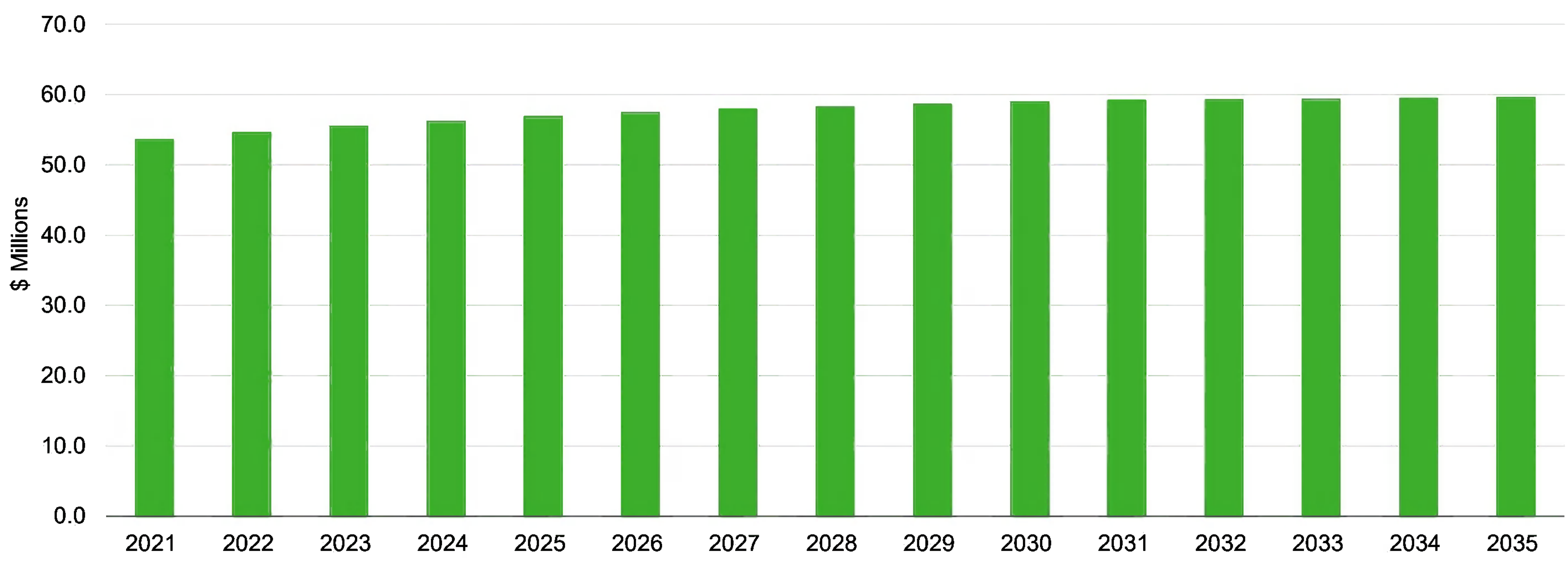
Credit Balance as of December 31



Solvency projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due.
- Based on this valuation, the Plan is not projected to become insolvent.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumption.

Projected Assets as of December 31



Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets, that is compared to projected contributions to assess the Plan's long-term financial position. Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization adopted by the Trustees is held constant at 15 years.

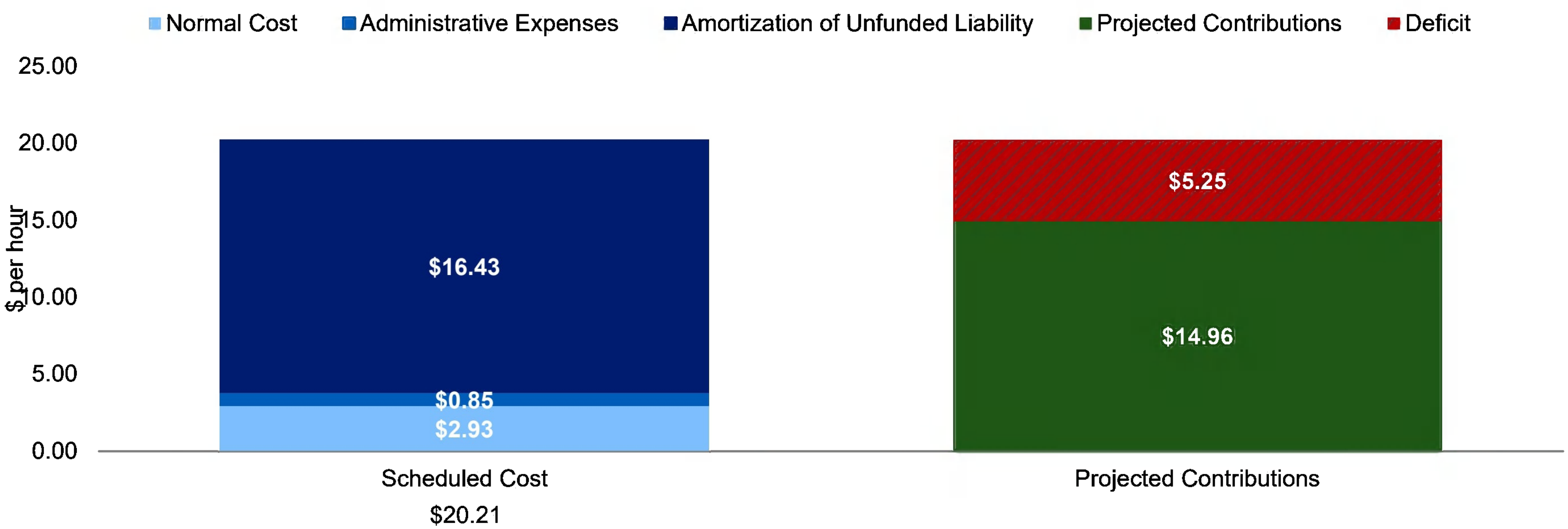
Scheduled Cost

	Year Beginning January 1	
Cost Element	**2020**	**2021**
Normal cost[1]	$1,657,784	$1,465,091
Administrative expenses[1]	415,372	425,756
Amortization of the unfunded actuarial accrued liability[1]	8,258,804	8,214,472
• Actuarial accrued liability	125,410,375	125,952,595
• Actuarial value of assets	48,933,961	49,886,702
• Unfunded actuarial accrued liability	76,476,414	76,065,893
• Amortization period	15	15
Annual Scheduled Cost, payable monthly	**$10,331,960**	**$10,105,319**
Projected contributions[2]	8,250,000	7,480,000
• Total hours assumption	550,000	500,000
• Ultimate negotiated contribution rate	$15.00	$14.96
Margin/(deficit)	**-$2,081,960**	**-$2,625,319**
Margin/(deficit) as a % of projected contributions	-25.2%	-35.1%

[1] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $115,500. Includes adjustment for monthly payments
[2] The contribution rates include the Reserve Fund contribution.

Scheduled Cost margin/deficit

- The margin or deficit is represented by the difference between projected contributions at the average negotiated contribution rate and the Scheduled Cost.



- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be $2,321,174 ($4.64 per hour, or 31.0% of projected contributions.)

Scheduled Cost reconciliation

Scheduled Cost as of January 1, 2020		$10,331,960
• Effect of frozen in amortization period	-$333,674	
• Effect of change in administrative expense assumption	10,384	
• Effect of contributions less than Scheduled Cost	426,426	
• Effect of investment gain	-91,877	
• Effect of other gains and losses on accrued liability	-45,208	
• Effect of net other changes, including composition and number of participants	-192,693	
Total change		**-226,642**
Scheduled Cost as of January 1, 2021		**$10,105,318**

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- Economic Shock Risk. Potential implications for the Plan due to the effects of the COVID-19 pandemic (that were not reflected as of the valuation date) include:
  - Volatile financial markets and investment returns lower than assumed.
  - Short-term or long-term employment far different than past experience, including a projected rate of recovery and possible "new normal" long-term state.
  - Changes in future demographic experience, such as retirement, disability, turnover, and mortality patterns.
- Investment Risk (the risk that returns will be different than expected)

  As can be seen in Section 2, the market value rate of return over the last 10 years ended December 31, 2020 has ranged from a low of -6.59% to a high of 18.93%.
- Contribution Risk (the risk that actual contributions will be different from projected contributions)

  During the past 10 years, hours have ranged from a high of 642,000 hours to a low of 433,000 hours.
- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the required contribution.
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply. While it is difficult to quantify the impact of potential experience, earlier retirements would generally result in higher costs for your plan.
  - More or less active participant turnover than assumed. Lower turnover would generally result in higher costs for your Plan.

- Return to covered employment of previously inactive participants. More rehires would generally result in higher costs for your Plan.

- Actual Experience over the Last Ten Years

  Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years ended December 31, 2020:

  - The investment gain (loss) on market value for a year has ranged from a loss of $6,610,553 to a gain of $4,971,266.
  - The non-investment gain (loss) for a year has ranged from a loss of $1,190,158 to a gain of $774,536.
  - The funded percentage for PPA purposes has ranged from a low of 38.8% in 2019 to a high of 45.3% in 2012.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

  - Over the past ten years ended December 31, 2020, the ratio of non-active participants to active participants has increased from a low of 1.88 in 2011 and in 2015 to a high of 2.38 in 2020.
  - As of December 31, 2020, the retired life actuarial accrued liability represents 64% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 10% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.
  - Benefits and administrative expenses less contributions totaled $3,259,719 as of December 31, 2020, 6.48% of the market value of assets. The Plan is dependent upon investment returns in order to pay a portion of benefits.

- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan. For example, legislative proposals in 2018 and later showed that Congress continues to consider possible changes to funding requirements for multiemployer plans (such as changes to the zone rules) and increases in PBGC premiums.

- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling.

Section 2: Actuarial Valuation Results

- A detailed risk assessment could be important for your Plan because:
  - The outlook for financial markets and future industry activity is uncertain.
  - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
  - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
  - The Trustees have not had a detailed risk assessment.

Withdrawal liability

- As of December 31, 2020, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $123,823,421.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $123,952,396.

		December 31	
		2019	**2020**
1	Present value of vested benefits (PVVB) measured as of the valuation date	$123,003,557	$123,823,421
2	Unamortized value of Affected Benefits Pools	155,477	128,975
3	Total present value of vested benefits: **1 + 2**	$123,159,034	$123,952,396
4	Market value of assets	50,269,381	52,703,080
5	Unfunded present value of vested benefits (UVB): **3 - 4**, not less than $0	$72,889,653	$71,249,316

Withdrawal liability assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2021 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2021 are described in Section 3 of this report and are reasonable to determine withdrawal liability.

Summary of PPA'06 zone status rules

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the "zones" described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

<table>
<tr>
<td>Critical Status (Red Zone)</td>
<td>A plan is classified as being in critical status (the Red Zone) if:

The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
There is a projected FSA deficiency within four years, or
There is a projected inability to pay benefits within five years, or
The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or
As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the Red Zone within the next five years and the plan sponsor elects to be in critical status.

A critical status plan is further classified as being in critical and declining status if:

The ratio of inactive participants to active participants is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or
The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or
There is an inability to pay benefits projected within 15 years.

Any amortization extensions are ignored for testing initial entry into the Red Zone.

The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency.

Trustees of Red Zone plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.</td>
</tr>
</table>

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within ten years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.

Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone*.

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years may elect whether or not to enter the *Red Zone* for the current year.

Section 3: Certificate of Actuarial Valuation

September 15, 2021

Certificate of Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2021 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit J.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-4134

Exhibit A: Table of Plan Coverage

The valuation was made with respect to the following data supplied to us by the Plan Administrator.

Category	Year Ended December 31 2019	Year Ended December 31 2020	Change from Prior Year
Active participants in valuation:			
• Number[1]	318	298	-6.3%
• Average age	46.2	46.5	0.3
• Average pension credits	19.1	19.6	0.5
• Average contribution rate as of the valuation date[2]	$15.00	$14.96	-0.3%
• Total active vested participants	281	263	-6.4%
Inactive participants with rights to a pension:			
• Number	189	202	6.9%
• Average age	49.1	49.2	0.1
• Average monthly benefit	$931	$968	3.9%
• Beneficiaries with rights to deferred payments	5	5	0.0%
Pensioners:			
• Number in pay status	390	390	0.0%
• Average age	73.5	73.8	0.3
• Average monthly benefit	$1,856	$1,855	-0.1%
Beneficiaries:			
• Number in pay status	116	113	-2.6%
• Average age	79.5	79.4	-0.1
• Average monthly benefit	$544	$545	0.2%
Total participants	**1,018**	**1,008**	**-1.0%**

[1] The active count excludes 12 employees who were either not participants as of December 31, 2020 (participation is granted after working 1,000 hours in a 12 month period) or had less than 100 hours worked in 2020. There were 24 employees were excluded as of December 31, 2019.

[2] The contribution rates include the Reserve Fund contribution for 2019 and 2020.

Exhibit B: Actuarial Factors for Minimum Funding

	2020	2021
Interest rate assumption	7.25%	7.25%
Normal cost, including administrative expenses	$1,996,433	$1,820,871
Actuarial accrued liability	**$125,410,375**	**$125,952,595**
• Pensioners and beneficiaries	$81,646,156	$80,358,042
• Inactive participants with vested rights	11,253,673	13,069,001
• Active participants	32,510,546	32,525,552
Actuarial value of assets (AVA)	$48,933,961	$49,886,702
Market value as reported in the draft financial statements	50,269,381	52,703,080
Unfunded actuarial accrued liability based on AVA	76,476,414	76,065,893

Note:
An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $115,000.

Exhibit C: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2019		Year Ended December 31, 2020	
Contribution income		**$8,075,076**		**$6,635,834**
Investment income:				
• Interest and dividends	$1,058,290		$815,646	
• Capital appreciation/(depreciation)	7,216,702		5,089,796	
• Less investment fees	-217,242		-212,024	
Net investment income		*8,057,750*		*5,693,418*
Total income available for benefits		**$16,132,826**		**$12,329,252**
Less benefit payments and expenses:				
• Pension benefits	-$9,469,135		-9,492,472	
• Administrative expenses	-410,364		-403,081	
Total benefit payments and expenses		*-9,879,499*		*-9,895,553*
Market value of assets		**$50,269,381**		**$52,703,080**

Exhibit D: Information on Plan Status as of January 1, 2021

Plan status (as certified on March 31, 2021, for the 2021 zone certification)	***Critical***
Scheduled progress (as certified on March 31, 2021, for the 2021 zone certification)	***Yes***
Actuarial value of assets for FSA	$49,886,702
Accrued liability under unit credit cost method	125,952,595
Funded percentage for monitoring plan's status	39.6%
Year plan projected to emerge	2060

Annual Funding Notice for Plan Year Beginning January 1, 2021 and Ending December 31, 2021

	2021 Plan Year	2020 Plan Year	2019 Plan Year
Actuarial valuation date	January 1, 2021	January 1, 2020	January 1, 2019
Funded percentage	39.6%	39.0%	38.8%
Value of assets	$49,886,702	$48,933,961	$48,337,083
Value of liabilities	125,952,595	125,410,375	124,719,107
Market value of assets as of plan year end	Not available	52,703,080	50,269,381

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2020. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. The Rehabilitation Plan is reviewed annually and has been updated several times. The update adopted December 18, 2018 extended the emergence from Critical Status to the end of the 2065 Plan Year.

Exhibit E: Schedule of Projection of Expected Benefit Payments

(Schedule MB, Line 8b(1))

Plan Year	Expected Annual Benefit Payments
2021	$9,774,161
2022	9,923,329
2023	10,036,537
2024	10,234,703
2025	10,276,219
2026	10,362,699
2027	10,471,139
2028	10,479,283
2029	10,443,471
2030	10,368,812

This assumes the following:

- No additional benefits will be accrued.
- Experience is in line with valuation assumptions.
- No new entrants are covered by the plan.

Exhibit F: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2020.

		Pension Credits								
Age	**Total**	**1 - 4**	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	8	7	1	–	–	–	–	–	–	–
25 - 29	9	6	3	–	–	–	–	–	–	–
30 - 34	41	12	15	14	–	–	–	–	–	–
35 - 39	18	2	7	3	3	3	–	–	–	–
40 - 44	43	5	6	7	9	10	6	–	–	–
45 - 49	52	3	3	7	4	14	12	8	1	–
50 - 54	56	–	5	7	6	9	6	13	9	1
55 - 59	49	–	2	4	7	3	9	5	12	7
60 - 64	21	–	1	1	2	3	5	3	1	5
65 - 69	1	–	–	1	–	–	–	–	–	–
Total	**298**	**35**	**43**	**44**	**31**	**42**	**38**	**29**	**23**	**13**

Notes:
Excludes 12 employees who were either not participants as of December 31, 2020 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2020.
Pension credit shown includes credit from banked hours.

Exhibit G: Funding Standard Account

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions.
- Employers contributing to plans in critical status will generally not be subject to the excise tax if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.

		December 31, 2020	December 31, 2021[1]
1	Prior year funding deficiency	$23,607,561	$26,328,229
2	Normal cost, including administrative expenses[2]	1,570,009	1,820,871
3	Amortization charges	8,139,932	9,833,082
4	Interest on **1, 2 and 3**	2,415,519	2,753,708
5	Total charges	$35,733,021	$40,735,890
6	Prior year credit balance	$0	$0
7	Employer contributions	6,635,834	TBD
8	Amortization credits	2,376,182	2,980,903
9	Interest on **6, 7 and 8**	392,776	216,115
10	Full funding limitation credits	0	0
11	Total credits	$9,404,792	$3,197,018
12	Credit balance/(Funding deficiency): **11 - 5**	-$26,328,229	TBD
13	Minimum contribution with interest required to avoid a funding deficiency: **5 -11** not less than zero	N/A	$37,538,872

Full Funding Limitation (FFL) and Credits for Plan Year January 1, 2021

ERISA FFL (accrued liability FFL)	$83,533,554
RPA'94 override (90% current liability FFL)	164,734,217
FFL credit	0

[1] Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2021 are available.
[2] An allowance of $105,000 was added to the 2021 normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was $115,500.

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1993	$145,827	2	$75,464
Plan amendment	01/01/1994	227,737	2	117,852
Plan amendment	01/01/1995	470,045	4	130,121
Plan amendment	01/01/1997	236,745	6	46,669
Plan amendment	01/01/1998	457,693	7	79,877
Assumption change	01/01/1999	1,545,995	8	243,747
Plan amendment	01/01/1999	4,668,609	8	736,068
Plan amendment	01/01/2000	752,427	9	108,829
Plan amendment (2001)	01/01/2002	2,140,432	11	269,470
Shortfall loss	01/01/2003	115,232	2	59,632
Plan amendment (2002)	01/01/2003	2,843,609	12	338,276
Shortfall loss	01/01/2004	447,111	3	159,581
Plan amendment	01/01/2005	1,104,798	14	119,560
Shortfall loss	01/01/2006	185,171	5	42,391
Actuarial loss	01/01/2007	178,645	1	178,645
Shortfall loss	01/01/2007	270,382	6	53,299
Actuarial loss	01/01/2008	436,011	2	225,632
Actuarial loss	01/01/2009	1,070,971	3	382,248
Assumption change	01/01/2009	1,245,126	3	444,407
Base due to Dec. 31, 2008 investment loss	01/01/2009	9,264,268	17	900,130
Assumption change	01/01/2010	346,986	4	96,055
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,303,736	17	126,673
Assumption change	01/01/2011	1,246,349	5	285,324

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall loss	01/01/2011	1,347,110	5	308,391
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,243,521	17	217,984
Assumption change	01/01/2012	189,776	6	37,410
Actuarial loss	01/01/2012	503,986	6	99,349
Shortfall loss	01/01/2012	527,373	6	103,959
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,786,253	17	173,555
Shortfall loss	01/01/2013	1,325,340	7	231,299
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,497,451	17	145,495
Assumption change	01/01/2013	3,294,566	7	574,971
Shortfall loss	01/01/2014	129,250	8	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,186,983	17	115,329
Assumption change	01/01/2015	199,881	9	28,910
Actuarial loss	01/01/2015	4,076,660	9	589,634
Assumption change	01/01/2016	488	10	66
Actuarial loss	01/01/2016	4,313,087	10	579,210
Actuarial loss	01/01/2017	2,376,213	11	299,153
Shortfall loss	01/01/2018	1,029,121	12	122,424
Actuarial loss	01/01/2018	2,084,703	12	247,996
Assumption change	01/01/2018	3,584,760	12	426,443
Actuarial loss	01/01/2019	2,573,396	13	291,176
Actuarial loss	01/01/2020	935,673	14	Deferred to 2024
Shortfall loss	01/01/2021	2,136,303	15	Deferred to 2024
Total		**$68,045,799**		**$9,833,082**

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1992	$74,694	1	$74,694
Shortfall gain	01/01/2002	57,026	1	57,026
Shortfall gain	01/01/2005	315,246	4	87,268
Plan amendment	01/01/2007	1,711,167	16	171,704
Shortfall gain	01/01/2008	394,232	2	204,011
Shortfall gain	01/01/2009	111,619	3	39,839
Change in asset method	01/01/2009	3,083,771	18	291,021
Shortfall gain	01/01/2010	162,311	4	44,932
Plan amendment	01/01/2010	447,852	4	123,977
Actuarial gain	01/01/2010	2,107,179	4	583,322
Actuarial gain	01/01/2011	1,639,450	5	375,316
Actuarial gain	01/01/2013	1,058,118	7	184,664
Actuarial gain	01/01/2014	26,522	8	4,182
Shortfall gain	01/01/2015	1,372,029	9	198,446
Shortfall gain	01/01/2016	1,952,790	10	262,242
Shortfall gain	01/01/2017	1,941,376	11	244,409
Shortfall gain	01/01/2019	299,163	13	33,850
Shortfall gain	01/01/2020	313,692	14	Deferred to 2024
Actuarial gain	01/01/2021	1,239,898	15	Deferred to 2024
Total		**$18,308,135**		**$2,980,903**

Exhibit H: Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2021.

Item[1]	Number of Participants	Current Liability
Interest rate assumption		2.43%
Retired participants and beneficiaries receiving payments	503	$120,975,510
Inactive vested participants	207	32,173,008
Active participants		
• Non-vested benefits		$4,298,260
• Vested benefits		73,729,543
• Total active	298	78,027,803
Total	**1,008**	**$231,176,321**

Expected increase in current liability due to benefits accruing during the plan year	$3,133,964
Expected release from current liability for the plan year	9,784,962
Expected plan disbursements for the plan year, including administrative expenses of $410,000	10,194,962

Current value of assets	$52,703,080
Percentage funded for Schedule MB	22.79%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit J.

Exhibit I: Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2020 and as of January 1, 2021. In addition, a reconciliation between the two dates follows.

	Benefit Information Date	
	January 1, 2020	**January 1, 2021**
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$81,646,156	$80,358,042
• Other vested benefits	41,371,825	43,478,438
• Total vested benefits	$123,017,981	$123,836,480
Actuarial present value of non-vested accumulated plan benefits	2,392,394	2,116,115
Total actuarial present value of accumulated plan benefits	**$125,410,375**	**$125,952,595**

Factors	**Change in Actuarial Present Value of Accumulated Plan Benefits**
Benefits accumulated, net experience gain or loss, changes in data	$1,315,217
Benefits paid	-9,492,472
Interest	8,719,475
Total	**$542,220**

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.

Retirement Rates	(table below) The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years

Age[1]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2021 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.

[1] If eligible

Section 3: Certificate of Actuarial Valuation

Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$410,000, payable at the beginning of the year, for the year beginning January 1, 2021 (previously, $400,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 (previously, $115,500) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit K*.
Current Liability Assumptions	*Interest:* 2.43%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2019 (previously, the MP-2018 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 8.9%, for the Plan Year ending December 31, 2020 *On current (market) value of assets (Schedule MB, line 6h):* 11.7%, for the Plan Year ending December 31, 2020
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.95% to 2.43% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was increased from $400,000 to $410,000 for the plan year beginning January 1, 2021.

Exhibit K: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Normal Pension	• *Age and Service Requirements:* 62 years with 5 years of participation • *Amount:* $80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $40 for each pension credit earned through December 31, 2013. Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

	The accrual rates for the 2014-2021 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	$75 per Credit
2016	$80 per Credit
2017 – 2018	$95 per Credit
2019	$85 per Credit
2020	$95 per Credit
2021	$85 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.*, "Commercial") Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability

- *Age Requirement:* None
- *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability.
- *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter.
- *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005.

For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced.

	• *Occupational Disability Pension Amount:* Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.
Vesting	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits • *Amount:* Normal or early pension accrued based on plan in effect when last active. • *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • *Service Requirement:* Five vesting credits • *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	• *Joint and Survivor:* If the participant is married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.
Automatic Benefit Forms	• *Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• *Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.*, 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.

Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	$15.56 per hour effective July 1, 2020, plus a Reserve Fund contribution of $0.21. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2021 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2022

Segal

Segal

116 Huntington Ave., Suite 901
Boston, MA 02116-5749
segalco.com
T 617.424.7300

March 13, 2023

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
c/o Zenith American Solutions, Inc.
8 Fairfield Blvd, Suite 105
P.O. Box 5817
Wallingford, CT 06492-7617

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2022. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by Zenith American Solutions, Inc. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Kathleen A. Riley, FSA, MAAA, EA.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal

By:

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary

Joshua D. Timm, CEBS
Senior Vice President and Benefits Consultant

cc: Zenith American Solutions, Inc.
Kaitlyn Legassey, Esq.
Gerard J. Frame, CPA

Table of Contents

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing plan.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, the actual cost of a plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

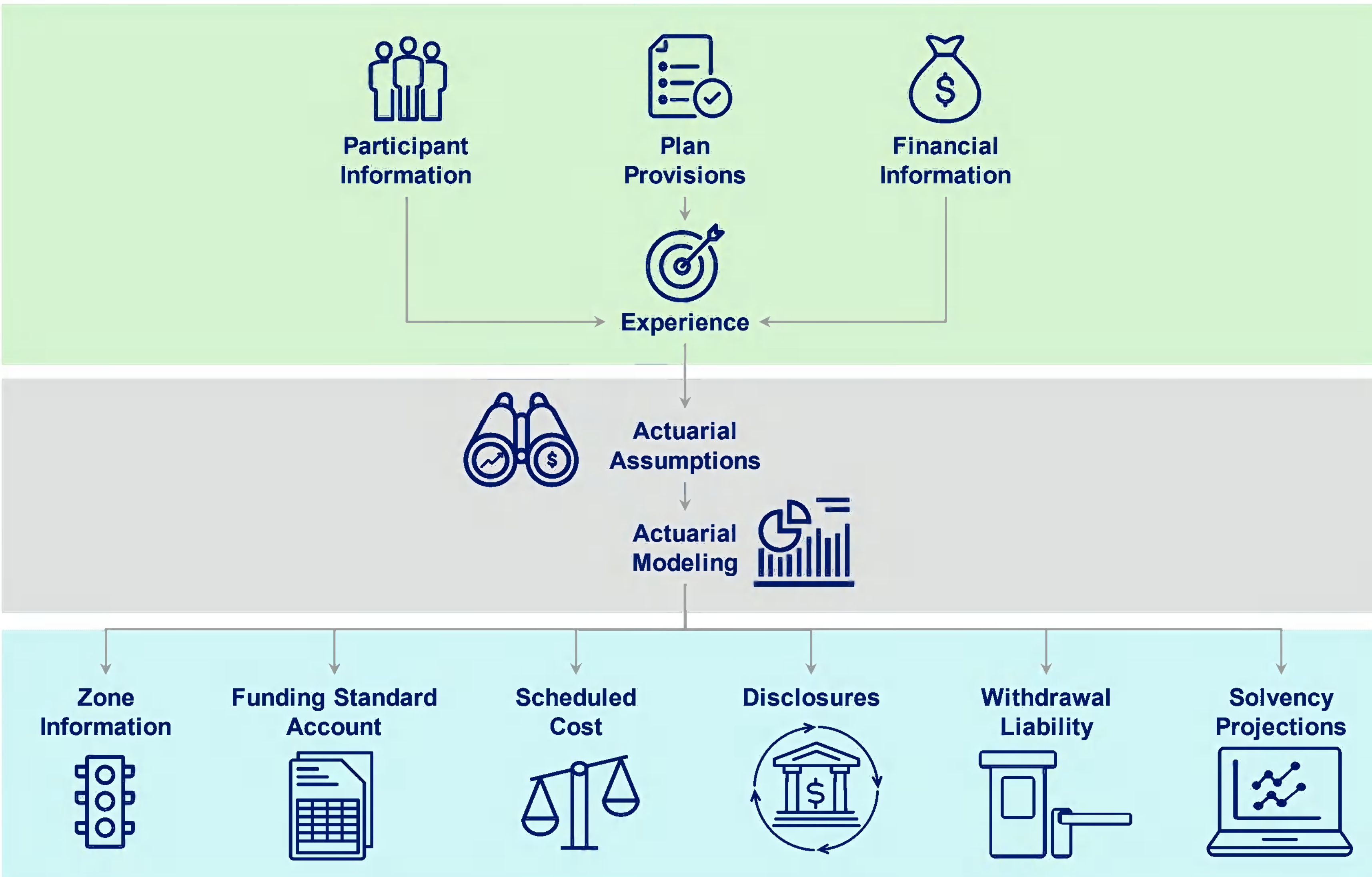
	Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
	Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
	Financial Information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
	Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Actuarial valuation overview



Section 1: Trustee Summary

Summary of key valuation results

Plan Year Beginning		January 1, 2021	January 1, 2022
Certified Zone Status		***Critical***	***Critical***
Demographic Data:	• Number of active participants	298	285
	• Number of inactive participants with vested rights	207	217
	• Number of retired participants and beneficiaries	503	490
	• Total number of participants	1,008	992
	• Participant ratio: non-active to actives	2.38	2.48
Assets:	• Market value of assets (MVA)	$52,703,080	$57,390,949
	• Actuarial value of assets (AVA)	49,886,702	51,935,239
	• Market value net investment return, prior year	11.82%	15.82%
	• Actuarial value net investment return, prior year	9.00%	11.23%
Actuarial Liabilities[1]:	• Valuation interest rate	7.25%	7.25%
	• Normal cost, including administrative expenses[2]	$1,820,871	$1,700,771
	• Actuarial accrued liability	125,952,595	125,891,550
	• Unfunded actuarial accrued liability	76,065,893	73,956,311
Funded Percentages:	• Actuarial accrued liabilities under unit credit method	$125,952,595	$125,891,550
	• MVA funded percentage	41.8%	45.6%
	• AVA funded percentage (PPA basis)	39.6%	41.3%
Statutory Funding Information:	• Funding deficiency at the end of prior plan year	-$26,328,229	-$29,521,229
	• Minimum required contribution	37,538,872	40,784,223
	• Maximum deductible contribution	280,083,524	281,768,284

[1] Based on Unit Credit actuarial cost method used for Funding Standard Account.
[2] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

This January 1, 2022 actuarial valuation report is based on financial and demographic information as of that date. The Plan's actuarial status does not reflect short-term fluctuations of the financial markets or employment levels, but rather is based on the market value of assets on the last day of the Plan Year. While it is impossible to determine how economic conditions will change in the future, Segal is available to prepare projections of potential outcomes upon request. This report does not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA). We continue to monitor the impact, if any, of ARPA on the Plan. The current year's actuarial valuation results follow.

A. Developments since last valuation

The following are developments since the last valuation, from January 1, 2021 to January 1, 2022.

1. *Participant demographics:* The number of active participants decreased 4.4% from 298 to 285. The ratio of non-active to active participants, which is one measure of plan maturity, increased from 2.38 to 2.48.
2. *Plan assets:* The net investment return on the market value of assets was 15.82%. For comparison, the assumed rate of return on plan assets over the long term is 7.25%. The net investment return on the actuarial value of assets, which reflects smoothing of prior year gains and losses, was 11.23%. The calculation of the actuarial value of assets for the current plan year can be found in Section 2 and the change in the market value of assets over the last two plan years can be found in Section 3.
3. *Cash flows:* Cash inflow includes contributions and cash outflow includes benefits paid to participants and administrative expenses. In the plan year ending December 31, 2021, the plan had a net cash outflow of $3.3 million, or about -5.8% of assets on a market value basis.
4. *Assumption changes:* No assumption changes were made since the last valuation.
5. *Contribution rates:* The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate used for 2022 and later was estimated with the prior valuation to be $14.75 plus the Reserve Fund contribution.
6. *Rehabilitation plan:* On December 14, 2021, the Trustees reviewed the updated Rehabilitation plan from 2020. Based on available information as of October 31, 2021, contributions were expected to fall short of the assumption of 500,000 hours and investment performance (13.94% through October 31, 2021) was expected to exceed the assumption of 7.25%. Based on this review, the Trustees determined that the Plan was making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

On December 14, 2022, the Trustees reviewed the updated Rehabilitation plan from 2021. Based on available information as of October 31, 2022, contributions were expected to fall short of the assumption of 500,000 hours and investment performance (-10.21% through October 31, 2022) was expected to fall short of the assumption of 7.25%. Based on this review, the Trustees determined that the Plan is not expected to emerge from Critical Status and removed the expected emergence date from the Annual Standards in the Rehabilitation Plan. The updated Rehabilitation Plan noted that if all assumptions are met in 2023 and later years, including the 500,000 hours employment assumption and the investment return assumption of 7.25%, the Plan is not projected to become insolvent.

B. Actuarial valuation results

The following commentary applies to various funding measures for the current plan year.

1. *Zone status:* The Plan was certified to be in critical status under the Pension Protection Act of 2006 (PPA) for the current plan year, in other words, the Plan is in the "Red Zone." This certification result is due to the fact that the funded percentage was 41.2% and there was a deficiency in the FSA. The projection was based on the Trustees' revised industry activity assumption that the active population will remain level and, on average, contributions will be made for a total of 500,000 hours in 2022 and later years. The Trustees will review the employment assumption again in 2023 when hours for 2022 are known.
2. *Funded percentages:* The funded percentage that will be reported on the Plan's annual funding notice increased from 39.6% as of December 31, 2020 to 41.3% as of December 31, 2021. Please note that there are different measurements of funded percentage for different purposes. More information can be found in Section 2.
3. *Funding Standard Account:* During the last Plan Year, the funding deficiency increased from $26.3 million to $29.5 million. The increase in the funding deficiency was due to the fact that the net charges in the FSA exceeded contributions for the plan year. For the current plan year, the minimum required contribution is $40.78 million, compared with $7.48 million in expected contributions.
4. *Scheduled Cost:* Scheduled Cost for the plan year is the sum of normal cost (the cost of benefit accruals plus administrative expenses) and an amortization of the unfunded liability. For the current plan year, there is a $2.3 million deficit between expected contributions and Scheduled Cost, or about $4.55 per hour. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years.
5. *Withdrawal liability:* The unfunded vested benefits is $66.7 million as of December 31, 2021, which is used for determining employer withdrawal liability for the plan year beginning January 1, 2022. The unfunded vested benefits decreased from $71.2 million for the prior year, due mainly to positive investment performance.

6. *Funding concerns:* The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The actions already taken to address this issue include the adoption of a Rehabilitation Plan, which began January 1, 2011, the merger discussions with the Sheet Metal Workers' National Pension Plan, and the decision to apply for Special Financial Assistance. We will continue working with the Trustees to evaluate and monitor all options.

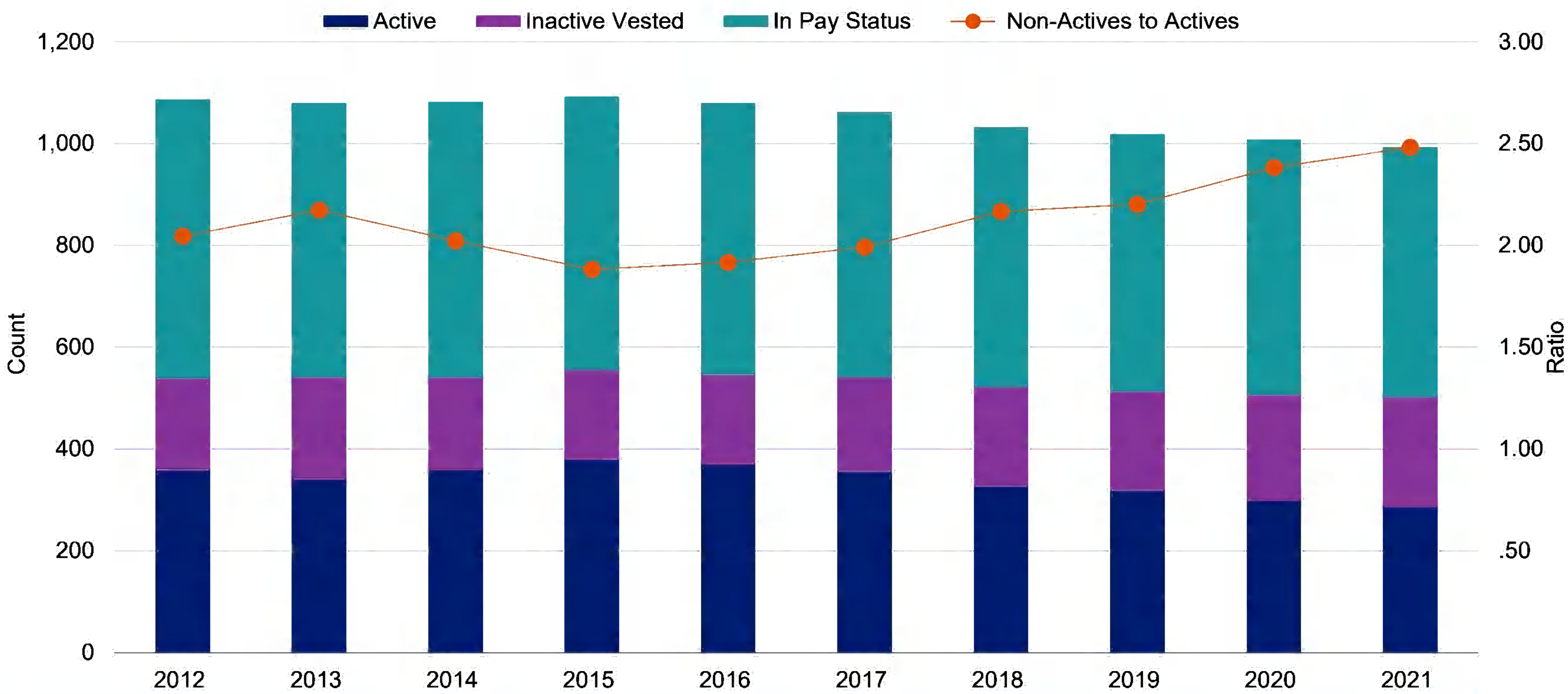
C. Projections and risk

1. *Importance of projections:* Most of the results included in this valuation report are snapshot measurements, showing the Plan's status as of the valuation date. In addition to understanding the Plan's current status, it is also important to understand where the plan is headed through actuarial projections. Projections may evaluate various metrics, such as funded percentage, Funding Standard Account, zone status, cash flows and solvency.
2. *Baseline projections:* If participants work 500,000 hours in 2022 and beyond and assuming the assets return the 7.25% assumption, the credit balance is expected to become positive at the end of the 2050 Plan Year. This projection is based on an $80 accrual rate in 2022, an $85 accrual rate in 2023 and a $90 accrual rate in 2024 and later.
3. *Understanding risk:* Projections can also help the Trustees understand the sensitivity of future results to various risk factors, such as investment volatility or changes in future contributions. For example, if future investment returns are less than the actuarial assumption, or future contributions are less than projected, the Plan may not meet its funding objectives or may face eventual insolvency. See Section 2 for a general discussion on the risks facing the Plan, and how they might be better evaluated, understood and addressed.
   A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling. A detailed risk assessment could be important for your Plan because:
   - The outlook for financial markets and future industry activity is uncertain.
   - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
   - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
   - The Trustees have not had a detailed risk assessment.

Section 2: Actuarial Valuation Results

Participant information

Population as of December 31



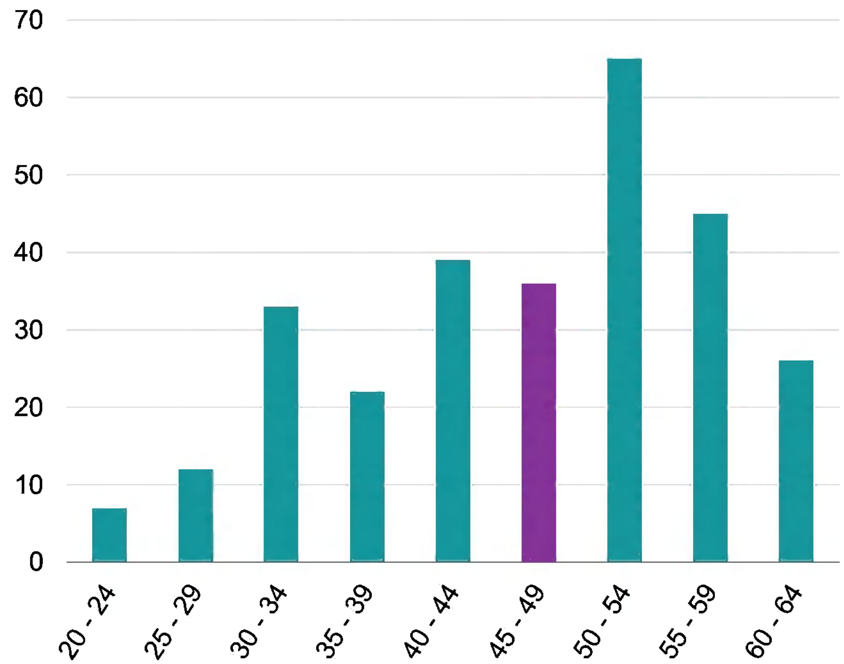
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
In Pay Status	549	539	542	537	533	521	510	506	503	490
Inactive Vested	181	200	182	176	176	186	196	194	207	217
Active	357	340	358	379	370	355	326	318	298	285
Ratio	2.04	2.17	2.02	1.88	1.92	1.99	2.17	2.20	2.38	2.48

Active participants

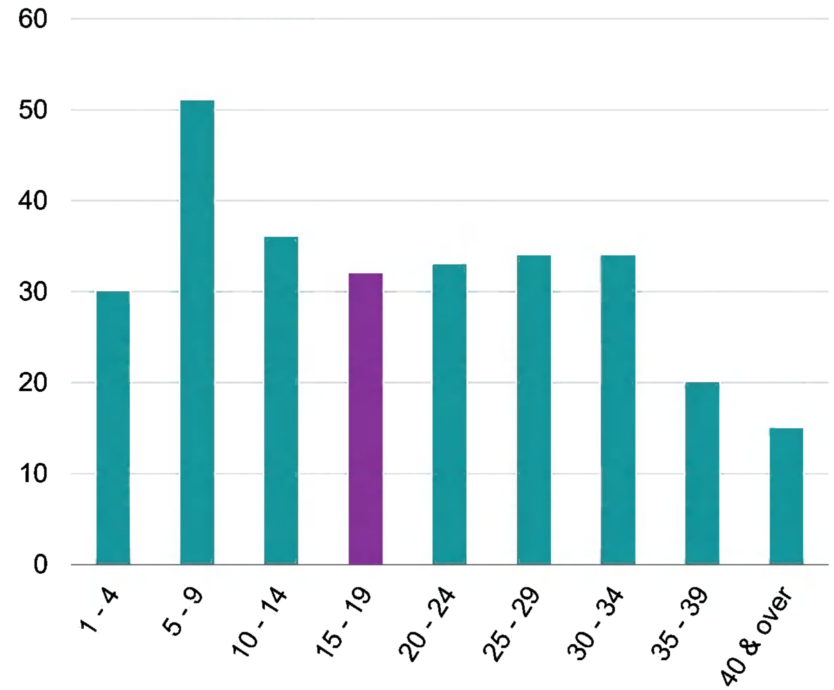
As of December 31,	2020	2021	Change
Active participants	298	285	-4.4%
Average age	46.5	46.9	0.4
Average pension credits	19.6	19.8	0.2

Distribution of Active Participants as of December 31, 2021

by Age

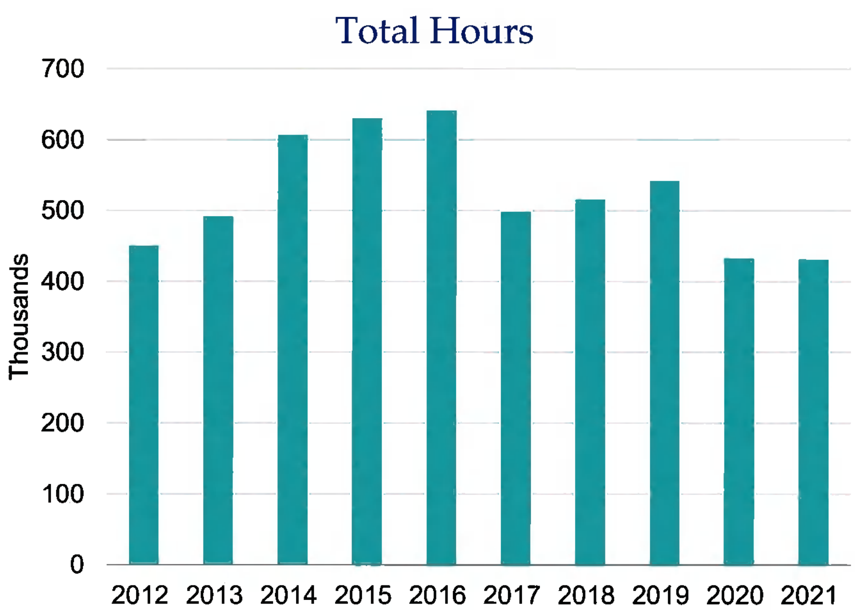


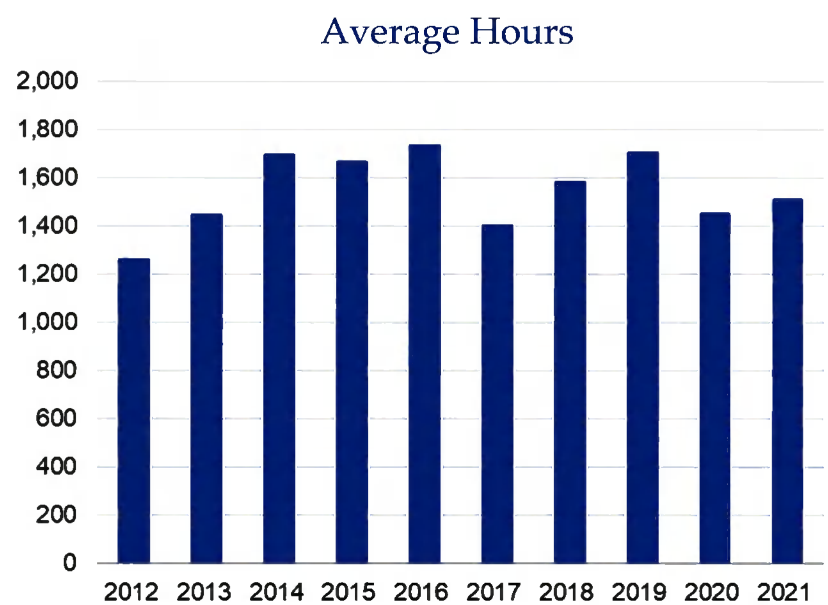
by Pension Credits



Historical employment

- The 2022 zone certification was based on an industry activity assumption of 500,000 total hours worked.
- The valuation is based on 285 actives and a long-term employment projection of 500,000 total hours worked.
- The Trustees will review the employment assumption again in 2023 when hours for 2022 are known.





	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	5-year average	10-year average
Total Hours[1]	450.50	491.65	607.36	630.49	641.61	498.40	515.66	541.59	432.52	430.89	483.81	524.07
Average Hours	1,262	1,446	1,697	1,664	1,734	1,404	1,582	1,703	1,451	1,512	1,530	1,545

[1] In thousands

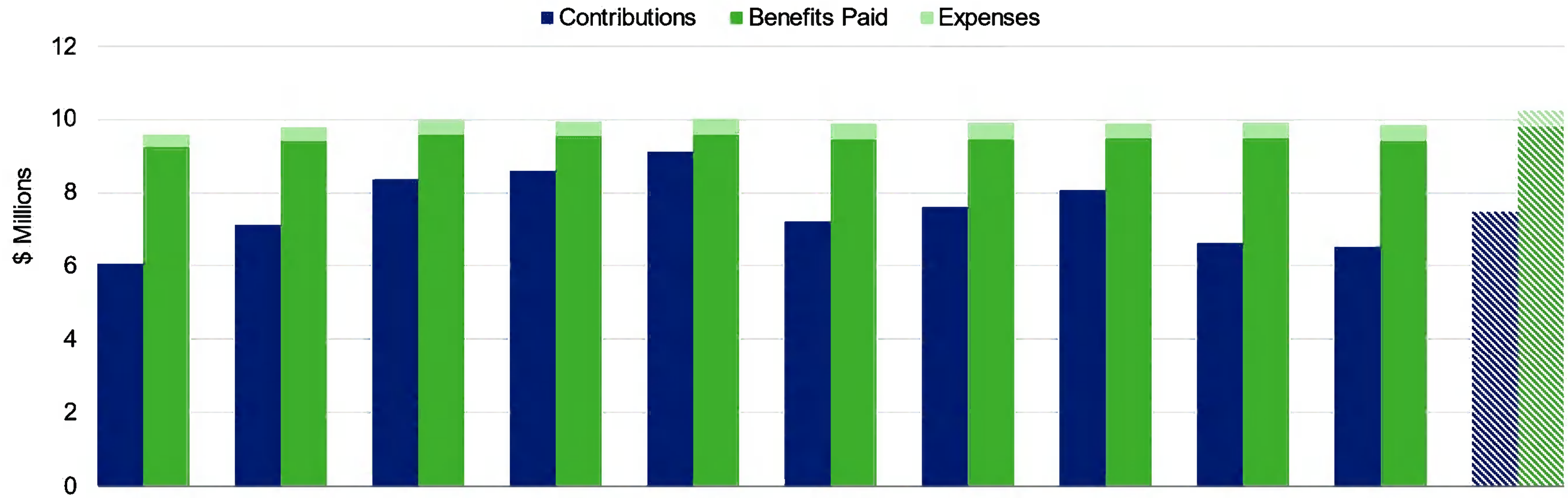
Pay status information

As of December 31,	2020	2021	Change
Pensioners	390	382	-2.1%
Average age	73.8	74.6	0.8
Average amount	$1,855	$1,876	1.1%
Beneficiaries	113	108	-4.4%
Total monthly amount	$784,891	$777,100	-1.0%

Financial information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 1.5 times contributions.

Cash Flow



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 [1]
Contributions[2]	$6.07	$7.10	$8.36	$8.59	$9.11	$7.22	$7.62	$8.08	$6.64	$6.52	$7.48
Benefits Paid[2]	9.24	9.40	9.59	9.54	9.57	9.46	9.46	9.47	9.49	9.43	9.82
Expenses[2]	0.33	0.36	0.40	0.40	0.43	0.42	0.45	0.41	0.40	0.40	0.41

[1] Projected
[2] In millions

Determination of actuarial value of assets

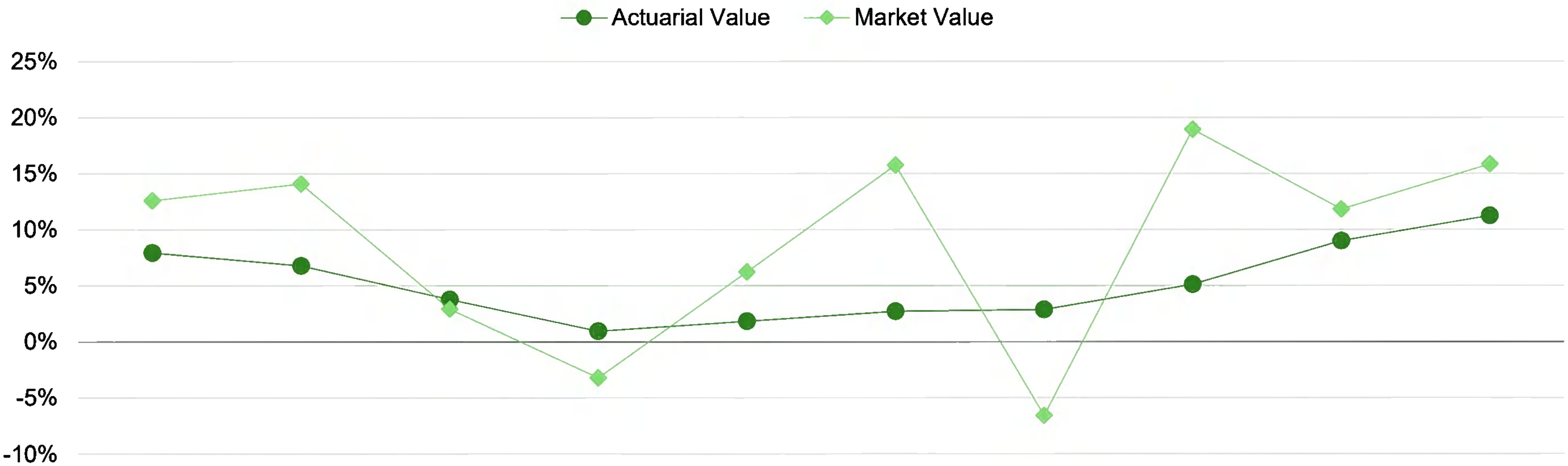
1	Market value of assets, December 31, 2021				$57,390,949
2	Calculation of unrecognized return		Original Amount[1]	Unrecognized Return[2]	
	(a)	Year ended December 31, 2021	$4,335,360	$3,468,288	
	(b)	Year ended December 31, 2020	2,201,710	1,321,026	
	(c)	Year ended December 31, 2019	4,971,266	1,988,506	
	(d)	Year ended December 31, 2018	-6,610,553	-1,322,111	
	(e)	Year ended December 31, 2017	3,582,360	0	
	(f)	Total unrecognized return			5,455,710
3	Preliminary actuarial value: 1 - 2f				51,935,239
4	Adjustment to be within 20% corridor				0
5	Final actuarial value of assets as of December 31, 2021: 3 + 4				51,935,239
6	Actuarial value as a percentage of market value: 5 ÷ 1				90.5%
7	Amount deferred for future recognition: 1 - 5				$5,455,710

[1] Total return minus expected return on a market value basis.
[2] Recognition at 20% per year over five years.

Historical investment returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.25% considers the Trustees' asset allocation policy and future expectations. We will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.

Market Value and Actuarial Rates of Return for Years Ended December 31



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
AVA	7.93%	6.78%	3.76%	0.96%	1.83%	2.72%	2.87%	5.12%	9.00%	11.23%
MVA	12.60%	14.08%	2.92%	-3.21%	6.23%	15.75%	-6.59%	18.93%	11.82%	15.82%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	6.17%	10.94%
Ten-year average return:	5.17%	8.69%

Actuarial experience

- Assumptions should consider experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.
- Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is expected to continue, assumptions are changed.

Experience for the Year Ended December 31, 2021

1	Gain from investments	$1,900,215
2	Gain from administrative expenses	27,302
3	Net gain from other experience (0.7% of projected accrued liability)	917,803
4	**Net experience gain: 1 + 2 + 3**	**$2,845,320**

Investment experience

Gain from Investments

1	Average actuarial value of assets	$47,758,481
2	Assumed rate of return	7.25%
3	Expected net investment income: 1 x 2	$3,462,490
4	Net investment income (11.23% actual rate of return)	5,362,705
5	**Actuarial gain from investments: 4 – 3**	**$1,900,215**

Administrative expenses

- Administrative expenses for the year ended December 31, 2021 totaled $399,322, as compared to the assumption of $410,000.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners and beneficiaries over the past 5 years was 24.8 per year compared to 22.4 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.4 per year compared to 0.9 projected deaths per year.

Other experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected) and the number of disability retirements.

Actuarial assumptions

- There were no changes in assumptions since the prior valuation.
- Details on actuarial assumptions and methods are in Section 3.

Plan provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in Section 3.

Contribution rates

- There were no changes in contribution rates since the prior valuation.
- The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate used for 2022 and later was estimated with the prior valuation to be $14.75 plus the Reserve Fund contribution.

Plan funding

Comparison of Funded Percentages

Plan Year Beginning	January 1, 2021		January 1, 2022	
Market Value of Assets	**$52,703,080**		**$57,390,949**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• Present value (PV) of future benefits	$136,415,981	38.6%	$135,450,429	42.4%
• Actuarial accrued liability[1]	125,952,595	41.8%	125,891,550	45.6%
• PV of accumulated plan benefits (PVAB)	125,952,595	41.8%	125,891,550	45.6%
PV of vested benefits for withdrawal liability[2]	123,952,396	42.5%	124,060,858	46.3%
• Current liability interest rate	2.43%		2.22%	
• Current liability	$231,176,321	22.8%	$234,594,486	24.5%
Actuarial Value of Assets	**$49,886,702**		**$51,935,239**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• PV of future benefits	$136,415,981	36.6%	$135,450,429	38.3%
• Actuarial accrued liability[1]	125,952,595	39.6%	125,891,550	41.3%
• PPA'06 liability and annual funding notice	125,952,595	39.6%	125,891,550	41.3%

These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. The funded percentages based on the actuarial value of assets would be different if they were based on the market value of assets.

[1] Based on Unit Credit actuarial cost method used for Scheduled Cost

[2] The present value of vested benefits for withdrawal liability purposes is based on the blended interest rate and other assumptions described later in this section.

Pension Protection Act of 2006

2022 Actuarial status certification

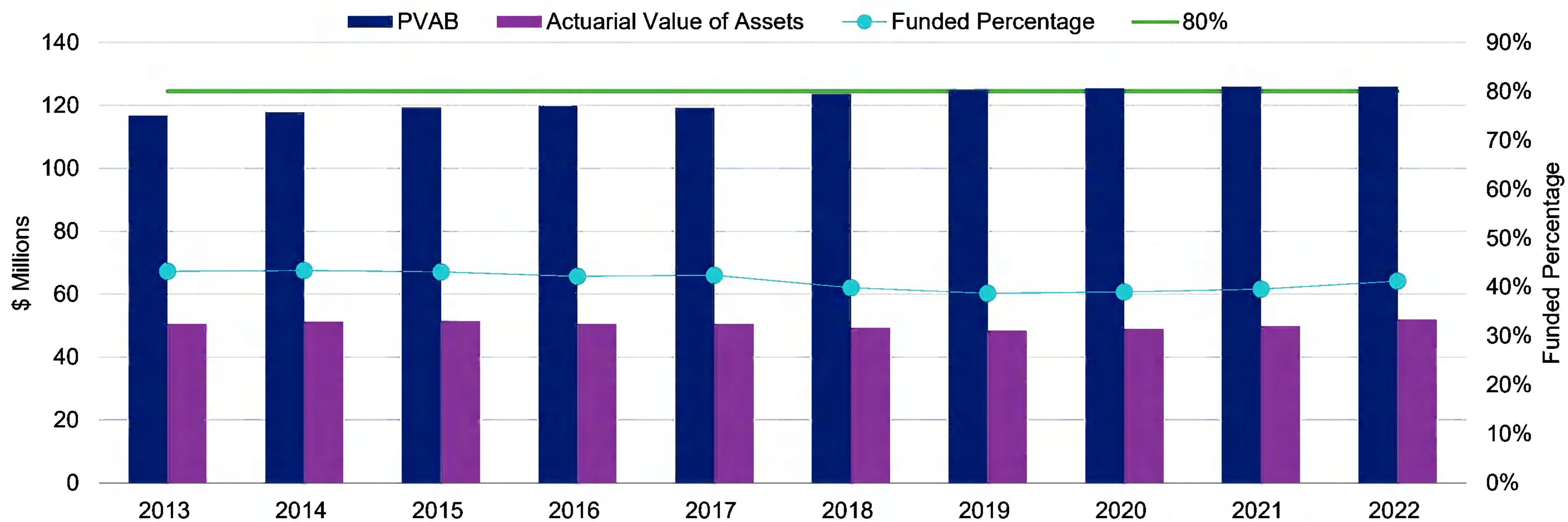
- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively.
- As reported in the 2022 certification, this Plan was classified as critical (in the Red Zone) but is not critical and declining because the funded percentage was less than 41.2% and there was a deficiency in the FSA.
- In addition, the Plan was reported as making scheduled progress in meeting its rehabilitation plan.

Rehabilitation Plan

- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The Rehabilitation Plan was reviewed on December 14, 2021 and December 14, 2022.
- As of the December 14, 2021 update, the Plan was expected to emerge from Critical Status by the end of the 2065 Plan Year. However, as of the December 14, 2022 update, the Plan was not expected to emerge from Critical Status.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

Pension Protection Act of 2006 historical information

Funded Percentage and Zone



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Zone Status	**Red**	**Red**	**Red**	**Red**	**Red**	**Red**	**Red**	**Red**	**Red**	**Red**
PVAB[1]	$116.79	$117.83	$119.31	$119.75	$119.26	$123.57	$124.72	$125.41	$125.95	$125.89
AVA[1]	50.50	51.18	51.44	50.58	50.60	49.26	48.34	48.93	49.89	51.94
Funded %	43.2%	43.4%	43.1%	42.2%	42.4%	39.9%	38.8%	39.0%	39.6%	41.3%

[1] In millions

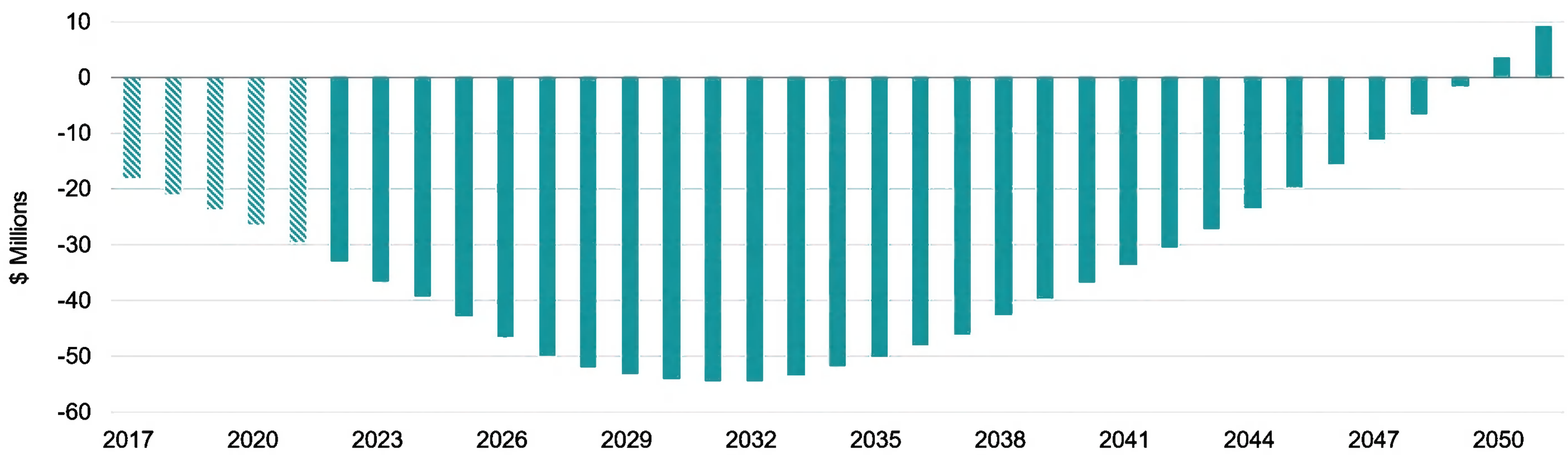
Projections

- The projections on the following pages assume the following, unless otherwise noted:
  - The Plan will earn a market rate of return equal to 7.25% each year.
  - Industry activity is based on the Trustees' assumption of 500,000 hours per year and an average contribution rate of $14.96 for each year.
  - Administrative expenses are projected to increase 2.5% per year.
  - There are no plan amendments or changes in law/regulation.
  - All other experience emerges as assumed, and no assumption changes are made.
  - The Normal Cost was determined based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels.
- The projections in this valuation illustrate the potential future impact of one given set of assumptions. Additional scenarios would demonstrate sensitivity to risk from investment return, employment and other factors.

Funding Standard Account (FSA)

- The minimum funding requirement for the year beginning January 1, 2022 is $40,784,223.
- Based on the assumption that participants will work a total of 500,000 hours at a $14.96 average contribution rate, the contributions projected for the year beginning January 1, 2022 are $7,480,000. The credit balance is projected to decrease by approximately $3,543,440 to -$33,055,669 as of December 31, 2022.
- A 40-year projection indicates the credit balance will become positive by December 31, 2050 based on the assumptions detailed on the prior page.

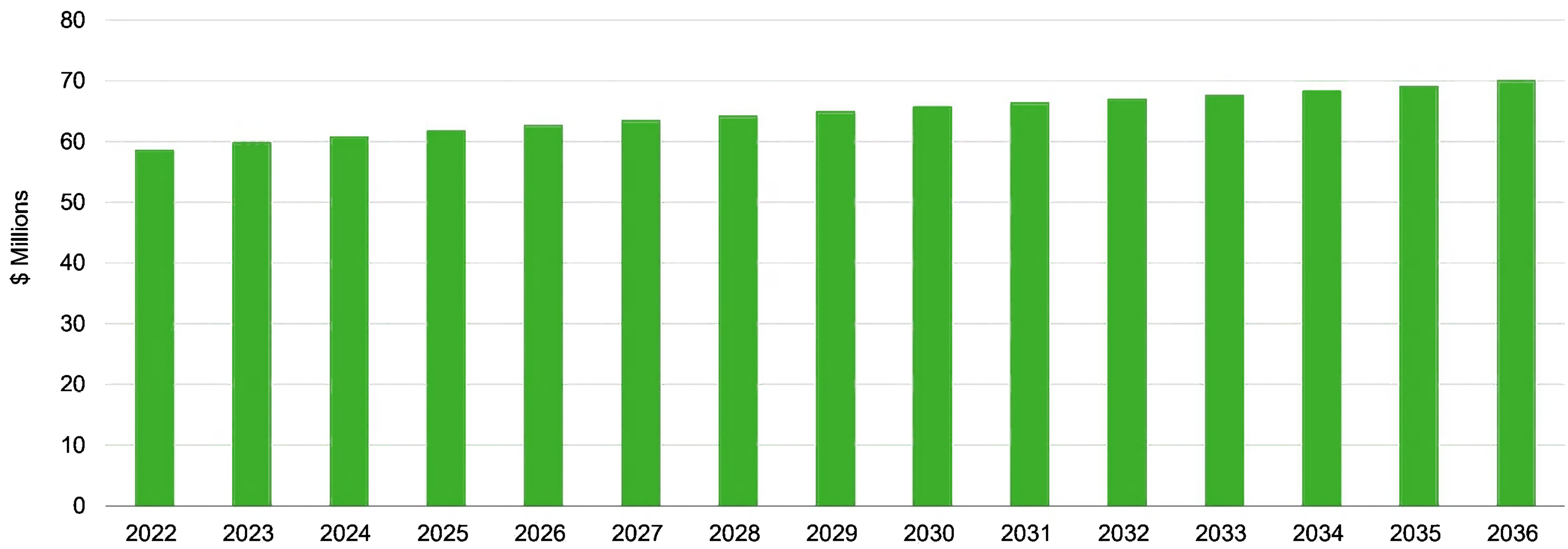
Credit Balance as of December 31



Solvency projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due.
- Based on this valuation, the Plan is not projected to become insolvent.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumption.

Projected Assets as of December 31



Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets that is compared to projected contributions to assess the Plan's long-term financial position. Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization adopted by the Trustees is held constant at 15 years.

Scheduled Cost

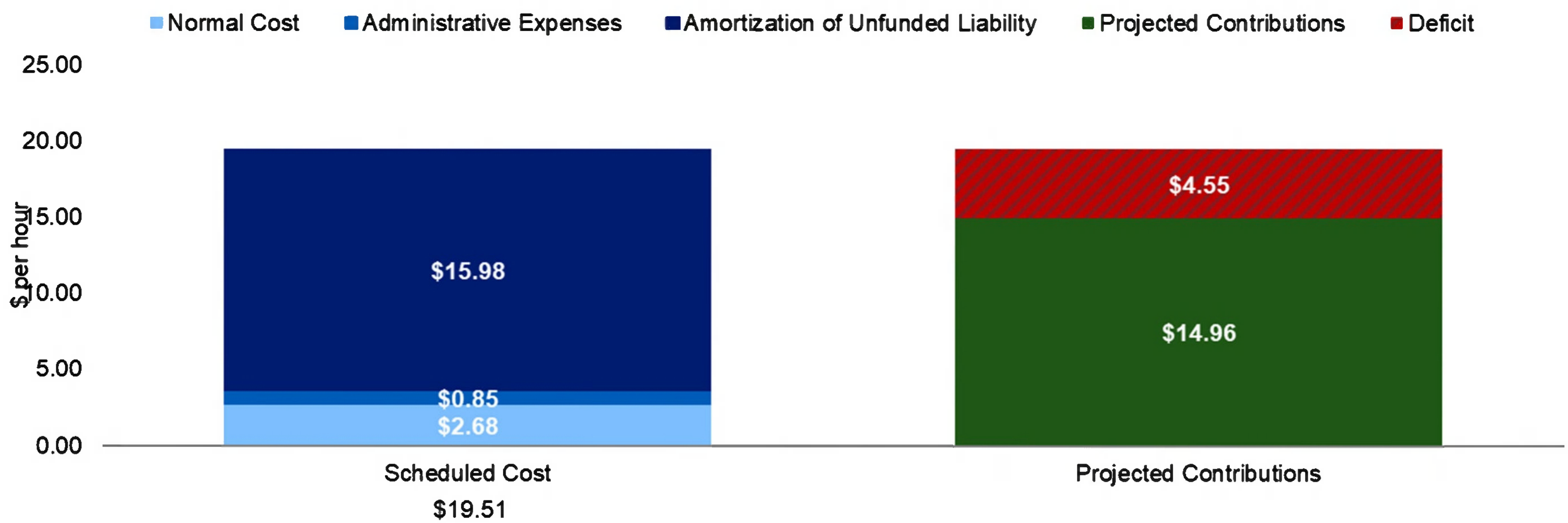
	Year Beginning January 1	
Cost Element	**2021**	**2022**
Normal cost[1]	$1,465,091	$1,340,375
Administrative expenses[1]	425,756	425,756
Amortization of the unfunded actuarial accrued liability[1]	8,214,472	7,986,655
• Actuarial accrued liability	125,952,595	125,891,550
• Actuarial value of assets	49,886,702	51,935,239
• Unfunded actuarial accrued liability	76,065,893	73,956,311
• Amortization period	15	15
Annual Scheduled Cost, payable monthly	**$10,105,319**	**$9,752,786**
Projected contributions[2]	7,480,000	7,480,000
• Total hours assumption	500,000	500,000
• Ultimate negotiated contribution rate	$14.96	$14.96
Margin/(deficit)	**-$2,625,319**	**-$2,272,786**
Margin/(deficit) as a % of projected contributions	-35.1%	-30.4%

[1] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. Includes adjustment for monthly payments

[2] The contribution rates include the Reserve Fund contribution.

Scheduled Cost margin/deficit

- The margin or deficit is represented by the difference between projected contributions at the average negotiated contribution rate and the Scheduled Cost.



- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be $1,683,616 ($3.37 per hour, or 22.5% of projected contributions).

Scheduled Cost reconciliation

Scheduled Cost as of January 1, 2021		$10,105,319
• Effect of frozen amortization period	-$324,420	
• Effect of contributions less than Scheduled Cost	414,143	
• Effect of investment gain	-213,543	
• Effect of other gains and losses on accrued liability	-103,997	
• Effect of net other changes, including composition and number of participants	-124,716	
Total change		-352,533
Scheduled Cost as of January 1, 2022		$9,752,786

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- Economic Shock Risk. Potential implications for the Plan due to the effects of the COVID-19 pandemic (that were not reflected as of the valuation date) include:
  - Volatile financial markets and investment returns lower than assumed.
  - Short-term or long-term employment far different than past experience, including a projected rate of recovery and possible "new normal" long-term state.
  - Changes in future demographic experience, such as retirement, disability, turnover, and mortality patterns.
- Investment Risk (the risk that returns will be different than expected)

  As can be seen in Section 2, the market value rate of return over the last 10 years ended December 31, 2021 has ranged from a low of -6.59% to a high of 18.93%.
- Contribution Risk (the risk that actual contributions will be different from projected contributions)

  During the past 10 years, hours have ranged from a high of 642,000 hours to a low of 431,000 hours.
- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the required contribution.
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply. While it is difficult to quantify the impact of potential experience, earlier retirements would generally result in higher costs for your plan.
  - More or less active participant turnover than assumed. Lower turnover would generally result in higher costs for your Plan.
  - Return to covered employment of previously inactive participants. More rehires would generally result in higher costs for your Plan.

Section 2: Actuarial Valuation Results

- Actual Experience over the Last Ten Years

  Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years ended December 31, 2021:

  - The investment gain (loss) on market value for a year has ranged from a loss of $6,610,553 to a gain of $4,971,266.
  - The non-investment gain (loss) for a year has ranged from a loss of $1,190,158 to a gain of $945,105.
  - The funded percentage for PPA purposes has ranged from a low of 38.8% in 2019 to a high of 43.4% in 2014.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

  - Over the past ten years ended December 31, 2021, the ratio of non-active participants to active participants has increased from a low of 1.88 in 2015 to a high of 2.48 in 2021.
  - As of December 31, 2021, the retired life actuarial accrued liability represents 62% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 12% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.
  - Benefits and administrative expenses less contributions totaled $3,314,168 as of December 31, 2021, 5.8% of the market value of assets. The Plan is dependent upon investment returns in order to pay a portion of benefits.

- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan. For example, legislative proposals in 2018 and later showed that Congress continues to consider possible changes to funding requirements for multiemployer plans (such as changes to the zone rules) and increases in PBGC premiums.

- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling.

- A detailed risk assessment could be important for your Plan because:

  - The outlook for financial markets and future industry activity is uncertain.
  - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
  - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
  - The Trustees have not had a detailed risk assessment.

Withdrawal liability

- As of December 31, 2021, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $123,960,505.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $124,060,858.

		December 31	
		2020	**2021**
1	Present value of vested benefits (PVVB) measured as of the valuation date	$123,823,421	$123,960,505
2	Unamortized value of Affected Benefits Pools	128,975	100,353
3	Total present value of vested benefits: **1 + 2**	$123,952,396	$124,060,858
4	Market value of assets	52,703,080	57,390,949
5	Unfunded present value of vested benefits (UVB): **3 - 4**, not less than $0	$71,249,316	$66,669,909

Withdrawal liability assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2022 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2022 are described in Section 3 of this report and are reasonable to determine withdrawal liability.

Summary of PPA'06 zone status rules

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the "zones" described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

Critical Status (*Red Zone*)	A plan is classified as being in critical status (the Red Zone) if: • The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or • There is a projected FSA deficiency within four years, or • There is a projected inability to pay benefits within five years, or • The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or • As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status. A critical status plan is further classified as being in critical and declining status if: • The ratio of inactive participants to active participants is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or • The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or • There is an inability to pay benefits projected within 15 years. Any amortization extensions are ignored for testing initial entry into the *Red Zone*. The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency. Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within ten years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.

Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone.*

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years may elect whether or not to enter the *Red Zone* for the current year.

Section 3: Certificate of Actuarial Valuation

February 17, 2023

Certificate of Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2022 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit J.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the Plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the Plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 20-4134

Exhibit A: Table of Plan Coverage

The valuation was made with respect to the following data supplied to us by the Plan Administrator.

Category	Year Ended December 31 2020	Year Ended December 31 2021	Change from Prior Year
Active participants in valuation:			
• Number[1]	298	285	-4.4%
• Average age	46.5	46.9	0.4
• Average pension credits	19.6	19.8	0.2
• Average contribution rate as of the valuation date[2]	$14.96	$14.96	0.0%
• Total active vested participants	263	255	-3.0%
Inactive participants with rights to a pension:			
• Number	202	211	4.5%
• Average age	49.2	50.0	0.8
• Average monthly benefit	$968	$1,023	5.7%
• Beneficiaries with rights to deferred payments	5	6	20.0%
Pensioners:			
• Number in pay status	390	382	-2.1%
• Average age	73.8	74.6	0.8
• Average monthly benefit	$1,855	$1,876	1.1%
Beneficiaries:			
• Number in pay status	113	108	-4.4%
• Average age	79.4	79.8	0.4
• Average monthly benefit	$545	$560	2.8%
Total participants	**1,008**	**992**	**-1.6%**

[1] The active count excludes 13 employees who were either not participants as of December 31, 2021 (participation is granted after working 1,000 hours in a 12 month period) or had less than 100 hours worked in 2021. There were 12 employees who were excluded as of December 31, 2020.
[2] The contribution rates include the Reserve Fund contribution for 2020 and 2021.

Exhibit B: Actuarial Factors for Minimum Funding

		2020		2021
Interest rate assumption		7.25%		7.25%
Normal cost, including administrative expenses		$1,820,871		$1,700,771
Actuarial accrued liability		**$125,952,595**		**$125,891,550**
• Pensioners and beneficiaries	$80,358,042		$78,058,831	
• Inactive participants with vested rights	13,069,001		15,163,969	
• Active participants	32,525,552		32,668,750	
Actuarial value of assets (AVA)		$49,886,702		$51,935,239
Market value as reported in the draft financial statements		52,703,080		57,390,949
Unfunded actuarial accrued liability based on AVA		76,065,893		73,956,311

Note:
An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

Exhibit C: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2020		Year Ended December 31, 2021	
Contribution income:		**$6,635,834**		**$6,515,421**
Investment income:				
• Interest and dividends	$815,646		$1,617,432	
• Capital appreciation/(depreciation)	5,089,796		6,631,580	
• Less investment fees	-212,024		-246,975	
Net investment income		*5,693,418*		*8,002,037*
Total income available for benefits		**$12,329,252**		**$14,517,458**
Less benefit payments and expenses:				
• Pension benefits	-$9,492,472		-$9,430,267	
• Administrative expenses	-403,081		-399,322	
Total benefit payments and expenses		*-$9,895,553*		*-$9,829,589*
Market value of assets		**$52,703,080**		**$57,390,949**

Exhibit D: Information on Plan Status as of January 1, 2022

Plan status (as certified on March 31, 2022, for the 2022 zone certification)	***Critical***
Scheduled progress (as certified on March 31, 2022, for the 2022 zone certification)	***Yes***
Actuarial value of assets for FSA	$51,935,239
Accrued liability under unit credit cost method	125,891,550
Funded percentage for monitoring plan's status	41.3%
Year plan projected to emerge	2050

Annual Funding Notice for Plan Year Beginning January 1, 2022 and Ending December 31, 2022

	2022 Plan Year	2021 Plan Year	2020 Plan Year
Actuarial valuation date	January 1, 2022	January 1, 2021	January 1, 2020
Funded percentage	41.3%	39.6%	39.0%
Value of assets	$51,935,239	$49,886,702	$48,933,961
Value of liabilities	125,891,550	125,952,595	125,410,375
Market value of assets as of Plan Year end	Not available	57,390,949	52,703,080

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2021. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. The Rehabilitation Plan is reviewed annually and has been updated several times. The update adopted December 18, 2018 extended the emergence from Critical Status to the end of the 2065 Plan Year.

Exhibit E: Schedule of Projection of Expected Benefit Payments

(Schedule MB, Line 8b(1))

Plan Year	Expected Annual Benefit Payments
2022	$9,712,936
2023	9,867,570
2024	10,133,586
2025	10,177,189
2026	10,289,468
2027	10,402,233
2028	10,420,400
2029	10,384,725
2030	10,324,142
2031	10,373,463

This assumes the following:

- No additional benefits will be accrued.
- Experience is in line with valuation assumptions.
- No new entrants are covered by the plan.

Exhibit F: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2021.

		Pension Credits								
Age	**Total**	**1 - 4**	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	7	4	3	–	–	–	–	–	–	–
25 - 29	12	8	4	–	–	–	–	–	–	–
30 - 34	33	8	13	10	2	–	–	–	–	–
35 - 39	22	2	12	4	2	2	–	–	–	–
40 - 44	39	3	9	5	9	7	5	1	–	–
45 - 49	36	4	2	4	5	8	8	5	–	–
50 - 54	65	–	5	9	7	9	9	15	10	1
55 - 59	45	–	1	2	5	5	8	8	8	8
60 - 64	26	1	2	2	2	2	4	5	2	6
Total	**285**	**30**	**51**	**36**	**32**	**33**	**34**	**34**	**20**	**15**

Notes:
Excludes 13 employees who were either not participants as of December 31, 2021 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2021.
Pension credit shown includes credit from banked hours.

Exhibit G: Funding Standard Account

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions.
- Employers contributing to plans in critical status will generally not be subject to the excise tax if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.

		December 31, 2021	December 31, 2022[1]
1	Prior year funding deficiency	$26,328,229	$29,521,229
2	Normal cost, including administrative expenses[2]	1,569,187	1,700,771
3	Amortization charges	8,473,934	9,654,433
4	Interest on **1, 2 and 3**	2,636,923	2,963,541
5	Total charges	$39,008,273	$43,839,974
6	Prior year credit balance	$0	$0
7	Employer contributions	6,515,421	TBD
8	Amortization credits	2,568,877	2,849,185
9	Interest on **6, 7 and 8**	402,746	206,566
10	Full funding limitation credits	0	0
11	Total credits	$9,487,044	$3,055,751
12	Credit balance/(Funding deficiency): **11 - 5**	-$29,521,229	TBD
13	Minimum contribution with interest required to avoid a funding deficiency: **5 -11** not less than zero	N/A	$40,784,223

Full Funding Limitation (FFL) and Credits for Plan Year January 1, 2022	
ERISA FFL (accrued liability FFL)	$81,142,220
RPA'94 override (90% current liability FFL)	165,048,703
FFL credit	0

[1] Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2022 are available.
[2] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1993	$75,464	1	$75,464
Plan amendment	01/01/1994	117,852	1	117,852
Plan amendment	01/01/1995	364,568	3	130,120
Plan amendment	01/01/1997	203,857	5	46,669
Plan amendment	01/01/1998	405,208	6	79,877
Assumption change	01/01/1999	1,396,661	7	243,746
Plan amendment	01/01/1999	4,217,650	7	736,068
Plan amendment	01/01/2000	690,259	8	108,828
Plan amendment (2001)	01/01/2002	2,006,607	10	269,470
Shortfall loss	01/01/2003	59,631	1	59,631
Plan amendment (2002)	01/01/2003	2,686,970	11	338,276
Shortfall loss	01/01/2004	308,376	2	159,582
Plan amendment	01/01/2005	1,056,668	13	119,561
Shortfall loss	01/01/2006	153,132	4	42,391
Shortfall loss	01/01/2007	232,822	5	53,300
Actuarial loss	01/01/2008	225,631	1	225,631
Actuarial loss	01/01/2009	738,655	2	382,247
Assumption change	01/01/2009	858,771	2	444,406
Base due to Dec. 31, 2008 investment loss	01/01/2009	8,970,538	16	900,130
Assumption change	01/01/2010	269,123	3	96,055
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,262,400	16	126,673
Assumption change	01/01/2011	1,030,699	4	285,324
Shortfall loss	01/01/2011	1,114,026	4	308,392

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,172,388	16	217,984
Assumption change	01/01/2012	163,413	5	37,410
Actuarial loss	01/01/2012	433,973	5	99,349
Shortfall loss	01/01/2012	454,112	5	103,959
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,729,619	16	173,555
Shortfall loss	01/01/2013	1,173,359	6	231,300
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,449,973	16	145,495
Assumption change	01/01/2013	2,916,766	6	574,970
Shortfall loss	01/01/2014	116,765	7	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,149,349	16	115,329
Assumption change	01/01/2015	183,366	8	28,910
Actuarial loss	01/01/2015	3,739,835	8	589,634
Assumption change	01/01/2016	453	9	66
Actuarial loss	01/01/2016	4,004,583	9	579,209
Actuarial loss	01/01/2017	2,227,647	10	299,153
Shortfall loss	01/01/2018	972,433	11	122,424
Actuarial loss	01/01/2018	1,969,868	11	247,996
Assumption change	01/01/2018	3,387,295	11	426,443
Actuarial loss	01/01/2019	2,447,681	12	291,176
Actuarial loss	01/01/2020	1,003,509	13	Deferred to 2024
Shortfall loss	01/01/2021	2,291,185	14	Deferred to 2024
Shortfall loss	01/01/2022	1,285,719	15	Deferred to 2024
Total		**$63,718,859**		**$9,654,433**

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall gain	01/01/2005	$244,506	3	$87,268
Plan amendment	01/01/2007	1,651,074	15	171,703
Shortfall gain	01/01/2008	204,012	1	204,012
Shortfall gain	01/01/2009	76,984	2	39,839
Change in asset method	01/01/2009	2,995,224	17	291,020
Shortfall gain	01/01/2010	125,889	3	44,932
Plan amendment	01/01/2010	347,356	3	123,977
Actuarial gain	01/01/2010	1,634,337	3	583,323
Actuarial gain	01/01/2011	1,355,784	4	375,316
Actuarial gain	01/01/2013	936,779	6	184,664
Actuarial gain	01/01/2014	23,960	7	4,182
Shortfall gain	01/01/2015	1,258,668	8	198,446
Shortfall gain	01/01/2016	1,813,113	9	262,243
Shortfall gain	01/01/2017	1,819,997	10	244,410
Shortfall gain	01/01/2019	284,548	12	33,850
Shortfall gain	01/01/2020	336,435	13	Deferred to 2024
Actuarial gain	01/01/2021	1,329,791	14	Deferred to 2024
Actuarial gain	01/01/2022	2,845,320	15	Deferred to 2024
Total		**$19,283,777**		**$2,849,185**

Exhibit H: Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2022.

Item[1]	Number of Participants		Current Liability
Interest rate assumption			2.22%
Retired participants and beneficiaries receiving payments	490		$117,504,510
Inactive vested participants	217		37,639,033
Active participants			
• Non-vested benefits		3,901,634	
• Vested benefits		75,549,309	
• Total active	285		79,450,943
Total	**992**		**$234,594,486**

Expected increase in current liability due to benefits accruing during the plan year	$2,930,351
Expected release from current liability for the plan year	9,828,311
Expected plan disbursements for the plan year, including administrative expenses of $410,000	10,238,311

Current value of assets	$57,390,949
Percentage funded for Schedule MB	24.46%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit J.

Exhibit I: Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2021 and as of January 1, 2022. In addition, a reconciliation between the two dates follows.

	Benefit Information Date	
	January 1, 2021	**January 1, 2022**
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$80,358,042	$78,058,831
• Other vested benefits	43,478,438	45,914,039
• Total vested benefits	$123,836,480	$123,972,870
Actuarial present value of non-vested accumulated plan benefits	2,116,115	1,918,680
Total actuarial present value of accumulated plan benefits	**$125,952,595**	**$125,891,550**

Factors	**Change in Actuarial Present Value of Accumulated Plan Benefits**
Benefits accumulated, net experience gain or loss, changes in data	$607,993
Benefits paid	-9,430,267
Interest	8,761,229
Total	**-$61,045**

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

Age	Rate (%) Mortality[1] Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Section 3: Certificate of Actuarial Valuation

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2022 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$410,000, payable at the beginning of the year, for the year beginning January 1, 2022. The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in Exhibit K.
Current Liability Assumptions	*Interest:* 2.22%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2020 (previously, the MP-2019 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 11.2%, for the Plan Year ending December 31, 2021 *On current (market) value of assets (Schedule MB, line 6h):* 15.8%, for the Plan Year ending December 31, 2021
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.43% to 2.22% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Exhibit K: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Normal Pension	• *Age and Service Requirements:* 62 years with 5 years of participation • *Amount:* $80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $40 for each pension credit earned through December 31, 2013. Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

	The accrual rates for the 2014-2023 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	$75 per Credit
2016	$80 per Credit
2017 – 2018	$95 per Credit
2019	$85 per Credit
2020	$95 per Credit
2021	$85 per Credit
2022	$80 per Credit
2023	$80 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.,* "Commercial") Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability	• *Age Requirement:* None • *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability. • *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter. • *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005. For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced. • *Occupational Disability Pension Amount:* Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.
Vesting	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits • *Amount:* Normal or early pension accrued based on plan in effect when last active. • *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • *Service Requirement:* Five vesting credits • *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	• *Joint and Survivor:* If the participant is married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.

Section 3: Certificate of Actuarial Valuation

Automatic Benefit Forms	• *Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• *Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.,* 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.
Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2022 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2023

Segal

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November 15, 2023

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
c/o Zenith American Solutions, Inc.
8 Fairfield Blvd, Suite 105
P.O. Box 5817
Wallingford, CT 06492-7617

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2023. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.

The census information upon which our calculations were based was prepared by the Zenith American Solutions, Inc. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Kathleen A. Riley, FSA, MAAA, EA.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,
Segal

By:

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary

Joshua D. Timm, CEBS
Senior Vice President and Benefits Consultant

cc: Zenith American Solutions, Inc.
Kaitlyn Legassey, Esq.
Gerard J. Frame, CPA

Table of Contents

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA and the Special Financial Assistance (SFA) program under the American Rescue Plan Act of 2021 (ARPA) provide options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing plan.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. However, the valuation does provide the actuary's best estimate of plan liabilities based on current assumptions, participant population, and plan provisions. Since future experience will not exactly match expectations, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

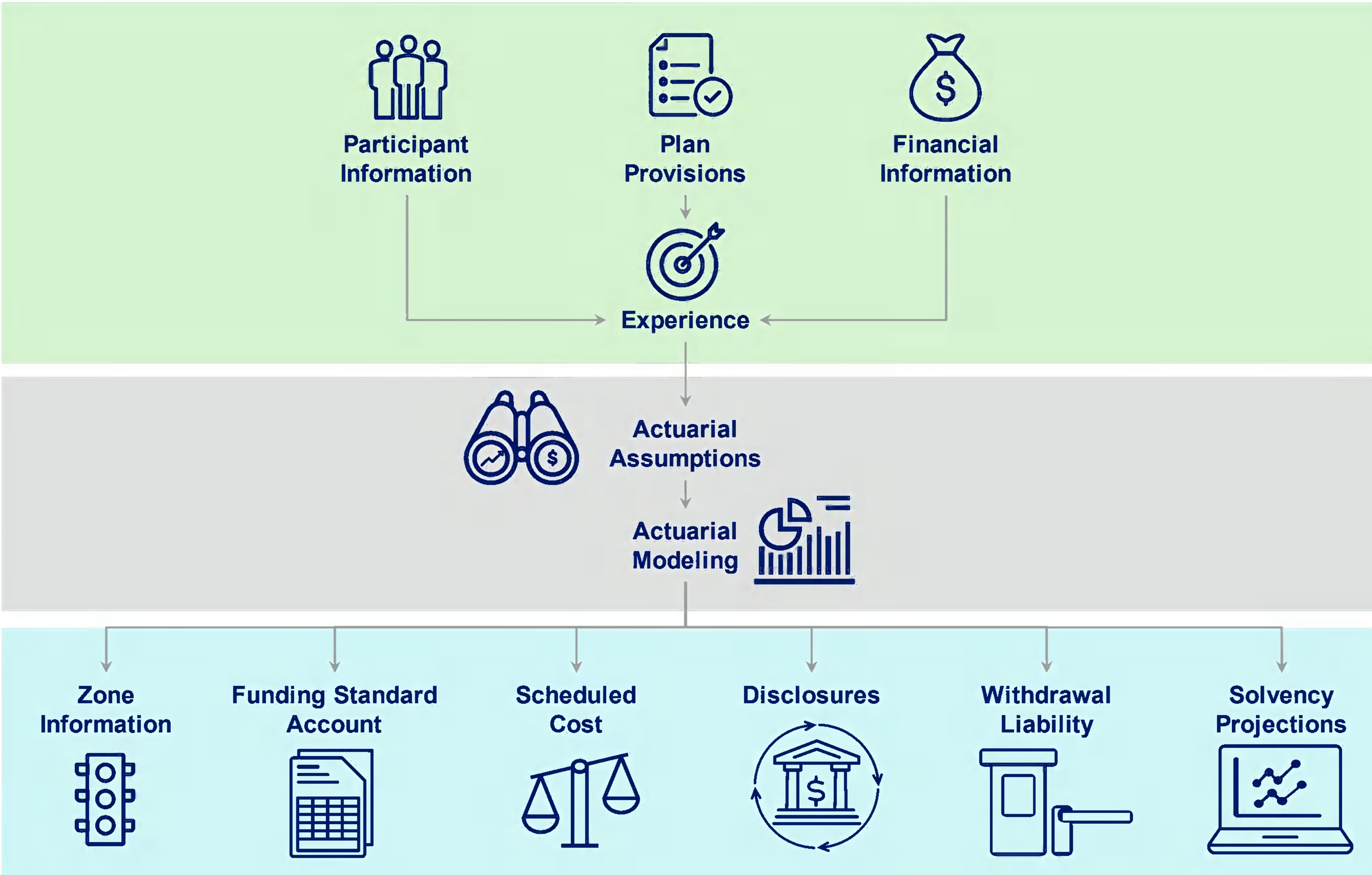
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The present value is determined by applying a discount rate to the forecasted benefits All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Actuarial valuation overview



Section 1: Trustee Summary

Summary of key valuation results

Plan Year Beginning		January 1, 2022	January 1, 2023
Certified Zone Status		***Critical***	***Critical***
Demographic Data:	• Number of active participants	285	283
	• Number of inactive participants with vested rights	217	220
	• Number of retired participants and beneficiaries	490	478
	• Total number of participants	992	981
	• Participant ratio: non-active to actives	2.48	2.47
Assets:	• Market value of assets (MVA)	$57,390,949	$47,310,760
	• Actuarial value of assets (AVA)	51,935,239	52,156,491
	• Market value net investment return, prior year	15.82%	-13.67%
	• Actuarial value net investment return, prior year	11.23%	5.35%
Actuarial Liabilities[1]:	• Valuation interest rate	7.25%	7.25%
	• Normal cost, including administrative expenses[2]	$1,700,771	$1,752,851
	• Actuarial accrued liability	125,891,550	126,197,827
	• Unfunded actuarial accrued liability	73,956,311	74,041,336
Funded Percentages:	• Actuarial accrued liabilities under unit credit method	$125,891,550	$126,197,827
	• MVA funded percentage	45.6%	37.5%
	• AVA funded percentage (PPA basis)	41.3%	41.3%
Statutory Funding Information:	• Funding deficiency at the end of prior plan year	-$29,521,229	-$32,938,686
	• Minimum required contribution	40,784,223	44,210,834
	• Maximum deductible contribution	281,768,284	265,640,453

1 Based on Unit Credit actuarial cost method used for Funding Standard Account.
2 An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

Section 1: Trustee Summary

This January 1, 2023 actuarial valuation report is based on financial and demographic information as of that date. The Plan's actuarial status does not reflect short-term fluctuations of the financial markets or employment levels, but rather is based on the market value of assets on the last day of the Plan Year. While it is impossible to determine how economic conditions will change in the future, Segal is available to prepare projections of potential outcomes upon request. This report does not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA). We continue to monitor the impact, if any, of ARPA on the Plan. The current year's actuarial valuation results follow.

A. Developments since last valuation

The following are developments since the last valuation, from January 1, 2022 to January 1, 2023.

1. *Participant demographics:* The number of active participants decreased 0.7% from 285 to 283. The ratio of non-active to active participants, which is one measure of plan maturity, decreased from 2.48 to 2.47.
2. *Plan assets:* The net investment return on the market value of assets was -13.67%. For comparison, the assumed rate of return on plan assets over the long term is 7.25%. The net investment return on the actuarial value of assets, which reflects smoothing of prior year gains and losses, was 5.35%. The calculation of the actuarial value of assets for the current plan year can be found in Section 2 and the change in the market value of assets over the last two plan years can be found in Section 3.
3. *Cash flows:* Cash inflow includes contributions and cash outflow includes benefits paid to participants and administrative expenses. In the plan year ending December 31, 2022, the plan had a net cash outflow of $2.5 million, or about 5% of assets on a market value basis.
4. *Assumption changes:* Since the last valuation, we lowered the administrative expense assumption from $410,000 to $400,000 for the year beginning January 1, 2023. We selected the new assumption based on a review of recent plan experience, and it represents our best estimate of anticipated experience under the plan.
5. *Contribution rates:* The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate used for 2023 and later was estimated to be $14.67 plus the Reserve Fund contribution based on a review on contributions received and hours worked in 2022.
6. *Rehabilitation plan:* On December 14, 2022, the Trustees reviewed the updated Rehabilitation Plan from 2021. Based on available information as of October 31, 2022, contributions were expected to fall short of the assumption of 500,000 hours and investment performance (-10.21% through October 31, 2022) was expected to fall short of the assumption of 7.25%. Based on this review, the Trustees determined that the Plan is not expected to emerge from Critical Status and removed the expected emergence date from the Annual Standards in the Rehabilitation Plan. The updated Rehabilitation Plan noted that if all assumptions are met in 2023 and later years, including the 500,000 hours employment assumption and the investment return assumption of 7.25%, the Plan is not projected to become insolvent. However, with the change in the employment assumption

effective with the January 1, 2023 zone certification (500,000 hours in 2023 declining by 0.94% per year thereafter), the plan is projected to become insolvent. If all assumptions are met, the preliminary projection performed with this valuation shows an insolvency in 2045, one year later than projected with the zone certification. The Rehabilitation Plan will be updated in December 2023 when financial information through the end of October is available.

B. Actuarial valuation results

The following commentary applies to various funding measures for the current plan year.

1. *Zone status:* The Plan was certified to be in critical status under the Pension Protection Act of 2006 (PPA) for the current plan year, in other words, the Plan is in the "Red Zone." This certification result is due to the fact that the funded percentage was 40.9% and there was a deficiency in the FSA. The projection was based on the Trustees' revised industry activity assumption of 500,000 hours in 2023. The hours worked and the number of active participants are assumed to decrease by 0.94% per year thereafter.
2. *Funded percentages:* The funded percentage that will be reported on the Plan's annual funding notice is 41.3% as of December 31, 2022, the same as the prior year. Please note that there are different measurements of funded percentage for different purposes. More information can be found in Section 2.
3. *Funding Standard Account:* During the last Plan Year, the funding deficiency increased from $29.5 million to $32.9 million. The increase in the funding deficiency was due to the fact that the net charges in the FSA exceeded contributions for the plan year. For the current plan year, the minimum required contribution is $44.2 million, compared with $7.4 million in expected contributions.
4. *Scheduled Cost:* Scheduled Cost for the plan year is the sum of normal cost (the cost of benefit accruals plus administrative expenses) and an amortization of the unfunded liability. For the current plan year, there is a $2.4 million deficit between expected contributions and Scheduled Cost, or about $4.75 per hour. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years.
5. *Withdrawal liability:* The unfunded vested benefits is $77.1 million as of December 31, 2022, which is used for determining employer withdrawal liability for the plan year beginning January 1, 2023. The unfunded vested benefits increased from $66.7 million for the prior year, due mainly to negative investment performance on a market value basis.
6. *Funding concerns:* The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The actions already taken to address this issue include the adoption of a Rehabilitation Plan, which began January 1, 2011, the merger discussion with the Sheet Metal Workers' National Pension Plan, and the decision to apply for Special Financial Assistance. We will continue working with the Trustees to evaluate and monitor all options.

C. Projections and risk

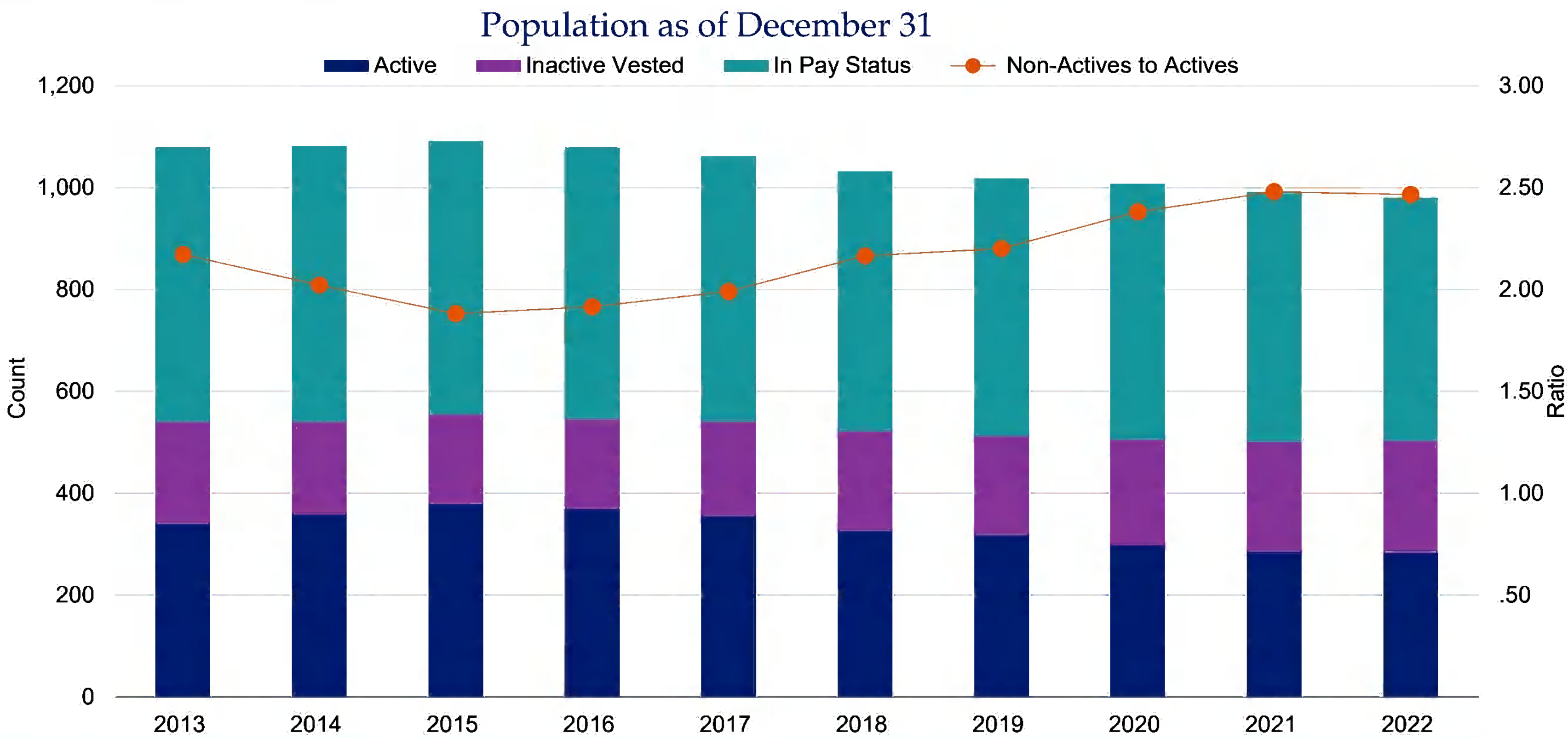
1. *Importance of projections:* Most of the results included in this valuation report are snapshot measurements, showing the Plan's status as of the valuation date. In addition to understanding the Plan's current status, it is also important to understand where the plan is headed through actuarial projections. Projections may evaluate various metrics, such as funded percentage, Funding Standard Account, zone status, cash flows and solvency.
2. *Baseline projections:* The credit balance is expected to remain negative under current assumptions. In addition, a preliminary projection shows an insolvency in 2045. The projection is based on an employment assumption of 500,000 hours in 2023 declining by 0.94% per year thereafter. This projection will be reviewed and updated with the 2023 Rehabilitation Plan update.
3. *Understanding risk:* Projections can also help the Trustees understand the sensitivity of future results to various risk factors, such as investment volatility or changes in future contributions. For example, if future investment returns are less than the actuarial assumption, or future contributions are less than projected, the Plan may not meet its funding objectives or may face eventual insolvency. See Section 2 for a general discussion on the risks facing the Plan, and how they might be better evaluated, understood and addressed.

   A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling. A detailed risk assessment could be important for your Plan because:

   - The outlook for financial markets and future industry activity is uncertain.
   - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
   - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
   - The Trustees have not had a detailed risk assessment.

Section 2: Actuarial Valuation Results

Participant information



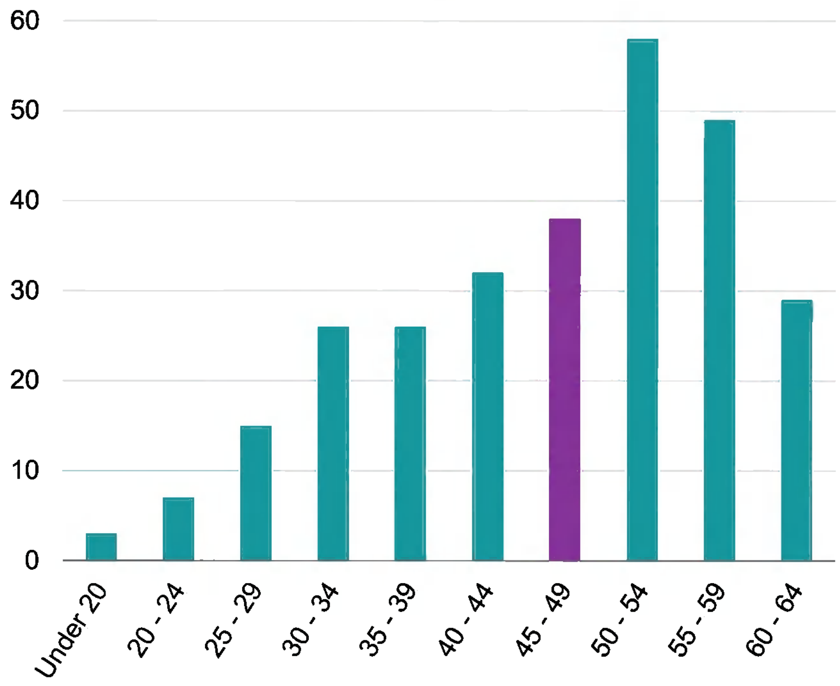
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
In Pay Status	539	542	537	533	521	510	506	503	490	478
Inactive Vested	200	182	176	176	186	196	194	207	217	220
Active	340	358	379	370	355	326	318	298	285	283
Ratio	2.17	2.02	1.88	1.92	1.99	2.17	2.20	2.38	2.48	2.47

Active participants

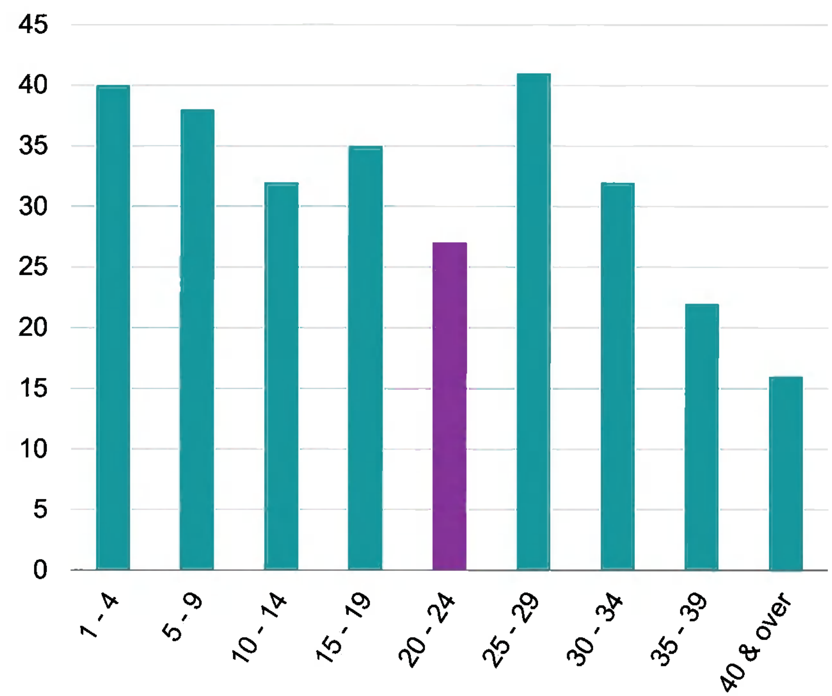
As of December 31,	2021	2022	Change
Active participants	285	283	-0.7%
Average age	46.9	47.0	0.1
Average pension credits	19.8	20.2	0.4

Distribution of Active Participants as of December 31, 2022

by Age

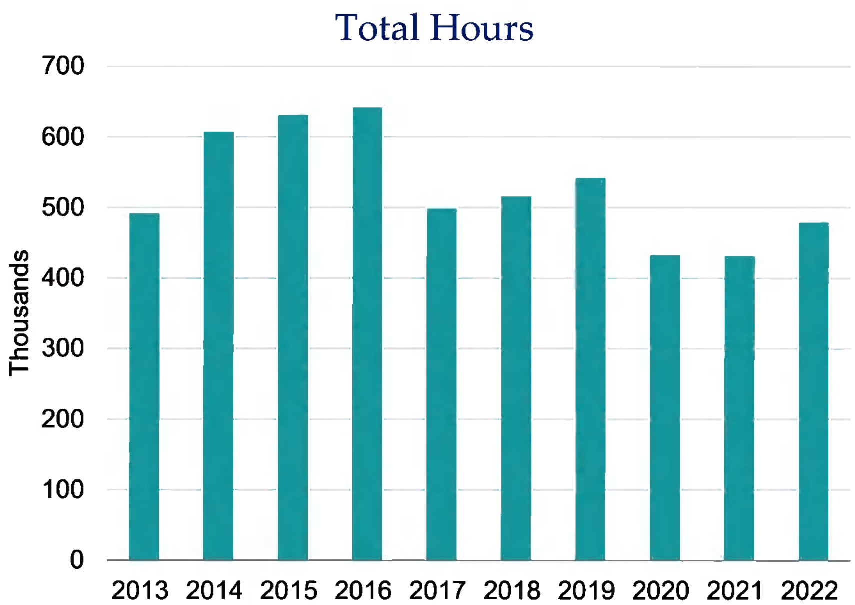


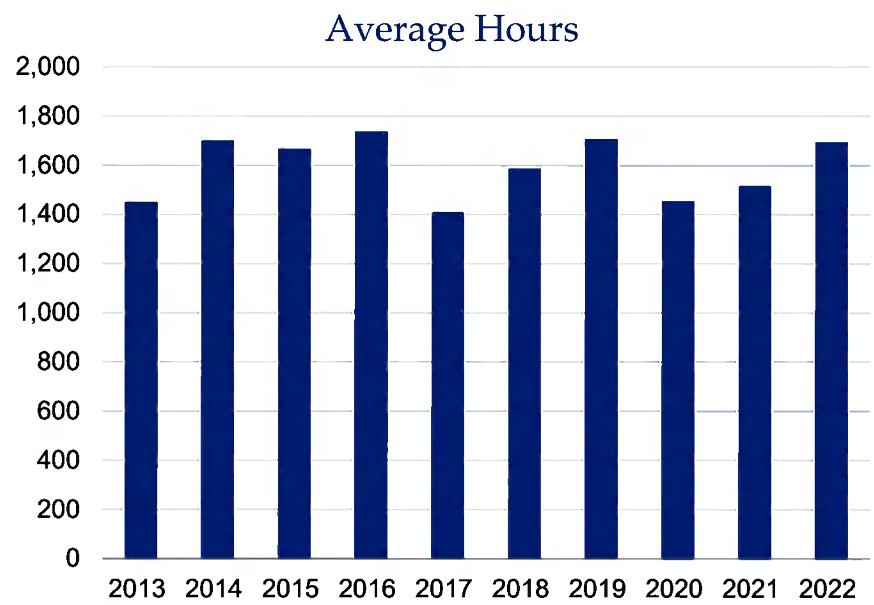
by Pension Credits



Historical employment

- The 2023 zone certification was based on an industry activity assumption of 500,000 total hours worked in 2023 declining by 0.94% per year thereafter.





	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	5-year average	10-year average
Total Hours[1]	491.65	607.36	630.49	641.61	498.40	515.66	541.59	432.52	430.89	478.45	479.82	526.86
Average Hours	1,446	1,697	1,664	1,734	1,404	1,582	1,703	1,451	1,512	1,691	1,588	1,588

[1] In thousands

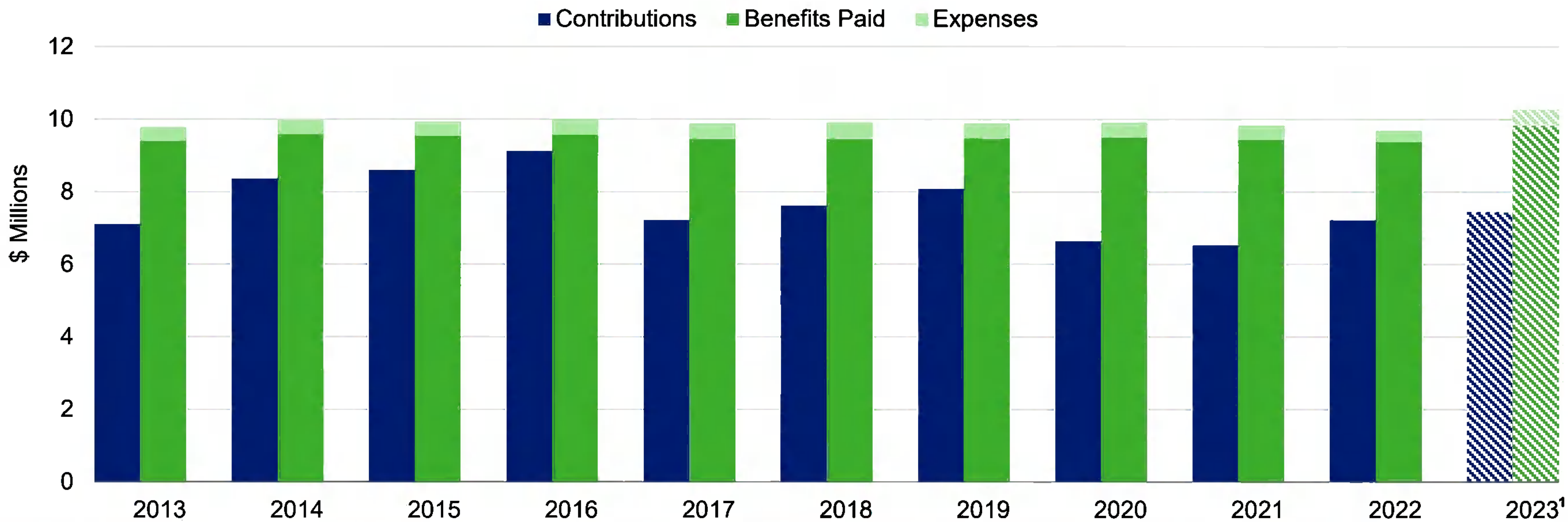
Pay status information

As of December 31,	2021	2022	Change
Pensioners	382	374	-2.1%
Average age	74.6	74.9	0.3
Average amount	$1,876	$1,889	0.7%
Beneficiaries	108	104	-3.7%
Total monthly amount	$777,100	$763,583	-1.7%

Financial information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 1.3 times contributions.

Cash Flow (in millions)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[1]
Contributions	$7.10	$8.36	$8.59	$9.11	$7.22	$7.62	$8.08	$6.64	$6.52	$7.21	$7.44
Benefits Paid	9.40	9.59	9.54	9.57	9.46	9.46	9.47	9.49	9.43	9.38	9.85
Expenses	0.36	0.40	0.40	0.43	0.42	0.45	0.41	0.40	0.40	0.30	0.40

[1] Projected

Determination of actuarial value of assets

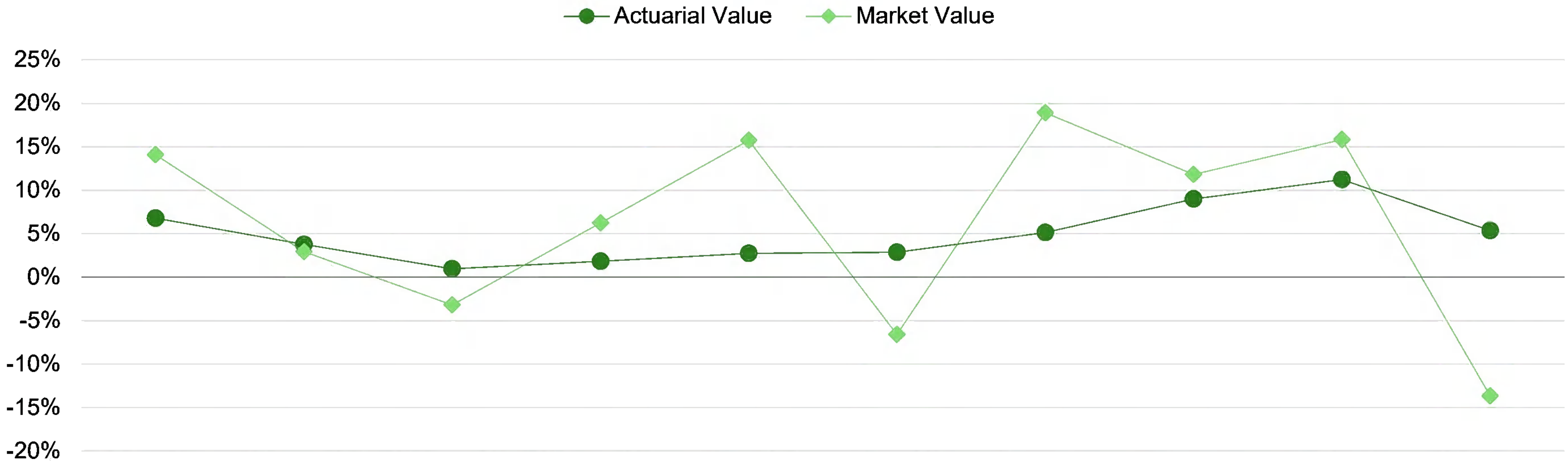
			MVA Rate of Return	Original Amount[1]	Unrecognized Return[2]	
1	Market value of assets, December 31, 2022					$47,310,760
2	Calculation of unrecognized return					
	(a)	Year ended December 31, 2022	-13.67%	-$11,652,355	-$9,321,884	
	(b)	Year ended December 31, 2021	15.82%	4,335,360	2,601,216	
	(c)	Year ended December 31, 2020	11.82%	2,201,710	880,684	
	(d)	Year ended December 31, 2019	18.93%	4,971,266	994,253	
	(e)	Year ended December 31, 2018	-6.59%	-6,610,553	0	
	(f)	Total unrecognized return				-4,845,731
3	Preliminary actuarial value: **1 - 2f**					$52,156,491
4	Adjustment to be within 20% corridor					0
5	Final actuarial value of assets as of December 31, 2022: **3 + 4**					$52,156,491
6	Actuarial value as a percentage of market value: **5 ÷ 1**					110.2%
7	Amount deferred for future recognition: **1 - 5**					-$4,845,731

[1] Total return minus expected return on a market value basis.
[2] Recognition at 20% per year over five years.

Historical investment returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.25% considers the Trustees' asset allocation policy and future expectations. We will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.

Actuarial and Market Value Rates of Return for Years Ended December 31



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
AVA	6.78%	3.76%	0.96%	1.83%	2.72%	2.87%	5.12%	9.00%	11.23%	5.35%
MVA	14.08%	2.92%	-3.21%	6.23%	15.75%	-6.59%	18.93%	11.82%	15.82%	-13.67%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	6.70%	4.49%
Most recent ten-year average return:	4.92%	5.67%

Actuarial experience

- Assumptions should consider experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.
- Assumptions are not changed if experience that is different than expected is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is expected to continue, assumptions are changed.

Experience for the Year Ended December 31, 2022

1	Loss from investments	-$955,375
2	Gain from administrative expenses	125,888
3	Net gain from other experience (0.4% of projected accrued liability)	478,022
4	**Net experience loss: 1 + 2 + 3**	**-$351,465**

Investment experience

Loss from Investments

1	Average actuarial value of assets	$50,249,545
2	Assumed rate of return	7.25%
3	Expected net investment income: 1 x 2	$3,643,092
4	Net investment income (5.35% actual rate of return)	2,687,717
5	**Actuarial loss from investments: 4 – 3**	**-$955,375**

Administrative expenses

- Administrative expenses for the year ended December 31, 2022 totaled $303,867, as compared to the assumption of $410,000.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners and beneficiaries over the past 5 years was 24.4 per year compared to 22.1 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.4 per year compared to 1.0 projected deaths per year.

Other experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected) and the number of disability retirements.

Actuarial assumptions

- With this valuation, the administrative expense assumption was decreased from $410,000 to $400,000 for the year beginning January 1, 2023.
- Details on actuarial assumptions and methods are in Section 3.

Plan provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in Section 3.

Contribution rates

- There were no changes in contribution rates since the prior valuation.
- The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate used for 2023 and later was estimated to be $14.67 plus the Reserve Fund contribution based on a review of contributions received and hours worked in 2022.

Plan funding

Comparison of Funded Percentages

Plan Year Beginning	January 1, 2022		January 1, 2023	
Market Value of Assets	**$57,390,949**		**$47,310,760**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• Present value (PV) of future benefits	$135,450,429	42.4%	$135,768,778	34.8%
• Actuarial accrued liability[1]	125,891,550	45.6%	126,197,827	37.5%
• PV of accumulated plan benefits (PVAB)	125,891,550	45.6%	126,197,827	37.5%
• PV of vested benefits for withdrawal liability	124,060,858	46.3%	124,388,005	38.0%
• Current liability interest rate	2.22%		2.55%	
• Current liability	$234,594,486	24.5%	$222,966,037	21.2%
Actuarial Value of Assets	**$51,935,239**		**$52,156,491**	
	Amount	**Funded %**	**Amount**	**Funded %**
• Funding interest rate	7.25%		7.25%	
• PV of future benefits	$135,450,429	38.3%	$135,768,778	38.4%
• Actuarial accrued liability[1]	125,891,550	41.3%	126,197,827	41.3%
• PPA'06 liability and annual funding notice	125,891,550	41.3%	126,197,827	41.3%

These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. The funded percentages based on the actuarial value of assets would be different on the market value of assets.

[1] Based on Unit Credit actuarial cost method used for Scheduled Cost

Pension Protection Act of 2006

2023 Actuarial status certification

- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively.

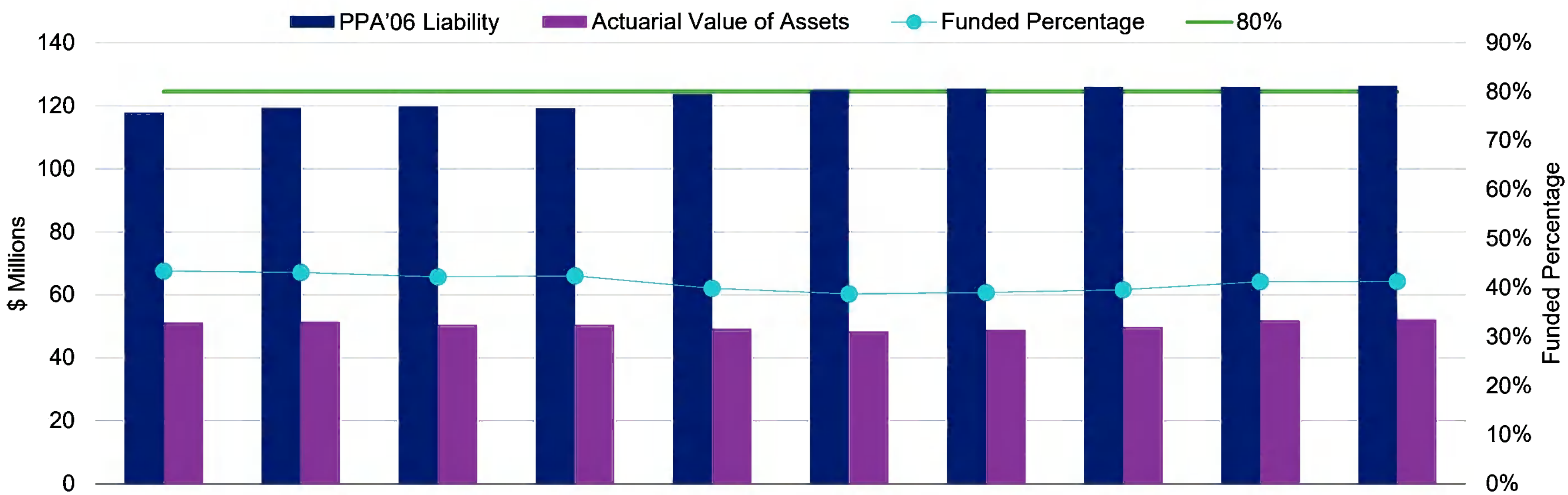
  As reported in the 2023 certification, this Plan was classified as critical (in the Red Zone) but is not critical and declining because the funded percentage was 40.9% and there was a deficiency in the FSA. The 2023 zone certification also noted that the plan was projected to become insolvent within 22 years or in 2044. The Plan will be classified as critical and decling when the projected insolvency is within 20 years.

Rehabilitation Plan

- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The December 14, 2022 update to the Rehabilitation Plan reported that the Plan was not expected to emerge from Critical Status. A preliminary projection shows an insolvency in 2045. The projection is based on an employment assumption of 500,000 hours in 2023 declining by 0.94% per year thereafter. This projection will be reviewed and updated with the 2023 Rehabilitation Plan update.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

Pension Protection Act of 2006 historical information

Funded Percentage and Zone



Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Zone Status	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Valuation rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%
PPA'06 liability[1]	$117.83	$119.31	$119.75	$119.26	$123.57	$124.72	$125.41	$125.95	$125.89	$126.20
AVA[1]	51.18	51.44	50.58	50.60	49.26	48.34	48.93	49.89	51.94	52.16
Funded %	43.4%	43.1%	42.2%	42.4%	39.9%	38.8%	39.0%	39.6%	41.3%	41.3%

[1] In millions

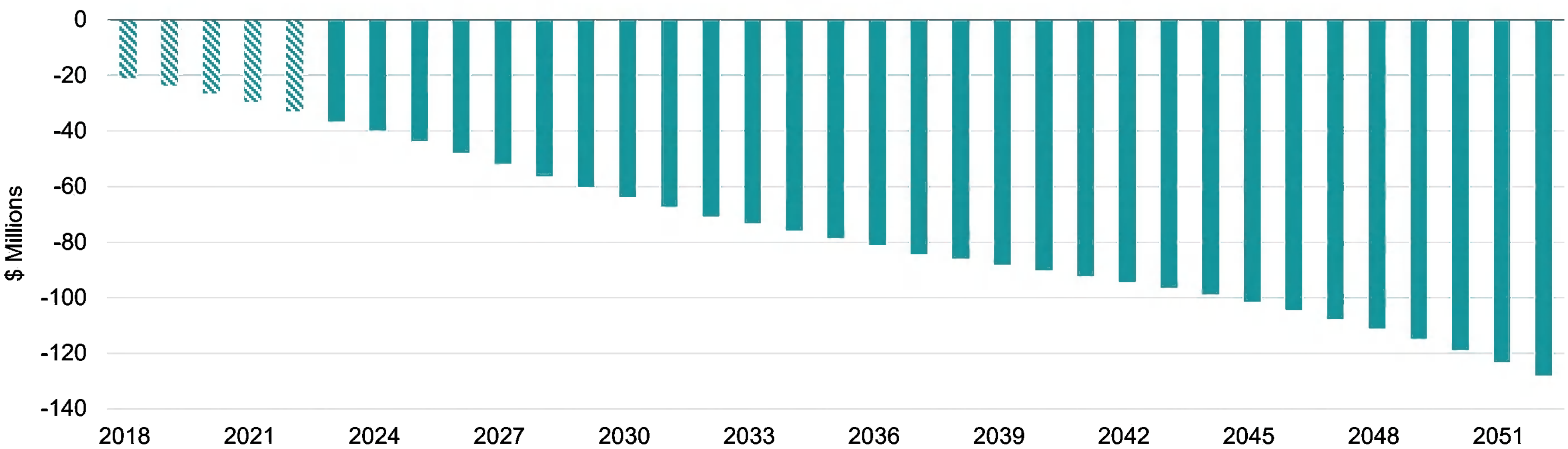
Projections

- The projections on the following pages assume the following, unless otherwise noted:
  - The Plan will earn a market rate of return equal to 7.25% each year.
  - Industry activity is based on the Trustees' assumption of 500,000 hours for 2023 declining 0.94% per year and an average contribution rate of $14.88 for each year.
  - Administrative expenses are projected to be $400,000 for the plan year beginning January 1, 2023, $350,000 for the year beginning January 1, 2024, then increase 2.5% per year thereafter.
  - There are no plan amendments or changes in law/regulation.
  - All other experience emerges as assumed, and no assumption changes are made.
  - The Normal Cost was determined based on an open group forecast with the number of active participants assumed to decline by 0.94% per year beginning in 2024 and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels.
- The projections in this valuation illustrate the potential future impact of one given set of assumptions. Additional scenarios would demonstrate sensitivity to risk from investment return, employment and other factors.

Funding Standard Account (FSA)

- The minimum funding requirement for the year beginning January 1, 2023 is $44.2 million.
- Based on the assumption that participants will work a total of 500,000 hours at a $14.88 average contribution rate, the contributions projected for the year beginning January 1, 2023 are $7,440,000. The credit balance is projected to decrease by approximately $3.6 million to -$36.5 million as of December 31, 2023.
- A 40-year projection indicates the credit balance will remain negative, based on the assumptions detailed on the prior page.

Credit Balance as of December 31



Solvency projection

- PPA'06 requires Trustees to monitor plan solvency — the ability to pay benefits and expenses when due.
- Based on preliminary projections with this valuation, the Plan is projected to become insolvent by 2045. This projection will be reviewed and updated with the 2023 Rehabilitation Plan update.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumption.

Projected Assets as of December 31

Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets that is compared to projected contributions to assess the Plan's long-term financial position. Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization adopted by the Trustees is held constant at 15 years.

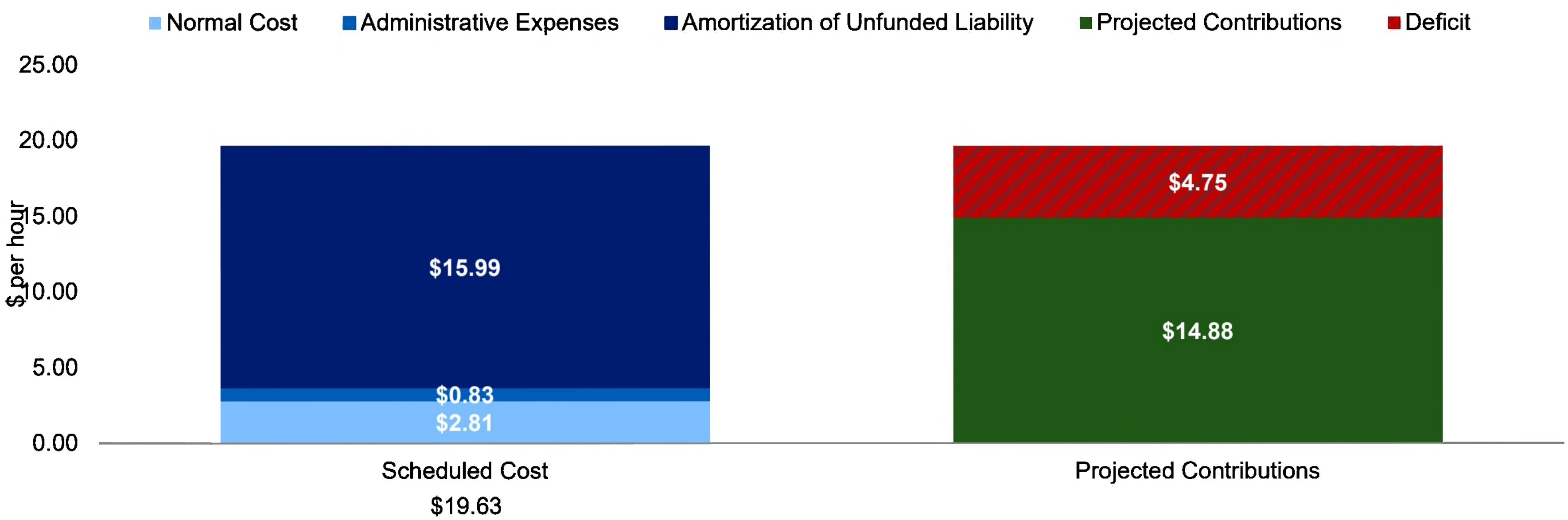
Scheduled Cost

Cost Element	Year Beginning January 1 2022	Year Beginning January 1 2023
Normal cost[1]	$1,340,375	$1,404,841
Administrative expenses[1]	425,756	415,372
Amortization of the unfunded actuarial accrued liability[1]	7,986,655	7,995,837
• Actuarial accrued liability	125,891,550	126,197,827
• Actuarial value of assets	51,935,239	52,156,491
• Unfunded actuarial accrued liability	73,956,311	74,041,336
• Amortization period	15	15
Annual Scheduled Cost, payable monthly	**$9,752,786**	**$9,816,050**
Projected contributions[2]	7,480,000	7,440,000
• Total hours assumption	500,000	500,000
• Ultimate negotiated contribution rate	$14.96	$14.88
Margin/(deficit)	**-$2,272,786**	**-$2,376,050**
Margin/(deficit) as a % of projected contributions	-30.4%	-31.9%

[1] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. Includes adjustment for monthly payments.
[2] The contribution rates include the Reserve Fund contribution.

Scheduled Cost margin/deficit

- The margin or deficit is represented by the difference between projected contributions at the average negotiated contribution rate and the Scheduled Cost.



- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be $2,899,348 ($5.80 per hour, or 39.0% of projected contributions).

Scheduled Cost reconciliation

Scheduled Cost as of January 1, 2022		$9,752,786
• Effect of frozen amortization period	-$324,793	
• Effect of change in administrative expense assumption	-10,384	
• Effect of contributions less than Scheduled Cost	294,478	
• Effect of investment loss	107,363	
• Effect of other gains and losses on accrued liability	-67,866	
• Effect of net other changes, including composition and number of participants	64,466	
Total change		$63,264
Scheduled Cost as of January 1, 2023		$9,816,050

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- Economic Shock Risk. Potential implications for the Plan that were not reflected as of the valuation date include:
  - Volatile financial markets and investment returns lower than assumed.
  - Short-term or long-term employment far different than past experience, including a projected rate of recovery and possible "new normal" long-term state.
  - Changes in future demographic experience, such as retirement, disability, turnover, and mortality patterns.
- Investment Risk (the risk that returns will be different than expected)

  As shown earlier in this Section, the market value rate of return over the last 10 years ended December 31, 2022 has ranged from a low of -13.67% to a high of 18.93%.
- Contribution Risk (the risk that actual contributions will be different from projected contributions)

  During the past 10 years, hours have ranged from a high of 642,000 hours to a low of 431,000 hours.
- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the required contribution.
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply. While it is difficult to quantify the impact of potential experience, earlier retirements would generally result in higher costs for the Plan.
  - More or less active participant turnover than assumed. Lower turnover would generally result in higher costs for the Plan.
  - Return to covered employment of previously inactive participants. More rehires would generally result in higher costs for the Plan.

Section 2: Actuarial Valuation Results

- Actual Experience over the Last Ten Years

  Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years ended December 31, 2022:

  - The investment gain (loss) on market value for a year has ranged from a loss of $11,652,355 to a gain of $4,971,266.
  - The non-investment gain (loss) for a year has ranged from a loss of $1,190,158 to a gain of $945,105.
  - The funded percentage for PPA purposes has ranged from a low of 38.8% in 2019 to a high of 43.4% in 2014.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of a plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of a plan can result in large swings in the contribution requirements.

  - Over the past ten years ended December 31, 2022, the ratio of non-active participants to active participants has increased from a low of 1.88 in 2015 to a high of 2.48 in 2021.
  - As of December 31, 2022, the retired life actuarial accrued liability represents 60% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 13% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.

    Benefits and administrative expenses less contributions totaled $2,466,465 as of December 31, 2022, 5% of the market value of assets. The Plan is dependent upon investment returns in order to pay a portion of benefits.

- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan. Prior legislative proposals considered possible changes to funding requirements (such as changes to the zone rules) and increases in PBGC premiums for multiemployer plans.

- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling.

- A detailed risk assessment could be important for the Plan because:

  - The outlook for financial markets and future industry activity is uncertain.
  - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
  - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing plan costs in the event of adverse experience.
  - The Trustees have not had a detailed risk assessment.

Withdrawal liability

- As of December 31, 2022, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $124,318,564.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $124,388,005.

		December 31	
		2021	**2022**
1	Present value of vested benefits (PVVB) measured as of the valuation date	$123,960,505	$124,318,564
2	Unamortized value of Affected Benefits Pools	100,353	69,441
3	Total present value of vested benefits: **1 + 2**	$124,060,858	$124,388,005
4	Market value of assets	57,390,949	47,310,760
5	Unfunded present value of vested benefits (UVB): **3 - 4**, not less than $0	$66,669,909	$77,077,245

Withdrawal liability assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2023 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2023 are described in Section 3 of this report and are reasonable to determine withdrawal liability.

Summary of PPA'06 zone status rules

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the "zones" described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

Critical Status (*Red Zone*)	A plan is classified as being in critical status (the Red Zone) if: • The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or • There is a projected FSA deficiency within four years, or • There is a projected inability to pay benefits within five years, or • The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or • As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status. A critical status plan is further classified as being in critical and declining status if: • The ratio of inactive participants to active participants is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or • The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or • There is an inability to pay benefits projected within 15 years. Any amortization extensions are ignored for testing initial entry into the *Red Zone*. The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency. Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within ten years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.

Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone*.

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years may elect whether or not to enter the *Red Zone* for the current year.

Section 3: Certificate of Actuarial Valuation

November 15, 2023

Certificate of Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2023 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit I.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the Plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the Plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 23-04134

Exhibit A: Table of Plan Coverage

The valuation was made with respect to the following data supplied to us by the Plan Administrator.

Category	Year Ended December 31 2021	Year Ended December 31 2022	Change from Prior Year
Active participants in valuation:			
• Number[1]	285	283	-0.7%
• Average age	46.9	47.0	0.1
• Average pension credits	19.8	20.2	0.4
• Average contribution rate as of the valuation date[2]	$14.96	$14.88	-0.5%
• Total active vested participants	255	244	-4.3%
Inactive participants with rights to a pension:			
• Number	211	214	1.4%
• Average age	50.0	50.3	0.3
• Average monthly benefit	$1,023	$1,007	-1.5%
• Beneficiaries with rights to deferred payments	6	6	0.0%
Pensioners:			
• Number in pay status	382	374	-2.1%
• Average age	74.6	74.9	0.3
• Average monthly benefit	$1,876	$1,889	0.7%
Beneficiaries:			
• Number in pay status	108	104	-3.7%
• Average age	79.8	80.5	0.7
• Average monthly benefit	$560	$549	-2.0%
Total participants	**992**	**981**	**-1.1%**

[1] The active count excludes 25 employees who were either not participants as of December 31, 2022 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2022. There were 13 employees who were excluded as of December 31, 2021.

[2] The contribution rates include the Reserve Fund contribution for 2021 and 2022.

Exhibit B: Supporting Information for Minimum Funding Calculations

	Year Beginning January 1			
	2022		2023	
Interest rate assumption		7.25%		7.25%
Normal cost, including administrative expenses		$1,700,771		$1,752,851
Actuarial accrued liability		**$125,891,550**		**$126,197,827**
• Pensioners and beneficiaries	$78,058,831		$75,956,446	
• Inactive participants with vested rights	15,163,969		15,971,126	
• Active participants	32,668,750		34,270,255	
Actuarial value of assets (AVA)		$51,935,239		$52,156,491
Market value as reported in the draft financial statements		57,390,949		47,310,760
Unfunded actuarial accrued liability based on AVA		73,956,311		74,041,336

Note:
An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

Exhibit C: Summary Statement of Income and Expenses

	Year Ended December 31, 2021		Year Ended December 31, 2022	
Market value of assets, beginning of the year		$52,703,080		$57,390,949
Contribution income:		6,515,421		7,212,678
Investment income:				
• Investment income:	$8,249,012		-$7,371,030	
• Less investment fees	-246,975		-242,694	
Net investment income		*8,002,037*		*-7,613,724*
Less benefit payments and expenses:				
• Pension benefits	-$9,430,267		-$9,375,276	
• Administrative expenses	-399,322		-303,867	
Total benefit payments and expenses		*-9,829,589*		*-9,679,143*
Market value of assets, end of the year		**$57,390,949**		**$47,310,760**

Exhibit D: Information on Plan Status as of January 1, 2023

Plan status (as certified on March 31, 2023, for the 2023 zone certification)	***Critical***
Scheduled progress (as certified on March 31, 2023, for the 2023 zone certification)	***No***
Actuarial value of assets for FSA	$52,156,491
Accrued liability under unit credit cost method	126,197,827
Funded percentage for monitoring plan status	41.3%
Year in which insolvency is expected	2045

Annual Funding Notice for Plan Year Beginning January 1, 2023 and Ending December 31, 2023

	2023 Plan Year	2022 Plan Year	2021 Plan Year
Actuarial valuation date	January 1, 2023	January 1, 2022	January 1, 2021
Funded percentage	41.3%	41.3%	39.6%
Value of assets	$52,156,491	$51,935,239	$49,886,702
Value of liabilities	126,197,827	125,891,550	125,952,595
Market value of assets as of Plan Year end	Not available	47,310,760	57,390,949

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2022. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. The Rehabilitation Plan is reviewed annually and has been updated several times.

Exhibit E: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2022.

		Pension Credits								
Age	**Total**	**1 - 4**	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	10	10	–	–	–	–	–	–	–	–
25 - 29	15	10	5	–	–	–	–	–	–	–
30 - 34	26	9	9	7	1	–	–	–	–	–
35 - 39	26	2	11	8	5	–	–	–	–	–
40 - 44	32	3	5	3	7	3	10	1	–	–
45 - 49	38	5	2	4	7	10	6	3	1	–
50 - 54	58	–	4	7	6	5	15	9	12	–
55 - 59	49	–	–	2	7	5	7	13	6	9
60 - 64	29	1	2	1	2	4	3	6	3	7
Total	**283**	**40**	**38**	**32**	**35**	**27**	**41**	**32**	**22**	**16**

Notes:
Excludes 25 employees who were either not participants as of December 31, 2022 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2022.
Pension credit shown includes credit from banked hours.

Exhibit F: Funding Standard Account

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions.
- Employers contributing to plans in critical status will generally not be subject to the excise tax if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.

		December 31, 2022	December 31, 2023[1]
1	Prior year funding deficiency	$29,521,229	$32,938,686
2	Normal cost, including administrative expenses[2]	1,627,468	1,752,851
3	Amortization charges	9,238,327	9,175,858
4	Interest on **1, 2 and 3**	2,928,059	3,180,386
5	Total charges	$43,315,083	$47,047,781
6	Prior year credit balance	$0	$0
7	Employer contributions	7,212,678	TBD
8	Amortization credits	2,726,385	2,645,172
9	Interest on **6, 7 and 8**	437,334	191,775
10	Full funding limitation credits	0	0
11	Total credits	$10,376,397	$2,836,947
12	Credit balance/(Funding deficiency): **11 - 5**	-$32,938,686	TBD
13	Minimum contribution with interest required to avoid a funding deficiency: **5 -11** not less than zero	N/A	$44,210,834

Full Funding Limitation (FFL) and Credits for Plan Year January 1, 2023	
ERISA FFL (accrued liability FFL)	$86,486,312
RPA'94 override (90% current liability FFL)	154,605,363
FFL credit	0

[1] Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2023 are available.
[2] An allowance of $105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year.

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Plan amendment	01/01/1995	$251,445	2	$130,121
Plan amendment	01/01/1997	168,584	4	46,668
Plan amendment	01/01/1998	348,917	5	79,877
Assumption change	01/01/1999	1,236,501	6	243,747
Plan amendment	01/01/1999	3,733,997	6	736,068
Plan amendment	01/01/2000	623,585	7	108,829
Plan amendment (2001)	01/01/2002	1,863,079	9	269,470
Plan amendment (2002)	01/01/2003	2,518,974	10	338,276
Shortfall loss	01/01/2004	159,582	1	159,582
Plan amendment	01/01/2005	1,005,047	12	119,560
Shortfall loss	01/01/2006	118,770	3	42,391
Shortfall loss	01/01/2007	192,537	4	53,299
Actuarial loss	01/01/2009	382,248	1	382,248
Assumption change	01/01/2009	444,406	1	444,406
Base due to Dec. 31, 2008 investment loss	01/01/2009	8,655,515	15	900,130
Assumption change	01/01/2010	185,615	2	96,054
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,218,067	15	126,673
Assumption change	01/01/2011	799,415	3	285,325
Shortfall loss	01/01/2011	864,042	3	308,391
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,096,098	15	217,984
Assumption change	01/01/2012	135,138	4	37,410
Actuarial loss	01/01/2012	358,884	4	99,348
Shortfall loss	01/01/2012	375,539	4	103,959

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,668,879	15	173,555
Shortfall loss	01/01/2013	1,010,358	5	231,299
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,399,053	15	145,495
Assumption change	01/01/2013	2,511,576	5	574,971
Shortfall loss	01/01/2014	103,375	6	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,108,986	15	115,329
Assumption change	01/01/2015	165,654	7	28,910
Actuarial loss	01/01/2015	3,378,591	7	589,635
Assumption change	01/01/2016	415	8	65
Actuarial loss	01/01/2016	3,673,714	8	579,210
Actuarial loss	01/01/2017	2,068,310	9	299,153
Shortfall loss	01/01/2018	911,635	10	122,425
Actuarial loss	01/01/2018	1,846,708	10	247,997
Assumption change	01/01/2018	3,175,514	10	426,444
Actuarial loss	01/01/2019	2,312,852	11	291,176
Actuarial loss	01/01/2020	1,076,263	12	Deferred to 2024
Shortfall loss	01/01/2021	2,457,296	13	Deferred to 2024
Shortfall loss	01/01/2022	1,378,934	14	Deferred to 2024
Actuarial loss	01/01/2023	351,465	15	Deferred to 2024
Shortfall loss	01/01/2023	393,188	15	Deferred to 2024
Total		**$58,728,751**		**$9,175,858**

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall gain	01/01/2005	$168,638	2	$87,269
Plan amendment	01/01/2007	1,586,625	14	171,703
Shortfall gain	01/01/2009	39,838	1	39,838
Change in asset method	01/01/2009	2,900,259	16	291,021
Shortfall gain	01/01/2010	86,826	2	44,932
Plan amendment	01/01/2010	239,574	2	123,977
Actuarial gain	01/01/2010	1,127,213	2	583,323
Actuarial gain	01/01/2011	1,051,552	3	375,317
Actuarial gain	01/01/2013	806,643	5	184,663
Actuarial gain	01/01/2014	21,212	6	4,181
Shortfall gain	01/01/2015	1,137,088	7	198,446
Shortfall gain	01/01/2016	1,663,308	8	262,243
Shortfall gain	01/01/2017	1,689,817	9	244,409
Shortfall gain	01/01/2019	268,874	11	33,850
Shortfall gain	01/01/2020	360,827	12	Deferred to 2024
Actuarial gain	01/01/2021	1,426,201	13	Deferred to 2024
Actuarial gain	01/01/2022	3,051,606	14	Deferred to 2024
Total		**$17,626,101**		**$2,645,172**

Exhibit G: Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2023.

Item[1]	Number of Participants		Current Liability
Interest rate assumption			2.55%
Retired participants and beneficiaries receiving payments	478		$110,631,326
Inactive vested participants	220		36,282,408
Active participants			
• Non-vested benefits		$3,711,830	
• Vested benefits		72,340,473	
• Total active	283		76,052,303
Total	**981**		**$222,966,037**

Expected increase in current liability due to benefits accruing during the plan year	$3,089,286
Expected release from current liability for the plan year	9,863,682
Expected plan disbursements for the plan year, including administrative expenses of $400,000	10,263,682

Current value of assets	$47,310,760
Percentage funded for Schedule MB	21.21%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit I.

Exhibit H: Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2022 and as of January 1, 2023. In addition, a reconciliation between the two dates follows.

	Benefit Information Date	
	January 1, 2022	January 1, 2023
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$78,058,831	$75,956,446
• Other vested benefits	45,914,039	48,373,828
• Total vested benefits	$123,972,870	$124,330,274
Actuarial present value of non-vested accumulated plan benefits	1,918,680	1,867,553
Total actuarial present value of accumulated plan benefits	**$125,891,550**	**$126,197,827**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$922,591
Benefits paid	-9,375,276
Interest	8,758,962
Total	**$306,277**

Exhibit I: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2023 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$400,000, payable at the beginning of the year, for the year beginning January 1, 2023 (previously, $410,000 for the plan year beginning January 1, 2022). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in Exhibit J.
Current Liability Assumptions	*Interest:* 2.55%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2021 (previously, the MP-2020 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 5.3%, for the Plan Year ending December 31, 2022 *On current (market) value of assets (Schedule MB, line 6h):* -13.6%, for the Plan Year ending December 31, 2022
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 2.22% to 2.55% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was lowered from $410,000 to $400,000 for the plan year beginning January 1, 2023.

Exhibit J: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Normal Pension	• *Age and Service Requirements:* 62 years with 5 years of participation • *Amount:* $80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $40 for each pension credit earned through December 31, 2013. Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

	The accrual rates for the 2014-2024 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	$75 per Credit
2016	$80 per Credit
2017 – 2018	$95 per Credit
2019	$85 per Credit
2020	$95 per Credit
2021	$85 per Credit
2022	$80 per Credit
2023	$85 per Credit
2024	$90 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.,* “Commercial”) Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability	• *Age Requirement:* None • *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability. • *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter. • *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005. For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced. • *Occupational Disability Pension Amount:* Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.
Vesting	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits • *Amount:* Normal or early pension accrued based on plan in effect when last active. • *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • *Service Requirement:* Five vesting credits • *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	• *Joint and Survivor:* If the participant is married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.

Automatic Benefit Forms	• *Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• *Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.*, 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.
Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be $14.67 plus the Reserve Fund contribution for 2023 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan
Updated for Plan Year Beginning January 1, 2023
Originally Adopted October 28, 2009
Previously Updated for Plan Years Beginning January 1, 2013 through 2022

Introduction

The Pension Protection Act of 2006 ("PPA"), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), requires the Trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status (also known as "Red Zone" status) to develop a Rehabilitation Plan. A Rehabilitation Plan must prescribe actions, including recommended actions to be taken by the bargaining parties, which are expected to enable a plan to meet stated annual financial benchmarks as well as the emergence criteria by the end of the Rehabilitation Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. On March 31, 2009, the Sheet Metal Workers' Local No. 40 Pension Plan ("Pension Plan" or "Plan") was certified by its actuary to be in Critical Status for the plan year beginning January 1, 2009. It remains in Critical Status for the plan year beginning January 1, 2023.

The Trustees and collective bargaining parties have taken a number of steps including benefit reductions and contribution rate increases to improve the financial position of the Pension Plan. This update to the Rehabilitation Plan adopted by the Trustees is the latest step in the process.

This Rehabilitation Plan:

1. Has been updated based on the results of the Actuarial Valuation and Review as of January 1, 2023;

2. Specifies the rehabilitation period and the expected emergence date;

3. Includes two schedules (one Default and one Preferred Schedule) of benefit and contribution changes that will be provided to the bargaining parties, one of which must be implemented as part of any future collective bargaining agreement(s). (The bargaining parties have agreed to a collective bargaining agreement which is consistent with the Preferred Schedule.);

4. Provides annual standards for meeting the requirements of the Rehabilitation Plan and describes how the Rehabilitation Plan will be updated from time to time; and

5. Describes which Schedule will be automatically implemented if there is no agreement between the bargaining parties in a timely manner.

Rehabilitation Period and Expected Emergence Date

Pursuant to Section 205 of WRERA, the Trustees elected on May 27, 2009 that the rehabilitation period shall be extended by 3 years. As a result, the rehabilitation period was the 13-year period beginning January 1, 2011. The Pension Plan was projected to emerge from Critical Status by December 31, 2023 based on reasonable assumptions.

The Trustees have periodically reviewed the Rehabilitation Plan since then. Due to adverse investment and employment experience since the original adoption of the Rehabilitation Plan, the Pension Plan is no longer projected to meet the requirements to cease to be in Critical Status by the end of the rehabilitation period. The law provides, however, that if the Trustees determine that, based upon the exhaustion of all reasonable measures, the Pension Plan cannot reasonably be expected to emerge by the end of a statutory 13-year rehabilitation period, then the Rehabilitation Plan should be designed to enable the Pension Plan to cease to be in Critical Status at a later date, or if not reasonable, to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions. The following discussion outlines the actions of the Trustees since it was determined that the Pension Plan could not meet the statutory 13-year rehabilitation period.

Deliberations by Trustees

At a meeting of the Trustees held on November 4, 2013, the Pension Plan's actuary reviewed with the Trustees their obligation to update the Rehabilitation Plan setting forth actions by which the Pension Plan could emerge from Critical Status.

The Pension Plan's actuary reviewed at length projections based on the then current 8% investment return assumption and alternative investment return assumptions of 7.75% and 7.50% and based on the current and alternative employment assumptions. The Trustees agreed that the 7.50% investment return assumption, an employment assumption of 500,000 hours in 2013 and 550,000 hours thereafter, and the assumptions used in the preliminary January 1, 2013 actuarial valuation were reasonable and approved their use for the purposes of updating the Rehabilitation Plan for the plan year beginning January 1, 2013.

The Pension Plan's actuary modeled reductions in the accrual rate, changes in the early retirement reduction factors, and the elimination of the additional pension credits for members who retire on a Total Disability Pension. The actuary determined that based on the investment return and employment assumption approved by the Trustees, these changes would not result in the Plan emerging from Critical Status within the 13 years allowed by law.

The Trustees discussed that further significant reductions to benefits provided under the Plan would discourage union sheet metal workers from engaging in covered employment, and further increases to the contribution rate in the Collective Bargaining Agreement were likely to seriously undermine the competitiveness of contributing employers in the marketplace. (Contribution rates had increased 47% in the relevant time frame, from $9.51 to $11.01 effective July 1, 2010 to $12.51 effective July 1, 2011 to $14.01 effective July 1, 2012.)

On the basis of the foregoing, it was the conclusion of the Trustees that no reasonable measures would enable the Pension Plan to emerge from Critical Status by the end of the statutory 13-year rehabilitation period. The Trustees also determined that it would be reasonable to modify the accrual rate formula. The Trustees discussed a proposal to lower the Plan's current benefit accrual rate of $80 by $5 for work during the 2014 Plan Year, and also tying the Plan's benefit accrual rate in future plan years (2015 and beyond) to a schedule based on the total hours actually worked by Plan participants in a prior measuring period until the Plan emerges from Critical Status. The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund was to be 50% of the accrual rate applicable to non-Residential (i.e., "Commercial") Sheet Metal Work. The Trustees concluded that these additional changes constituted the only reasonable measures available to them to emerge from Critical Status and forestall Plan insolvency, thereby qualifying for the safety valve provision of ERISA and the IRC.

Based on the Plan changes adopted by the Trustees on November 4, 2013, the Pension Plan was projected to emerge from Critical Status at the end of the 2046 Plan Year.

Plan Year Beginning January 1, 2014 Update

On December 16, 2014, the Trustees agreed to, adopted and executed the updated Rehabilitation Plan which reflected anticipated investment experience for 2014. The Pension Plan was projected to emerge from critical status by the end of the 2048 Plan Year.

Plan Year Beginning January 1, 2015 Update

With the January 1, 2015 actuarial valuation, the Pension Plan's actuary projected that if all assumptions were met, the credit balance would remain negative through 2052. A new Collective Bargaining Agreement was effective July 1, 2015. The Trustees requested an additional allocation to the Pension Plan to improve the financial health of the plan and to emerge from Critical Status sooner. The Union membership declined to ratify an increase in the contribution rate to the Pension Plan without a prospective increase in the accrual rate. The Trustees agreed to consider an increase in the accrual rate if there were an increase in the contribution rate that was approximately twice the cost of increasing the accrual. The Trustees noted that it was their view that this proposal of contribution rate increases, limited benefit increases, and improvements to the Pension Plan's funded status was the only possible measure, at the current time, which could allow the Pension Plan to emerge from critical status no later than the current emergence date of December 31, 2048.

The Pension Plan's actuary projected that $0.30 increases in the contribution rate on July 1, 2016, July 1, 2017 and July 1, 2018 (totaling $0.90), and $5 increases in the accrual rate on January 1, 2017, January 1, 2018 and January 1, 2019 (totaling $15) for service accrued after those dates would accelerate the Plan's emergence date to December 31, 2046.

The Union membership ultimately agreed to a $0.90 contribution rate increase on July 1, 2016 and a $15 increase in the accrual rate for service after January 1, 2017.

Legal counsel reminded the Trustees that ERISA provides that a multiemployer pension plan which has adopted a rehabilitation plan may generally not increase the rate of future benefit accruals unless the plan actuary certifies that the increase is paid out of additional contributions not contemplated by the rehabilitation plan, and, after taking into account the increase, the plan is still reasonably expected to emerge from critical status by the end of the rehabilitation period on the schedule contemplated in the rehabilitation plan. It was noted that the benefit improvements considered for the Plan, and noted above, would be paid out of a portion of the additional contributions not contemplated by the Pension Plan's Rehabilitation Plan, and that the other portion would be used to improve the Pension Plan's funded position such that it would emerge from critical status faster than contemplated under the current Rehabilitation Plan. Legal counsel also reminded the Trustees that they have utilized ERISA's "safety valve" provision, in that they had previously concluded that they had exhausted all reasonable measures to emerge from critical status by December 31, 2023.

The Pension Plan's actuary further noted that the Pension Plan's investment advisor has estimated that the Pension Plan's return through October 31, 2015 was -0.3% and that projected employment for 2015 was 630,000 hours compared to the assumption of 550,000 hours. Given the Pension Plan's investment performance through October 31, 2015 and the volatility in the investment markets in November and the first half of December 2015, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2050 Plan Year.

Plan Year Beginning January 1, 2016 Update

In 2015, the actual investment performance was -3.21% and the January 1, 2016 zone certification reflected the fact that the Pension Plan was not making scheduled progress in meeting the requirements of the Rehabilitations Plan because the projected emergence date from Critical Status was the end of the 2051 Plan Year. Although projected employment for 2016 is greater than the assumption of 550,000 hours, the Investment Advisor has reported a return of 5.1% through November 31, 2016. Based on this information, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2055 Plan Year.

Plan Year Beginning January 1, 2018 Update

With the January 1, 2018 actuarial valuation, the Plan's actuary lowered the investment return assumption from 7.5% to 7.25% and based on information provided by the Trustees, lowered the employment assumption to 500,000 hours in 2018 and 525,000 hours in 2019. The Investment Advisor has reported a return of -1.9% through October 31, 2018. Based on this information and the continued decline in the investment markets through December 2018, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2019 Update

The January 1, 2019 Actuarial Valuation reflected a return on a market value basis of -6.59% and a return on the actuarial basis of 2.87%. The contribution rate increased from $15.00 to $15.21 on July 1, 2018 and further increased to $15.41 on July 1, 2019, plus the $0.21 Reserve Fund contribution. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2020 Update

The January 1, 2020 Actuarial Valuation reflected a return on a market value basis of 18.69% and a return on the actuarial basis of 5.06%. Contributions during 2019 were $8.1 million compared to the assumption of $7.8 million.

Contributions through October 31, 2020 were $5.2 million. Contributions for 2020 will likely fall short of the assumption of $8.3 million for 2020. The investment advisor has reported a return of 9.15% through November 30, 2020. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and the available information on contributions and investment performance for 2020. Based on this review, the Trustees determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2021 Update

The January 1, 2021 Actuarial Valuation reflected a return on a market value basis of 11.82% and a return on the actuarial basis of 9.00%. Contributions during 2020 were $6.6 million compared to the assumption of $8.3 million. Based on input from the Trustees, the employment assumption was lowered from 550,000 hours to 500,000 hours.

The contribution rate increased to $15.56 per hour effective July 1, 2020, plus the Reserve Fund contribution of $0.21 per hour. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2021 and thereafter.

Contributions through October 31, 2021 were $5.1 million. Contributions for 2021 will likely fall short of the assumption of $7.5 million for 2021. The investment advisor has reported a return of 13.94% through October 31, 2021. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and the available information on contributions and investment performance for 2021. Based on this review, the Trustees determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

If the actuary certifies before the end of this period that the Pension Plan is no longer in Critical Status for a plan year, the rehabilitation period will end as of the close of the preceding plan year.

Plan Year Beginning January 1, 2022 Update

The January 1, 2022 Actuarial Valuation reflected a return on a market value basis of 15.25% and a return on the actuarial basis of 11.11%. Contributions during 2021 were $6.5 million compared to the assumption of $7.5 million.

The contribution rate remains unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Based on the hours and contributions reported by the Plan Administrator for 2021 and the first 9 months of 2022, the estimate of the average contribution rate was lowered to $14.88 (including the Reserve Fund contribution) for 2022 and thereafter.

Contributions through October 31, 2022 were $5.5 million and will likely fall short of the assumption of $7.4 million for 2022. The investment advisor has reported a return of -10.21% through November 2022. Based on this information, and using the long-term assumed investment return of 7.25%, the Plan is not expected to emerge from Critical Status. However, if all assumptions are met in 2023 and later years, including the investment return assumption of 7.25%, the Plan is not projected to become insolvent.

Based on this review, the Trustees are revising the Annual Standards to remove the expected date of emergence and to include monitoring of the Plan's solvency.

The Plan is eligible to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 on March 12, 2023. Preliminary analysis indicates the Plan may receive SFA using the interest rate assumption in the guidance issued by the Pension Benefit Guaranty Corporation (PBGC). The Trustees will continue to monitor experience and apply for SFA if supported under the PBGC rules.

Plan Year Beginning January 1, 2023 Update

The employment assumption was lowered from 550,000 hours to 500,000 hours per year in 2021. With the January 1, 2023 zone certification, total hours are assumed to decline 0.94%

beginning in 2024. The change in the employment assumption, combined with the investment loss and contribution shortfall, resulted in a projected insolvency in 2044.

The January 1, 2023 Actuarial Valuation reflected a return on a market value basis of -13.67% and a return on the actuarial basis of 5.35%. Contributions during 2022 were $7.2 million compared to the assumption of $7.4 million.

The contribution rate remains unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Based on the hours and contributions reported by the Plan Administrator for 2022 and the first 9 months of 2023, the estimate of the average contribution rate remains unchanged at $14.88 (including the Reserve Fund contribution) for 2023 and thereafter. Contributions for 2023 are assumed to be $7.4 million.

Contributions through September 30, 2023 were $5.5 million and are expected to be close to the assumption of $7.4 million for 2023. The investment advisor has reported an account balance of $49,466,999 through November 30, 2023. Based on this information, and using the long-term assumed investment return of 7.25%, the Plan is not expected to emerge from Critical Status. In addition, the Plan is now projected to become insolvent in 2047.

The Plan filed a lock-in application for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 on March 31, 2023 and is waiting to apply for SFA (#52 on the PBGC waitlist).

Rehabilitation Plan Remedies and Schedules

Original Default Schedule and Preferred Schedule

Attached to this document are the Original Default Schedule and the Updated Preferred Schedule under the Rehabilitation Plan, which describe supplemental contributions and the benefit revisions that will be made if either Schedule is adopted or goes into effect. Exhibit A is the Original Default Schedule under the Rehabilitation Plan and contains reductions in benefits necessary to meet the requirements of the PPA. Exhibit B is the Preferred Schedule under the Rehabilitation Plan and contains a combination of reductions in benefits and increases in contributions.

Implementation of Remedies and Schedules

The benefits of participants whose annuity starting date is prior to January 1, 2010 are not subject to reduction under this Rehabilitation Plan. Benefits for other participants are determined as follows:

- A Participant who earns at least 100 hours of Service under a collective bargaining agreement that adopts terms consistent with one of the Schedules of this Rehabilitation Plan shall have his or her benefits determined based on that Schedule.
- Beginning on December 31, 2009 a Participant will become a Terminated Vested Participant on any December 31st when (1) he meets the requirements of the Plan to be Vested, and (2) he failed to earn at least 100 Hours of Service under the Plan for the Plan Year that ended on that December 31st. Terminated Vested Participants will be covered under the Default Schedule. A Terminated Vested Participant who returns to Covered Employment will lose that status under the Rehabilitation Plan on the date when he earns at least 100 hours of service in a Plan Year.

- Except as provided below under Special Rules for a Retiree Who Returns to Work, all other participants shall have their benefits determined based on the benefit changes described in the Default Schedule. These provisions shall take effect on the date specified in the notice of benefit reduction provided by the Pension Plan.
- Non-collectively bargained participants will be treated the same as bargained participants with their participation agreement treated as a collective bargaining agreement.
- Participants who work outside the jurisdiction of the Pension Plan and have monies sent to this Pension Plan on their behalf under a "Money follows the man" reciprocity agreement shall, for such time period, be treated as subject to the benefit provisions of the Preferred Schedule. For benefit accrual purposes, their hours will be converted to equivalent hours determined by dividing the total contributions sent to this Pension Plan by the applicable contribution rate in the Preferred Schedule. For vesting service purposes, their hours will not be adjusted.

Special Rules for a Retiree Who Returns to Work

An individual who has become covered by the Preferred or Default Schedule and then retired after 2009 shall cease to be covered by that Schedule on the earlier of the date when:

- He returns to covered employment and becomes covered under a different Schedule by earning at least 100 Hours of Service under a collective bargaining agreement that corresponds to that different Schedule, or
- The collective bargaining agreement under which he worked when he became subject to the Schedule is modified or expires and a different Schedule is agreed to or imposed with respect to persons covered by the successor agreement.

A retiree who retired before January 1, 2010 and returns to work on or after January 1, 2010 shall be covered by the Preferred or Default Schedule, as appropriate under the rules of this Rehabilitation Plan, but only for accruals earned on or after January 1, 2010.

Benefits of a beneficiary or alternate payee with respect to a Participant or Retiree shall be determined on the same basis as benefits of the Participant or Retiree to whom they relate.

Automatic Implementation of Default Schedule

If a collective bargaining agreement providing for contributions under the Pension Plan that was in effect on January 1, 2009 expires, and after receiving the Default Schedule and Preferred Schedule the bargaining parties fail to adopt either schedule, the Schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires will be imposed, and the benefits adjusted accordingly, 180 days after the date on which the collective bargaining agreement expires, provided that the employer has not withdrawn from the Pension Plan.

Employer Contribution Surcharges

The amount of the surcharge in effect beginning May 30, 2009 was 5% of the amount employers were otherwise required to contribute to the Plan under the applicable collective bargaining agreement. Beginning January 1, 2010, the contribution surcharge increased to 10% of the negotiated contribution rate. These contribution surcharges end on the effective date of a collective bargaining agreement amendment that includes terms consistent with the Rehabilitation Plan. This Rehabilitation Plan was originally adopted by the Board of Trustees of the Pension Plan on October 28, 2009. A collective bargaining agreement amendment containing terms consistent with the Rehabilitation Plan was adopted effective November 1, 2009 and the surcharge ended then for all employers bound by that amendment. Another collective bargaining agreement amendment and extension, effective July 1, 2010 through June 30, 2014, continued those terms consistent with the Rehabilitation Plan. The surcharge remains in effect for contributing employers who are not bound by both of those collective bargaining agreement amendments. The existing collective bargaining agreement, as amended, contains terms consistent with the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2013, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2014, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2015, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2016, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2018, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2019, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2020, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2021, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2022, and the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2023.

Annual Standards for Meeting the Rehabilitation Requirements

On an annual basis, in conjunction with the actuarial valuation, the Pension Plan's actuary will perform a projection to certify (a) whether or not the Pension Plan is expected to emerge from Critical Status and (b) whether or not the Plan is projected to remain solvent. The Trustees will update the Rehabilitation Plan and will update the schedules to reflect the experience of the Pension Plan, as appropriate and as required by law.

The Trustees recognize that actual experience will differ from the reasonable assumptions used to develop this Rehabilitation Plan and the fact that it is impossible to predict the future with any certainty.

Annual Updating of Rehabilitation Plan

Each year the Pension Plan's actuary will review and certify the status of the Pension Plan under the PPA funding rules and whether, starting with the beginning of the rehabilitation period, the Pension Plan is making the scheduled progress toward the requirements of the Rehabilitation Plan. If the Trustees determine that it is necessary in light of updated information and the requirements of law, they will revise the Rehabilitation Plan and present updated schedules to the bargaining parties, which may prescribe additional benefit reductions or higher contribution rates.

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

Other Issues

Since collective bargaining agreements are typically negotiated for less than the length of this rehabilitation period, it is expected that future contract renewals will be consistent with the Default Schedule or the Preferred Schedule as applicable. The Board of Trustees may adjust these Schedules at any time during the rehabilitation period.

In the event that the Default Schedule has to be implemented, and then an alternative schedule is bargained as part of subsequent negotiations, the Board of Trustees will develop a revised Rehabilitation Plan.

Benefit changes under both the Default Schedule and the Preferred Schedule will become effective as called for by the Rehabilitation Plan and are expected to be permanent.

Date: December 28, 2023

1-10-2024 Michael Thompson
Michael Thompson

1-10-2024
John Nimmons

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Adopted During Plan Year Beginning January 1, 2009

EXHIBIT A
ORIGINAL DEFAULT SCHEDULE

The default schedule consists of the following:

1. Three permanent increases to the contribution rate from $9.51 per hour to $10.56 per hour effective July 1, 2010, to $11.61 effective July 1, 2011 and to $12.66 effective July 1, 2012.

2. The plan of benefits in effect as of the day before the date of certification of Critical Status (March 31, 2009), for all current and future active participants and terminated vested participants and for every year that the Pension Plan is in Critical Status, except for

   a. An increase in the Normal Retirement Age from age 62 to age 65 for benefit accruals on or after January 1, 2010;

   b. A change in the early retirement reduction factors to actuarial equivalent factors (based on Plan's definition of actuarial equivalence) for all years of service, effective for retirements on or after January 1, 2010;

   c. The elimination of the pre-retirement lump sum death benefit for deaths that occur on or after January 1, 2010;

   d. The elimination of the $10,000 post retirement death benefit for deaths that occur on or after January 1, 2010;

   e. The elimination of the current Total Disability Pension and Occupational Disability Pension to be replaced with a disability benefit reflecting full actuarial reduction (additional disability benefits, based on so-called "bonus credits" awarded to participants with 20 or more pension credits, are eliminated);

   f. Any benefit changes required for the Pension Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law; and

   g. After commencement of the Rehabilitation Period, specific benefit increases, but only if the Trustees determine, based on a certification of the Plan's actuary, that they will be financed by contributions not factored into the initial Rehabilitation Plan and will not impede the Pension Plan in emerging from Critical Status by the end of the rehabilitation period as contemplated by the initial Rehabilitation Plan.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Adopted During Plan Year Beginning January 1, 2009
Updated for the Plan Year Beginning January 1, 2015

EXHIBIT B
PREFERRED SCHEDULE

The Preferred Schedule consists of the following:

1. Permanent increases in the commercial contribution rate from $9.51 per hour to $11.01 per hour effective July 1, 2010, to $12.51 effective July 1, 2011, to $14.01 effective July 1, 2012, and to $14.91 effective July 1, 2016 and permanent increases in the contribution rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund from $4.75 per hour to $5.50 per hour effective July 1, 2011, to $6.25 effective July 1, 2012, and to $7.45 effective July 1, 2016. In addition, the allotment of a temporary eighth hour contribution valued at $0.29 per hour for hours worked between November 1, 2009 and June 30, 2010.

2. The plan of benefits in effect as of the day before the date of certification of Critical Status (March 31, 2009), except that all Terminated Vested Participants and all other participants who work 100 hours or more under a collective bargaining agreement or a participation agreement with terms consistent with this preferred schedule, shall be subject to the following:

    a. For participants with 40 or more Pension Credits in force, the early retirement reduction factors will be (i) for Pension Credits earned prior to 2008, 1% for each year retiring before Normal Retirement Age, and (ii) for Pension Credits earned for work after 2007, 3% for each year retiring before Normal Retirement Age, effective for retirements on or after January 1, 2010;

    b. For participants with 25 or more but fewer than 40 Pension Credits in force, an increase in the early retirement reduction factors to 3% for each year retiring before Normal Retirement Age for all years of service for those who retire early, effective for retirements on or after January 1, 2010;

    c. For participants with fewer than 25 Pension Credits in force, an increase in the early retirement reduction factors to 6% for each year retiring before Normal Retirement Age for all years of service for those who retire early, effective for retirements on or after January 1, 2010;

    d. The changes to the early retirement reduction factors outlined above also apply to pre-retirement death benefits and to disability retirements if the member is not eligible for Social Security Disability;

    e. The elimination of the 40-Pension Credit maximum, due to take effect on January 1, 2012, based on a certification by the Plan's actuary that this change is financed by additional contributions included in the initial Rehabilitation Plan and will not impede the Pension Plan's emergence from Critical Status during the rehabilitation period;

f. A reduction from seven to five Pension Credits to the maximum number of additional pension credits (so-called "bonus credits") added to the accrued pension of a participant with 20 pension credits who is eligible for Social Security Disability and who is retiring on a Total Disability Pension, effective for retirements on or after January 1, 2010;

g. A reduction in the accrual rate from $80 to $75 for the 2014 Plan Year and adopt a benefit accrual rate for the 2015 Plan Year and the 2016 Plan Year, based on the following schedule:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	**Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:**
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

For the 2014 Plan Year and later, the accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (i.e., "Commercial") Sheet Metal Work.

h. A benefit accrual rate increase for the 2017 Plan Year and later, until such time as the Plan emerges from Critical Status (at which point the benefit accrual rate for the immediately following Plan Year would revert back to $95), based on the following schedule:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	**Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:**
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

For the 2017 Plan Year and later, the accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.,* "Commercial") Sheet Metal Work.

i. Any benefit changes required for the Pension Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law; and

j. After commencement of the Rehabilitation Period, specific benefit increases, but only if the Trustees, based on a certification of the Plan's actuary, determine that they will be financed by contributions not factored into the initial Rehabilitation Plan and will not impede the Pension Plan in emerging from Critical Status by the end of the rehabilitation period as contemplated by the initial Rehabilitation Plan.

The following additional information is included to comply with Section B, Item (3) of the filing instructions:

For the 2023 plan year, all employers are contributing to the Plan according to the Preferred Schedule as defined in the most recent Rehabilitation Plan during the plan year. Therefore, 100% of all contributions made to the Plan were received under the Preferred Schedule.

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	**Annual Return/Report of Employee Benefit Plan** This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	OMB Nos. 1210-0110 1210-0089 **2022** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A This return/report is for:
- [X] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [ ] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	**1b** Three-digit plan number (PN) ▶ 001 **1c** Effective date of plan 10/01/1956
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND 10 TECHNOLOGY DRIVE WALLINGFORD, CT 06492-5817	**2b** Employer Identification Number (EIN) 06-6157817 **2c** Plan Sponsor's telephone number 180-044-6864 **2d** Business code (see instructions) 238900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature. **Signature of plan administrator**	10/16/2023 Date	JOHN NIMMONS Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. **Signature of employer/plan sponsor**	10/16/2023 Date	MICHAEL THOMPSON Enter name of individual signing as employer or plan sponsor
SIGN HERE	**Signature of DFE**	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor		**3b** Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:		**4b** EIN	
a Sponsor's name			
c Plan Name		**4d** PN	
5 Total number of participants at the beginning of the plan year		**5**	995
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).			
a(1) Total number of active participants at the beginning of the plan year		**6a(1)**	288
a(2) Total number of active participants at the end of the plan year		**6a(2)**	286
b Retired or separated participants receiving benefits		**6b**	374
c Other retired or separated participants entitled to future benefits		**6c**	214
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**		**6d**	874
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		**6e**	110
f Total. Add lines **6d** and **6e**		**6f**	984
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		**6g**	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		**6h**	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		**7**	29

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	**9b** Plan benefit arrangement (check all that apply)
(1) [ ] Insurance	**(1)** [ ] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts	**(2)** [ ] Code section 412(e)(3) insurance contracts
(3) [X] Trust	**(3)** [X] Trust
(4) [ ] General assets of the sponsor	**(4)** [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules	**b General Schedules**
(1) [X] **R** (Retirement Plan Information)	**(1)** [X] **H** (Financial Information)
(2) [X] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	**(2)** [ ] **I** (Financial Information – Small Plan)
	(3) [ ] **A** (Insurance Information)
	(4) [X] **C** (Service Provider Information)
(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	**(5)** [X] **D** (DFE/Participating Plan Information)
	(6) [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ....……….. ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code______________________

SCHEDULE MB (Form 5500)	Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500 or 5500-SF.**	**2022** **This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

D Employer Identification Number (EIN)
06-6157817

E Type of plan: **(1)** [X] Multiemployer Defined Benefit **(2)** [ ] Money Purchase (see instructions)

1a Enter the valuation date: Month 01 Day 01 Year 2022		
b Assets		
(1) Current value of assets	**1b(1)**	57390949
(2) Actuarial value of assets for funding standard account	**1b(2)**	51935239
c (1) Accrued liability for plan using immediate gain methods	**1c(1)**	125891550
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	**1c(2)(a)**	
(b) Accrued liability under entry age normal method	**1c(2)(b)**	
(c) Normal cost under entry age normal method	**1c(2)(c)**	
(3) Accrued liability under unit credit cost method	**1c(3)**	125891550
d Information on current liabilities of the plan:		
(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	**1d(1)**	
(2) "RPA '94" information:		
(a) Current liability	**1d(2)(a)**	234594486
(b) Expected increase in current liability due to benefits accruing during the plan year	**1d(2)(b)**	2930351
(c) Expected release from "RPA '94" current liability for the plan year	**1d(2)(c)**	9828311
(3) Expected plan disbursements for the plan year	**1d(3)**	10238311

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

	10/12/2023
Signature of actuary	Date
KATHLEEN A. RILEY	23-04134
Type or print name of actuary	Most recent enrollment number
SEGAL	617-424-7300
Firm name	Telephone number (including area code)
116 HUNTIGNTON AVENUE, BOSTON, MA 02116-5744	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

2 Operational information as of beginning of this plan year:

a Current value of assets (see instructions) **2a** 57390949

b "RPA '94" current liability/participant count breakdown:

	(1) Number of participants	(2) Current liability
(1) For retired participants and beneficiaries receiving payment	490	117504510
(2) For terminated vested participants	217	37639033
(3) For active participants:		
(a) Non-vested benefits		3901634
(b) Vested benefits		75549309
(c) Total active	285	79450943
(4) Total	992	234594486

c If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage .... **2c** 24.46 %

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	c) Amount paid by employees
07/15/2022	7212678				
			Totals ► 3(b)	7212678	3(c)

(d) Total withdrawal liability amounts included in line 3(b) total .... **3(d)** 0

4 Information on plan status:

a Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3)) .... **4a** 41.3 %

b Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If entered code is "N," go to line 5 .... **4b** C

c Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan? .... ☐ Yes ☒ No

d If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)? .... ☐ Yes ☒ No

e If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date **4e**

f If the plan is in critical status or critical and declining status, and is:
- Projected to emerge from critical status within 30 years, enter the plan year in which it is projected to emerge;
- Projected to become insolvent within 30 years, enter the plan year in which insolvency is expected and check here.......... ☐
- Neither projected to emerge from critical status nor become insolvent within 30 years, enter "9999."

4f 9999

5 Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

a ☐ Attained age normal **b** ☐ Entry age normal **c** ☒ Accrued benefit (unit credit) **d** ☐ Aggregate

e ☐ Frozen initial liability **f** ☐ Individual level premium **g** ☐ Individual aggregate **h** ☒ Shortfall

i ☐ Other (specify):

j If box h is checked, enter period of use of shortfall method **5j** 76

k Has a change been made in funding method for this plan year? .... ☐ Yes ☒ No

l If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval? .... ☐ Yes ☐ No

m If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method **5m**

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability	6a	2.22 %	
		Pre-retirement	Post-retirement
b Rates specified in insurance or annuity contracts		☐ Yes ☐ No ☒ N/A	☐ Yes ☐ No ☒ N/A
c Mortality table code for valuation purposes:			
(1) Males	6c(1)	A	A
(2) Females	6c(2)	A	A
d Valuation liability interest rate	6d	7.25 %	7.25 %
e Salary scale	6e	% ☒ N/A	
f Withdrawal liability interest rate:			
(1) Type of interest rate	6f(1)	☒ Single rate ☐ ERISA 4044 ☐ Other ☐ N/A	
(2) If "Single rate" is checked in (1), enter applicable single rate	6f(2)	7.25 %	
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	11.2 %	
h Estimated investment return on current value of assets for year ending on the valuation date	6h	15.8 %	
i Expense load included in normal cost reported in line 9b	6i	☐ N/A	
(1) If expense load is described as a percentage of normal cost, enter the assumed percentage	6i(1)	%	
(2) If expense load is a dollar amount that varies from year to year, enter the dollar amount included in line 9b	6i(2)	410000	
(3) If neither (1) nor (2) describes the expense load, check the box	6i(3)	☐	

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	-2845320	0
2	1285719	0

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval	8a	
b Demographic, benefit, and contribution information		
(1) Is the plan required to provide a projection of expected benefit payments? (See instructions) If "Yes," see instructions for required attachment.		☐ Yes ☒ No
(2) Is the plan required to provide a Schedule of Active Participant Data? (See instructions).		☒ Yes ☐ No
(3) Is the plan required to provide a projection of employer contributions and withdrawal liability payments? (See instructions) If "Yes," attach a schedule.		☐ Yes ☒ No
c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?		☐ Yes ☒ No
d If line c is "Yes," provide the following additional information:		
(1) Was an extension granted automatic approval under section 431(d)(1) of the Code?		☐ Yes ☐ No
(2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended	8d(2)	
(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?		☐ Yes ☐ No
(4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2))	8d(4)	
(5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension	8d(5)	
(6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?		☐ Yes ☐ No
e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)	8e	-1806937

9 Funding standard account statement for this plan year:

Charges to funding standard account:

a Prior year funding deficiency, if any	9a	29521229
b Employer's normal cost for plan year as of valuation date	9b	1627468

			Outstanding balance	
c Amortization charges as of valuation date:				
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	**9c(1)**		63718859	9238327
(2) Funding waivers	**9c(2)**			
(3) Certain bases for which the amortization period has been extended	**9c(3)**			
d Interest as applicable on lines 9a, 9b, and 9c		**9d**		2928059
e Total charges. Add lines 9a through 9d		**9e**		43315083
Credits to funding standard account:				
f Prior year credit balance, if any		**9f**		
g Employer contributions. Total from column (b) of line 3		**9g**		7212678
			Outstanding balance	
h Amortization credits as of valuation date	**9h**		19283777	2726385
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h		**9i**		437334
j Full funding limitation (FFL) and credits:				
(1) ERISA FFL (accrued liability FFL)	**9j(1)**		81142220	
(2) "RPA '94" override (90% current liability FFL)	**9j(2)**		165048703	
(3) FFL credit		**9j(3)**		0
k (1) Waived funding deficiency		**9k(1)**		
(2) Other credits		**9k(2)**		
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)		**9l**		10376397
m Credit balance: If line 9l is greater than line 9e, enter the difference		**9m**		
n Funding deficiency: If line 9e is greater than line 9l, enter the difference		**9n**		32938686
o Current year's accumulated reconciliation account:				
(1) Due to waived funding deficiency accumulated prior to the 2022 plan year		**9o(1)**		
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:				
(a) Reconciliation outstanding balance as of valuation date		**9o(2)(a)**		
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))		**9o(2)(b)**		
(3) Total as of valuation date		**9o(3)**		
10 Contribution necessary to avoid an accumulated funding deficiency. (see instructions.)		**10**		32938686

11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions ☒ Yes ☐ No

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	**Service Provider Information** This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	OMB No. 1210-0110 **2022** **This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	**B** Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	**D** Employer Identification Number (EIN) 06-6157817

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

SEI TRUST COMPANY

100 CIDER MILL ROAD
COLLEGEVILLE, PA 19426

06-1271230

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

SEI INVESTMENT MANGAMENT CORPORATIO

100 CIDER MILL ROAD
COLLEGEVILLE, PA 19426

04-2452803

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51 52	NONE	242494	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

ZENITH AMERICAN SOLUTIONS

10 RESEARCH PARKWAY
WALLINGFORD, CT 06492

52-1590516

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	107069	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

THE SEGAL COMPANY

30 WATERSIDE DRIVE 300
FARMINGTON, CT 06032

13-1835864

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	59500	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

REID & RIEGE PC
777 MAIN STREET 21ST FLOOR
HARTFORD, CT 06103

06-0867204

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	24106	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BEERS, HAMERMAN, COHEN & BURGER
234 CHURCH STREET
NEW HAVEN, CT 06510

47-2517893

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	18640	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK NA
211 MAIN STREET
ANSONIA, CT 06401

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 63	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II	**Service Providers Who Fail or Refuse to Provide Information**

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: BEERS, HAMERMAN, COHEN & BURGER	**b** EIN: 47-2517893
c Position: ACCOUNTANT	
d Address: 234 CHURCH STREET NEW HAVEN, CT 06510	**e** Telephone: 203-333-2228

Explanation: ACCOUNTANT WAS TERMINATED FOR ECONOMIC REASONS THROUGH NORMAL COURSE OF BUSINESS.

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	**DFE/Participating Plan Information** This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	OMB No. 1210-0110 **2022** **This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	**B** Three-digit plan number (PN) ▶ 001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	**D** Employer Identification Number (EIN) 06-6157817

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: SEI CORE PROPTERTY COLLECTIVE INVES

b Name of sponsor of entity listed in (a): SEI TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
27-3224429-045	C	3858524

a Name of MTIA, CCT, PSA, or 103-12 IE: SEI STRUCTURED CREDIT COLLECT TRUST

b Name of sponsor of entity listed in (a): SEI TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
75-3251893-024	C	3427070

a Name of MTIA, CCT, PSA, or 103-12 IE: SEI GLOBAL PRIVATE ASSET IV COLLECT

b Name of sponsor of entity listed in (a): SEI TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
81-5067490-103	C	2250565

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)
(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

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a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

SCHEDULE H (Form 5500)	Financial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).	2022
Department of Labor Employee Benefits Security Administration	▶ **File as an attachment to Form 5500.**	**This Form is Open to Public Inspection**
Pension Benefit Guaranty Corporation		

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan
SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

D Employer Identification Number (EIN)
06-6157817

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		**(a)** Beginning of Year	**(b)** End of Year
a Total noninterest-bearing cash	**1a**	1341615	1465107
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	**1b(1)**	628102	821488
(2) Participant contributions	**1b(2)**		
(3) Other	**1b(3)**	7970	8448
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	**1c(1)**	10460	48572
(2) U.S. Government securities	**1c(2)**		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	**1c(3)(A)**		
(B) All other	**1c(3)(B)**		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	**1c(4)(A)**		
(B) Common	**1c(4)(B)**		
(5) Partnership/joint venture interests	**1c(5)**		
(6) Real estate (other than employer real property)	**1c(6)**		
(7) Loans (other than to participants)	**1c(7)**		
(8) Participant loans	**1c(8)**		
(9) Value of interest in common/collective trusts	**1c(9)**	9364845	9536159
(10) Value of interest in pooled separate accounts	**1c(10)**		
(11) Value of interest in master trust investment accounts	**1c(11)**		
(12) Value of interest in 103-12 investment entities	**1c(12)**		
(13) Value of interest in registered investment companies (e.g., mutual funds)	**1c(13)**	46204280	35471911
(14) Value of funds held in insurance company general account (unallocated contracts)	**1c(14)**		
(15) Other	**1c(15)**		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e	19845	23355
f Total assets (add all amounts in lines 1a through 1e)	1f	57577117	47375040
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	186168	64280
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	186168	64280
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	57390949	47310760

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	7212678	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		7212678
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3261	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		3261
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2007154	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2007154
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	3328224	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	3328142	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		82
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-182532	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-182532

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-791190
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-8407805
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-158352
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	9375276	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		9375276
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	118334	
(2) Contract administrator fees	2i(2)	101938	
(3) Investment advisory and management fees	2i(3)	242694	
(4) Other	2i(4)	83595	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		546561
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		9921837
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-10080189
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unmodified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [ ] DOL Regulation 2520.103-8 (2) [ ] DOL Regulation 2520.103-12(d) (3) [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: NOVAK FRANCELLA, LLC (2) EIN: 61-1436956

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	

			Yes	No	Amount
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year ____________.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 487925.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service; Department of Labor Employee Benefits Security Administration; Pension Benefit Guaranty Corporation	**Retirement Plan Information** This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	OMB No. 1210-0110 **2022** **This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan
SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

D Employer Identification Number (EIN)
06-6157817

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions........ **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 06-6157817 ____________

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year........ **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?........ ☐ Yes ☒ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month ______ Day ______ Year ______

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)........ **6a**

b Enter the amount contributed by the employer to the plan for this plan year........ **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)........ **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?........ ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?........ ☐ Yes ☐ No ☒ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box........ ☐ Increase ☐ Decrease ☐ Both ☒ No

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?........ ☐ Yes ☐ No

11 a Does the ESOP hold any preferred stock?........ ☐ Yes ☐ No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)........ ☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?........ ☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer YANKEE SHEET METAL COMPANY

b EIN 06-1224271 **c** Dollar amount contributed by employer 1587759

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer F & F MECHANICAL ENTERPRISES

b EIN 06-1529369 **c** Dollar amount contributed by employer 806746

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer ARCHITECTURAL SHEET METAL

b EIN 06-1392043 **c** Dollar amount contributed by employer 489249

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer KLEEBERG SHEET METAL

b EIN 04-2321301 **c** Dollar amount contributed by employer 553729

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer L.K. SHEET METAL INC.

b EIN 06-1377331 **c** Dollar amount contributed by employer 679112

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer GREENWOOD INDUSTRIES INC.

b EIN 06-6666666 **c** Dollar amount contributed by employer 439083

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer ENVIRONMENTAL TESTING & BAL. INC

b EIN 06-1391276 **c** Dollar amount contributed by employer 285300

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer AIR BALANCING SERVICE CO.

b EIN 06-1090815 **c** Dollar amount contributed by employer 200179

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer TRUEFLOW TESTING & BAL LLC

b EIN 46-4398736 **c** Dollar amount contributed by employer 192509

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer THE HILLERY COMPANY

b EIN 06-0719459 **c** Dollar amount contributed by employer 176573

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 06 Day 30 Year 2023

e Contribution rate information *(If more than one rate applies, check this box* ☒ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month ______ Day ______ Year ______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month ______ Day ______ Year ______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ____________

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 83.1 % Investment-Grade Debt: 0.0 % High-Yield Debt: 0.0 % Real Estate: 0.0 % Other: 16.9 %

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is “Yes,” has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation___

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2022

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2022 AND 2021

CONTENTS

Novak | Francella
LLC | CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Sheet Metal Workers' Local No. 40
Pension Fund
Wallingford, Connecticut

Opinion

We have audited the financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund (the Plan), an employee benefit plan subject to Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2022, the related statement of changes in net assets available for benefits for the year then ended, and the statement of accumulated plan benefits as of December 31, 2021 and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Sheet Metal Workers' Local No. 40 Pension Fund as of December 31, 2022, and the changes in its net assets available for benefits for the year then ended, and the accumulated plan benefits as of December 31, 2021 and the changes in accumulated plan benefits the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheet Metal Workers' Local No. 40 Pension Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

BOSTON | 33 Harrison Avenue, Suite 500 | Boston, MA 02111 | 617.500.6578
CONNECTICUT | 255 Route 80, PO Box 698 | Killingworth, CT 06419 | 860.663.1190
NEW YORK | 450 Seventh Avenue, 28th Floor | New York, New York 10123 | 212.279.4262
PHILADELPHIA | 40 Monument Road, 5th Floor | Bala Cynwyd, PA 19004 | 610.668.9400
WASHINGTON, DC | 6750 Alexander Bell Drive, Suite 470 | Columbia, MD 21046 | 443.832.4009

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheet Metal Workers' Local No. 40 Pension Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - 2021 Financial Statements

The financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund as of and for the year ended December 31, 2021 were audited by other auditors whose report dated October 17, 2022 expressed an unmodified opinion on those statements. Refer to Note 2 regarding certain reclassifications.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Reportable Transactions and Schedule of Assets Held at End of Year, together referred to as "Supplemental Information", are presented for the purpose of additional analysis and are not a required part of the financial statements. The Schedule of Assets Held at End of Year and the Schedule of Reportable Transactions are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Novak Francella LLC

Killingworth, CT
October 16, 2023

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
INVESTMENTS - at fair value		
Money market fund	$ 48,572	$ 10,460
Mutual funds	35,471,911	46,204,280
Common and collective trust	9,536,159	9,364,845
Total investments	45,056,642	55,579,585
RECEIVABLES		
Employer	821,488	628,102
Other receivables	8,448	7,970
Total receivables	829,936	636,072
OTHER ASSETS		
Cash	1,465,107	1,341,615
Prepaid expenses	23,355	19,845
Total other assets	1,488,462	1,361,460
Total assets	47,375,040	57,577,117
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	64,280	68,580
Due to affiliated fund	-	117,588
Total liabilities	64,280	186,168
NET ASSETS AVAILABLE FOR BENEFITS	$ 47,310,760	$ 57,390,949

See accompanying notes to financial statements.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
ADDITIONS		
Investment (loss) income		
Net (depreciation) appreciation in fair value of investments	$ (9,381,445)	$ 6,631,580
Interest	3,261	528
Dividends	2,007,154	1,189,376
	(7,371,030)	7,821,484
Less: investment fees	242,694	246,975
Net investment (loss) income	(7,613,724)	7,574,509
Contributions		
Employer	7,212,678	6,515,421
Miscellaneous income	-	1,960
Total contributions	7,212,678	6,517,381
Total additions	(401,046)	14,091,890
DEDUCTIONS		
Benefits paid to participants	9,375,276	9,430,267
Administrative expenses		
Professional services	113,203	117,907
Contract administrator fees	101,938	99,950
Insurance and pension benefit guaranty corporation premium	80,269	128,507
Personnel transition fee	5,131	36,831
Office	3,326	16,127
Total administrative fees	303,867	399,322
Total deductions	9,679,143	9,829,589
NET (DECREASE) INCREASE	(10,080,189)	4,262,301
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	57,390,949	53,128,648
End of year	$ 47,310,760	$ 57,390,949

See accompanying notes to financial statements.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENT OF ACCUMULATED PLAN BENEFITS AND
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

DECEMBER 31, 2021 AND YEAR ENDED DECEMBER 31, 2021

		December 31, 2021
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits		
Participants currently receiving payments	$	78,058,831
Other vested participants		45,914,039
		123,972,870
Nonvested benefits		1,918,680
Total actuarial present value of accumulated plan benefits	$	125,891,550

		Year Ended December 31, 2021
CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Actuarial present value of accumulated plan benefits at beginning of year	$	125,952,595
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial experience		607,993
Interest/passage of time		8,761,229
Benefits paid		(9,430,267)
Assumption change		-
Net change		(61,045)
Actuarial present value of accumulated plan benefits at end of year	$	125,891,550

See accompanying notes to financial statements.

NOTE 1. DESCRIPTION OF THE PLAN

The following brief description of the Sheet Metal Workers' International Local No. 40 Pension Fund (the Plan) is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

General - The Plan was established in 1956 under a trust agreement, with amendments since that time, and is maintained pursuant to a collective bargaining agreement which provides for the rate of employer contributions to the Plan, the type of work and areas of work for which contributions are payable, and certain other terms governing contributions. The Plan is a non-contributory defined benefit plan and its purpose it to provide for retirement, disability and death benefits to individuals who worked in covered employment in accordance with the provisions of the Plan. The Plan is administered by a Board of Trustees consisting of representatives of the participating employers and the Union.

The Plan is a defined benefit plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The effective dates of the hourly contribution rates to the Plan are detailed below. The contribution rate for apprentices of the Sheet Metal Industry Apprentice and Training Fund is adjusted in accordance with each member's specific wage rate. These prorated amounts range from 50% to 90% of the stated Plan contribution rate.

	January 1, 2021	January 1, 2022
Stated rate - total	$ 15.77	$ 15.77
Stated rate Cola	0.21	0.21
Stated rate - net	$ 15.56	$ 15.56

Pension Benefits and Vesting - For new retirees on and after January 1, 2014, the monthly benefit rate for each full pension credit will be based upon hours worked in the preceding July through June period and range from $60 to $95. The benefit rates prior to 2014 range from $33.50 to $80.00. The Plan contains requirements to be eligible for benefit rate increase, including a minimum amount of covered employment each year and in a specified period before the effective date of the increase.

NOTE 1. DESCRIPTION OF THE PLAN (continued)

Effective January 1, 2007, one full pension credit is earned when a participant works 1,200 hours in covered employment during the plan year, increased from 1,000 hours. Partial credit is earned when a participant works less than 1,200 hours, but more than 100 hours, in covered employment. During plan years after 1973 and before 2007, hours worked in excess of stated amounts could be "banked" up to a maximum of 5,000 hours. Effective December 31, 2006, participants' banked hours were frozen and no additional hours will be credited to the bank.

Normal retirement date is the later of age 62, or five years of Plan participation. The Plan permits early retirement at age 55, with an actuarially reduced benefit, if the participant has accrued at least 15 pension credits.

The Plan provides for married participants to receive pension benefits in the form of a joint and 50% survivor annuity, and for an unmarried participant to receive pension benefits in the form of a life annuity, at the time of retirement. There are other forms of payment available. A participant who works at least one hour after 1998 is vested in their benefit when they have earned five years of vesting service or has reached his normal retirement date without a break in service. Pension and death benefits are paid directly by the Plan. Pension benefits for members who retired prior to February 28, 1981 are paid by Connecticut General Life Insurance Company under a single premium contract. These contracts and benefits paid by the insurance company are not reflected in the statements of net assets available for benefits or the statements of accumulated plan benefits. If a participant dies prior to receiving any pension benefits under the Plan, and if certain other plan requirements are met, the beneficiary is eligible for a lump-sum death benefit; or in the case of certain married participants, the spouse is eligible to receive a pension benefit equal to 50% of what the participant would have received under a joint and survivor pension. The Plan also provides disability pension benefits for eligible participants.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in United States of America,

Benefit Payments - Benefit payments to participants are recorded upon distribution.

Valuation of Investments - These investments are stated at fair value, based on quoted active market prices or the aggregate value of underlying investments. Realized and unrealized gains and losses are included in the statements of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Principal Custody Solutions. serves as investment custodian for the investments.

See Note 8 for discussion of fair value measurements.

Cash - Cash and cash equivalents include investments in highly liquid instruments with a maturity of three months or less. The balances from time to time exceed federally insured limits.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employer Contributions – Employer contributions are based on reports of hours worked as submitted by employers at rates contractually agreed upon.

Other Affiliated Funds Activity - Contributions by participating employers are initially remitted to a clearing account held by the Sheet Metal Workers' Local No. 40 Health Fund and recorded on the respective fund's accounts on the day of receipt.

For the year ended December 31, 2021, the Plan had a payable to the Sheet Metal Workers' Local No. 40 Health Fund in the amount of $117,588 related to the processing of retiree insurance benefits. During the current year the Plan repaid the amount in full.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications – Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

NOTE 3. PLAN ADMINISTRATION

The Plan has an administrator's service agreement with Zenith American Solutions, Inc. Zenith American Solutions, Inc. is responsible for the daily administration of the Plan, as well as the processing of all participant data and benefit payments. Fees paid to the administrator totaled $107,069 and $133,781 for the years ended December 31, 2022 and 2021, respectively.

Subsequent to December 31, 2022, the contract with Zenith American Solutions, Inc. was terminated and the Plan hired Cook & Associates.

NOTE 4. PLAN TERMINATION

Although they have not expressed intent to do so, the Trustees have the right to terminate the Plan subject to the Provisions of ERISA.

In the event of Plan termination, each participant's rights will be non-forteitable to the extent funded, after providing for any administrative expenses. Assets remaining in the fund will be allocated among the Pensioners, Spouses and Participants in the following order:

1. Pensioners and those eligible to receive pensions.
2. Other vested participants and vested former participants.
3. Other participants.

Under no circumstances shall any portion of the Plan, directly or indirectly, revert or accrue to the benefit of any contributing employer or the union.

NOTE 5. PENSION BENEFIT GUARANTY CORPORATION

The Plan is a defined benefit plan and certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor's pensions.

However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

If plan benefits have been increased within the five year period before plan termination, the entire amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a statutory ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

Whether participants will receive all their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by PBGC.

NOTE 6. ACTUARIAL INFORMATION

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and date of payment.

Significant assumptions underlying the actuarial computations were as follows:

Actuarial Cost Method:	Entry age normal actuarial cost method.
Net Investment Return:	7.25%
Mortality Rates:	Healthy: The RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using the MP-2017 scale. Disabled: The RP-2006 Blue Collar Healthy Annuitant Mortality Table projected generationally using the MP-2017 scale.

NOTE 6. ACTUARIAL INFORMATION (continued)

Weighted Average Retirement Age:	Age 61.
Annual Administrative Expenses:	$410,000, payable at the beginning of the year.
Current Liability Assumptions: Interest:	2.22% within the permissible range prescribed under IRC Section 431 (c)(6)(E). (previously, 2.43%)
Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years.
Future Benefit Accruals:	One Pension credit per year.
Justification for Change in Actuarial Assumptions:	For purposes of determining current liability, the current liability interest rate was changed from 2.43% to 2.22% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E). In addition, the mortality tables and mortality improvement scales were changed in accordance with the IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

The actuaries of the Plan have certified that the Plan is in "Critical Status" at January 1, 2022 and 2021.

The above actuarial assumptions and actuarial cost methods are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results. Pension benefits in excess of the present assets of the Plan are dependent upon contributions received under collective bargaining agreements with employers and income from investments.

Since the information on the actuarial present value of accumulated plan benefits as of December 31, 2022, and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2022, and the changes in its financial status for the year then ended, only a presentation of the net assets available for benefits and changes therein as of and for the year ended December 31, 2022. The complete financial status is presented as of December 31, 2021.

NOTE 7. FUNDED STATUS

The Pension Protection Act of 2006 (PPA06) was signed into law on August 17, 2006. Multiemployer pension plans, such as the Plan, are significantly affected by PPA06. The provisions of PPA06 were effective beginning January 1, 2008, for the Plan. The most significant change in PPA06 for a Multiemployer pension plan is the concept of "Funded Status." If a Multiemployer plan is funded at a level below 65% or meets certain other tests (Critical Status), the Trustees of the pension plan must construct a "Rehabilitation Plan," stating the steps that will be taken to improve the funding over the next ten or 13 years. If a Multiemployer plan is funded at a level below 80% but is not in Critical Status (Endangered Status), the Trustees of the pension plan must construct a "Funding Improvement Plan" stating the steps that will be taken to improve the funding by 1/3 over the next ten years. The actuaries for the Plan have certified that the Plan is in "Critical Status" at January 1, 2022 and 2021, and the Plan has adopted a "Rehabilitation Plan".

NOTE 8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

NOTE 8. FAIR VALUE MEASUREMENTS (continued)

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value, as well, as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Money Market Funds: Values are determined based on the daily closing price as reported at fair value.

Mutual Fund: Values are determined by obtaining quoted prices on nationally recognized securities exchanges.

The following table presents our assets and liabilities measured at fair value on a recurring basis at December 31, 2022:

	Fair Value Measurements at December 31, 2022			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 48,572	$ 48,572	$ -	$ -
Mutual funds	35,471,911	35,471,911	-	-
Total assets in the fair value hierarchy	35,520,483	$ 35,520,483	$ -	$ -
Investments measure at NAV	9,536,159			
	$ 45,056,642			

The following table presents our assets and liabilities measured at fair value on a recurring basis at December 31, 2021:

	Fair Value Measurements at December 31, 2021			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 10,460	$ 10,460	$ -	$ -
Mutual funds	46,204,280	46,204,280	-	-
Total assets in the fair value hierarchy	46,214,740	$ 46,214,740	$ -	$ -
Investments measure at NAV	9,364,845			
	$ 55,579,585			

NOTE 8. FAIR VALUE MEASUREMENTS (continued)

Fair Value of Investments in Entities that are NAV

The following table summarizes investments for which fair value is measured using the net asset value per share as pf December 31, 2022 and 2021:

Investment	Fair Value at December 31, 2022	Fair Value at December 31, 2021	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
SEI Structured Credit Fund CIT	$ 3,427,070	$ 3,541,127	N/A	Quarterly	90 Days
SEI Core Property Fund CIT	3,858,524	3,483,392	N/A	Quarterly	65 Days
SEI Global Private Assets IV CIT	2,250,565	2,340,326	$755,337	None	None
	$ 9,536,159	$ 9,364,845			

NOTE 9. TAX STATUS

The Plan is qualified under Section 401(a) of the Internal Revenue Code and the related trust is exempt from federal income tax under Section 501(a).

The Plan obtained its latest determination letter on November 6, 2015, in which the Internal Revenue Service (IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan's legal counsel believes that the Plan is currently designed and currently being operated in compliance with applicable requirements of the code. Therefore, they believe that the Plan is qualified, and the related Trust is tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 10. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and sector risks. Due to the level of risks associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10. RISKS AND UNCERTAINTIES (continued)

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to investment returns and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

NOTE 11. RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party in interest transactions under ERISA.

NOTE 12. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 16, 2023, which is the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

SUPPLEMENTAL INFORMATION

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2022

Form 5500, Schedule H, Item 4i

EIN: 06-6157817
Plan No. 001

(a)	(b) Issuer, Borrower	(c) Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value: Type	Shares/ Principal	Interest Rate	Maturity Date	(d) Cost	(e) Current Value
		Money market fund:					
	Allspring Govt MM FD-INSTL #1751		48,572			$ 48,572	$ 48,572
		Common collective trusts:					
*	SEI Core Property CIT		1,086			2,200,000	3,858,524
*	SEI Global Private Asset IV CIT		2,308,56			1,220,303	2,250,565
*	SEI Structured Credit Fund CIT		954			2,200,000	3,427,070
		Total common collective trusts				5,620,303	9,536,159
		Mutual funds:					
*	SEI Emerging Markets EQ-A #282		207,976			2,024,649	1,667,971
*	SEI Extended MKT Index-A		112,487			1,667,671	1,561,324
*	SEI Inst Inv L/C Dis Eqty		241,490			2,823,862	2,088,887
*	SEI Inst Inv S&P 500		284,096			4,175,023	4,971,675
*	SEI Inst Inv World Eq		941,731			11,602,038	9,728,080
*	SEI Inst Sm Cap Eqty		142,016			1,649,178	1,242,636
*	STIT US Eqty FCTR		200,558			2,791,524	2,075,774
*	SEI Inst Inv Cor Fix Inc		667,629			6,963,200	5,835,076
*	SEI Inst Inv Emg Mkt		267,240			2,645,635	2,132,573
*	SEI Inst Inv H/Y		294,379			2,579,896	2,093,036
*	SEI Inst Inv Dyn		117,026			2,279,899	2,074,879
		Total mutual funds				41,202,575	35,471,911
		Total investments				$ 46,871,450	$ 45,056,642

*A party-in-interest as defined by ERISA.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2022

Form 5500, Schedule, Item 4j

EIN: 06-6157817
Plan No. 001

(a)	(b) Description	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset	(i) Net Gain or (loss)
	All Spring Govt. MM Fund	$ 3,366,254	N/A	$ 3,366,254	$ 3,366,254	N/A
	All Spring Govt. MM Fund	N/A	$ 3,328,142	3,328,142	3,328,142	$ -

Section 3: Certificate of Actuarial Valuation

Exhibit K: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan

Normal Pension

- *Age and Service Requirements:* 62 years with 5 years of participation
- *Amount:* \$80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, \$40 for each pension credit earned through December 31, 2013.

Accrual rates for 2014 through 2016 are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	\$80 per Credit
Between 549,999 and 500,000	\$75 per Credit
Between 499,999 and 450,000	\$70 per Credit
Between 449,999 and 400,000	\$65 per Credit
399,999 or lower	\$60 per Credit

Accrual rates for 2017 and later are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	\$95 per Credit
Between 549,999 and 500,000	\$90 per Credit
Between 499,999 and 450,000	\$85 per Credit
Between 449,999 and 400,000	\$80 per Credit
399,999 or lower	\$75 per Credit

Section 3: Certificate of Actuarial Valuation

	The accrual rates for the 2014-2023 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	$75 per Credit
2016	$80 per Credit
2017 – 2018	$95 per Credit
2019	$85 per Credit
2020	$95 per Credit
2021	$85 per Credit
2022	$80 per Credit
2023	$80 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.,* "Commercial") Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Section 3: Certificate of Actuarial Valuation

Disability	• *Age Requirement:* None • *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability. • *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter. • *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005. For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced. • *Occupational Disability Pension Amount:* Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.
Vesting	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits • *Amount:* Normal or early pension accrued based on plan in effect when last active. • *Normal Retirement Age:* 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • *Service Requirement:* Five vesting credits • *Amount:* 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• *Age Requirement:* None • *Service Requirement:* 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • *Amount:* $10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, $6,000.
Post-Retirement Death Benefit	• *Joint and Survivor:* If the participant is married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • *Lump Sum:* $4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. $10,000 for members who retired before July 1, 1982.

Section 3: Certificate of Actuarial Valuation

Automatic Benefit Forms	• *Not Married:* Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • *Married:* Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• *Ten-Year Certain and Life:* The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • *Joint and Survivor Forms:* Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (*e.g.*, 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.
Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	The contribution rate is unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2022 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

THE FINANCIAL STATEMENTS WILL BE PLACED IN THE ATTACHMENT FOR THE ACCOUNTANT'S OPINION

SEE ACCOUNTANT'S OPINION FOR SCHEDULE
OF ASSETS HELD

Exhibit F: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2021.

		Pension Credits								
Age	**Total**	**1 - 4**	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	7	4	3	–	–	–	–	–	–	–
25 - 29	12	8	4	–	–	–	–	–	–	–
30 - 34	33	8	13	10	2	–	–	–	–	–
35 - 39	22	2	12	4	2	2	–	–	–	–
40 - 44	39	3	9	5	9	7	5	1	–	–
45 - 49	36	4	2	4	5	8	8	5	–	–
50 - 54	65	–	5	9	7	9	9	15	10	1
55 - 59	45	–	1	2	5	5	8	8	8	8
60 - 64	26	1	2	2	2	2	4	5	2	6
Total	**285**	**30**	**51**	**36**	**32**	**33**	**34**	**34**	**20**	**15**

Notes:
Excludes 13 employees who were either not participants as of December 31, 2021 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2021.
Pension credit shown includes credit from banked hours.

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March 31, 2022

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2022 for the following plan:

Name of Plan:	Sheet Metal Workers' Local 40 Pension Plan
Plan number:	EIN 06-6157817 / PN 001
Plan sponsor:	Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address:	Zenith American Solutions, Inc., P.O. Box 5817, Wallingford, CT 06492
Phone number:	860.529.2616

As of January 1, 2022, the Plan is in critical status but not declining status.

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan updated on December 14, 2021.

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., Suite 901
Boston, MA 02116-5749
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-04134

Segal

Actuarial Status Certification as of January 1, 2022 under IRC Section 432
March 31, 2022
Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2022 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2021 actuarial valuation, dated September 15, 2021. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit 6.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal’s understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and method that offer my best estimate of anticipated experience under the Plan. Furthermore, as required by IRS Section 432(b)(3)(B)(iii), the projected industry activity takes into account information provided by the plan sponsor.

	Kathleen A. Riley, FSA, MAAA, EA
EA#	20-04134
Title	Senior Vice President and Actuary
Email	kriley@segalco.com

Certificate Contents

Actuarial Status Certification under IRC Section 432

Exhibit 1: Status Determination as of January 1, 2022

Status	Condition	Component Result	Final Result
Critical Status:			
	1. Initial critical status tests:		
	C1. A funding deficiency is projected in four years?	Yes	Yes
	C2. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
	c. **and** the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
	C3. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the funded percentage is less than 65%?	Yes	Yes
	C4. a. The funded percentage is less than 65%,	Yes	
	b. **and** the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
	C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
	2. Emergence test:		
	C6 a. Was in critical status for the immediately preceding plan year,	Yes	
	b. **and either** a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
	c. **or** insolvency is projected for the current year or any of the 30 succeeding plan years?	No	
	Plan did NOT emerge?		Yes
	3. In Critical Status? (If C1-C6 is Yes)		**Yes**

Status	Condition	Component Result	Final Result
	4. Determination of critical and declining status:		
	C7. a. Any of (C1) through (C5) are Yes?	Yes	Yes
	b. **and either** Insolvency is projected within 15 years	No	No
	c. **or**		
	1) The ratio of inactives to actives is at least 2 to 1,	Yes	
	2) **and** insolvency is projected within 20 years?	No	No
	d. **or**		
	1) The funded percentage is less than 80%,	Yes	
	2) **and** insolvency is projected within 20 years	No	No
	In Critical and Declining Status?		**No**
Endangered Status:			
	E1. a. Is not in critical status,	No	
	b. **and** the funded percentage is less than 80%?	N/A	No
	E2. a. Is not in critical status,	No	
	b. **and** a funding deficiency is projected in seven years?	N/A	No
	In Endangered Status? (Yes when either (E1) or (E2) is Yes)		**No**
	In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)		**No**
Neither Critical Status Nor Endangered Status:			
	Neither Critical nor Endangered Status?		**No**

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

Exhibit 2: Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2022 (based on projections from the January 1, 2021 valuation certificate):

1. Financial Information				
a. Market value of assets				$57,314,394
b. Actuarial value of assets				52,331,663
c. Reasonably anticipated contributions				
1) Upcoming year				7,480,000
2) Present value for the next five years				31,477,605
3) Present value for the next seven years				41,290,829
d. Projected benefit payments				9,932,731
e. Projected administrative expenses (beginning of year)				360,000
2. Liabilities				
a. Present value of vested benefits for active participants				31,262,358
b. Present value of vested benefits for non-active participants				93,375,446
c. Total unit credit accrued liability				126,814,699
d. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**	
1) Next five years	$43,111,095	$1,647,466	$44,758,562	
2) Next seven years	57,217,231	2,208,825	59,426,056	
e. Unit credit normal cost plus expenses				1,709,216
f. Ratio of inactive participants to active participants				2.3826
3. Funded Percentage (1.b)/(2.c)				41.2%
4. Funding Standard Account				
a. Credit balance as of the end of prior year				($28,976,180)
b. Years to projected funding deficiency				0
5. Projected Year of Emergence				2050
6. Years to Projected Insolvency				N/A

Exhibit 3: Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

	Year Beginning January 1,									
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
1. Credit balance (BOY)	($26,328,229)	($28,976,180)	($32,480,166)	($36,021,575)	($38,909,741)	($42,642,609)	($46,375,066)	($49,987,398)	($52,355,179)	($53,795,437)
2. Interest on **(1)**	(1,908,797)	(2,100,773)	(2,354,812)	(2,611,564)	(2,820,956)	(3,091,589)	(3,362,192)	(3,624,086)	(3,795,750)	(3,900,169)
3. Normal cost	1,204,985	1,349,216	1,412,814	1,478,736	1,448,322	1,446,694	1,413,134	1,412,947	1,373,642	1,356,776
4. Administrative expenses	350,170	360,000	369,000	378,225	387,681	397,373	407,307	417,490	427,927	438,625
5. Net amortization charges	5,852,254	6,805,252	6,530,681	5,607,054	6,220,375	5,959,589	5,618,901	4,204,294	3,208,278	2,679,353
6. Interest on **(3), (4)** and **(5)**	537,037	617,299	602,656	541,141	584,087	565,765	539,352	437,518	363,214	324,420
7. Expected contributions	6,973,566	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
8. Interest on **(7)**	231,726	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	**($28,976,180)**	**($32,480,166)**	**($36,021,575)**	**($38,909,741)**	**($42,642,609)**	**($46,375,066)**	**($49,987,398)**	**($52,355,179)**	**($53,795,437)**	**($54,766,225)**

	2031	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**
1. Credit balance (BOY)	($54,766,225)	($55,447,787)	($55,817,291)	($54,960,686)	($53,784,733)	($52,302,523)	($50,569,815)	($48,970,620)	($45,632,276)
2. Interest on **(1)**	(3,970,551)	(4,019,965)	(4,046,754)	(3,984,650)	(3,899,393)	(3,791,933)	(3,666,312)	(3,550,370)	(3,308,340)
3. Normal cost	1,327,545	1,303,476	1,258,900	1,264,554	1,262,561	1,248,330	1,242,039	1,252,791	1,290,028
4. Administrative expenses	449,591	460,831	472,352	484,161	496,265	508,672	521,389	534,424	547,785
5. Net amortization charges	2,362,318	2,038,111	902,963	645,645	429,474	297,929	533,119	(1,004,147)	(299,662)
6. Interest on **(3), (4)** and **(5)**	300,110	275,675	190,981	173,591	158,652	148,982	166,500	56,772	111,516
7. Expected contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
8. Interest on **(7)**	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	**($55,447,787)**	**($55,817,291)**	**($54,960,686)**	**($53,784,733)**	**($52,302,523)**	**($50,569,815)**	**($48,970,620)**	**($45,632,276)**	**($42,861,729)**

Exhibit 4: Funding Standard Account — Projected Bases Assumed Established after January 1, 2021

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience gain	1/1/2022	($1,845,226)	15	Deferred to 2024
Shortfall loss	1/1/2022	1,357,400	15	Deferred to 2024
Experience gain	1/1/2023	(1,222,558)	15	Deferred to 2024
Experience gain	1/1/2024	(2,482,226)	15	Deferred to 2028
Experience gain	1/1/2025	(1,329,675)	15	Deferred to 2028
Experience gain	1/1/2026	(803,118)	15	Deferred to 2028

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2021 through 2051.

	Year Beginning January 1,							
	2021	2022	2023	2024	2025	2026	2027	2028
1. Market Value at beginning of year	$52,703,080	$57,314,394	$58,519,349	$59,665,286	$60,648,275	$61,606,212	$62,484,038	$63,233,749
2. Contributions	6,973,566	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,440,404	9,932,731	10,064,673	10,292,547	10,375,710	10,510,008	10,684,776	10,759,584
5. Administrative expenses	351,020	360,000	369,000	378,225	387,681	397,373	407,307	417,490
6. Interest earnings	7,429,172	4,017,686	4,099,610	4,173,761	4,241,328	4,305,207	4,361,794	4,412,698
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$57,314,394	$58,519,349	$59,665,286	$60,648,275	$61,606,212	$62,484,038	$63,233,749	$63,949,373
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$66,754,798**	**$68,452,080**	**$69,729,959**	**$70,940,822**	**$71,981,922**	**$72,994,046**	**$73,918,525**	**$74,708,957**

	2029	2030	2031	2032	2033	2034	2035	2036
1. Market Value at beginning of year	$63,949,373	$64,661,429	$65,400,376	$66,052,384	$66,646,063	$67,197,179	$67,820,109	$68,551,337
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,802,293	10,815,088	10,939,336	11,029,608	11,100,295	11,057,329	10,983,874	10,889,388
5. Administrative expenses	427,927	438,625	449,591	460,831	472,352	484,161	496,265	508,672
6. Interest earnings	4,462,276	4,512,660	4,560,935	4,604,118	4,643,763	4,684,420	4,731,367	4,786,907
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$64,661,429	$65,400,376	$66,052,384	$66,646,063	$67,197,179	$67,820,109	$68,551,337	$69,420,184
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$75,463,722**	**$76,215,464**	**$76,991,720**	**$77,675,671**	**$78,297,474**	**$78,877,438**	**$79,535,211**	**$80,309,572**

	Year Beginning January 1,							
	2037	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
1. Market Value at beginning of year	$69,420,184	$70,514,350	$71,810,088	$73,281,468	$74,969,770	$76,924,806	$79,196,398	$81,784,756
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,719,577	10,588,118	10,495,446	10,374,882	10,221,071	10,037,479	9,875,459	9,652,085
5. Administrative expenses	521,389	534,424	547,785	561,480	575,517	589,905	604,653	619,769
6. Interest earnings	4,855,132	4,938,280	5,034,611	5,144,664	5,271,624	5,418,976	5,588,470	5,783,128
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$70,514,350	$71,810,088	$73,281,468	$74,969,770	$76,924,806	$79,196,398	$81,784,756	$84,776,030
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$81,233,927**	**$82,398,206**	**$83,776,914**	**$85,344,652**	**$87,145,877**	**$89,233,877**	**$91,660,215**	**$94,428,115**

	2045	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**
1. Market Value at beginning of year	$84,776,030	$88,196,733	$92,089,702	$96,495,910	$101,397,199	$106,804,450	$112,753,246
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	9,430,923	9,198,065	8,958,299	8,771,542	8,608,491	8,446,059	8,311,126
5. Administrative expenses	635,263	651,145	667,424	684,110	701,213	718,743	736,712
6. Interest earnings	6,006,889	6,262,179	6,551,931	6,876,941	7,236,955	7,633,598	8,068,475
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$88,196,733	$92,089,702	$96,495,910	$101,397,199	$106,804,450	$112,753,246	$119,253,883
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$97,627,656**	**$101,287,767**	**$105,454,209**	**$110,168,741**	**$115,412,941**	**$121,199,305**	**$127,565,009**

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2021 actuarial valuation certificate, dated September 15, 2021, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2022 is $80. Accrual rates for 2023 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	**Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:**
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: $15.56 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2022 and thereafter.

Asset Information: The financial information as of January 1, 2022 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expense payments provided by the Fund Administrator.

For projections after that date, the 2022 administrative expenses were assumed to be $360,000 and then increased by 2.5% per year and the benefit payments were projected based on the January 1, 2021 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2022–2051 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2022 and later years.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the last five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Technical issues

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1993	$75,464	1	$75,464
Plan amendment	01/01/1994	117,852	1	117,852
Plan amendment	01/01/1995	364,568	3	130,120
Plan amendment	01/01/1997	203,857	5	46,669
Plan amendment	01/01/1998	405,208	6	79,877
Assumption change	01/01/1999	1,396,661	7	243,746
Plan amendment	01/01/1999	4,217,650	7	736,068
Plan amendment	01/01/2000	690,259	8	108,828
Plan amendment (2001)	01/01/2002	2,006,607	10	269,470
Shortfall loss	01/01/2003	59,631	1	59,631
Plan amendment (2002)	01/01/2003	2,686,970	11	338,276
Shortfall loss	01/01/2004	308,376	2	159,582
Plan amendment	01/01/2005	1,056,668	13	119,561
Shortfall loss	01/01/2006	153,132	4	42,391
Shortfall loss	01/01/2007	232,822	5	53,300
Actuarial loss	01/01/2008	225,631	1	225,631
Actuarial loss	01/01/2009	738,655	2	382,247
Assumption change	01/01/2009	858,771	2	444,406
Base due to Dec. 31, 2008 investment loss	01/01/2009	8,970,538	16	900,130
Assumption change	01/01/2010	269,123	3	96,055
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,262,400	16	126,673
Assumption change	01/01/2011	1,030,699	4	285,324
Shortfall loss	01/01/2011	1,114,026	4	308,392

Section 3: Certificate of Actuarial Valuation

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,172,388	16	217,984
Assumption change	01/01/2012	163,413	5	37,410
Actuarial loss	01/01/2012	433,973	5	99,349
Shortfall loss	01/01/2012	454,112	5	103,959
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,729,619	16	173,555
Shortfall loss	01/01/2013	1,173,359	6	231,300
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,449,973	16	145,495
Assumption change	01/01/2013	2,916,766	6	574,970
Shortfall loss	01/01/2014	116,765	7	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,149,349	16	115,329
Assumption change	01/01/2015	183,366	8	28,910
Actuarial loss	01/01/2015	3,739,835	8	589,634
Assumption change	01/01/2016	453	9	66
Actuarial loss	01/01/2016	4,004,583	9	579,209
Actuarial loss	01/01/2017	2,227,647	10	299,153
Shortfall loss	01/01/2018	972,433	11	122,424
Actuarial loss	01/01/2018	1,969,868	11	247,996
Assumption change	01/01/2018	3,387,295	11	426,443
Actuarial loss	01/01/2019	2,447,681	12	291,176
Actuarial loss	01/01/2020	1,003,509	13	Deferred to 2024
Shortfall loss	01/01/2021	2,291,185	14	Deferred to 2024
Shortfall loss	01/01/2022	1,285,719	15	Deferred to 2024
Total		**$63,718,859**		**$9,654,433**

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall gain	01/01/2005	$244,506	3	$87,268
Plan amendment	01/01/2007	1,651,074	15	171,703
Shortfall gain	01/01/2008	204,012	1	204,012
Shortfall gain	01/01/2009	76,984	2	39,839
Change in asset method	01/01/2009	2,995,224	17	291,020
Shortfall gain	01/01/2010	125,889	3	44,932
Plan amendment	01/01/2010	347,356	3	123,977
Actuarial gain	01/01/2010	1,634,337	3	583,323
Actuarial gain	01/01/2011	1,355,784	4	375,316
Actuarial gain	01/01/2013	936,779	6	184,664
Actuarial gain	01/01/2014	23,960	7	4,182
Shortfall gain	01/01/2015	1,258,668	8	198,446
Shortfall gain	01/01/2016	1,813,113	9	262,243
Shortfall gain	01/01/2017	1,819,997	10	244,410
Shortfall gain	01/01/2019	284,548	12	33,850
Shortfall gain	01/01/2020	336,435	13	Deferred to 2024
Actuarial gain	01/01/2021	1,329,791	14	Deferred to 2024
Actuarial gain	01/01/2022	2,845,320	15	Deferred to 2024
Total		**$19,283,777**		**$2,849,185**

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in Exhibit K.
Current Liability Assumptions	*Interest:* 2.22%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2020 (previously, the MP-2019 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 11.2%, for the Plan Year ending December 31, 2021 *On current (market) value of assets (Schedule MB, line 6h):* 15.8%, for the Plan Year ending December 31, 2021
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.43% to 2.22% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Section 3: Certificate of Actuarial Valuation

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Section 3: Certificate of Actuarial Valuation

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	**Male**	**Female**	**Disability[2]**	**Withdrawal**
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Section 3: Certificate of Actuarial Valuation

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2022 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$410,000, payable at the beginning of the year, for the year beginning January 1, 2022. The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in Exhibit K.
Current Liability Assumptions	*Interest:* 2.22%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2020 (previously, the MP-2019 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 11.2%, for the Plan Year ending December 31, 2021 *On current (market) value of assets (Schedule MB, line 6h):* 15.8%, for the Plan Year ending December 31, 2021
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.43% to 2.22% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan
Updated for Plan Year Beginning January 1, 2022
Originally Adopted October 28, 2009
Previously Updated for Plan Years Beginning January 1, 2013, 2014, 2015, 2016, 2018, 2019, 2020 and 2021

Introduction

The Pension Protection Act of 2006 ("PPA"), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), requires the Trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status (also known as "Red Zone" status) to develop a Rehabilitation Plan. A Rehabilitation Plan must prescribe actions, including recommended actions to be taken by the bargaining parties, which are expected to enable a plan to meet stated annual financial benchmarks as well as the emergence criteria by the end of the Rehabilitation Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. On March 31, 2009, the Sheet Metal Workers' Local No. 40 Pension Plan ("Pension Plan" or "Plan") was certified by its actuary to be in Critical Status for the plan year beginning January 1, 2009. It remains in Critical Status for the plan year beginning January 1, 2022.

The Trustees and collective bargaining parties have taken a number of steps including benefit reductions and contribution rate increases to improve the financial position of the Pension Plan. This update to the Rehabilitation Plan adopted by the Trustees is the latest step in the process.

This Rehabilitation Plan:

1. Has been updated based on the results of the Actuarial Valuation and Review as of January 1, 2022;

2. Specifies the rehabilitation period and the expected emergence date;

3. Includes two schedules (one Default and one Preferred Schedule) of benefit and contribution changes that will be provided to the bargaining parties, one of which must be implemented as part of any future collective bargaining agreement(s). (The bargaining parties have agreed to a collective bargaining agreement which is consistent with the Preferred Schedule.);

4. Provides annual standards for meeting the requirements of the Rehabilitation Plan and describes how the Rehabilitation Plan will be updated from time to time; and

5. Describes which Schedule will be automatically implemented if there is no agreement between the bargaining parties in a timely manner.

Rehabilitation Period and Expected Emergence Date

Pursuant to Section 205 of WRERA, the Trustees elected on May 27, 2009 that the rehabilitation period shall be extended by 3 years. As a result, the rehabilitation period was the 13-year period beginning January 1, 2011. The Pension Plan was projected to emerge from Critical Status by December 31, 2023 based on reasonable assumptions.

The Trustees have periodically reviewed the Rehabilitation Plan since then. Due to adverse investment and employment experience since the original adoption of the Rehabilitation Plan, the Pension Plan is no longer projected to meet the requirements to cease to be in Critical Status by the end of the rehabilitation period. The law provides, however, that if the Trustees determine that, based upon the exhaustion of all reasonable measures, the Pension Plan cannot reasonably be expected to emerge by the end of a statutory 13-year rehabilitation period, then the Rehabilitation Plan should be designed to enable the Pension Plan to cease to be in Critical Status at a later date, or if not reasonable, to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions. The following discussion outlines the actions of the Trustees since it was determined that the Pension Plan could not meet the statutory 13-year rehabilitation period.

Deliberations by Trustees

At a meeting of the Trustees held on November 4, 2013, the Pension Plan's actuary reviewed with the Trustees their obligation to update the Rehabilitation Plan setting forth actions by which the Pension Plan could emerge from Critical Status.

The Pension Plan's actuary reviewed at length projections based on the then current 8% investment return assumption and alternative investment return assumptions of 7.75% and 7.50% and based on the current and alternative employment assumptions. The Trustees agreed that the 7.50% investment return assumption, an employment assumption of 500,000 hours in 2013 and 550,000 hours thereafter, and the assumptions used in the preliminary January 1, 2013 actuarial valuation were reasonable and approved their use for the purposes of updating the Rehabilitation Plan for the plan year beginning January 1, 2013.

The Pension Plan's actuary modeled reductions in the accrual rate, changes in the early retirement reduction factors, and the elimination of the additional pension credits for members who retire on a Total Disability Pension. The actuary determined that based on the investment return and employment assumption approved by the Trustees, these changes would not result in the Plan emerging from Critical Status within the 13 years allowed by law.

The Trustees discussed that further significant reductions to benefits provided under the Plan would discourage union sheet metal workers from engaging in covered employment, and further increases to the contribution rate in the Collective Bargaining Agreement were likely to seriously undermine the competitiveness of contributing employers in the marketplace. (Contribution rates had increased 47% in the relevant time frame, from $9.51 to $11.01 effective July 1, 2010 to $12.51 effective July 1, 2011 to $14.01 effective July 1, 2012.)

On the basis of the foregoing, it was the conclusion of the Trustees that no reasonable measures would enable the Pension Plan to emerge from Critical Status by the end of the statutory 13-year rehabilitation period. The Trustees also determined that it would be reasonable to modify the accrual rate formula. The Trustees discussed a proposal to lower the Plan's current benefit accrual rate of $80 by $5 for work during the 2014 Plan Year, and also tying the Plan's benefit accrual rate in future plan years (2015 and beyond) to a schedule based on the total hours actually worked by Plan participants in a prior measuring period until the Plan emerges from Critical Status. The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund was to be 50% of the accrual rate applicable to non-Residential (i.e., "Commercial") Sheet Metal Work. The Trustees concluded that these additional changes constituted the only reasonable measures available to them to emerge from Critical Status and forestall Plan insolvency, thereby qualifying for the safety valve provision of ERISA and the IRC.

Based on the Plan changes adopted by the Trustees on November 4, 2013, the Pension Plan was projected to emerge from Critical Status at the end of the 2046 Plan Year.

Plan Year Beginning January 1, 2014 Update

On December 16, 2014, the Trustees agreed to, adopted and executed the updated Rehabilitation Plan which reflected anticipated investment experience for 2014. The Pension Plan was projected to emerge from critical status by the end of the 2048 Plan Year.

Plan Year Beginning January 1, 2015 Update

With the January 1, 2015 actuarial valuation, the Pension Plan's actuary projected that if all assumptions were met, the credit balance would remain negative through 2052. A new Collective Bargaining Agreement was effective July 1, 2015. The Trustees requested an additional allocation to the Pension Plan to improve the financial health of the plan and to emerge from Critical Status sooner. The Union membership declined to ratify an increase in the contribution rate to the Pension Plan without a prospective increase in the accrual rate. The Trustees agreed to consider an increase in the accrual rate if there were an increase in the contribution rate that was approximately twice the cost of increasing the accrual. The Trustees noted that it was their view that this proposal of contribution rate increases, limited benefit increases, and improvements to the Pension Plan's funded status was the only possible measure, at the current time, which could allow the Pension Plan to emerge from critical status no later than the current emergence date of December 31, 2048.

The Pension Plan's actuary projected that $0.30 increases in the contribution rate on July 1, 2016, July 1, 2017 and July 1, 2018 (totaling $0.90), and $5 increases in the accrual rate on January 1, 2017, January 1, 2018 and January 1, 2019 (totaling $15) for service accrued after those dates would accelerate the Plan's emergence date to December 31, 2046.

The Union membership ultimately agreed to a $0.90 contribution rate increase on July 1, 2016 and a $15 increase in the accrual rate for service after January 1, 2017.

Legal counsel reminded the Trustees that ERISA provides that a multiemployer pension plan which has adopted a rehabilitation plan may generally not increase the rate of future benefit accruals unless the plan actuary certifies that the increase is paid out of additional contributions not contemplated by the rehabilitation plan, and, after taking into account the increase, the plan is still reasonably expected to emerge from critical status by the end of the rehabilitation period on the schedule contemplated in the rehabilitation plan. It was noted that the benefit improvements considered for the Plan, and noted above, would be paid out of a portion of the additional contributions not contemplated by the Pension Plan's Rehabilitation Plan, and that the other portion would be used to improve the Pension Plan's funded position such that it would emerge from critical status faster than contemplated under the current Rehabilitation Plan. Legal counsel also reminded the Trustees that they have utilized ERISA's "safety valve" provision, in that they had previously concluded that they had exhausted all reasonable measures to emerge from critical status by December 31, 2023.

The Pension Plan's actuary further noted that the Pension Plan's investment advisor has estimated that the Pension Plan's return through October 31, 2015 was -0.3% and that projected employment for 2015 was 630,000 hours compared to the assumption of 550,000 hours. Given the Pension Plan's investment performance through October 31, 2015 and the volatility in the investment markets in November and the first half of December 2015, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2050 Plan Year.

Plan Year Beginning January 1, 2016 Update

In 2015, the actual investment performance was -3.21% and the January 1, 2016 zone certification reflected the fact that the Pension Plan was not making scheduled progress in meeting the requirements of the Rehabilitations Plan because the projected emergence date from Critical Status was the end of the 2051 Plan Year. Although projected employment for 2016 is greater than the assumption of 550,000 hours, the Investment Advisor has reported a return of 5.1% through November 31, 2016. Based on this information, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2055 Plan Year.

Plan Year Beginning January 1, 2018 Update

With the January 1, 2018 actuarial valuation, the Plan's actuary lowered the investment return assumption from 7.5% to 7.25% and based on information provided by the Trustees, lowered the employment assumption to 500,000 hours in 2018 and 525,000 hours in 2019. The Investment Advisor has reported a return of -1.9% through October 31, 2018. Based on this information and the continued decline in the investment markets through December 2018, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2019 Update

The January 1, 2019 Actuarial Valuation reflected a return on a market value basis of -6.59% and a return on the actuarial basis of 2.87%. The contribution rate increased from $15.00 to $15.21 on July 1, 2018 and further increased to $15.41 on July 1, 2019, plus the $0.21 Reserve Fund contribution. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2020 Update

The January 1, 2020 Actuarial Valuation reflected a return on a market value basis of 18.69% and a return on the actuarial basis of 5.06%. Contributions during 2019 were $8.1 million compared to the assumption of $7.8 million.

Contributions through October 31, 2020 were $5.2 million. Contributions for 2020 will likely fall short of the assumption of $8.3 million for 2020. The investment advisor has reported a return of 9.15% through November 30, 2020. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and the available information on contributions and investment performance for 2020. Based on this review, the Trustees determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2021 Update

The January 1, 2021 Actuarial Valuation reflected a return on a market value basis of 11.82% and a return on the actuarial basis of 9.00%. Contributions during 2020 were $6.6 million compared to the assumption of $8.3 million. Based on input from the Trustees, the employment assumption was lowered from 550,000 hours to 500,000 hours.

The contribution rate increased to $15.56 per hour effective July 1, 2020, plus the Reserve Fund contribution of $0.21 per hour. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2021 and thereafter.

Contributions through October 31, 2021 were $5.1 million. Contributions for 2021 will likely fall short of the assumption of $7.5 million for 2021. The investment advisor has reported a return of 13.94% through October 31, 2021. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and the available information on contributions and investment performance for 2021. Based on this review, the Trustees determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

If the actuary certifies before the end of this period that the Pension Plan is no longer in Critical Status for a plan year, the rehabilitation period will end as of the close of the preceding plan year.

Plan Year Beginning January 1, 2022 Update

The January 1, 2022 Actuarial Valuation reflected a return on a market value basis of 15.25% and a return on the actuarial basis of 11.11%. Contributions during 2021 were $6.5 million compared to the assumption of $7.5 million.

The contribution rate remains unchanged at $15.56 per hour, plus the Reserve Fund contribution of $0.21 per hour. Based on the hours and contributions reported by the Plan Administrator for 2021 and the first 9 months of 2022, the estimate of the average contribution rate was lowered to $14.88 (including the Reserve Fund contribution) for 2022 and thereafter.

Contributions through October 31, 2022 were $5.5 million and will likely fall short of the assumption of $7.4 million for 2022. The investment advisor has reported a return of -10.21% through November 2022. Based on this information, and using the long-term assumed investment return of 7.25%, the Plan is not expected to emerge from Critical Status. However, if all assumptions are met in 2023 and later years, including the investment return assumption of 7.25%, the Plan is not projected to become insolvent.

Based on this review, the Trustees are revising the Annual Standards to remove the expected date of emergence and to include monitoring of the Plan's solvency.

The Plan is eligible to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 on March 12, 2023. Preliminary analysis indicates the Plan may receive SFA using the interest rate assumption in the guidance issued by the Pension Benefit Guaranty Corporation (PBGC). The Trustees will continue to monitor experience and apply for SFA if supported under the PBGC rules.

Rehabilitation Plan Remedies and Schedules

Original Default Schedule and Preferred Schedule

Attached to this document are the Original Default Schedule and the Updated Preferred Schedule under the Rehabilitation Plan, which describe supplemental contributions and the benefit revisions that will be made if either Schedule is adopted or goes into effect. Exhibit A is the Original Default Schedule under the Rehabilitation Plan and contains reductions in benefits necessary to meet the requirements of the PPA. Exhibit B is the Preferred Schedule under the Rehabilitation Plan and contains a combination of reductions in benefits and increases in contributions.

Implementation of Remedies and Schedules

The benefits of participants whose annuity starting date is prior to January 1, 2010 are not subject to reduction under this Rehabilitation Plan. Benefits for other participants are determined as follows:

- A Participant who earns at least 100 hours of Service under a collective bargaining agreement that adopts terms consistent with one of the Schedules of this Rehabilitation Plan shall have his or her benefits determined based on that Schedule.
- Beginning on December 31, 2009 a Participant will become a Terminated Vested Participant on any December 31st when (1) he meets the requirements of the Plan to be Vested, and (2) he failed to earn at least 100 Hours of Service under the Plan for the Plan Year that ended on that December 31st. Terminated Vested Participants will be covered under the Default Schedule. A Terminated Vested Participant who returns to Covered Employment will lose that status under the Rehabilitation Plan on the date when he earns at least 100 hours of service in a Plan Year.
- Except as provided below under Special Rules for a Retiree Who Returns to Work, all other participants shall have their benefits determined based on the benefit changes described in the Default Schedule. These provisions shall take effect on the date specified in the notice of benefit reduction provided by the Pension Plan.
- Non-collectively bargained participants will be treated the same as bargained participants with their participation agreement treated as a collective bargaining agreement.
- Participants who work outside the jurisdiction of the Pension Plan and have monies sent to this Pension Plan on their behalf under a "Money follows the man" reciprocity agreement shall, for such time period, be treated as subject to the benefit provisions of the Preferred Schedule. For benefit accrual purposes, their hours will be converted to equivalent hours determined by dividing the total contributions sent to this Pension Plan by the applicable contribution rate in the Preferred Schedule. For vesting service purposes, their hours will not be adjusted.

Special Rules for a Retiree Who Returns to Work

An individual who has become covered by the Preferred or Default Schedule and then retired after 2009 shall cease to be covered by that Schedule on the earlier of the date when:

- He returns to covered employment and becomes covered under a different Schedule by earning at least 100 Hours of Service under a collective bargaining agreement that corresponds to that different Schedule, or

- The collective bargaining agreement under which he worked when he became subject to the Schedule is modified or expires and a different Schedule is agreed to or imposed with respect to persons covered by the successor agreement.

A retiree who retired before January 1, 2010 and returns to work on or after January 1, 2010 shall be covered by the Preferred or Default Schedule, as appropriate under the rules of this Rehabilitation Plan, but only for accruals earned on or after January 1, 2010.

Benefits of a beneficiary or alternate payee with respect to a Participant or Retiree shall be determined on the same basis as benefits of the Participant or Retiree to whom they relate.

Automatic Implementation of Default Schedule

If a collective bargaining agreement providing for contributions under the Pension Plan that was in effect on January 1, 2009 expires, and after receiving the Default Schedule and Preferred Schedule the bargaining parties fail to adopt either schedule, the Schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires will be imposed, and the benefits adjusted accordingly, 180 days after the date on which the collective bargaining agreement expires, provided that the employer has not withdrawn from the Pension Plan.

Employer Contribution Surcharges

The amount of the surcharge in effect beginning May 30, 2009 was 5% of the amount employers were otherwise required to contribute to the Plan under the applicable collective bargaining agreement. Beginning January 1, 2010, the contribution surcharge increased to 10% of the negotiated contribution rate. These contribution surcharges end on the effective date of a collective bargaining agreement amendment that includes terms consistent with the Rehabilitation Plan. This Rehabilitation Plan was originally adopted by the Board of Trustees of the Pension Plan on October 28, 2009. A collective bargaining agreement amendment containing terms consistent with the Rehabilitation Plan was adopted effective November 1, 2009 and the surcharge ended then for all employers bound by that amendment. Another collective bargaining agreement amendment and extension, effective July 1, 2010 through June 30, 2014, continued those terms consistent with the Rehabilitation Plan. The surcharge remains in effect for contributing employers who are not bound by both of those collective bargaining agreement amendments. The existing collective bargaining agreement, as amended, contains terms consistent with the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2013, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2014, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2015, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2016, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2018, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2019, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2020, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2021, and the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2022.

Annual Standards for Meeting the Rehabilitation Requirements

On an annual basis, in conjunction with the actuarial valuation, the Pension Plan's actuary will perform a projection to certify (a) whether or not the Pension Plan is expected to emerge from

Critical Status and (b) whether or not the Plan is projected to remain solvent. The Trustees will update the Rehabilitation Plan and will update the schedules to reflect the experience of the Pension Plan, as appropriate and as required by law.

The Trustees recognize that actual experience will differ from the reasonable assumptions used to develop this Rehabilitation Plan and the fact that it is impossible to predict the future with any certainty.

Annual Updating of Rehabilitation Plan

Each year the Pension Plan's actuary will review and certify the status of the Pension Plan under the PPA funding rules and whether, starting with the beginning of the rehabilitation period, the Pension Plan is making the scheduled progress toward the requirements of the Rehabilitation Plan. If the Trustees determine that it is necessary in light of updated information and the requirements of law, they will revise the Rehabilitation Plan and present updated schedules to the bargaining parties, which may prescribe additional benefit reductions or higher contribution rates.

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

Other Issues

Since collective bargaining agreements are typically negotiated for less than the length of this rehabilitation period, it is expected that future contract renewals will be consistent with the Default Schedule or the Preferred Schedule as applicable. The Board of Trustees may adjust these Schedules at any time during the rehabilitation period.

In the event that the Default Schedule has to be implemented, and then an alternative schedule is bargained as part of subsequent negotiations, the Board of Trustees will develop a revised Rehabilitation Plan.

Benefit changes under both the Default Schedule and the Preferred Schedule will become effective as called for by the Rehabilitation Plan and are expected to be permanent.

This Updated Rehabilitation Plan was agreed to and adopted at the Trustees meeting held on December 14, 2022 and executed on December 14, 2022, and is hereby confirmed by the undersigned Trustees of the Sheet Metal Workers' Local No. 40 Pension Plan.

Union Trustee	Employer Trustee
Jason Sherman Union Trustee	Kenneth R. Medrey Employer Trustee
Union Trustee	Lynne A. Kleeby Employer Trustee
Union Trustee	Employer Trustee

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Adopted During Plan Year Beginning January 1, 2009

EXHIBIT A
ORIGINAL DEFAULT SCHEDULE

The default schedule consists of the following:

1. Three permanent increases to the contribution rate from $9.51 per hour to $10.56 per hour effective July 1, 2010, to $11.61 effective July 1, 2011 and to $12.66 effective July 1, 2012.

2. The plan of benefits in effect as of the day before the date of certification of Critical Status (March 31, 2009), for all current and future active participants and terminated vested participants and for every year that the Pension Plan is in Critical Status, except for

   a. An increase in the Normal Retirement Age from age 62 to age 65 for benefit accruals on or after January 1, 2010;

   b. A change in the early retirement reduction factors to actuarial equivalent factors (based on Plan's definition of actuarial equivalence) for all years of service, effective for retirements on or after January 1, 2010;

   c. The elimination of the pre-retirement lump sum death benefit for deaths that occur on or after January 1, 2010;

   d. The elimination of the $10,000 post retirement death benefit for deaths that occur on or after January 1, 2010;

   e. The elimination of the current Total Disability Pension and Occupational Disability Pension to be replaced with a disability benefit reflecting full actuarial reduction (additional disability benefits, based on so-called "bonus credits" awarded to participants with 20 or more pension credits, are eliminated);

   f. Any benefit changes required for the Pension Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law; and

   g. After commencement of the Rehabilitation Period, specific benefit increases, but only if the Trustees determine, based on a certification of the Plan's actuary, that they will be financed by contributions not factored into the initial Rehabilitation Plan and will not impede the Pension Plan in emerging from Critical Status by the end of the rehabilitation period as contemplated by the initial Rehabilitation Plan.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Adopted During Plan Year Beginning January 1, 2009
Updated for the Plan Year Beginning January 1, 2015

EXHIBIT B
PREFERRED SCHEDULE

The Preferred Schedule consists of the following:

1. Permanent increases in the commercial contribution rate from $9.51 per hour to $11.01 per hour effective July 1, 2010, to $12.51 effective July 1, 2011, to $14.01 effective July 1, 2012, and to $14.91 effective July 1, 2016 and permanent increases in the contribution rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund from $4.75 per hour to $5.50 per hour effective July 1, 2011, to $6.25 effective July 1, 2012, and to $7.45 effective July 1, 2016. In addition, the allotment of a temporary eighth hour contribution valued at $0.29 per hour for hours worked between November 1, 2009 and June 30, 2010.

2. The plan of benefits in effect as of the day before the date of certification of Critical Status (March 31, 2009), except that all Terminated Vested Participants and all other participants who work 100 hours or more under a collective bargaining agreement or a participation agreement with terms consistent with this preferred schedule, shall be subject to the following:

   a. For participants with 40 or more Pension Credits in force, the early retirement reduction factors will be (i) for Pension Credits earned prior to 2008, 1% for each year retiring before Normal Retirement Age, and (ii) for Pension Credits earned for work after 2007, 3% for each year retiring before Normal Retirement Age, effective for retirements on or after January 1, 2010;

   b. For participants with 25 or more but fewer than 40 Pension Credits in force, an increase in the early retirement reduction factors to 3% for each year retiring before Normal Retirement Age for all years of service for those who retire early, effective for retirements on or after January 1, 2010;

   c. For participants with fewer than 25 Pension Credits in force, an increase in the early retirement reduction factors to 6% for each year retiring before Normal Retirement Age for all years of service for those who retire early, effective for retirements on or after January 1, 2010;

   d. The changes to the early retirement reduction factors outlined above also apply to pre-retirement death benefits and to disability retirements if the member is not eligible for Social Security Disability;

   e. The elimination of the 40-Pension Credit maximum, due to take effect on January 1, 2012, based on a certification by the Plan's actuary that this change is financed by additional contributions included in the initial Rehabilitation Plan and will not impede the Pension Plan's emergence from Critical Status during the rehabilitation period;

f. A reduction from seven to five Pension Credits to the maximum number of additional pension credits (so-called "bonus credits") added to the accrued pension of a participant with 20 pension credits who is eligible for Social Security Disability and who is retiring on a Total Disability Pension, effective for retirements on or after January 1, 2010;

g. A reduction in the accrual rate from $80 to $75 for the 2014 Plan Year and adopt a benefit accrual rate for the 2015 Plan Year and the 2016 Plan Year, based on the following schedule:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	**Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:**
550,000 or more	$80 per Credit
Between 549,999 and 500,000	$75 per Credit
Between 499,999 and 450,000	$70 per Credit
Between 449,999 and 400,000	$65 per Credit
399,999 or lower	$60 per Credit

For the 2014 Plan Year and later, the accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (i.e., "Commercial") Sheet Metal Work.

h. A benefit accrual rate increase for the 2017 Plan Year and later, until such time as the Plan emerges from Critical Status (at which point the benefit accrual rate for the immediately following Plan Year would revert back to $95), based on the following schedule:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	**Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:**
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

For the 2017 Plan Year and later, the accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.*, "Commercial") Sheet Metal Work.

i. Any benefit changes required for the Pension Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law; and

j. After commencement of the Rehabilitation Period, specific benefit increases, but only if the Trustees, based on a certification of the Plan's actuary, determine that they will be financed by contributions not factored into the initial Rehabilitation Plan and will not impede the Pension Plan in emerging from Critical Status by the end of the rehabilitation period as contemplated by the initial Rehabilitation Plan.

2022 Form 5500 Schedule R, Part V
Update of Rehabilitation Plan

Sheet Metal Workers' Local No. 40 Pension Plan
EIN/PN 06-6157817/001

The Rehabilitation Plan originally adopted in October, 2009 was updated for the Plan Year beginning January 1, 2022 and the restatement was adopted December 14, 2022.

2022 Form 5500 Schedule MB Line 4c Documentation Regarding Progress Under Funding Improvement or Rehabilitation Plan

Sheet Metal Workers' Local No. 40 Pension Plan

EIN/PN 06-6157817/001

The rehabilitation period began January 1, 2011. Please see attachment indicating that the Plan is not making scheduled progress as of January 1, 2023.

116 Huntington Ave., Suite 901
Boston, MA 02116-5749
segalco.com T:617.424.7300

March 31, 2023

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2023 for the following plan:

Name of Plan:	Sheet Metal Workers' Local 40 Pension Plan
Plan number:	EIN 06-6157817 / PN 001
Plan sponsor:	Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address:	Zenith American Solutions, Inc., 8 Fairfield Blvd, Suite 105, P.O. Box 5817, Wallingford, CT 06492
Phone number:	860.529.2616

As of January 1, 2023, the Plan is in critical status.

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance and employment in 2022 and using the same employment assumption as the January 1, 2022 zone certification. As noted in the rehabilitation plan updated on December 14, 2022, the Plan was not expected to emerge from Critical Status nor was the Plan expected to become insolvent. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

March 31, 2023

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., Suite 901
Boston, MA 02116-5749
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 20-04134

Segal

2022 Form 5500 Schedule MB Line 4d Documentation Regarding Reductions to Adjustable Benefits

Sheet Metal Workers' Local No. 40 Pension Plan EIN/PN 06-6157817/001

No adjustable benefits were reduced in the 2022 plan year. As noted on the 2009 Schedule MB, adjustable benefits were reduced in the 2009 plan year and the reduction in liability was $1,253,436.

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2021 through 2051.

	Year Beginning January 1,							
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
1. Market Value at beginning of year	$52,703,080	$57,314,394	$58,519,349	$59,665,286	$60,648,275	$61,606,212	$62,484,038	$63,233,749
2. Contributions	6,973,566	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,440,404	9,932,731	10,064,673	10,292,547	10,375,710	10,510,008	10,684,776	10,759,584
5. Administrative expenses	351,020	360,000	369,000	378,225	387,681	397,373	407,307	417,490
6. Interest earnings	7,429,172	4,017,686	4,099,610	4,173,761	4,241,328	4,305,207	4,361,794	4,412,698
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$57,314,394	$58,519,349	$59,665,286	$60,648,275	$61,606,212	$62,484,038	$63,233,749	$63,949,373
8. **Available resources:** (1)+(2)+(3)-(5)+(6)	**$66,754,798**	**$68,452,080**	**$69,729,959**	**$70,940,822**	**$71,981,922**	**$72,994,046**	**$73,918,525**	**$74,708,957**

	2029	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
1. Market Value at beginning of year	$63,949,373	$64,661,429	$65,400,376	$66,052,384	$66,646,063	$67,197,179	$67,820,109	$68,551,337
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,802,293	10,815,088	10,939,336	11,029,608	11,100,295	11,057,329	10,983,874	10,889,388
5. Administrative expenses	427,927	438,625	449,591	460,831	472,352	484,161	496,265	508,672
6. Interest earnings	4,462,276	4,512,660	4,560,935	4,604,118	4,643,763	4,684,420	4,731,367	4,786,907
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$64,661,429	$65,400,376	$66,052,384	$66,646,063	$67,197,179	$67,820,109	$68,551,337	$69,420,184
8. **Available resources:** (1)+(2)+(3)-(5)+(6)	**$75,463,722**	**$76,215,464**	**$76,991,720**	**$77,675,671**	**$78,297,474**	**$78,877,438**	**$79,535,211**	**$80,309,572**

	Year Beginning January 1,							
	2037	2038	2039	2040	2041	2042	2043	2044
1. Market Value at beginning of year	$69,420,184	$70,514,350	$71,810,088	$73,281,468	$74,969,770	$76,924,806	$79,196,398	$81,784,756
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,719,577	10,588,118	10,495,446	10,374,882	10,221,071	10,037,479	9,875,459	9,652,085
5. Administrative expenses	521,389	534,424	547,785	561,480	575,517	589,905	604,653	619,769
6. Interest earnings	4,855,132	4,938,280	5,034,611	5,144,664	5,271,624	5,418,976	5,588,470	5,783,128
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$70,514,350	$71,810,088	$73,281,468	$74,969,770	$76,924,806	$79,196,398	$81,784,756	$84,776,030
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$81,233,927**	**$82,398,206**	**$83,776,914**	**$85,344,652**	**$87,145,877**	**$89,233,877**	**$91,660,215**	**$94,428,115**

	2045	2046	2047	2048	2049	2050	2051
1. Market Value at beginning of year	$84,776,030	$88,196,733	$92,089,702	$96,495,910	$101,397,199	$106,804,450	$112,753,246
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	9,430,923	9,198,065	8,958,299	8,771,542	8,608,491	8,446,059	8,311,126
5. Administrative expenses	635,263	651,145	667,424	684,110	701,213	718,743	736,712
6. Interest earnings	6,006,889	6,262,179	6,551,931	6,876,941	7,236,955	7,633,598	8,068,475
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$88,196,733	$92,089,702	$96,495,910	$101,397,199	$106,804,450	$112,753,246	$119,253,883
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$97,627,656**	**$101,287,767**	**$105,454,209**	**$110,168,741**	**$115,412,941**	**$121,199,305**	**$127,565,009**

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2021 actuarial valuation certificate, dated September 15, 2021, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2022 is $80. Accrual rates for 2023 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: $15.56 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2022 and thereafter.

Asset Information: The financial information as of January 1, 2022 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expense payments provided by the Fund Administrator.

For projections after that date, the 2022 administrative expenses were assumed to be $360,000 and then increased by 2.5% per year and the benefit payments were projected based on the January 1, 2021 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2022–2051 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2022 and later years.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the last five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Technical issues

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Sheet Metal Workers' Local 40 Pension Plan
Attachment to Schedule MB
EIN 06-6157817 / PN 001

Shortfall Method for Plan Year Ending December 31, 2022

A. Ratio of actual to estimated base units

1. Estimated base units	500,000
2. Actual base units	478,450
3. Ratio of actual to estimated base units: (2) / (1)	0.9569

B. Funding standard account statement

1. Charges to funding standard account

Item (1)	Anticipated Charge (2)	Net Charge (3)
a. Prior year funding deficiency	$29,521,229	$29,521,229
b. Employer's normal cost	1,700,771	1,627,468
c. Amortization charges	9,654,433	9,238,327
d. Interest on (a), (b) and (c)	2,963,541	2,928,059
e. Total charges	$43,839,974	$43,315,083

2. Credits to funding standard account

Item (1)	Anticipated Credit (2)	Net Credit (3)
a. Prior year credit balance	$0	$0
b. Employer contributions	7,212,678	7,212,678
c. Amortization credits	2,849,185	2,726,385
d. Interest on (a), (b) and (c)	446,236	437,334
e. Total credits	$10,508,099	$10,376,397

3. Credit balance (funding deficiency): 2(e) (Column 3) – 1(e) (Column 3)	($32,938,686)
4. Shortfall gain (loss): 1(e) (Column 3) – 1(e) (Column 2) + 2(e) (Column 2) – 2(e) (Column 3)	($393,189)

Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210 - 0110 1210 - 0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2022** **This Form is Open to Public Inspection**

Part I **Annual Report Identification Information**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A This return/report is for: [X] a multiemployer plan [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instr.)

[ ] a single-employer plan [ ] a DFE (specify) ________

B This return/report is: [ ] the first return/report [ ] the final return/report

[ ] an amended return/report [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here ▶ [X]

D Check box if filing under: [X] Form 5558 [ ] automatic extension [ ] the DFVC program

[ ] special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here ▶ [ ]

Part II **Basic Plan Information** - enter all requested information

1a Name of plan SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	**1b** Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 10/01/1956
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 10 TECHNOLOGY DRIVE WALLINGFORD CT 06492-5817	**2b** Employer Identification Number (EIN) 06-6157817 **2c** Plan Sponsor's telephone number 180-044-6864 **2d** Business code (see instructions) 238900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	John Nimmons	10/16/2023	JOHN NIMMONS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Michael Thompson	10/16/2023	MICHAEL THOMPSON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500. **Form 5500 (2022)** **v. 220413**

218401 12-08-22

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN
	3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:	**4b** EIN
a Sponsor's name **c** Plan Name	**4d** PN

5 Total number of participants at the beginning of the plan year	**5**	995
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a (1) Total number of active participants at the beginning of the plan year	**6a(1)**	288
a (2) Total number of active participants at the end of the plan year	**6a(2)**	286
b Retired or separated participants receiving benefits	**6b**	374
c Other retired or separated participants entitled to future benefits	**6c**	214
d Subtotal. Add lines **6a(2), 6b,** and **6c**	**6d**	874
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	110
f Total. Add lines **6d** and **6e**	**6f**	984
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	29

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1B

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	**9b** Plan benefit arrangement (check all that apply)
(1) [ ] Insurance	(1) [ ] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts	(2) [ ] Code section 412(e)(3) insurance contracts
(3) [X] Trust	(3) [X] Trust
(4) [ ] General assets of the sponsor	(4) [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules	**b General Schedules**
(1) [X] **R** (Retirement Plan Information)	(1) [X] **H** (Financial Information)
(2) [X] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) [ ] **I** (Financial Information - Small Plan)
	(3) [ ] **A** (Insurance Information)
	(4) [X] **C** (Service Provider Information)
(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(5) [X] **D** (DFE/Participating Plan Information)
	(6) [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code ____________________

SEE ACCOUNTANT'S OPINION FOR SCHEDULE
OF FIVE PERCENT TRANSACTIONS

SCHEDULE MB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
Sheet Metal Workers' Local No. 40 Pension Fund

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Bd Of Trustees Sheet Metal Workers Local No. 40 Pension Fund

D Employer Identification Number (EIN)
06-6157817

E Type of plan: (1) [X] Multiemployer Defined Benefit (2) [ ] Money Purchase (see instructions)

1a Enter the valuation date: Month 01 Day 01 Year 2022

b Assets		
(1) Current value of assets	1b(1)	57,390,949
(2) Actuarial value of assets for funding standard account	1b(2)	51,935,239
c (1) Accrued liability for plan using immediate gain methods	1c(1)	125,891,550
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	1c(2)(a)	
(b) Accrued liability under entry age normal method	1c(2)(b)	
(c) Normal cost under entry age normal method	1c(2)(c)	
(3) Accrued liability under unit credit cost method	1c(3)	125,891,550
d Information on current liabilities of the plan:		
(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	1d(1)	
(2) "RPA '94" information:		
(a) Current liability	1d(2)(a)	234,594,486
(b) Expected increase in current liability due to benefits accruing during the plan year	1d(2)(b)	2,930,351
(c) Expected release from "RPA '94" current liability for the plan year	1d(2)(c)	9,828,311
(3) Expected plan disbursements for the plan year	1d(3)	10,238,311

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Kathleen A. Riley KCR — 10/12/2023

Signature of actuary — Date

KATHLEEN A. RILEY, FSA, MAAA, EA — 2304134

Type or print name of actuary — Most recent enrollment number

SEGAL — 617-424-7300

Firm name — Telephone number (including area code)

116 Huntington Avenue
BOSTON MA 02116-5744

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

2 Operational information as of beginning of this plan year:

a Current value of assets (see instructions)	**2a**	57,390,949

b "RPA '94" current liability/participant count breakdown:	**(1)** Number of participants	**(2)** Current liability
(1) For retired participants and beneficiaries receiving payment	490	117,504,510
(2) For terminated vested participants	217	37,639,033
(3) For active participants:		
(a) Non-vested benefits		3,901,634
(b) Vested benefits		75,549,309
(c) Total active	285	79,450,943
(4) Total	992	234,594,486

c If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage	**2c**	24.46 %

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	**(b)** Amount paid by employer(s)	**(c)** Amount paid by employees	**(a)** Date (MM-DD-YYYY)	**(b)** Amount paid by employer(s)	**(c)** Amount paid by employees
07/15/2022	7,212,678	0			
			Totals ► 3(b)	7,212,678	3(c) 0

(d) Total withdrawal liability amounts included in line 3(b) total	**3(d)**	0

4 Information on plan status:

a Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3))	**4a**	41.2 %
b Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If entered code is "N," go to line 5	**4b**	C

c Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan? ☐ Yes ☒ No

d If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)? ☐ Yes ☒ No

e If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date	**4e**	
f If the plan is in critical status or critical and declining status, and is: • Projected to emerge from critical status within 30 years, enter the plan year in which it is projected to emerge; • Projected to become insolvent within 30 years, enter the plan year in which insolvency is expected and check here ☐ • Neither projected to emerge from critical status nor become insolvent within 30 years, enter "9999."	**4f**	9999

5 Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

a ☐ Attained age normal **b** ☐ Entry age normal **c** ☒ Accrued benefit (unit credit) **d** ☐ Aggregate

e ☐ Frozen initial liability **f** ☐ Individual level premium **g** ☐ Individual aggregate **h** ☒ Shortfall

i ☐ Other (specify):

j If box h is checked, enter period of use of shortfall method	**5j**	76

Line 3A: Contributions received continuously throughout the year
Lines 4C,4D,4F: See attachment

k Has a change been made in funding method for this plan year? [ ] Yes [X] No

l If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval? [ ] Yes [ ] No

m If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method | **5m** |

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability | **6a** | 2.22 %

		Pre-retirement		Post-retirement
b Rates specified in insurance or annuity contracts		[ ] Yes [ ] No [X] N/A		[ ] Yes [ ] No [X] N/A
c Mortality table code for valuation purposes:				
(1) Males	6c(1)	A		A
(2) Females	6c(2)	A		A
d Valuation liability interest rate	6d	7.25 %		7.25 %
e Salary scale	6e	%	[X] N/A	
f Withdrawal liability interest rate:				
(1) Type of interest rate	6f(1)	[X] Single rate [ ] ERISA 4044 [ ] Other [ ] N/A		

(2) If "Single rate" is checked in (1), enter applicable single rate	6f(2)	7.25 %
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	11.2 %
h Estimated investment return on current value of assets for year ending on the valuation date	6h	15.8 %
i Expense load included in normal cost reported in line 9b	6i	[ ] N/A
(1) If expense load is described as a percentage of normal cost, enter the assumed percentage	6i(1)	%
(2) If expense load is a dollar amount that varies from year to year, enter the dollar amount included in line 9b	6i(2)	410,000
(3) If neither (1) nor (2) describes the expense load, check the box	6i(3)	[ ]

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	-2,845,320	0
2	1,285,719	0

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval | **8a** |

b Demographic, benefit, and contribution information

(1) Is the plan required to provide a projection of expected benefit payments? (See instructions) If "Yes," see instructions for required attachment. [ ] Yes [X] No

(2) Is the plan required to provide a Schedule of Active Participant Data? (See instructions). [X] Yes [ ] No

(3) Is the plan required to provide a projection of employer contributions and withdrawal liability payments? (See instructions) If "Yes," attach a schedule. [ ] Yes [X] No

c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code? [ ] Yes [X] No

d If line c is "Yes," provide the following additional information:

(1) Was an extension granted automatic approval under section 431(d)(1) of the Code? [ ] Yes [ ] No

(2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended | **8d(2)** |

(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code? [ ] Yes [ ] No

(4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2)) | **8d(4)** |

(5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension | **8d(5)** |

(6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007? [ ] Yes [ ] No

e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)			8e	-1,806,937
9 Funding standard account statement for this plan year:				
Charges to funding standard account:				
a Prior year funding deficiency, if any			9a	29,521,229
b Employer's normal cost for plan year as of valuation date			9b	1,627,468
c Amortization charges as of valuation date:		Outstanding balance		
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	9c(1)	63,718,859		9,238,327
(2) Funding waivers	9c(2)			
(3) Certain bases for which the amortization period has been extended	9c(3)			
d Interest as applicable on lines 9a, 9b, and 9c			9d	2,928,059
e Total charges. Add lines 9a through 9d			9e	43,315,083
Credits to funding standard account:				
f Prior year credit balance, if any			9f	0
g Employer contributions. Total from column (b) of line 3			9g	7,212,678
		Outstanding balance		
h Amortization credits as of valuation date	9h	19,283,777		2,726,385
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h			9i	437,334
j Full funding limitation (FFL) and credits:				
(1) ERISA FFL (accrued liability FFL)	9j(1)	81,142,220		
(2) "RPA '94" override (90% current liability FFL)	9j(2)	165,048,703		
(3) FFL credit			9j(3)	0
k (1) Waived funding deficiency			9k(1)	
(2) Other credits			9k(2)	
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)			9l	10,376,397
m Credit balance: If line 9l is greater than line 9e, enter the difference			9m	
n Funding deficiency: If line 9e is greater than line 9l, enter the difference			9n	32,938,686
o Current year's accumulated reconciliation account:				
(1) Due to waived funding deficiency accumulated prior to the 2022 plan year			9o(1)	
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:				
(a) Reconciliation outstanding balance as of valuation date			9o(2)(a)	
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))			9o(2)(b)	0
(3) Total as of valuation date			9o(3)	0
10 Contribution necessary to avoid an accumulated funding deficiency. (see instructions.)			10	32,938,686
11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions				[X] Yes [ ] No

Segal Consulting

March 30, 2018

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2018 for the following plan:

Name of Plan: Sheet Metal Workers' Local 40 Pension Plan
Plan number: EIN 06-6157817 / PN 001
Plan sponsor: Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address: 100 Old Forge Rd., Rocky Hill, CT 06067-3758
Phone number: 860.529.2616

As of January 1, 2018, the Plan is in critical status but not declining status.

This certification notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan updated on December 20, 2016.

If you have any questions on the attached certification, you may contact me at the following:

Segal Consulting
116 Huntington Ave., 8th Floor
Boston, MA 02116
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-4134

EIN 06-6157817 / PN 001

March 30, 2018

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2018 UNDER IRC SECTION 432

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2018 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2017 actuarial valuation, dated May 16, 2017. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VI.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-4134

Certificate Contents

EIN 06-6157817 / PN 001

EXHIBIT I
Status Determination as of January 1, 2018

Status	Condition	Component Result	Final Result
Critical Status:			
I. Initial critical status tests:			
C1.	A funding deficiency is projected in four years?	Yes	Yes
C2. (a)	A funding deficiency is projected in five years,	Yes	
(b)	AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
(c)	AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
C3. (a)	A funding deficiency is projected in five years,	Yes	
(b)	AND the funded percentage is less than 65%?	Yes	Yes
C4. (a)	The funded percentage is less than 65%,	Yes	
(b)	AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
C5.	The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
II. Emergence test:			
C6. (a)	Was in critical status for the immediately preceding plan year,	Yes	
(b)	AND EITHER a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
(c)	OR insolvency is projected for the current year or any of the 30 succeeding plan years?	No	
	Plan did NOT emerge?		**Yes**
III. In Critical Status? (If C1-C6 is Yes, then Yes, unless C7 is No)			**Yes**
IV. Determination of critical and declining status:			
C7. (a)	Any of (C1) through (C5) are Yes?	Yes	Yes
(b)	AND EITHER Insolvency is projected within 15 years?	No	No
(c)	OR		
	(i) The ratio of inactives to actives is at least 2 to 1,	No	
	(ii) AND insolvency is projected within 20 years?	No	No
(d)	OR		
	(i) The funded percentage is less than 80%,	Yes	
	(ii) AND insolvency is projected within 20 years?	No	No
In Critical and Declining Status?			**No**

EXHIBIT I (continued)
Status Determination as of January 1, 2018

Status	Condition	Component Result	Final Result
Endangered Status:			
E1. (a)	Is not in critical status,	No	
(b)	AND the funded percentage is less than 80%?	N/A	No
E2. (a)	Is not in critical status,	No	
(b)	AND a funding deficiency is projected in seven years?	N/A	No
In Endangered Status? (Yes when either (E1) or (E2) is Yes)			**No**
In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)			**No**
Neither Critical Status Nor Endangered Status:			
Neither Critical nor Endangered Status?			**No**

This certification notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor.

EIN 06-6157817 / PN 001

EXHIBIT II
Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2018 (based on projections from the January 1, 2017 valuation certificate):

	Benefit Payments	Administrative Expenses	Total
I. Financial Information			
1. Market value of assets			$49,453,187
2. Actuarial value of assets			49,262,543
3. Reasonably anticipated contributions			
a. Upcoming year			7,305,000
b. Present value for the next five years			32,598,442
c. Present value for the next seven years			42,994,048
4. Projected benefit payments			9,646,923
5. Projected administrative expenses (beginning of year)			438,000
II. Liabilities			
1. Present value of vested benefits for active participants			28,487,969
2. Present value of vested benefits for non-active participants			88,542,070
3. Total unit credit accrued liability			119,720,760
4. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
a. Next five years	$40,887,423	$1,995,536	$42,882,959
b. Next seven years	54,039,142	2,669,850	56,708,992
5. Unit credit normal cost plus expenses			1,709,305
6. Ratio of inactive participants to active participants			1.9162
III. Funded Percentage (I.2)/(II.3)			41.1%
IV. Funding Standard Account			
1. Credit balance as of the end of prior year			($17,806,063)
2. Years to projected funding deficiency			0
V. Projected Year of Emergence			2043
VI. Years to Projected Insolvency			N/A

EIN 06-6157817 / PN 001

EXHIBIT III
Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

	Year Beginning January 1,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1. Credit balance (BOY)	-$15,106,316	-$17,806,063	-$20,304,194	-$22,499,549	-$25,160,066	-$27,603,411	-$30,267,904	-$32,836,805	-$34,565,972	-$36,894,212
2. Interest on (1)	-1,132,974	-1,335,455	-1,522,815	-1,687,466	-1,887,005	-2,070,256	-2,270,093	-2,462,760	-2,592,448	-2,767,066
3. Normal cost	1,244,033	1,271,305	1,185,505	1,308,067	1,387,018	1,457,559	1,446,413	1,425,116	1,411,664	1,401,874
4. Administrative expenses	394,550	438,000	448,950	460,174	471,678	483,470	495,557	507,946	520,645	533,661
5. Net amortization charges	6,762,261	6,401,194	6,371,550	6,868,755	6,390,662	6,343,582	6,067,824	5,116,358	5,553,749	5,291,050
6. Interest on (3), (4) and (5)	630,063	608,286	600,450	647,775	618,702	621,346	600,734	528,707	561,454	541,994
7. Expected contributions	7,216,082	7,305,000	7,670,250	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
8. Interest on (7)	248,053	251,109	263,665	276,220	276,220	276,220	276,220	276,220	276,220	276,220
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-$17,806,063	-$20,304,194	-$22,499,549	-$25,160,066	-$27,603,411	-$30,267,904	-$32,836,805	-$34,565,972	-$36,894,212	-$39,118,137

	2027	2028	2029	2030	2031	2032	2033	2034	2035
1. Credit balance (BOY)	-$39,118,137	-$41,132,515	-$42,544,057	-$42,976,622	-$42,864,056	-$42,385,911	-$41,522,005	-$39,738,002	-$37,743,070
2. Interest on (1)	-2,933,860	-3,084,939	-3,190,804	-3,223,247	-3,214,804	-3,178,943	-3,114,150	(2,980,350)	-2,830,730
3. Normal cost	1,381,944	1,374,866	1,357,708	1,341,929	1,316,691	1,304,567	1,272,767	1,274,979	1,270,999
4. Administrative expenses	547,003	560,678	574,695	589,062	603,789	618,884	634,356	650,215	666,470
5. Net amortization charges	4,947,553	4,239,641	3,233,626	2,697,761	2,376,051	2,047,592	1,268,288	1,178,469	1,001,730
6. Interest on (3), (4) and (5)	515,738	463,138	387,452	347,155	322,240	297,828	238,156	232,775	220,440
7. Expected contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
8. Interest on (7)	276,220	276,220	276,220	276,220	276,220	276,220	276,220	276,220	276,220
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-$41,132,515	-$42,544,057	-$42,976,622	-$42,864,056	-$42,385,911	-$41,522,005	-$39,738,002	-$37,743,070	-$35,421,719

EXHIBIT IV

Funding Standard Account – Projected Bases Assumed Established After January 1, 2017

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Shortfall loss	1/ 1/2018	$994,523	15	Deferred to 2020
Experience loss	1/ 1/2018	2,305,052	15	Deferred to 2020
Experience loss	1/ 1/2019	762,473	15	Deferred to 2020
Experience loss	1/ 1/2020	284,768	15	Deferred to 2025
Experience gain	1/ 1/2021	(707,623)	15	Deferred to 2025
Experience gain	1/ 1/2022	(770,208)	15	Deferred to 2025

EXHIBIT V
Solvency Projection

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2017 through 2047.

	Year Beginning January 1,							
	2017	2018	2019	2020	2021	2022	2023	2024
1. Market Value at beginning of year	$45,275,618	$49,453,187	$50,238,753	$51,424,395	$52,996,684	$54,641,327	$56,231,692	$57,806,326
2. Contributions	7,216,082	7,305,000	7,670,250	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,463,420	9,646,923	9,670,899	9,736,457	9,768,458	9,927,445	10,045,050	10,232,268
5. Administrative expenses	415,163	438,000	448,950	460,174	471,678	483,470	495,557	507,946
6. Interest earnings	6,840,070	3,565,489	3,635,241	3,733,420	3,849,279	3,965,780	4,079,741	4,189,889
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$49,453,187	$50,238,753	$51,424,395	$52,996,684	$54,641,327	$56,231,692	$57,806,326	$59,291,501
8. Available resources: (1)+(2)+(3)-(5)+(6)	$58,916,607	$59,885,676	$61,095,294	$62,733,141	$64,409,785	$66,159,137	$67,851,376	$69,523,769
	2025	2026	2027	2028	2029	2030	2031	2032
1. Market Value at beginning of year	$59,291,501	$60,729,153	$62,133,540	$63,426,349	$64,639,692	$65,858,887	$67,105,309	$68,303,162
2. Contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,372,277	10,494,780	10,690,023	10,845,903	10,913,451	10,960,456	11,082,113	11,182,538
5. Administrative expenses	520,645	533,661	547,003	560,678	574,695	589,062	603,789	618,884
6. Interest earnings	4,295,074	4,397,328	4,494,335	4,584,424	4,671,841	4,760,440	4,848,255	4,933,196
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$60,729,153	$62,133,540	$63,426,349	$64,639,692	$65,858,887	$67,105,309	$68,303,162	$69,470,436
8. Available resources: (1)+(2)+(3)-(5)+(6)	$71,101,430	$72,628,320	$74,116,372	$75,485,595	$76,772,338	$78,065,765	$79,385,275	$80,652,974

EXHIBIT V (continued)
Solvency Projection

	Year Beginning January 1,							
	2033	2034	2035	2036	2037	2038	2039	2040
1. Market Value at beginning of year	$69,470,436	$70,622,585	$71,860,674	$73,200,059	$74,696,331	$76,427,821	$78,380,932	$80,537,279
2. Contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	11,265,466	11,249,488	11,224,511	11,152,854	11,016,607	10,910,026	10,836,733	10,749,949
5. Administrative expenses	634,356	650,215	666,470	683,132	700,210	717,715	735,658	754,049
6. Interest earnings	5,016,471	5,102,292	5,194,866	5,296,758	5,412,807	5,545,352	5,693,238	5,856,839
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$70,622,585	$71,860,674	$73,200,059	$74,696,331	$76,427,821	$78,380,932	$80,537,279	$82,925,620
8. Available resources: (1)+(2)+(3)-(5)+(6)	$81,888,051	$83,110,162	$84,424,570	$85,849,185	$87,444,428	$89,290,958	$91,374,012	$93,675,569

	2041	2042	2043	2044	2045	2046	2047
1. Market Value at beginning of year	$82,925,620	$85,581,946	$88,568,986	$91,890,180	$95,630,361	$99,813,338	$104,493,456
2. Contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	10,644,769	10,498,011	10,371,344	10,186,552	10,008,575	9,809,688	9,619,878
5. Administrative expenses	772,900	792,223	812,029	832,330	853,138	874,466	896,328
6. Interest earnings	6,038,495	6,241,774	6,469,067	6,723,563	7,009,190	7,328,772	7,685,268
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$85,581,946	$88,568,986	$91,890,180	$95,630,361	$99,813,338	$104,493,456	$109,698,018
8. Available resources: (1)+(2)+(3)-(5)+(6)	$96,226,715	$99,066,997	$102,261,524	$105,816,913	$109,821,913	$114,303,144	$119,317,896

EXHIBIT VI
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2017 actuarial valuation certificate, dated May 16, 2017, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2018 is $95. Accrual rates for 2019 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: $15.00 per hour plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.40 plus the Reserve Fund contribution for 2018 and thereafter.

Asset Information: The market value of assets as of January 1, 2018 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expenses provided by the Fund Administrator.

For projections after that date, the 2018 administrative expenses were assumed to be $438,000 and then were increased by 2.5% per year and the benefit payments were projected based on the results of an open group forecast of the January 1, 2017 actuarial valuation. The projected net investment return was assumed to be 7.5% of the average market value of assets for the 2018 - 2047 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2018, 525,000 in 2019 and 550,000 in later years.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past two years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal Consulting ("Segal") does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Segal Consulting

March 29, 2019

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2019 for the following plan:

Name of Plan: Sheet Metal Workers' Local 40 Pension Plan
Plan number: EIN 06-6157817 / PN 001
Plan sponsor: Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address: 100 Old Forge Rd., Rocky Hill, CT 06067-3758
Phone number: 860.529.2616

As of January 1, 2019, the Plan is in critical status but not declining status.

This certification notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan, updated on December 18, 2018

If you have any questions on the attached certification, you may contact me at the following:

Segal Consulting
116 Huntington Ave., 8th Floor
Boston, MA 02116
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-4134

EIN 06-6157817 / PN 001

March 29, 2019

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)
ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2019 UNDER IRC SECTION 432

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2019 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2018 actuarial valuation, dated October 2, 2018. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VI.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflect Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-4134

Certificate Contents

EIN 06-6157817 / PN 001

EXHIBIT I
Status Determination as of January 1, 2019

Status	Condition	Component Result	Final Result
Critical Status:			
I. Initial critical status tests:			
C1.	A funding deficiency is projected in four years?	Yes	Yes
C2. (a)	A funding deficiency is projected in five years,	Yes	
(b)	AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
(c)	AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
C3. (a)	A funding deficiency is projected in five years,	Yes	
(b)	AND the funded percentage is less than 65%?	Yes	Yes
C4. (a)	The funded percentage is less than 65%,	Yes	
(b)	AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
C5.	The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
II. Emergence test:			
C6. (a)	Was in critical status for the immediately preceding plan year,	Yes	
(b)	AND EITHER a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
(c)	OR insolvency is projected for the current year or any of the 30 succeeding plan years?	No	
	Plan did NOT emerge?		**Yes**
III. In Critical Status? (If C1-C6 is Yes, then Yes, unless C7 is No)			**Yes**
IV. Determination of critical and declining status:			
C7. (a)	Any of (C1) through (C5) are Yes?	Yes	Yes
(b)	AND EITHER Insolvency is projected within 15 years?	No	No
(c)	OR		
	(i) The ratio of inactives to actives is at least 2 to 1,	No	
	(ii) AND insolvency is projected within 20 years?	No	No
(d)	OR		
	(i) The funded percentage is less than 80%,	Yes	
	(ii) AND insolvency is projected within 20 years?	No	No
In Critical and Declining Status?			**No**

EIN 06-6157817 / PN 001

EXHIBIT I (continued)
Status Determination as of January 1, 2019

Status	Condition	Component Result	Final Result
Endangered Status:			
E1. (a)	Is not in critical status,	No	
(b)	AND the funded percentage is less than 80%?	N/A	No
E2. (a)	Is not in critical status,	No	
(b)	AND a funding deficiency is projected in seven years?	N/A	No
In Endangered Status? (Yes when either (E1) or (E2) is Yes)			**No**
In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)			**No**
Neither Critical Status Nor Endangered Status:			
Neither Critical nor Endangered Status?			**No**

This certification notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

EXHIBIT II
Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2019 (based on projections from the January 1, 2018 valuation certificate):

I. Financial Information			
1. Market value of assets			$44,016,052
2. Actuarial value of assets			48,337,069
3. Reasonably anticipated contributions			
a. Upcoming year			7,670,250
b. Present value for the next five years			33,463,404
c. Present value for the next seven years			44,005,404
4. Projected benefit payments			9,633,126
5. Projected administrative expenses (beginning of year)			460,000
II. Liabilities			
1. Present value of vested benefits for active participants			30,574,200
2. Present value of vested benefits for non-active participants			91,130,869
3. Total unit credit accrued liability			124,316,802
4. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
a. Next five years	$41,300,567	$2,105,094	$43,405,661
b. Next seven years	54,828,805	2,822,383	57,651,188
5. Unit credit normal cost plus expenses			1,897,623
6. Ratio of inactive participants to active participants			1.9915
III. Funded Percentage (I.2)/(II.3)			38.8%
IV. Funding Standard Account			
1. Credit balance as of the end of prior year			($20,993,469)
2. Years to projected funding deficiency			0
V. Projected Year of Emergence			2070
VI. Years to Projected Insolvency			N/A

EIN 06-6157817 / PN 001

EXHIBIT III
Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

	Year Beginning January 1,									
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
1. Credit balance (BOY)	($17,859,945)	($20,993,469)	($23,854,921)	($27,297,847)	($30,504,332)	($33,976,308)	($37,385,135)	($40,016,855)	($44,354,584)	($48,725,798)
2. Interest on (1)	(1,294,846)	(1,522,027)	(1,729,482)	(1,979,094)	(2,211,564)	(2,463,282)	(2,710,422)	(2,901,222)	(3,215,707)	(3,532,620)
3. Normal cost	1,549,763	1,437,623	1,597,208	1,609,257	1,674,895	1,643,492	1,622,189	1,584,155	1,569,611	1,539,573
4. Administrative expenses	443,429	460,000	471,500	483,287	495,369	507,753	520,447	533,458	546,794	560,464
5. Net amortization charges	7,063,875	6,740,654	7,270,180	6,793,147	6,746,216	6,471,653	5,525,253	6,963,058	6,702,262	6,361,581
6. Interest on (3), (4) and (5)	656,637	626,274	677,069	644,213	646,445	625,160	555,922	658,349	639,353	613,467
7. Expected contributions	7,621,761	7,670,250	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
8. Interest on (7)	253,265	254,876	267,013	267,013	267,013	267,013	267,013	267,013	267,013	267,013
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) − (3) − (4) − (5) − (6) + (7) + (8) + (9)	($20,993,469)	($23,854,921)	($27,297,847)	($30,504,332)	($33,976,308)	($37,385,135)	($40,016,855)	($44,354,584)	($48,725,798)	($53,030,990)

	2028	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
1. Credit balance (BOY)	($53,030,990)	($56,893,658)	($59,941,055)	($62,643,788)	($65,187,725)	($67,555,770)	($68,850,996)	($70,034,996)	($70,777,904)
2. Interest on (1)	(3,844,747)	(4,124,790)	(4,345,726)	(4,541,675)	(4,726,110)	(4,897,793)	(4,991,697)	(5,077,537)	(5,131,398)
3. Normal cost	1,523,412	1,483,785	1,470,627	1,441,801	1,414,584	1,373,497	1,364,275	1,355,605	1,329,515
4. Administrative expenses	574,476	588,838	603,559	618,648	634,114	649,967	666,216	682,871	699,943
5. Net amortization charges	5,660,092	4,664,086	4,135,156	3,818,129	3,493,911	2,358,770	2,160,480	1,661,183	1,510,380
6. Interest on (3), (4) and (5)	562,454	488,411	450,178	426,197	401,839	317,712	303,845	268,225	256,638
7. Expected contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
8. Interest on (7)	267,013	267,013	267,013	267,013	267,013	267,013	267,013	267,013	267,013
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) − (3) − (4) − (5) − (6) + (7) + (8) + (9)	($56,893,658)	($59,941,055)	($62,643,788)	($65,187,725)	($67,555,770)	($68,850,996)	($70,034,996)	($70,777,904)	($71,403,265)

EXHIBIT IV
Funding Standard Account – Projected Bases Assumed Established After January 1, 2018

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Shortfall gain	1/ 1/2019	($403,700)	15	Deferred to 2020
Experience loss	1/ 1/2019	2,112,159	15	Deferred to 2020
Experience loss	1/ 1/2020	1,992,707	15	Deferred to 2025
Experience loss	1/ 1/2021	905,355	15	Deferred to 2025
Experience loss	1/ 1/2022	745,396	15	Deferred to 2025
Experience loss	1/ 1/2023	1,417,961	15	Deferred to 2025

EXHIBIT V
Solvency Projection

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2018 through 2048.

	Year Beginning January 1,							
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
1. Market Value at beginning of year	$49,453,187	$44,016,052	$44,656,665	$45,639,465	$46,646,943	$47,540,408	$48,351,172	$49,008,014
2. Contributions	7,621,761	7,670,250	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,461,097	9,633,126	9,700,012	9,732,758	9,900,765	10,030,266	10,222,390	10,345,228
5. Administrative expenses	450,272	460,000	471,500	483,287	495,369	507,753	520,447	533,458
6. Interest earnings	(3,147,527)	3,063,489	3,118,812	3,188,023	3,254,099	3,313,283	3,364,179	3,406,404
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$44,016,052	$44,656,665	$45,639,465	$46,646,943	$47,540,408	$48,351,172	$49,008,014	$49,571,232
8. Available resources: (1)+(2)+(3)-(5)+(6)	$53,477,149	$54,289,791	$55,339,477	$56,379,701	$57,441,173	$58,381,438	$59,230,404	$59,916,460
	2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
1. Market Value at beginning of year	$49,571,232	$50,036,254	$50,326,061	$50,478,987	$50,571,515	$50,623,631	$50,563,596	$50,397,200
2. Contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,465,591	10,653,063	10,790,930	10,845,050	10,875,286	10,971,543	11,053,976	11,139,359
5. Administrative expenses	546,794	560,464	574,476	588,838	603,559	618,648	634,114	649,967
6. Interest earnings	3,441,907	3,467,834	3,482,832	3,490,916	3,495,461	3,494,656	3,486,194	3,469,886
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$50,036,254	$50,326,061	$50,478,987	$50,571,515	$50,623,631	$50,563,596	$50,397,200	$50,113,260
8. Available resources: (1)+(2)+(3)-(5)+(6)	$60,501,845	$60,979,124	$61,269,917	$61,416,565	$61,498,917	$61,535,139	$61,451,176	$61,252,619

EXHIBIT V (continued)
Solvency Projection

	Year Beginning January 1,							
	2034	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**
1. Market Value at beginning of year	$50,113,260	$49,819,419	$49,536,966	$49,316,177	$49,223,368	$49,222,222	$49,300,496	$49,486,661
2. Contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	11,112,230	11,063,445	10,966,507	10,809,446	10,695,933	10,600,184	10,482,040	10,351,325
5. Administrative expenses	666,216	682,871	699,943	717,442	735,378	753,762	772,606	791,921
6. Interest earnings	3,449,105	3,428,363	3,410,161	3,398,579	3,394,665	3,396,720	3,405,311	3,422,146
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$49,819,419	$49,536,966	$49,316,177	$49,223,368	$49,222,222	$49,300,496	$49,486,661	$49,801,061
8. Available resources: (1)+(2)+(3)-(5)+(6)	$60,931,649	$60,600,411	$60,282,684	$60,032,814	$59,918,155	$59,900,680	$59,968,701	$60,152,386
	2042	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	
1. Market Value at beginning of year	$49,801,061	$50,293,806	$50,968,495	$51,898,390	$53,094,191	$54,598,322	$56,430,417	
2. Contributions	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	8,035,500	
3. Withdrawal liability payments	0	0	0	0	0	0	0	
4. Benefit payments	10,180,725	10,018,617	9,798,015	9,584,404	9,347,905	9,113,465	8,918,957	
5. Administrative expenses	811,719	832,012	852,812	874,132	895,985	918,385	941,345	
6. Interest earnings	3,449,689	3,489,818	3,545,222	3,618,837	3,712,521	3,828,445	3,966,658	
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$50,293,806	$50,968,495	$51,898,390	$53,094,191	$54,598,322	$56,430,417	$58,572,273	
8. Available resources: (1)+(2)+(3)-(5)+(6)	$60,474,531	$60,987,112	$61,696,405	$62,678,595	$63,946,227	$65,543,882	$67,491,230	

EXHIBIT VI
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2018 actuarial valuation certificate, dated October 2, 2018, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2019 is $85. Accrual rates for 2020 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: Unchanged from the valuation.

Asset Information: The market value of assets as of January 1, 2019 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expenses provided by the Fund Administrator.

For projections after that date, the 2019 administrative expenses were assumed to be $460,000 and then were increased by 2.5% per year and the benefit payments were projected based on the results of an open group forecast of the January 1, 2018 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2019 - 2048 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number of hours worked by active participants is projected to be 525,000 in 2019 and 550,000 in later years.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal Consulting ("Segal") does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Segal

March 30, 2020

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2020 for the following plan:

Name of Plan: Sheet Metal Workers' Local 40 Pension Plan

Plan number: EIN 06-6157817 / PN 001

Plan sponsor: Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan

Address: Zenith American Solutions, P.O. Box 5817, Wallingford, CT 06492

Phone number: 860.529.2616

As of January 1, 2020, the Plan is in critical status but not declining status.

This certification notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan, updated on December 17, 2019.

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., 8th Floor
Boston, MA 02116
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 17-04134

Actuarial status certification as of January 1, 2020 under IRC Section 432

March 30, 2020

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2020 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2019 actuarial valuation, dated September 17, 2019. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VI.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Kathleen A. Riley, FSA, MAAA, EA	
EA#	17-04134
Title	Senior Vice President and Actuary

Actuarial Status Certification under IRC Section 432

Certificate Contents

Exhibit I	Status Determination as of January 1, 2020
Exhibit II	Summary of Actuarial Valuation Projections
Exhibit III	Funding Standard Account Projections
Exhibit IV	Funding Standard Account – Projected Bases Assumed Established After January 1, 2019
Exhibit V	Solvency Projection
Exhibit VI	Actuarial Assumptions and Methodology

Actuarial Status Certification under IRC Section 432

Exhibit I

Status Determination as of January 1, 2020

Status	Condition	Component Result	Final Result
Critical Status:			
	I. Initial critical status tests:		
	C1. A funding deficiency is projected in four years?	Yes	Yes
	C2. (a) A funding deficiency is projected in five years,	Yes	
	(b) AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
	(c) AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
	C3. (a) A funding deficiency is projected in five years,	Yes	
	(b) AND the funded percentage is less than 65%?	Yes	Yes
	C4. (a) The funded percentage is less than 65%,	Yes	
	(b) AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
	C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
	II. Emergence test:		
	C6. (a) Was in critical status for the immediately preceding plan year,	Yes	
	(b) AND EITHER a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
	(c) OR insolvency is projected for the current year or any of the 30 succeeding plan years?	No	
	Plan did NOT emerge?		**Yes**
	III. In Critical Status? (If C1-C6 is Yes, then Yes, unless C7 is No)		**Yes**

Actuarial Status Certification under IRC Section 432

Status	Condition	Component Result	Final Result
	IV. Determination of critical and declining status:		
	C7. (a) Any of (C1) through (C5) are Yes?	Yes	Yes
	(b) AND EITHER Insolvency is projected within 15 years?	No	No
	(c) OR		
	(i) The ratio of inactives to actives is at least 2 to 1,	Yes	
	(ii) AND insolvency is projected within 20 years?	No	No
	(d) OR		
	(i) The funded percentage is less than 80%,	Yes	
	(ii) AND insolvency is projected within 20 years?	No	No
	In Critical and Declining Status?		**No**
Endangered Status:			
	E1. (a) Is not in critical status,	No	
	(b) AND the funded percentage is less than 80%?	N/A	No
	E2. (a) Is not in critical status,	No	
	(b) AND a funding deficiency is projected in seven years?	N/A	No
	In Endangered Status? (Yes when either (E1) or (E2) is Yes)		**No**
	In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)		**No**
Neither Critical Status Nor Endangered Status			
	Neither Critical nor Endangered Status?		No

This certification notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

Exhibit II
Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2020 (based on projections from the January 1, 2019 valuation certificate):

I. Financial Information				
1. Market value of assets				$50,112,706
2. Actuarial value of assets				48,861,893
3. Reasonably anticipated contributions				
a. Upcoming year				8,250,000
b. Present value for the next five years				34,717,947
c. Present value for the next seven years				45,541,355
4. Projected benefit payments				9,759,568
5. Projected administrative expenses (beginning of year)				400,000
II. Liabilities				
1. Present value of vested benefits for active participants				31,038,464
2. Present value of vested benefits for non-active participants				91,862,454
3. Total unit credit accrued liability				125,493,903
4. Present value of payments	**Benefit Payments**	**Administrative Expenses**		**Total**
a. Next five years	$41,941,832	$1,830,517		$43,772,349
b. Next seven years	55,698,330	2,454,248		58,152,578
5. Unit credit normal cost plus expenses				2,049,514
6. Ratio of inactive participants to active participants				2.1656
III. Funded Percentage (I.2)/(II.3)				38.9%
IV. Funding Standard Account				
1. Credit balance as of the end of prior year				($23,595,612)
2. Years to projected funding deficiency				0
V. Projected Year of Emergence				2048
VI. Years to Projected Insolvency				N/A

Actuarial Status Certification under IRC Section 432

Exhibit III
Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

		Year Beginning January 1,									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1.	Credit balance (BOY)	-$20,887,136	-$23,595,612	-$26,840,840	-$29,875,940	-$33,072,761	-$36,189,391	-$38,512,536	-$41,576,899	-$44,578,773	-$47,418,137
2.	Interest on (1)	-1,514,317	-1,710,682	-1,945,961	-2,166,006	-2,397,775	-2,623,731	-2,792,159	-3,014,325	-3,231,961	-3,437,815
3.	Normal cost	1,471,396	1,649,513	1,701,254	1,683,549	1,656,737	1,641,838	1,613,472	1,597,531	1,572,171	1,574,587
4.	Administrative expenses	459,618	400,000	410,000	420,250	430,756	441,525	452,563	463,877	475,474	487,361
5.	Net amortization charges	6,884,723	7,329,217	6,852,178	6,805,251	6,530,685	5,584,288	6,135,685	5,874,899	5,534,214	4,832,730
6.	Interest on (3), (4) and (5)	639,141	679,958	649,849	645,906	624,818	555,905	594,625	575,382	549,685	499,864
7.	Expected contributions	7,995,050	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000
8.	Interest on (7)	265,669	274,141	274,141	274,141	274,141	274,141	274,141	274,141	274,141	274,141
9.	Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10.	Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-$23,595,612	-$26,840,840	-$29,875,940	-$33,072,761	-$36,189,391	-$38,512,536	-$41,576,899	-$44,578,773	-$47,418,137	-$49,726,354
		2029	2030	2031	2032	2033	2034	2035	2036	2037	
1.	Credit balance (BOY)	-$49,726,354	-$51,114,919	-$52,046,882	-$52,689,449	-$53,029,674	-$52,146,134	-$50,946,425	-$49,397,558	-$47,793,014	
2.	Interest on (1)	-3,605,161	-3,705,832	-3,773,399	-3,819,985	-3,844,651	-3,780,595	-3,693,616	-3,581,323	-3,464,994	
3.	Normal cost	1,544,895	1,541,734	1,513,130	1,498,884	1,456,534	1,465,009	1,468,425	1,448,436	1,443,156	
4.	Administrative expenses	499,545	512,034	524,835	537,956	551,405	565,190	579,320	593,803	608,648	
5.	Net amortization charges	3,836,721	3,307,791	2,990,761	2,666,546	1,531,408	1,274,078	1,012,076	1,070,371	1,306,545	
6.	Interest on (3), (4) and (5)	426,384	388,713	364,583	340,995	256,603	239,560	221,837	225,664	243,480	
7.	Expected contributions	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	
8.	Interest on (7)	274,141	274,141	274,141	274,141	274,141	274,141	274,141	274,141	274,141	
9.	Full-funding limit credit	0	0	0	0	0	0	0	0	0	
10.	Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-$51,114,919	-$52,046,882	-$52,689,449	-$53,029,674	-$52,146,134	-$50,946,425	-$49,397,558	-$47,793,014	-$46,335,696	

Exhibit IV
Funding Standard Account – Projected Bases Assumed Established after January 1, 2019

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Shortfall gain	1/ 1/2020	-$197,854	15	Deferred to 2025
Experience loss	1/ 1/2020	945,332	15	Deferred to 2025
Experience gain	1/ 1/2021	-349,941	15	Deferred to 2025
Experience gain	1/ 1/2022	-439,349	15	Deferred to 2025
Experience loss	1/ 1/2023	303,763	15	Deferred to 2025
Experience gain	1/ 1/2024	-1,043,653	15	Deferred to 2025

Exhibit V
Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2019 through 2049.

	Year Beginning January 1,							
	2019	2020	2021	2022	2023	2024	2025	2026
1. Market Value at beginning of year	$44,016,504	$50,112,706	$51,727,665	$53,434,177	$55,098,358	$56,725,570	$58,262,284	$59,753,961
2. Contributions	7,995,050	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,469,135	9,759,568	9,773,857	9,923,493	10,064,727	10,254,760	10,394,312	10,520,382
5. Administrative expenses	380,743	400,000	410,000	420,250	430,756	441,525	452,563	463,877
6. Interest earnings	7,951,030	3,524,527	3,640,369	3,757,924	3,872,695	3,982,999	4,088,552	4,191,308
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$50,112,706	$51,727,665	$53,434,177	$55,098,358	$56,725,570	$58,262,284	$59,753,961	$61,211,010
8. Available resources: (1)+(2)+(3)-(5)+(6)	$59,581,841	$61,487,233	$63,208,034	$65,021,851	$66,790,297	$68,517,044	$70,148,273	$71,731,392
	2027	2028	2029	2030	2031	2032	2033	2034
1. Market Value at beginning of year	$61,211,010	$62,553,225	$63,839,301	$65,146,181	$66,502,703	$67,823,662	$69,136,107	$70,444,815
2. Contributions	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,721,137	10,856,916	10,914,208	10,944,811	11,060,788	11,147,844	11,229,354	11,208,377
5. Administrative expenses	475,474	487,361	499,545	512,034	524,835	537,956	551,405	565,190
6. Interest earnings	4,288,826	4,380,353	4,470,633	4,563,367	4,656,582	4,748,245	4,839,467	4,934,110
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$62,553,225	$63,839,301	$65,146,181	$66,502,703	$67,823,662	$69,136,107	$70,444,815	$71,855,358
8. Available resources: (1)+(2)+(3)-(5)+(6)	$73,274,362	$74,696,217	$76,060,389	$77,447,514	$78,884,450	$80,283,951	$81,674,169	$83,063,735

Exhibit V (continued)
Solvency Projections

Year Beginning January 1,

	2035	2036	2037	2038	2039	2040	2041	2042
1. Market Value at beginning of year	$71,855,358	$73,381,976	$75,074,569	$77,034,222	$79,225,726	$81,637,083	$84,315,433	$87,297,274
2. Contributions	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	11,180,425	11,112,074	10,957,413	10,855,029	10,780,050	10,674,558	10,552,112	10,391,469
5. Administrative expenses	579,320	593,803	608,648	623,864	639,461	655,448	671,834	688,630
6. Interest earnings	5,036,363	5,148,470	5,275,714	5,420,397	5,580,868	5,758,356	5,955,787	6,176,577
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$73,381,976	$75,074,569	$77,034,222	$79,225,726	$81,637,083	$84,315,433	$87,297,274	$90,643,752
8. Available resources: (1)+(2)+(3)-(5)+(6)	$84,562,401	$86,186,643	$87,991,635	$90,080,755	$92,417,133	$94,989,991	$97,849,386	$101,035,221

	2043	2044	2045	2046	2047	2048	2049
1. Market Value at beginning of year	$90,643,752	$94,357,610	$98,528,872	$103,184,278	$108,369,874	$114,139,953	$120,473,051
2. Contributions	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	10,253,254	10,053,424	9,859,334	9,654,213	9,433,313	9,273,526	9,137,586
5. Administrative expenses	705,846	723,492	741,579	760,118	779,121	798,599	818,564
6. Interest earnings	6,422,958	6,698,178	7,006,319	7,349,927	7,732,513	8,155,223	8,617,855
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$94,357,610	$98,528,872	$103,184,278	$108,369,874	$114,139,953	$120,473,051	$127,384,756
8. Available resources: (1)+(2)+(3)-(5)+(6)	$104,610,864	$108,582,296	$113,043,612	$118,024,087	$123,573,266	$129,746,577	$136,522,342

Exhibit VI
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2019 actuarial valuation certificate, dated September 17, 2019, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2020 is $95. Accrual rates for 2021 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: Unchanged from the valuation.

Asset Information: The market value of assets as of January 1, 2020 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expenses provided by the Fund Administrator.

For projections after that date, the 2020 administrative expenses were assumed to be $400,000 and then were increased by 2.5% per year and the benefit payments were projected based on the results of an open group forecast of the January 1, 2019 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2020 - 2049 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number of hours worked by active participants is projected to be 550,000 in 2020 and later years.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Actuarial Status Certification under IRC Section 432

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

The following additional information is included to comply with Section B, Item (5) of the filing instructions:

The statement of actuarial assumptions/methods from the January 1, 2019 actuarial valuation

EXHIBIT 8 – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates

Healthy: RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

Disabled: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the past 5 years. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior year's assumption over the most recent 5 years.

1 Mortality rates shown for base table.
2 80% of the disability rates shown represent Total Disability.

Retirement Rates

Age[1]	Retirement Rates
55 – 59	5%
60 -61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior year's assumption over the most recent 5 years.

Description of Weighted Average Retirement Age

Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2019 actuarial valuation.

Retirement Age for Inactive Vested Participants

Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions.

The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior year's assumption over the most recent 5 years.

Future Benefit Accruals

Annual pension credit equal to credit accrued in the year ended on the valuation date.

The future benefit accruals were based on professional judgment.

Unknown Data for Participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Definition of Active Participants

Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.

Percent Married

80%

Age of Spouse

Females 3 years younger than males.

Benefit Election

All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.

1 If eligible.

Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$450,000, payable at the beginning of the year, for the year beginning January 1, 2019 (previously, $425,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the actuarial value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $110,250 (previously, $105,000) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	Interest: 3.06%, within the permissible range prescribed under IRC Section 431(c)(6)(E) (previously, 2.98%) Mortality: Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2016
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 2.9%, for the Plan Year ending December 31, 2018 *On current (market) value of assets (Schedule MB, line 6h):* -6.6%, for the Plan Year ending December 31, 2018
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 2.98% to 3.06% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the following actuarial assumption was changed as of January 1, 2019: • The administrative expense assumption was increased from $425,000 to $450,000 for the plan year beginning January 1, 2019.

March 31, 2021

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2021 for the following plan:

Name of Plan:	Sheet Metal Workers' Local 40 Pension Plan
Plan number:	EIN 06-6157817 / PN 001
Plan sponsor:	Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address:	Zenith American Solutions, Inc., P.O. Box 5817, Wallingford, CT 06492
Phone number:	860.529.2616

As of January 1, 2021, the Plan is in critical status but not declining status.

This certification does not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA) on March 11. We anticipate clarification of ARPA relief provisions based on regulations to be issued by the IRS and the Pension Benefit Guaranty Corporation. Decisions that the Trustees may make to elect options available to them that might affect the Plan's "zone" status and minimum funding requirements for the current and future years may be reflected in a revised or future actuarial valuation.

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan, updated on December 15, 2020.

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., 8th Floor
Boston, MA 02116-5744
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-04134

Actuarial status certification as of January 1, 2021 under IRC Section 432

March 31, 2021

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2021 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2020 actuarial valuation, dated December 15, 2020 This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VI.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

Actuarial Status Certification under IRC Section 432

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

	Kathleen A. Riley, FSA, MAAA, EA
EA#	20-04134
Title	Senior Vice President and Actuary

Actuarial Status Certification under IRC Section 432

Certificate Contents

Actuarial Status Certification under IRC Section 432

Exhibit I

Status Determination as of January 1, 2021

Status	Condition	Component Result	Final Result
Critical Status:			
	I. Initial critical status tests:		
	C1. A funding deficiency is projected in four years?	Yes	Yes
	C2. (a) A funding deficiency is projected in five years,	Yes	
	(b) AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
	(c) AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
	C3. (a) A funding deficiency is projected in five years,	Yes	
	(b) AND the funded percentage is less than 65%?	Yes	Yes
	C4. (a) The funded percentage is less than 65%,	Yes	
	(b) AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
	C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
	II. Emergence test:		
	C6. (a) Was in critical status for the immediately preceding plan year,	Yes	
	(b) AND EITHER a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
	(c) OR insolvency is projected for the current year or any of the 30 succeeding plan years?	No	
	Plan did NOT emerge?		**Yes**
	III. In Critical Status? (If C1-C6 is Yes, then Yes)		**Yes**

Actuarial Status Certification under IRC Section 432

Status	Condition	Component Result	Final Result
	IV. Determination of critical and declining status:		
	C7. (a) Any of (C1) through (C5) are Yes?	Yes	Yes
	(b) AND EITHER Insolvency is projected within 15 years?	No	No
	(c) OR		
	(i) The ratio of inactives to actives is at least 2 to 1,	Yes	
	(ii) AND insolvency is projected within 20 years?	No	No
	(d) OR		
	(i) The funded percentage is less than 80%,	Yes	
	(ii) AND insolvency is projected within 20 years?	No	No
	In Critical and Declining Status?		**No**
Endangered Status:			
	E1. (a) Is not in critical status,	No	
	(b) AND the funded percentage is less than 80%?	N/A	No
	E2. (a) Is not in critical status,	No	
	(b) AND a funding deficiency is projected in seven years?	N/A	No
	In Endangered Status? (Yes when either (E1) or (E2) is Yes)		**No**
	In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)		**No**
Neither Critical Status Nor Endangered Status			
	Neither Critical nor Endangered Status?		**No**

This certification notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

Exhibit II
Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2021 (based on projections from the January 1, 2020 valuation certificate):

I. Financial Information			
1. Market value of assets			$52,580,476
2. Actuarial value of assets			49,626,945
3. Reasonably anticipated contributions			
a. Upcoming year			7,575,000
b. Present value for the next five years			31,877,387
c. Present value for the next seven years			41,815,244
4. Projected benefit payments			9,786,887
5. Projected administrative expenses (beginning of year)			410,000
II. Liabilities			
1. Present value of vested benefits for active participants			31,064,961
2. Present value of vested benefits for non-active participants			92,697,071
3. Total unit credit accrued liability			126,230,060
4. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
a. Next five years	$42,503,435	$1,876,280	$44,379,715
b. Next seven years	56,488,019	2,515,604	59,003,623
5. Unit credit normal cost plus expenses			1,758,567
6. Ratio of inactive participants to active participants			2.2013
III. Funded Percentage (I.2)/(II.3)			39.3%
IV. Funding Standard Account			
1. Credit balance as of the end of prior year			-$26,362,934
2. Years to projected funding deficiency			0
V. Projected Year of Emergence			2055
VI. Years to Projected Insolvency			N/A

Exhibit III
Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

		Year Beginning January 1,									
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.	Credit balance (BOY)	-$23,607,561	-$26,362,934	-$29,682,564	-$33,185,000	-$36,722,429	-$39,646,820	-$43,435,078	-$47,222,328	-$50,916,080	-$53,775,031
2.	Interest on (1)	-1,711,548	-1,911,313	-2,151,986	-2,405,912	-2,662,376	-2,874,394	-3,149,043	-3,423,619	-3,691,416	-3,898,690
3.	Normal cost	1,215,417	1,348,568	1,331,297	1,391,217	1,367,327	1,350,745	1,343,205	1,329,093	1,333,478	1,314,192
4.	Administrative expenses	304,533	410,000	420,250	430,756	441,525	452,563	463,877	475,474	487,361	499,545
5.	Net amortization charges	5,579,973	6,852,181	6,805,247	6,530,687	5,733,083	6,346,412	6,085,615	5,744,938	4,700,603	3,704,597
6.	Interest on (3), (4) and (5)	514,744	624,279	620,368	605,568	546,790	590,855	572,221	547,339	472,805	400,079
7.	Expected contributions	6,359,521	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
8.	Interest on (7)	211,322	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711
9.	Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10.	Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-$26,362,934	-$29,682,564	-$33,185,000	-$36,722,429	-$39,646,820	-$43,435,078	-$47,222,328	-$50,916,080	-$53,775,031	-$55,765,423
		2030	2031	2032	2033	2034	2035	2036	2037	2038	
1.	Credit balance (BOY)	-$55,765,423	-$57,340,403	-$58,677,649	-$59,767,601	-$59,697,597	-$59,373,535	-$58,808,021	-$57,959,184	-$57,389,448	
2.	Interest on (1)	-4,042,993	-4,157,179	-4,254,130	-4,333,151	-4,328,076	-4,304,581	-4,263,582	-4,202,041	-4,160,735	
3.	Normal cost	1,308,757	1,284,855	1,274,974	1,241,440	1,252,835	1,251,639	1,238,255	1,229,104	1,231,004	
4.	Administrative expenses	512,034	524,835	537,956	551,405	565,190	579,320	593,803	608,648	623,864	
5.	Net amortization charges	3,175,664	2,858,635	2,534,421	1,399,282	1,141,950	925,793	698,751	1,010,672	-633,868	
6.	Interest on (3), (4) and (5)	362,243	338,454	315,183	231,429	214,598	199,865	183,484	206,511	88,522	
7.	Expected contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	
8.	Interest on (7)	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711	
9.	Full-funding limit credit	0	0	0	0	0	0	0	0	0	
10.	Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-$57,340,403	-$58,677,649	-$59,767,601	-$59,697,597	-$59,373,535	-$58,808,021	-$57,959,184	-$57,389,448	-$55,032,995	

Exhibit IV
Funding Standard Account – Projected Bases Assumed Established after January 1, 2020

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience gain	1/ 1/2021	-$840,003	15	Deferred to 2024
Shortfall loss	1/ 1/2021	2,387,092	15	Deferred to 2024
Experience gain	1/ 1/2022	-1,077,375	15	Deferred to 2024
Experience gain	1/ 1/2023	-298,319	15	Deferred to 2024
Experience gain	1/ 1/2024	-1,609,788	15	Deferred to 2028
Experience gain	1/ 1/2025	-509,041	15	Deferred to 2028

Exhibit V
Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2020 through 2050.

	Year Beginning January 1,							
	2020	2021	2022	2023	2024	2025	2026	2027
1. Market Value at beginning of year	$50,269,381	$52,580,476	$53,637,885	$54,616,572	$55,518,455	$56,241,726	$56,871,431	$57,400,702
2. Contributions	6,359,521	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,492,472	9,786,887	9,926,227	10,057,943	10,282,260	10,411,732	10,540,999	10,722,325
5. Administrative expenses	411,053	410,000	420,250	430,756	441,525	452,563	463,877	475,474
6. Interest earnings	5,855,099	3,679,296	3,750,164	3,815,582	3,872,056	3,919,000	3,959,147	3,990,106
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$52,580,476	$53,637,885	$54,616,572	$55,518,455	$56,241,726	$56,871,431	$57,400,702	$57,768,009
8. Available resources: (1)+(2)+(3)-(5)+(6)	$62,072,948	$63,424,772	$64,542,799	$65,576,398	$66,523,986	$67,283,163	$67,941,701	$68,490,334
	2028	2029	2030	2031	2032	2033	2034	2035
1. Market Value at beginning of year	$57,768,009	$58,003,564	$58,183,838	$58,322,329	$58,322,676	$58,188,166	$57,917,867	$57,625,682
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,862,863	10,920,080	10,960,089	11,089,841	11,206,424	11,314,133	11,302,075	11,263,169
5. Administrative expenses	487,361	499,545	512,034	524,835	537,956	551,405	565,190	579,320
6. Interest earnings	4,010,779	4,024,899	4,035,614	4,040,023	4,034,870	4,020,239	4,000,080	3,979,282
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$58,003,564	$58,183,838	$58,322,329	$58,322,676	$58,188,166	$57,917,867	$57,625,682	$57,337,475
8. Available resources: (1)+(2)+(3)-(5)+(6)	$68,866,427	$69,103,918	$69,282,418	$69,412,517	$69,394,590	$69,232,000	$68,927,757	$68,600,644

Exhibit V (continued)
Solvency Projections

Year Beginning January 1,

	2036	2037	2038	2039	2040	2041	2042	2043
1. Market Value at beginning of year	$57,337,475	$57,071,547	$56,909,124	$56,803,874	$56,734,344	$56,742,109	$56,861,754	$57,131,773
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	11,206,516	11,072,662	10,990,377	10,932,400	10,836,398	10,712,016	10,557,890	10,430,476
5. Administrative expenses	593,803	608,648	623,864	639,461	655,448	671,834	688,630	705,846
6. Interest earnings	3,959,391	3,943,887	3,933,991	3,927,331	3,924,611	3,928,495	3,941,539	3,964,486
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$57,071,547	$56,909,124	$56,803,874	$56,734,344	$56,742,109	$56,861,754	$57,131,773	$57,534,937
8. Available resources: (1)+(2)+(3)-(5)+(6)	$68,278,063	$67,981,786	$67,794,251	$67,666,744	$67,578,507	$67,573,770	$67,689,663	$67,965,413

	2044	2045	2046	2047	2048	2049	2050
1. Market Value at beginning of year	$57,534,937	$58,151,133	$58,983,966	$60,061,416	$61,414,485	$62,992,136	$64,800,651
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	10,234,840	10,050,173	9,853,194	9,642,931	9,500,712	9,367,639	9,248,213
5. Administrative expenses	723,492	741,579	760,118	779,121	798,599	818,564	839,028
6. Interest earnings	3,999,528	4,049,585	4,115,762	4,200,121	4,301,962	4,419,718	4,553,681
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$58,151,133	$58,983,966	$60,061,416	$61,414,485	$62,992,136	$64,800,651	$66,842,091
8. Available resources: (1)+(2)+(3)-(5)+(6)	$68,385,973	$69,034,139	$69,914,610	$71,057,416	$72,492,848	$74,168,290	$76,090,304

Exhibit VI

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2020 actuarial valuation certificate, dated December 15, 2020, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits:

The accrual rate for 2021 is $85. Accrual rates for 2022 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates:

$15.56 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.94 plus the Reserve Fund contribution for 2021 and thereafter.

Asset Information:

The market value of assets as of January 1, 2021 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expenses provided by the Fund Administrator.

For projections after that date, the 2021 administrative expenses were assumed to be $410,000 and then were increased by 2.5% per year and the benefit payments were projected based on the results of an open group forecast of the January 1, 2020 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2021 - 2050 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity:

As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number hours worked by active participants is projected to be 500,000 in 2021 and later years.

Actuarial Status Certification under IRC Section 432

Future Normal Costs:	We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

The following additional information is included to comply with Section B, Item (5) of the filing instructions:

The statement of actuarial assumptions/methods from the January 1, 2020 actuarial valuation

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

Age	Mortality[1] Male	Mortality[1] Female	Disability[2]	Withdrawal
	Rate (%)			
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Section 3: Certificate of Actuarial Valuation

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2020 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$400,000, payable at the beginning of the year, for the year beginning January 1, 2020 (previously, $450,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $115,500 (previously, $110,250) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit K*.
Current Liability Assumptions	*Interest:* 2.95%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2018 (previously, the MP-2017 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 5.1%, for the Plan Year ending December 31, 2019 *On current (market) value of assets (Schedule MB, line 6h):* 18.7%, for the Plan Year ending December 31, 2019
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 3.06% to 2.95% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the following actuarial assumption was changed as of January 1, 2020: • The administrative expense assumption was decreased from $450,000 to $400,000 for the plan year beginning January 1, 2020.

116 Huntington Ave., Suite 901
Boston, MA 02116-5749
segalco.com T:617.424.7300

March 31, 2022

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2022 for the following plan:

Name of Plan: Sheet Metal Workers' Local 40 Pension Plan
Plan number: EIN 06-6157817 / PN 001
Plan sponsor: Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address: Zenith American Solutions, Inc., P.O. Box 5817, Wallingford, CT 06492
Phone number: 860.529.2616

As of January 1, 2022, the Plan is in critical status but not declining status.

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan updated on December 14, 2021.

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., Suite 901
Boston, MA 02116-5749
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-04134

Actuarial Status Certification as of January 1, 2022 under IRC Section 432
March 31, 2022

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2022 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2021 actuarial valuation, dated September 15, 2021. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit 6.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and method that offer my best estimate of anticipated experience under the Plan. Furthermore, as required by IRS Section 432(b)(3)(B)(iii), the projected industry activity takes into account information provided by the plan sponsor.

	Kathleen A. Riley, FSA, MAAA, EA
EA#	20-04134
Title	Senior Vice President and Actuary
Email	kriley@segalco.com

Certificate Contents

Actuarial Status Certification under IRC Section 432

Exhibit 1: Status Determination as of January 1, 2022

Status	Condition	Component Result	Final Result
Critical Status:			
	1. Initial critical status tests:		
	C1. A funding deficiency is projected in four years?	Yes	Yes
	C2. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
	c. **and** the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
	C3. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the funded percentage is less than 65%?	Yes	Yes
	C4. a. The funded percentage is less than 65%,	Yes	
	b. **and** the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
	C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
	2. Emergence test:		
	C6 a. Was in critical status for the immediately preceding plan year,	Yes	
	b. **and either** a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
	c. **or** insolvency is projected for the current year or any of the 30 succeeding plan years?	No	
	Plan did NOT emerge?		Yes
	3. In Critical Status? (If C1-C6 is Yes)		**Yes**

Status	Condition	Component Result	Final Result
	4. Determination of critical and declining status:		
	C7. a. Any of (C1) through (C5) are Yes?	Yes	Yes
	b. **and either** Insolvency is projected within 15 years	No	No
	c. or		
	1) The ratio of inactives to actives is at least 2 to 1,	Yes	
	2) **and** insolvency is projected within 20 years?	No	No
	d. **or**		
	1) The funded percentage is less than 80%,	Yes	
	2) **and** insolvency is projected within 20 years	No	No
	In Critical and Declining Status?		**No**
Endangered Status:			
	E1. a. Is not in critical status,	No	
	b. **and** the funded percentage is less than 80%?	N/A	No
	E2. a. Is not in critical status,	No	
	b. **and** a funding deficiency is projected in seven years?	N/A	No
	In Endangered Status? (Yes when either (E1) or (E2) is Yes)		**No**
	In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)		**No**
Neither Critical Status Nor Endangered Status:			
	Neither Critical nor Endangered Status?		**No**

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

Exhibit 2: Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2022 (based on projections from the January 1, 2021 valuation certificate):

1. Financial Information				
a. Market value of assets				$57,314,394
b. Actuarial value of assets				52,331,663
c. Reasonably anticipated contributions				
1) Upcoming year				7,480,000
2) Present value for the next five years				31,477,605
3) Present value for the next seven years				41,290,829
d. Projected benefit payments				9,932,731
e. Projected administrative expenses (beginning of year)				360,000
2. Liabilities				
a. Present value of vested benefits for active participants				31,262,358
b. Present value of vested benefits for non-active participants				93,375,446
c. Total unit credit accrued liability				126,814,699
d. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**	
1) Next five years	$43,111,095	$1,647,466	$44,758,562	
2) Next seven years	57,217,231	2,208,825	59,426,056	
e. Unit credit normal cost plus expenses				1,709,216
f. Ratio of inactive participants to active participants				2.3826
3. Funded Percentage (1.b)/(2.c)				41.2%
4. Funding Standard Account				
a. Credit balance as of the end of prior year				($28,976,180)
b. Years to projected funding deficiency				0
5. Projected Year of Emergence				2050
6. Years to Projected Insolvency				N/A

Exhibit 3: Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

	Year Beginning January 1,									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Credit balance (BOY)	($26,328,229)	($28,976,180)	($32,480,166)	($36,021,575)	($38,909,741)	($42,642,609)	($46,375,066)	($49,987,398)	($52,355,179)	($53,795,437)
2. Interest on **(1)**	(1,908,797)	(2,100,773)	(2,354,812)	(2,611,564)	(2,820,956)	(3,091,589)	(3,362,192)	(3,624,086)	(3,795,750)	(3,900,169)
3. Normal cost	1,204,985	1,349,216	1,412,814	1,478,736	1,448,322	1,446,694	1,413,134	1,412,947	1,373,642	1,356,776
4. Administrative expenses	350,170	360,000	369,000	378,225	387,681	397,373	407,307	417,490	427,927	438,625
5. Net amortization charges	5,852,254	6,805,252	6,530,681	5,607,054	6,220,375	5,959,589	5,618,901	4,204,294	3,208,278	2,679,353
6. Interest on **(3)**, **(4)** and **(5)**	537,037	617,299	602,656	541,141	584,087	565,765	539,352	437,518	363,214	324,420
7. Expected contributions	6,973,566	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
8. Interest on **(7)**	231,726	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	**($28,976,180)**	**($32,480,166)**	**($36,021,575)**	**($38,909,741)**	**($42,642,609)**	**($46,375,066)**	**($49,987,398)**	**($52,355,179)**	**($53,795,437)**	**($54,766,225)**

	2031	2032	2033	2034	2035	2036	2037	2038	2039
1. Credit balance (BOY)	($54,766,225)	($55,447,787)	($55,817,291)	($54,960,686)	($53,784,733)	($52,302,523)	($50,569,815)	($48,970,620)	($45,632,276)
2. Interest on **(1)**	(3,970,551)	(4,019,965)	(4,046,754)	(3,984,650)	(3,899,393)	(3,791,933)	(3,666,312)	(3,550,370)	(3,308,340)
3. Normal cost	1,327,545	1,303,476	1,258,900	1,264,554	1,262,561	1,248,330	1,242,039	1,252,791	1,290,028
4. Administrative expenses	449,591	460,831	472,352	484,161	496,265	508,672	521,389	534,424	547,785
5. Net amortization charges	2,362,318	2,038,111	902,963	645,645	429,474	297,929	533,119	(1,004,147)	(299,662)
6. Interest on **(3)**, **(4)** and **(5)**	300,110	275,675	190,981	173,591	158,652	148,982	166,500	56,772	111,516
7. Expected contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
8. Interest on **(7)**	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554	248,554
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	**($55,447,787)**	**($55,817,291)**	**($54,960,686)**	**($53,784,733)**	**($52,302,523)**	**($50,569,815)**	**($48,970,620)**	**($45,632,276)**	**($42,861,729)**

Exhibit 4: Funding Standard Account — Projected Bases Assumed Established after January 1, 2021

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience gain	1/1/2022	($1,845,226)	15	Deferred to 2024
Shortfall loss	1/1/2022	1,357,400	15	Deferred to 2024
Experience gain	1/1/2023	(1,222,558)	15	Deferred to 2024
Experience gain	1/1/2024	(2,482,226)	15	Deferred to 2028
Experience gain	1/1/2025	(1,329,675)	15	Deferred to 2028
Experience gain	1/1/2026	(803,118)	15	Deferred to 2028

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2021 through 2051.

	Year Beginning January 1,							
	2021	2022	2023	2024	2025	2026	2027	2028
1. Market Value at beginning of year	$52,703,080	$57,314,394	$58,519,349	$59,665,286	$60,648,275	$61,606,212	$62,484,038	$63,233,749
2. Contributions	6,973,566	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,440,404	9,932,731	10,064,673	10,292,547	10,375,710	10,510,008	10,684,776	10,759,584
5. Administrative expenses	351,020	360,000	369,000	378,225	387,681	397,373	407,307	417,490
6. Interest earnings	7,429,172	4,017,686	4,099,610	4,173,761	4,241,328	4,305,207	4,361,794	4,412,698
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$57,314,394	$58,519,349	$59,665,286	$60,648,275	$61,606,212	$62,484,038	$63,233,749	$63,949,373
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$66,754,798**	**$68,452,080**	**$69,729,959**	**$70,940,822**	**$71,981,922**	**$72,994,046**	**$73,918,525**	**$74,708,957**

	2029	2030	2031	2032	2033	2034	2035	2036
1. Market Value at beginning of year	$63,949,373	$64,661,429	$65,400,376	$66,052,384	$66,646,063	$67,197,179	$67,820,109	$68,551,337
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,802,293	10,815,088	10,939,336	11,029,608	11,100,295	11,057,329	10,983,874	10,889,388
5. Administrative expenses	427,927	438,625	449,591	460,831	472,352	484,161	496,265	508,672
6. Interest earnings	4,462,276	4,512,660	4,560,935	4,604,118	4,643,763	4,684,420	4,731,367	4,786,907
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$64,661,429	$65,400,376	$66,052,384	$66,646,063	$67,197,179	$67,820,109	$68,551,337	$69,420,184
8. Available resources: (1)+(2)+(3)-(5)+(6)	**$75,463,722**	**$76,215,464**	**$76,991,720**	**$77,675,671**	**$78,297,474**	**$78,877,438**	**$79,535,211**	**$80,309,572**

	Year Beginning January 1,							
	2037	2038	2039	2040	2041	2042	2043	2044
1. Market Value at beginning of year	$69,420,184	$70,514,350	$71,810,088	$73,281,468	$74,969,770	$76,924,806	$79,196,398	$81,784,756
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,719,577	10,588,118	10,495,446	10,374,882	10,221,071	10,037,479	9,875,459	9,652,085
5. Administrative expenses	521,389	534,424	547,785	561,480	575,517	589,905	604,653	619,769
6. Interest earnings	4,855,132	4,938,280	5,034,611	5,144,664	5,271,624	5,418,976	5,588,470	5,783,128
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$70,514,350	$71,810,088	$73,281,468	$74,969,770	$76,924,806	$79,196,398	$81,784,756	$84,776,030
8. **Available resources: (1)+(2)+(3)-(5)+(6)**	**$81,233,927**	**$82,398,206**	**$83,776,914**	**$85,344,652**	**$87,145,877**	**$89,233,877**	**$91,660,215**	**$94,428,115**

	2045	2046	2047	2048	2049	2050	2051
1. Market Value at beginning of year	$84,776,030	$88,196,733	$92,089,702	$96,495,910	$101,397,199	$106,804,450	$112,753,246
2. Contributions	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000	7,480,000
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	9,430,923	9,198,065	8,958,299	8,771,542	8,608,491	8,446,059	8,311,126
5. Administrative expenses	635,263	651,145	667,424	684,110	701,213	718,743	736,712
6. Interest earnings	6,006,889	6,262,179	6,551,931	6,876,941	7,236,955	7,633,598	8,068,475
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$88,196,733	$92,089,702	$96,495,910	$101,397,199	$106,804,450	$112,753,246	$119,253,883
8. **Available resources: (1)+(2)+(3)-(5)+(6)**	**$97,627,656**	**$101,287,767**	**$105,454,209**	**$110,168,741**	**$115,412,941**	**$121,199,305**	**$127,565,009**

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2021 actuarial valuation certificate, dated September 15, 2021, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2022 is $80. Accrual rates for 2023 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: $15.56 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2022 and thereafter.

Asset Information: The financial information as of January 1, 2022 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expense payments provided by the Fund Administrator.

For projections after that date, the 2022 administrative expenses were assumed to be $360,000 and then increased by 2.5% per year and the benefit payments were projected based on the January 1, 2021 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2022–2051 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2022 and later years.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the last five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Technical issues

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

The following additional information is included to comply with Section B, Item (5) of the filing instructions:

The statement of actuarial assumptions/methods from the January 1, 2021 actuarial valuation

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.

Retirement Rates	<table><tr><th>Age[1]</th><th>Annual Retirement Rates</th></tr><tr><td>55 – 59</td><td>5%</td></tr><tr><td>60 – 61</td><td>15%</td></tr><tr><td>62</td><td>60%</td></tr><tr><td>63 – 64</td><td>30%</td></tr><tr><td>65</td><td>100%</td></tr></table>The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years
Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2021 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.

[1] If eligible

Section 3: Certificate of Actuarial Valuation

Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$410,000, payable at the beginning of the year, for the year beginning January 1, 2021 (previously, $400,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 (previously, $115,500) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit K*.
Current Liability Assumptions	*Interest:* 2.43%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2019 (previously, the MP-2018 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 8.9%, for the Plan Year ending December 31, 2020 *On current (market) value of assets (Schedule MB, line 6h):* 11.7%, for the Plan Year ending December 31, 2020
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.95% to 2.43% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was increased from $400,000 to $410,000 for the plan year beginning January 1, 2021.

Form **15315** (December 2022)	Department of the Treasury - Internal Revenue Service **Annual Certification for Multiemployer Defined Benefit Plans**	OMB Number 1545-2111

This Form is required to be filed under Internal Revenue Code (IRC) Section 432(b)(3)
Complete all entries in accordance with the instructions

For calendar plan year 2023 or fiscal plan year beginning 1/1/2023 and ending 12/31/2023

Part I – Basic Plan Information

1a. Name of plan	1b. Three-digit plan number (PN)
Sheet Metal Workers' Local 40 Pension Fund	001
1c. Plan sponsor's name	1d. Employer identification number (EIN)
Board of Trustees, Sheet Metal Workers' Local 40 Pension Fund	06-6157817

1e. Plan sponsor's telephone number	1f. Plan sponsor's address, city, state, ZIP code
860.529.2616	8 Fairfield Blvd, Suite 105, P.O. Box 5817, Wallingford, CT 06492

Part II – Plan Actuary's Information

2a. Plan actuary's name	2b. Plan actuary's firm name
Kathleen A. Riley, FSA, MAAA, EA	Segal

2c. Plan actuary's firm address, city, state, ZIP code
116 Huntington Ave., Suite 901, Boston, MA 02116-5749

2d. Plan actuary's enrollment number	2e. Plan actuary's telephone number
20-04134	617.424.7300

Part III – Plan Status

3. Check the appropriate box to indicate the plan's IRC Section 432 status

☐ Neither endangered nor critical
☐ Endangered
☐ Seriously endangered
☒ Critical
☐ Critical and declining
☐ Not endangered due to special rule in IRC Section 432(b)(5)
☐ Critical due to election under IRC Section 432(b)(4)
☐ Plans that are not currently in critical status, but are projected to be in critical status within the next five years under 432(b)(3)(D)(v)

Part IV – Scheduled Progress in Funding Improvement Plan or Rehabilitation Plan

4. Check the appropriate box to indicate whether the plan is making the scheduled progress in meeting the requirements of an applicable funding improvement plan (FIP) or rehabilitation plan (RP)

	Yes	No	N/A
Funding Improvement Plan	☐	☐	☒
Rehabilitation Plan	☐	☒	☐

Part V – Sign Here

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. The projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the plan.

Actuary's signature	Date
KAR	03/31/2023

Kathleen A. Riley, FSA, MAAA, EA

Segal

116 Huntington Ave., Suite 901
Boston, MA 02116-5749
segalco.com T:617.424.7300

March 31, 2023

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2023 for the following plan:

Name of Plan:	Sheet Metal Workers' Local 40 Pension Plan
Plan number:	EIN 06-6157817 / PN 001
Plan sponsor:	Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address:	Zenith American Solutions, Inc., 8 Fairfield Blvd, Suite 105, P.O. Box 5817, Wallingford, CT 06492
Phone number:	860.529.2616

As of January 1, 2023, the Plan is in critical status.

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance and employment in 2022 and using the same employment assumption as the January 1, 2022 zone certification. As noted in the rehabilitation plan updated on December 14, 2022, the Plan was not expected to emerge from Critical Status nor was the Plan expected to become insolvent. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

March 31, 2023

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., Suite 901
Boston, MA 02116-5749
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 20-04134

Actuarial Status Certification as of January 1, 2023 under IRC Section 432
March 31, 2023
Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2023 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2022 actuarial valuation, dated March 13, 2023. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA) and the American Rescue Plan Act of 2021 (ARPA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit 6.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that offer my best estimate of anticipated experience under the Plan. Furthermore, as required by IRC Section 432(b)(3)(B)(iii), the projected industry activity takes into account information provided by the plan sponsor.

	Kathleen A. Riley, FSA, MAAA, EA
EA#	20-04134
Title	Senior Vice President and Chief Actuary
Email	kriley@segalco.com

Certificate Contents

Actuarial Status Certification under IRC Section 432

Exhibit 1: Status Determination as of January 1, 2023

Status	Condition	Component Result	Final Result
Critical Status:			
	1. Initial critical status tests:		
	C1. A funding deficiency is projected in four years?	Yes	Yes
	C2. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
	c. **and** the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
	C3. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the funded percentage is less than 65%?	Yes	Yes
	C4. a. The funded percentage is less than 65%,	Yes	
	b. **and** the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years	No	No
	C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
	2. Emergence test:		
	C6 a. Was in critical status for the immediately preceding plan year,	Yes	
	b. **and either** a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
	c. **or** insolvency is projected for the current year or any of the 30 succeeding plan years?	Yes	
	Plan did NOT emerge?		Yes
	3. In Critical Status? (If C1-C6 is Yes)		**Yes**

4. Determination of critical and declining status:		
C7. a. Any of (C1) through (C5) are Yes?	Yes	Yes
b. **and either** Insolvency is projected within 15 years	No	No
c. or		
1) The ratio of inactives to actives is at least 2 to 1,	Yes	
2) **and** insolvency is projected within 20 years?	No	No
d. **or**		
1) The funded percentage is less than 80%,	Yes	
2) **and** insolvency is projected within 20 years	No	No
In Critical and Declining Status?		**No**

Status	Condition	Component Result	Final Result
Endangered Status:			
	E1. a. Is not in critical status,	No	
	b. and the funded percentage is less than 80%?	N/A	No
	E2. a. Is not in critical status,	No	
	b. and a funding deficiency is projected in seven years?	N/A	No
	In Endangered Status? (Yes when either (E1) or (E2) is Yes)		**No**
	In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)		**No**
Neither Critical Status Nor Endangered Status:			
	Neither Critical nor Endangered Status?		**No**

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance and employment in 2022 and using the same employment assumption as the January 1, 2022 zone certification. As noted in the rehabilitation plan updated on December 14, 2022, the Plan was not expected to emerge from Critical Status nor was the Plan expected to become insolvent. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

Exhibit 2: Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2023 (based on projections from the January 1, 2022 valuation certificate):

1. Financial Information				
a. Market value of assets				$46,707,322
b. Actuarial value of assets				51,879,887
c. Reasonably anticipated contributions				
1) Upcoming year				7,480,000
2) Present value for the next five years				30,933,721
3) Present value for the next seven years				40,247,244
d. Projected benefit payments				9,981,847
e. Projected administrative expenses (beginning of year)				420,250
2. Liabilities				
a. Present value of vested benefits for active participants				30,327,431
b. Present value of vested benefits for non-active participants				94,468,750
c. Total unit credit accrued liability				126,687,417
d. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**	
1) Next five years	$43,573,168	$1,923,187	$45,496,355	
2) Next seven years	57,718,046	2,578,494	60,296,540	
e. Unit credit normal cost plus expenses				1,819,731
f. Ratio of inactive participants to active participants				2.1889
3. Funded Percentage (1.b)/(2.c)				40.9%
4. Funding Standard Account				
a. Credit balance as of the end of prior year				($33,072,859)
b. Years to projected funding deficiency				0
5. Projected Year of Emergence				Not projected to emerge
6. Years to Projected Insolvency				22

Exhibit 3: Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

	Year Beginning January 1,									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1. Credit balance (BOY)	($29,521,229)	($33,072,859)	($36,697,909)	($39,762,148)	($43,763,346)	($47,876,577)	($51,991,787)	($56,635,609)	($60,620,762)	($64,421,960)
2. Interest on (1)	(2,140,289)	(2,397,782)	(2,660,598)	(2,882,756)	(3,172,843)	(3,471,052)	(3,769,405)	(4,106,082)	(4,395,005)	(4,670,592)
3. Normal cost	1,226,305	1,399,481	1,315,542	1,290,989	1,307,808	1,294,033	1,296,128	1,285,247	1,294,158	1,288,949
4. Administrative expenses	389,523	420,250	430,756	441,525	452,563	463,877	475,474	487,361	499,545	512,034
5. Net amortization charges	6,465,367	6,530,686	5,769,238	6,382,574	6,121,770	5,781,096	5,915,168	4,919,171	4,390,232	4,073,205
6. Interest on (3), (4) and (5)	585,887	605,405	544,876	588,344	571,455	546,578	557,291	485,154	448,335	425,879
7. Expected contributions	7,022,393	7,480,000	7,410,526	7,341,053	7,271,579	7,202,105	7,132,632	7,063,158	6,993,684	6,924,211
8. Interest on (7)	233,348	248,554	246,246	243,937	241,629	239,320	237,011	234,703	232,394	230,086
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	**($33,072,859)**	**($36,697,909)**	**($39,762,148)**	**($43,763,346)**	**($47,876,577)**	**($51,991,787)**	**($56,635,609)**	**($60,620,762)**	**($64,421,960)**	**($68,238,321)**

	2032	2033	2034	2035	2036	2037	2038	2039	2040
1. Credit balance (BOY)	($68,238,321)	($72,077,348)	($75,028,200)	($78,022,532)	($81,102,558)	($84,272,057)	($88,165,329)	($90,437,963)	($93,222,080)
2. Interest on (1)	(4,947,278)	(5,225,608)	(5,439,544)	(5,656,634)	(5,879,935)	(6,109,724)	(6,391,986)	(6,556,752)	(6,758,601)
3. Normal cost	1,296,583	1,264,021	1,282,036	1,294,970	1,220,681	1,225,171	1,208,082	1,239,069	1,221,026
4. Administrative expenses	524,835	537,956	551,405	565,190	579,320	593,803	608,648	623,864	639,461
5. Net amortization charges	3,748,990	2,613,852	2,356,523	2,140,363	2,008,809	2,383,497	544,546	754,692	538,705
6. Interest on (3), (4) and (5)	403,855	320,148	303,772	290,038	276,139	304,679	171,193	189,778	173,941
7. Expected contributions	6,854,737	6,785,263	6,715,789	6,646,316	6,576,842	6,507,368	6,437,895	6,368,421	6,298,947
8. Interest on (7)	227,777	225,469	223,160	220,852	218,543	216,234	213,926	211,617	209,309
9. Full-funding limit credit	0	0	0	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	**($72,077,348)**	**($75,028,200)**	**($78,022,532)**	**($81,102,558)**	**($84,272,057)**	**($88,165,329)**	**($90,437,963)**	**($93,222,080)**	**($96,045,558)**

Exhibit 4: Funding Standard Account — Projected Bases Assumed Established after January 1, 2022

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Shortfall loss	1/1/2023	$455,624	15	Deferred to 2024
Experience loss	1/1/2023	921,051	15	Deferred to 2024
Experience loss	1/1/2024	485,524	15	Deferred to 2028
Experience loss	1/1/2025	1,471,764	15	Deferred to 2028
Experience loss	1/1/2026	1,832,011	15	Deferred to 2028
Experience loss	1/1/2027	2,587,064	15	Deferred to 2028

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2022 through 2052.

		Year Beginning January 1,							
		2022	2023	2024	2025	2026	2027	2028	2029
1.	Market Value at beginning of year	$57,390,949	$46,707,322	$47,027,750	$46,993,430	$46,797,416	$46,349,902	$45,613,745	$44,655,063
2.	Contributions	7,022,393	7,480,000	7,410,526	7,341,053	7,271,579	7,202,105	7,132,632	7,063,158
3.	Withdrawal liability payments	0	0	0	0	0	0	0	0
4.	Benefit payments	9,375,752	9,981,847	10,266,459	10,339,679	10,487,971	10,654,226	10,736,189	10,765,467
5.	Administrative expenses	301,812	420,250	430,756	441,525	452,563	463,877	475,474	487,361
6.	Interest earnings	(8,028,456)	3,242,525	3,252,369	3,244,137	3,221,441	3,179,841	3,120,349	3,046,613
7.	Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$46,707,322	$47,027,750	$46,993,430	$46,797,416	$46,349,902	$45,613,745	$44,655,063	$43,512,006
8.	**Available resources: (1)+(2)+(3)-(5)+(6)**	**$56,083,074**	**$57,009,597**	**$57,259,889**	**$57,137,095**	**$56,837,873**	**$56,267,971**	**$55,391,252**	**$54,277,473**

		2030	2031	2032	2033	2034	2035	2036	2037
1.	Market Value at beginning of year	$43,512,006	$42,191,075	$40,550,242	$38,623,373	$36,395,094	$33,978,604	$31,345,735	$28,535,434
2.	Contributions	6,993,684	6,924,211	6,854,737	6,785,263	6,715,789	6,646,316	6,576,842	6,507,368
3.	Withdrawal liability payments	0	0	0	0	0	0	0	0
4.	Benefit payments	10,775,264	10,909,362	10,988,073	11,061,276	11,003,813	10,960,018	10,863,142	10,710,211
5.	Administrative expenses	499,545	512,034	524,835	537,956	551,405	565,190	579,320	593,803
6.	Interest earnings	2,960,194	2,856,352	2,731,302	2,585,690	2,422,939	2,246,023	2,055,319	1,853,758
7.	Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$42,191,075	$40,550,242	$38,623,373	$36,395,094	$33,978,604	$31,345,735	$28,535,434	$25,592,546
8.	**Available resources: (1)+(2)+(3)-(5)+(6)**	**$52,966,339**	**$51,459,604**	**$49,611,446**	**$47,456,370**	**$44,982,417**	**$42,305,753**	**$39,398,576**	**$36,302,757**

		Year Beginning January 1,							
		2038	2039	2040	2041	2042	2043	2044	2045
1.	Market Value at beginning of year	$25,592,546	$22,398,449	$18,952,749	$15,246,149	$11,308,499	$7,166,724	$2,736,860	($1,875,989)
2.	Contributions	6,437,895	6,368,421	6,298,947	6,229,474	6,160,000	6,090,526	6,044,211	5,997,895
3.	Withdrawal liability payments	0	0	0	0	0	0	0	0
4.	Benefit payments	10,662,101	10,596,412	10,521,697	10,399,519	10,234,780	10,136,362	9,939,017	9,738,229
5.	Administrative expenses	608,648	623,864	639,461	655,448	671,834	688,630	705,846	723,492
6.	Interest earnings	1,638,757	1,406,155	1,155,611	887,843	604,839	304,602	(12,197)	(342,168)
7.	Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$22,398,449	$18,952,749	$15,246,149	$11,308,499	$7,166,724	$2,736,860	($1,875,989)	($6,681,983)
8.	**Available resources: (1)+(2)+(3)-(5)+(6)**	**$33,060,550**	**$29,549,161**	**$25,767,846**	**$21,708,018**	**$17,401,504**	**$12,873,222**	**$8,063,028**	**$3,056,246**

		2046	2047	2048	2049	2050	2051	2052
1.	Market Value at beginning of year	($6,681,983)	($11,692,385)	($16,900,237)	($22,400,920)	($28,217,081)	($34,362,482)	($40,892,811)
2.	Contributions	5,951,579	5,905,263	5,858,947	5,812,632	5,766,316	5,720,000	5,673,684
3.	Withdrawal liability payments	0	0	0	0	0	0	0
4.	Benefit payments	9,534,340	9,308,967	9,161,345	9,014,599	8,858,556	8,732,702	8,579,880
5.	Administrative expenses	741,579	760,118	779,121	798,599	818,564	839,028	860,004
6.	Interest earnings	(686,062)	(1,044,030)	(1,419,164)	(1,815,595)	(2,234,597)	(2,678,599)	(3,149,568)
7.	Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	($11,692,385)	($16,900,237)	($22,400,920)	($28,217,081)	($34,362,482)	($40,892,811)	($47,808,579)
8.	**Available resources: (1)+(2)+(3)-(5)+(6)**	**($2,158,045)**	**($7,591,270)**	**($13,239,575)**	**($19,202,482)**	**($25,503,926)**	**($32,160,109)**	**($39,228,699)**

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2022 actuarial valuation certificate, dated March 13, 2023, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits:

The accrual rate for 2023 is $85. Accrual rates for 2024 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates:

$15.56 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.75 plus the Reserve Fund contribution for 2023 and thereafter.

Asset Information:

The financial information as of January 1, 2023 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expense payments provided by the Fund Administrator.

For projections after that date, the 2023 administrative expense assumption was set equal to the 2022 administrative expense assumption of $410,000 increased by 2.5% and increasing 2.5% per year thereafter and the benefit payments were projected based on the January 1, 2022 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2023–2052 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity:

The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2023 and decline by 0.94% per year beginning in 2024. In addition, the number of actives is assumed to be 323 in 2023, declining 0.94% per year beginning in 2024.

Future Normal Costs:

We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to decline 0.94% per year beginning in 2024 and the new entrants to have the same demographic mix as those hired within the last five years.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Technical issues

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

The following additional information is included to comply with Section B, Item (5) of the filing instructions:

The statement of actuarial assumptions/methods from the January 1, 2022 actuarial valuation

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2022 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$410,000, payable at the beginning of the year, for the year beginning January 1, 2022. The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in Exhibit K.
Current Liability Assumptions	*Interest:* 2.22%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2020 (previously, the MP-2019 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 11.2%, for the Plan Year ending December 31, 2021 *On current (market) value of assets (Schedule MB, line 6h):* 15.8%, for the Plan Year ending December 31, 2021
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.43% to 2.22% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Form **15315** (February 2024)

Department of the Treasury - Internal Revenue Service

Annual Certification for Multiemployer Defined Benefit Plans

OMB Number 1545-2111

This Form is required to be filed under Internal Revenue Code (IRC) Section 432(b)(3)
Complete all entries in accordance with the instructions

For calendar plan year 2024 or fiscal plan year beginning 1/1/2024 and ending 12/31/2024

Part I – Basic Plan Information

1a. Name of plan	1b. Three-digit plan number (PN)
Sheet Metal Workers' Local 40 Pension Plan	001
1c. Plan sponsor's name	**1d. Employer identification number (EIN)**
Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan	06-6157817
1e. Plan sponsor's telephone number	**1f. Plan sponsor's address, city, state, ZIP code**
212.505.5050	1040 Avenue of the Americas, Suite 2400, New York, NY 10018

Part II – Plan Actuary's Information

2a. Plan actuary's name: Kathleen A. Riley

2b. Plan actuary's firm name: Segal

2c. Plan actuary's firm address, city, state, ZIP code: 116 Huntington Ave., Suite 901, Boston, MA 02116-5749

2d. Plan actuary's enrollment number: 23-04134

2e. Plan actuary's telephone number: 617.424.7300

Part III – Plan Status

3. Check the appropriate box to indicate the plan's IRC Section 432 status

- ☐ Neither endangered nor critical
- ☐ Endangered
- ☐ Seriously endangered
- ☒ Critical
- ☐ Critical and declining
- ☐ Not endangered due to special rule in IRC Section 432(b)(5)
- ☐ Critical due to election under IRC Section 432(b)(4)
- ☐ Plans that are not currently in critical status, but are projected to be in critical status within the next five years under 432(b)(3)(D)(v)

Part IV – Scheduled Progress in Funding Improvement Plan or Rehabilitation Plan

4. Check the appropriate box to indicate whether the plan is making the scheduled progress in meeting the requirements of an applicable funding improvement plan (FIP) or rehabilitation plan (RP)

	Yes	No	N/A
Funding Improvement Plan	☐	☐	☒
Rehabilitation Plan	☐	☒	☐

Part V – Sign Here

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. The projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the plan.

Actuary's signature	Date
Kathleen A. Riley	03/29/2024

116 Huntington Ave., Suite 901
Boston, MA 02116-5749
segalco.com T:617.424.7300

March 29, 2024

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2024 for the following plan:

Name of Plan:	Sheet Metal Workers' Local 40 Pension Plan
Plan number:	EIN 06-6157817 / PN 001
Plan sponsor:	Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address:	Daniel H. Cook Associates, Inc., 1040 Avenue of the Americas, Suite 2400, New York, NY 10018
Phone number:	212.505.5050

As of January 1, 2024, the Plan is in critical status.

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance in 2023. As noted in the Rehabilitation Plan, updated on December 28, 2023, the Plan is not forestalling insolvency. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

If you have any questions on the attached certification, you may contact me at the following:

Segal
116 Huntington Ave., Suite 901
Boston, MA 02116-5749
Phone number: 617.424.7300

Sincerely,

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 23-04134

Actuarial Status Certification as of January 1, 2024 under IRC Section 432

March 29, 2024

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2024 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. 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 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); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2023 actuarial valuation, dated November 15, 2023. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA) and the American Rescue Plan Act of 2021 (ARPA). Additional assumptions required for the projections (including those under MPRA and ARPA), and sources of financial information used are summarized in Exhibit 6.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that offer my best estimate of anticipated experience under the Plan. Furthermore, as required by IRC Section 432(b)(3)(B)(iii), the projected industry activity takes into account information provided by the plan sponsor.

	Kathleen A. Riley, FSA, MAAA, EA
EA#	23-04134
Title	Senior Vice President and Chief Actuary
Email	kriley@segalco.com

Certificate Contents

Actuarial Status Certification under IRC Section 432

Exhibit 1: Status Determination as of January 1, 2024

Status	Condition	Component Result	Final Result
Critical Status:			
	1. Initial critical status tests:		
	C1. A funding deficiency is projected in four years?	Yes	Yes
	C2. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
	c. **and** the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	No	No
	C3. a. A funding deficiency is projected in five years,	Yes	
	b. **and** the funded percentage is less than 65%?	Yes	Yes
	C4. a. The funded percentage is less than 65%,	Yes	
	b. **and** the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
	C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
	2. Emergence test:		
	C6 a. Was in critical status for the immediately preceding plan year,	Yes	
	b. **and either** a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,	Yes	
	c. **or** insolvency is projected for the current year or any of the 30 succeeding plan years?	Yes	
	Plan did NOT emerge?		Yes
	3. In Critical Status? (If C1-C6 is Yes, then Yes)		**Yes**

Status	Condition	Component Result	Final Result
	4. Determination of critical and declining status:		
	C7. a. Any of (C1) through (C5) are Yes?	Yes	Yes
	b. **and either** Insolvency is projected within 15 years?	No	No
	c. or		
	1) The ratio of inactives to actives is at least 2 to 1,	Yes	
	2) **and** insolvency is projected within 20 years?	No	No
	d. **or**		
	1) The funded percentage is less than 80%,	Yes	
	2) **and** insolvency is projected within 20 years	No	No
	In Critical and Declining Status?		No

Status		Condition	Component Result	Final Result
Endangered Status:				
	E1. a.	Is not in critical status,	No	
	b.	and the funded percentage is less than 80%?	N/A	No
	E2. a.	Is not in critical status,	No	
	b.	and a funding deficiency is projected in seven years?	N/A	No
	In Endangered Status? (Yes when either (E1) or (E2) is Yes)			**No**
	In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)			**No**
Neither Critical Status Nor Endangered Status:				
	Neither Critical nor Endangered Status?			**No**

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance in 2023. As noted in the Rehabilitation Plan, updated on December 28, 2023, the Plan is not forestalling insolvency. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

Exhibit 2: Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2024 (based on projections from the January 1, 2023 valuation certificate):

1. Financial Information					
	a. Market value of assets				$50,660,602
	b. Actuarial value of assets				53,180,515
	c. Reasonably anticipated contributions				
		1) Upcoming year			7,370,064
		2) Present value for the next five years			30,477,505
		3) Present value for the next seven years			39,658,689
	d. Projected benefit payments				10,160,581
	e. Projected administrative expenses (beginning of year)				350,000
2. Liabilities					
	a. Present value of vested benefits for active participants				31,530,336
	b. Present value of vested benefits for non-active participants				93,240,631
	c. Total unit credit accrued liability				126,588,422
	d. Present value of payments		**Benefit Payments**	**Administrative Expenses**	**Total**
		1) Next five years	$44,145,141	$1,601,704	$45,746,845
		2) Next seven years	58,406,617	2,147,469	60,554,086
	e. Unit credit normal cost plus expenses				1,944,935
	f. Ratio of inactive participants to active participants				2.4664
3. Funded Percentage (1.b)/(2.c)					42.0%
4. Funding Standard Account					
	a. Credit balance as of the end of prior year				($36,523,609)
	b. Years to projected funding deficiency				0
5. Projected Year of Emergence					Not projected to emerge
6. Years to Projected Insolvency					25

Exhibit 3: Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

	Year Beginning January 1,									
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
1. Credit balance (BOY)	($32,938,686)	($36,523,609)	($39,751,388)	($43,757,547)	($47,872,243)	($51,973,408)	($56,162,460)	($59,625,463)	($62,849,271)	($66,038,172)
2. Interest on **(1)**	(2,388,055)	(2,647,962)	(2,881,976)	(3,172,422)	(3,470,738)	(3,768,072)	(4,071,778)	(4,322,846)	(4,556,572)	(4,787,767)
3. Normal cost	1,352,851	1,594,935	1,413,689	1,429,782	1,405,015	1,427,526	1,389,462	1,387,707	1,381,051	1,365,240
4. Administrative expenses	400,000	350,000	358,750	367,719	376,912	386,335	395,993	405,893	416,040	426,441
5. Net amortization charges	6,530,686	5,695,888	6,309,209	6,048,421	5,707,736	5,415,634	4,419,628	3,890,698	3,573,669	3,146,863
6. Interest on **(3)**, **(4)** and **(5)**	600,556	553,960	585,919	568,829	543,001	524,138	449,869	412,112	389,380	358,044
7. Expected contributions	7,440,000	7,370,064	7,300,785	7,232,158	7,164,176	7,096,832	7,030,122	6,964,039	6,898,577	6,833,731
8. Interest on **(7)**	247,225	244,901	242,599	240,319	238,060	235,822	233,605	231,409	229,234	227,079
9. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	**($36,523,609)**	**($39,751,388)**	**($43,757,547)**	**($47,872,243)**	**($51,973,408)**	**($56,162,460)**	**($59,625,463)**	**($62,849,271)**	**($66,038,172)**	**($69,061,718)**

	2033	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**
1. Credit balance (BOY)	($69,061,718)	($71,140,692)	($73,168,942)	($75,200,415)	($77,230,445)	($79,881,406)	($80,919,736)	($82,441,493)	($84,036,366)
2. Interest on **(1)**	(5,006,975)	(5,157,700)	(5,304,748)	(5,452,030)	(5,599,207)	(5,791,402)	(5,866,681)	(5,977,008)	(6,092,637)
3. Normal cost	1,342,724	1,339,988	1,350,117	1,271,362	1,267,048	1,278,724	1,265,089	1,252,468	1,251,909
4. Administrative expenses	437,102	448,030	459,231	470,712	482,480	494,542	506,906	519,579	532,568
5. Net amortization charges	2,011,724	1,754,397	1,538,238	1,406,685	1,781,368	15,778	339,132	246,458	111,193
6. Interest on **(3)**, **(4)** and **(5)**	274,887	256,825	242,700	228,285	255,990	129,706	153,057	146,342	137,436
7. Expected contributions	6,769,493	6,705,860	6,642,825	6,580,383	6,518,527	6,457,253	6,396,555	6,336,427	6,276,865
8. Interest on **(7)**	224,945	222,830	220,736	218,661	216,605	214,569	212,552	210,554	208,575
9. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	**($71,140,692)**	**($73,168,942)**	**($75,200,415)**	**($77,230,445)**	**($79,881,406)**	**($80,919,736)**	**($82,441,493)**	**($84,036,366)**	**($85,676,668)**

Exhibit 4: Funding Standard Account — Projected Bases Assumed Established after January 1, 2023

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience Gain	1/1/2024	($194,134)	15	Deferred to 2028
Experience Loss	1/1/2025	631,497	15	Deferred to 2028
Experience Loss	1/1/2026	1,039,300	15	Deferred to 2028
Experience Loss	1/1/2027	1,841,909	15	Deferred to 2028
Experience Gain	1/1/2028	(615,885)	15	Deferred to 2032

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2023 through 2053.

		Year Beginning January 1,							
		2023	2024	2025	2026	2027	2028	2029	2030
1.	Market Value at beginning of year	$47,310,760	$50,660,602	$51,044,184	$51,219,756	$51,142,622	$50,778,570	$50,220,678	$49,480,816
2.	Contributions	7,440,000	7,370,064	7,300,785	7,232,158	7,164,176	7,096,832	7,030,122	6,964,039
3.	Benefit payments	9,852,527	10,160,581	10,310,018	10,488,458	10,682,644	10,767,332	10,827,393	10,851,308
4.	Administrative expenses	400,000	350,000	358,750	367,719	376,912	386,335	395,993	405,893
5.	Interest earnings	6,162,369	3,524,099	3,543,555	3,546,885	3,531,328	3,498,943	3,453,402	3,395,981
6.	Market Value at end of year: **(1)+(2)-(3)-(4)+(5)**	$50,660,602	$51,044,184	$51,219,756	$51,142,622	$50,778,570	$50,220,678	$49,480,816	$48,583,635
7.	**Available resources: (1)+(2)-(4)+(5)**	**$60,513,129**	**$61,204,765**	**$61,529,774**	**$61,631,080**	**$61,461,214**	**$60,988,010**	**$60,308,209**	**$59,434,943**

		2031	2032	2033	2034	2035	2036	2037	2038
1.	Market Value at beginning of year	$48,583,635	$47,393,497	$45,948,092	$44,234,220	$42,351,018	$40,285,181	$38,088,655	$35,795,108
2.	Contributions	6,898,577	6,833,731	6,769,493	6,705,860	6,642,825	6,580,383	6,518,527	6,457,253
3.	Benefit payments	10,995,474	11,083,123	11,165,987	11,134,727	11,104,773	11,012,214	10,878,308	10,770,643
4.	Administrative expenses	416,040	426,441	437,102	448,030	459,231	470,712	482,480	494,542
5.	Interest earnings	3,322,799	3,230,428	3,119,724	2,993,695	2,855,342	2,706,017	2,548,714	2,383,424
6.	Market Value at end of year: **(1)+(2)-(3)-(4)+(5)**	$47,393,497	$45,948,092	$44,234,220	$42,351,018	$40,285,181	$38,088,655	$35,795,108	$33,370,600
7.	**Available resources: (1)+(2)-(4)+(5)**	**$58,388,971**	**$57,031,215**	**$55,400,207**	**$53,485,745**	**$51,389,954**	**$49,100,869**	**$46,673,416**	**$44,141,243**

	Year Beginning January 1, 2039	2040	2041	2042	2043	2044	2045	2046
1. Market Value at beginning of year	$33,370,600	$30,717,237	$27,877,536	$24,884,212	$21,732,984	$18,405,072	$14,942,134	$11,347,722
2. Contributions	6,396,555	6,336,427	6,276,865	6,217,862	6,159,414	6,101,516	6,044,161	5,987,346
3. Benefit payments	10,748,547	10,669,658	10,546,399	10,416,744	10,294,374	10,119,636	9,932,203	9,715,944
4. Administrative expenses	506,906	519,579	532,568	545,882	559,529	573,517	587,855	602,551
5. Interest earnings	2,205,535	2,013,109	1,808,778	1,593,536	1,366,577	1,128,699	881,485	625,776
6. Market Value at end of year: (1)+(2)-(3)-(4)+(5)	$30,717,237	$27,877,536	$24,884,212	$21,732,984	$18,405,072	$14,942,134	$11,347,722	$7,642,349
7. Available resources: (1)+(2)-(4)+(5)	**$41,465,784**	**$38,547,194**	**$35,430,611**	**$32,149,728**	**$28,699,446**	**$25,061,770**	**$21,279,925**	**$17,358,293**

	2047	2048	2049	2050	2051	2052	2053
1. Market Value at beginning of year	$7,642,349	$3,821,680	($180,559)	($4,428,361)	($8,919,411)	($13,683,480)	($18,731,152)
2. Contributions	5,931,065	5,875,313	5,820,085	5,765,377	5,711,182	5,657,497	5,604,316
3. Benefit payments	9,496,257	9,332,597	9,218,112	9,084,320	8,962,331	8,831,532	8,621,695
4. Administrative expenses	617,615	633,055	648,881	665,103	681,731	698,774	716,243
5. Interest earnings	362,138	88,100	(200,894)	(507,004)	(831,189)	(1,174,863)	(1,536,246)
6. Market Value at end of year: (1)+(2)-(3)-(4)+(5)	$3,821,680	($180,559)	($4,428,361)	($8,919,411)	($13,683,480)	($18,731,152)	($24,001,020)
7. Available resources: (1)+(2)-(4)+(5)	**$13,317,937**	**$9,152,038**	**$4,789,751**	**$164,909**	**($4,721,149)**	**($9,899,620)**	**($15,379,325)**

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2023 actuarial valuation certificate, dated November 15, 2023, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits: The accrual rate for 2024 is $90. Accrual rates for 2025 and future years are based on the following table:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) *prior* to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	$95 per Credit
Between 549,999 and 500,000	$90 per Credit
Between 499,999 and 450,000	$85 per Credit
Between 449,999 and 400,000	$80 per Credit
399,999 or lower	$75 per Credit

Contribution Rates: $15.56 plus a Reserve Fund contribution of $0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be $14.67 plus the Reserve Fund contribution for 2024 and thereafter.

Asset Information: The market value of assets as of January 1, 2024 was estimated using the value of investments provided by the Investment Advisor and the amount in the cash accounts provided by the Fund Administrator. The benefit payments and contributions for 2023 were projected based on the January 1, 2023 actuarial valuation.

For projections after that date, the 2024 administrative expense assumption was set equal to $350,000 increasing 2.5% per year thereafter and the benefit payments were projected based on the January 1, 2023 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2024-2053 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity: The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2023 and decline by 0.94% per year beginning in 2024. In addition, the number of actives is assumed to be 323 in 2023, declining 0.94% per year beginning in 2024.

Future Normal Costs: We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to decline 0.94% per year beginning in 2024 and the new entrants to have the same demographic mix as those hired within the last five years.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Technical issues

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

The following additional information is included to comply with Section B, Item (5) of the filing instructions:

The statement of actuarial assumptions/methods from the January 1, 2023 actuarial valuation

Exhibit I: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	*Healthy:* RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 *Disabled*: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years. The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Termination Rates before Retirement

	Rate (%)			
	Mortality[1]			
Age	**Male**	**Female**	**Disability[2]**	**Withdrawal**
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

Retirement Rates

Age[3]	Annual Retirement Rates
55 – 59	5%
60 – 61	15%
62	60%
63 – 64	30%
65	100%

The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years.

[1] Mortality rates shown for base table.
[2] 80% of the disability rates shown represent Total Disability.
[3] If eligible

Section 3: Certificate of Actuarial Valuation

Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2023 actuarial valuation.
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Percent Married	80%
Age of Spouse	Females 3 years younger than males.
Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$400,000, payable at the beginning of the year, for the year beginning January 1, 2023 (previously, $410,000 for the plan year beginning January 1, 2022). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.

Section 3: Certificate of Actuarial Valuation

Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of $105,000 was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in Exhibit J.
Current Liability Assumptions	*Interest:* 2.55%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2021 (previously, the MP-2020 scale was used).
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 5.3%, for the Plan Year ending December 31, 2022 *On current (market) value of assets (Schedule MB, line 6h):* -13.6%, for the Plan Year ending December 31, 2022
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.
Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions **(Schedule MB, line 11)**	For purposes of determining current liability, the current liability interest rate was changed from 2.22% to 2.55% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was lowered from $410,000 to $400,000 for the plan year beginning January 1, 2023.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2022

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2022 AND 2021

CONTENTS

Novak | Francella
LLC | CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Sheet Metal Workers' Local No. 40
Pension Fund
Wallingford, Connecticut

Opinion

We have audited the financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund (the Plan), an employee benefit plan subject to Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2022, the related statement of changes in net assets available for benefits for the year then ended, and the statement of accumulated plan benefits as of December 31, 2021 and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Sheet Metal Workers' Local No. 40 Pension Fund as of December 31, 2022, and the changes in its net assets available for benefits for the year then ended, and the accumulated plan benefits as of December 31, 2021 and the changes in accumulated plan benefits the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheet Metal Workers' Local No. 40 Pension Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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WASHINGTON, DC | 6750 Alexander Bell Drive, Suite 470 | Columbia, MD 21046 | 443.832.4009

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheet Metal Workers' Local No. 40 Pension Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - 2021 Financial Statements

The financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund as of and for the year ended December 31, 2021 were audited by other auditors whose report dated October 17, 2022 expressed an unmodified opinion on those statements. Refer to Note 2 regarding certain reclassifications.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Reportable Transactions and Schedule of Assets Held at End of Year, together referred to as "Supplemental Information", are presented for the purpose of additional analysis and are not a required part of the financial statements. The Schedule of Assets Held at End of Year and the Schedule of Reportable Transactions are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Novak Francella LLC

Killingworth, CT
October 16, 2023

Sheet Metal Workers' Local No. 40
Pension Fund

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

	2022	2021
Assets		
Investments - at fair value		
Money market fund	$ 48,572	$ 10,460
Mutual funds	35,471,911	46,204,280
Common and collective trust	9,536,159	9,364,845
Total investments	45,056,642	55,579,585
Receivables		
Employer	821,488	628,102
Other receivables	8,448	7,970
Total receivables	829,936	636,072
Other assets		
Cash	1,465,107	1,341,615
Prepaid expenses	23,355	19,845
Total other assets	1,488,462	1,361,460
Total assets	47,375,040	57,577,117
Liabilities and Net Assets		
Liabilities		
Accounts payable	64,280	68,580
Due to affiliated fund	-	117,588
Total liabilities	64,280	186,168
Net assets available for benefits	$ 47,310,760	$ 57,390,949

See accompanying notes to financial statements.

Sheet Metal Workers' Local No. 40
Pension Fund

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2022 and 2021

	2022	2021
Additions		
Investment (loss) income		
Net (depreciation) appreciation in fair value of investments	$ (9,381,445)	$ 6,631,580
Interest	3,261	528
Dividends	2,007,154	1,189,376
	(7,371,030)	7,821,484
Less: investment fees	242,694	246,975
Net investment (loss) income	(7,613,724)	7,574,509
Contributions		
Employer	7,212,678	6,515,421
Miscellaneous income	-	1,960
Total contributions	7,212,678	6,517,381
Total additions	(401,046)	14,091,890
Deductions		
Benefits paid to participants	9,375,276	9,430,267
Administrative expenses		
Professional services	113,203	117,907
Contract administrator fees	101,938	99,950
Insurance and pension benefit guaranty corporation premium	80,269	128,507
Personnel transition fee	5,131	36,831
Office	3,326	16,127
Total administrative fees	303,867	399,322
Total deductions	9,679,143	9,829,589
Net (decrease) increase	(10,080,189)	4,262,301
Net assets available for benefits		
Beginning of year	57,390,949	53,128,648
End of year	$ 47,310,760	$ 57,390,949

See accompanying notes to financial statements.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENT OF ACCUMULATED PLAN BENEFITS AND
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

DECEMBER 31, 2021 AND YEAR ENDED DECEMBER 31, 2021

		December 31, 2021
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits		
Participants currently receiving payments	$	78,058,831
Other vested participants		45,914,039
		123,972,870
Nonvested benefits		1,918,680
Total actuarial present value of accumulated plan benefits	$	125,891,550

		Year Ended December 31, 2021
CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Actuarial present value of accumulated plan benefits at beginning of year	$	125,952,595
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial experience		607,993
Interest/passage of time		8,761,229
Benefits paid		(9,430,267)
Assumption change		-
Net change		(61,045)
Actuarial present value of accumulated plan benefits at end of year	$	125,891,550

See accompanying notes to financial statements.

NOTE 1. DESCRIPTION OF THE PLAN

The following brief description of the Sheet Metal Workers' International Local No. 40 Pension Fund (the Plan) is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

General - The Plan was established in 1956 under a trust agreement, with amendments since that time, and is maintained pursuant to a collective bargaining agreement which provides for the rate of employer contributions to the Plan, the type of work and areas of work for which contributions are payable, and certain other terms governing contributions. The Plan is a non-contributory defined benefit plan and its purpose it to provide for retirement, disability and death benefits to individuals who worked in covered employment in accordance with the provisions of the Plan. The Plan is administered by a Board of Trustees consisting of representatives of the participating employers and the Union.

The Plan is a defined benefit plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The effective dates of the hourly contribution rates to the Plan are detailed below. The contribution rate for apprentices of the Sheet Metal Industry Apprentice and Training Fund is adjusted in accordance with each member's specific wage rate. These prorated amounts range from 50% to 90% of the stated Plan contribution rate.

	January 1, 2021	January 1, 2022
Stated rate - total	$ 15.77	$ 15.77
Stated rate Cola	0.21	0.21
Stated rate - net	$ 15.56	$ 15.56

Pension Benefits and Vesting - For new retirees on and after January 1, 2014, the monthly benefit rate for each full pension credit will be based upon hours worked in the preceding July through June period and range from $60 to $95. The benefit rates prior to 2014 range from $33.50 to $80.00. The Plan contains requirements to be eligible for benefit rate increase, including a minimum amount of covered employment each year and in a specified period before the effective date of the increase.

NOTE 1. DESCRIPTION OF THE PLAN (continued)

Effective January 1, 2007, one full pension credit is earned when a participant works 1,200 hours in covered employment during the plan year, increased from 1,000 hours. Partial credit is earned when a participant works less than 1,200 hours, but more than 100 hours, in covered employment. During plan years after 1973 and before 2007, hours worked in excess of stated amounts could be "banked" up to a maximum of 5,000 hours. Effective December 31, 2006, participants' banked hours were frozen and no additional hours will be credited to the bank.

Normal retirement date is the later of age 62, or five years of Plan participation. The Plan permits early retirement at age 55, with an actuarially reduced benefit, if the participant has accrued at least 15 pension credits.

The Plan provides for married participants to receive pension benefits in the form of a joint and 50% survivor annuity, and for an unmarried participant to receive pension benefits in the form of a life annuity, at the time of retirement. There are other forms of payment available. A participant who works at least one hour after 1998 is vested in their benefit when they have earned five years of vesting service or has reached his normal retirement date without a break in service. Pension and death benefits are paid directly by the Plan. Pension benefits for members who retired prior to February 28, 1981 are paid by Connecticut General Life Insurance Company under a single premium contract. These contracts and benefits paid by the insurance company are not reflected in the statements of net assets available for benefits or the statements of accumulated plan benefits. If a participant dies prior to receiving any pension benefits under the Plan, and if certain other plan requirements are met, the beneficiary is eligible for a lump-sum death benefit; or in the case of certain married participants, the spouse is eligible to receive a pension benefit equal to 50% of what the participant would have received under a joint and survivor pension. The Plan also provides disability pension benefits for eligible participants.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in United States of America,

Benefit Payments - Benefit payments to participants are recorded upon distribution.

Valuation of Investments - These investments are stated at fair value, based on quoted active market prices or the aggregate value of underlying investments. Realized and unrealized gains and losses are included in the statements of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Principal Custody Solutions. serves as investment custodian for the investments.

See Note 8 for discussion of fair value measurements.

Cash - Cash and cash equivalents include investments in highly liquid instruments with a maturity of three months or less. The balances from time to time exceed federally insured limits.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employer Contributions – Employer contributions are based on reports of hours worked as submitted by employers at rates contractually agreed upon.

Other Affiliated Funds Activity - Contributions by participating employers are initially remitted to a clearing account held by the Sheet Metal Workers' Local No. 40 Health Fund and recorded on the respective fund's accounts on the day of receipt.

For the year ended December 31, 2021, the Plan had a payable to the Sheet Metal Workers' Local No. 40 Health Fund in the amount of $117,588 related to the processing of retiree insurance benefits. During the current year the Plan repaid the amount in full.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications – Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

NOTE 3. PLAN ADMINISTRATION

The Plan has an administrator's service agreement with Zenith American Solutions, Inc. Zenith American Solutions, Inc. is responsible for the daily administration of the Plan, as well as the processing of all participant data and benefit payments. Fees paid to the administrator totaled $107,069 and $133,781 for the years ended December 31, 2022 and 2021, respectively.

Subsequent to December 31, 2022, the contract with Zenith American Solutions, Inc. was terminated and the Plan hired Cook & Associates.

NOTE 4. PLAN TERMINATION

Although they have not expressed intent to do so, the Trustees have the right to terminate the Plan subject to the Provisions of ERISA.

In the event of Plan termination, each participant's rights will be non-forteitable to the extent funded, after providing for any administrative expenses. Assets remaining in the fund will be allocated among the Pensioners, Spouses and Participants in the following order:

1. Pensioners and those eligible to receive pensions.
2. Other vested participants and vested former participants.
3. Other participants.

Under no circumstances shall any portion of the Plan, directly or indirectly, revert or accrue to the benefit of any contributing employer or the union.

NOTE 5. PENSION BENEFIT GUARANTY CORPORATION

The Plan is a defined benefit plan and certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor's pensions.

However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

If plan benefits have been increased within the five year period before plan termination, the entire amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a statutory ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

Whether participants will receive all their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by PBGC.

NOTE 6. ACTUARIAL INFORMATION

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and date of payment.

Significant assumptions underlying the actuarial computations were as follows:

Actuarial Cost Method:	Entry age normal actuarial cost method.
Net Investment Return:	7.25%
Mortality Rates:	Healthy: The RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using the MP-2017 scale. Disabled: The RP-2006 Blue Collar Healthy Annuitant Mortality Table projected generationally using the MP-2017 scale.

NOTE 6. ACTUARIAL INFORMATION (continued)

Weighted Average Retirement Age:	Age 61.
Annual Administrative Expenses:	$410,000, payable at the beginning of the year.
Current Liability Assumptions: Interest:	2.22% within the permissible range prescribed under IRC Section 431 (c)(6)(E). (previously, 2.43%)
Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years.
Future Benefit Accruals:	One Pension credit per year.
Justification for Change in Actuarial Assumptions:	For purposes of determining current liability, the current liability interest rate was changed from 2.43% to 2.22% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E). In addition, the mortality tables and mortality improvement scales were changed in accordance with the IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

The actuaries of the Plan have certified that the Plan is in "Critical Status" at January 1, 2022 and 2021.

The above actuarial assumptions and actuarial cost methods are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results. Pension benefits in excess of the present assets of the Plan are dependent upon contributions received under collective bargaining agreements with employers and income from investments.

Since the information on the actuarial present value of accumulated plan benefits as of December 31, 2022, and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2022, and the changes in its financial status for the year then ended, only a presentation of the net assets available for benefits and changes therein as of and for the year ended December 31, 2022. The complete financial status is presented as of December 31, 2021.

NOTE 7. FUNDED STATUS

The Pension Protection Act of 2006 (PPA06) was signed into law on August 17, 2006. Multiemployer pension plans, such as the Plan, are significantly affected by PPA06. The provisions of PPA06 were effective beginning January 1, 2008, for the Plan. The most significant change in PPA06 for a Multiemployer pension plan is the concept of "Funded Status." If a Multiemployer plan is funded at a level below 65% or meets certain other tests (Critical Status), the Trustees of the pension plan must construct a "Rehabilitation Plan," stating the steps that will be taken to improve the funding over the next ten or 13 years. If a Multiemployer plan is funded at a level below 80% but is not in Critical Status (Endangered Status), the Trustees of the pension plan must construct a "Funding Improvement Plan" stating the steps that will be taken to improve the funding by 1/3 over the next ten years. The actuaries for the Plan have certified that the Plan is in "Critical Status" at January 1, 2022 and 2021, and the Plan has adopted a "Rehabilitation Plan".

NOTE 8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

NOTE 8. FAIR VALUE MEASUREMENTS (continued)

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value, as well, as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Money Market Funds: Values are determined based on the daily closing price as reported at fair value.

Mutual Fund: Values are determined by obtaining quoted prices on nationally recognized securities exchanges.

The following table presents our assets and liabilities measured at fair value on a recurring basis at December 31, 2022:

	Fair Value Measurements at December 31, 2022			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 48,572	$ 48,572	$ -	$ -
Mutual funds	35,471,911	35,471,911	-	-
Total assets in the fair value hierarchy	35,520,483	$ 35,520,483	$ -	$ -
Investments measure at NAV	9,536,159			
	$ 45,056,642			

The following table presents our assets and liabilities measured at fair value on a recurring basis at December 31, 2021:

	Fair Value Measurements at December 31, 2021			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 10,460	$ 10,460	$ -	$ -
Mutual funds	46,204,280	46,204,280	-	-
Total assets in the fair value hierarchy	46,214,740	$ 46,214,740	$ -	$ -
Investments measure at NAV	9,364,845			
	$ 55,579,585			

NOTE 8. FAIR VALUE MEASUREMENTS (continued)

Fair Value of Investments in Entities that are NAV

The following table summarizes investments for which fair value is measured using the net asset value per share as pf December 31, 2022 and 2021:

Investment	Fair Value at December 31, 2022	Fair Value at December 31, 2021	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
SEI Structured Credit Fund CIT	$ 3,427,070	$ 3,541,127	N/A	Quarterly	90 Days
SEI Core Property Fund CIT	3,858,524	3,483,392	N/A	Quarterly	65 Days
SEI Global Private Assets IV CIT	2,250,565	2,340,326	$755,337	None	None
	$ 9,536,159	$ 9,364,845			

NOTE 9. TAX STATUS

The Plan is qualified under Section 401(a) of the Internal Revenue Code and the related trust is exempt from federal income tax under Section 501(a).

The Plan obtained its latest determination letter on November 6, 2015, in which the Internal Revenue Service (IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan's legal counsel believes that the Plan is currently designed and currently being operated in compliance with applicable requirements of the code. Therefore, they believe that the Plan is qualified, and the related Trust is tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 10. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and sector risks. Due to the level of risks associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10. RISKS AND UNCERTAINTIES (continued)

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to investment returns and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

NOTE 11. RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party in interest transactions under ERISA.

NOTE 12. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 16, 2023, which is the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

SUPPLEMENTAL INFORMATION

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2022

Form 5500, Schedule H, Item 4i

EIN: 06-6157817
Plan No. 001

(a)	(b) Issuer, Borrower	(c) Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value: Type	Shares/ Principal	Interest Rate	Maturity Date	(d) Cost	(e) Current Value
		Money market fund:					
	Allspring Govt MM FD-INSTL #1751		48,572			$ 48,572	$ 48,572
		Common collective trusts:					
*	SEI Core Property CIT		1,086			2,200,000	3,858,524
*	SEI Global Private Asset IV CIT		2,308,56			1,220,303	2,250,565
*	SEI Structured Credit Fund CIT		954			2,200,000	3,427,070
		Total common collective trusts				5,620,303	9,536,159
		Mutual funds:					
*	SEI Emerging Markets EQ-A #282		207,976			2,024,649	1,667,971
*	SEI Extended MKT Index-A		112,487			1,667,671	1,561,324
*	SEI Inst Inv L/C Dis Eqty		241,490			2,823,862	2,088,887
*	SEI Inst Inv S&P 500		284,096			4,175,023	4,971,675
*	SEI Inst Inv World Eq		941,731			11,602,038	9,728,080
*	SEI Inst Sm Cap Eqty		142,016			1,649,178	1,242,636
*	STIT US Eqty FCTR		200,558			2,791,524	2,075,774
*	SEI Inst Inv Cor Fix Inc		667,629			6,963,200	5,835,076
*	SEI Inst Inv Emg Mkt		267,240			2,645,635	2,132,573
*	SEI Inst Inv H/Y		294,379			2,579,896	2,093,036
*	SEI Inst Inv Dyn		117,026			2,279,899	2,074,879
		Total mutual funds				41,202,575	35,471,911
		Total investments				$ 46,871,450	$ 45,056,642

*A party-in-interest as defined by ERISA.

Sheet Metal Workers' Local No. 40
Pension Fund

Schedule of Reportable Transactions

Year Ended December 31, 2022

Form 5500, Schedule, Item 4j

EIN: 06-6157817
Plan No. 001

(a)	(b) Description	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset	(i) Net Gain or (loss)
	All Spring Govt. MM Fund	$ 3,366,254	N/A	$ 3,366,254	$ 3,366,254	N/A
	All Spring Govt. MM Fund	N/A	$ 3,328,142	3,328,142	3,328,142	$ -

The International Association of Sheet Metal, Air, Rail and Transportation Workers Local Union No. 40

and

SMACNA Connecticut, Inc.

Standard Form of Union Agreement

&

Addenda

&

Appendices

JULY 1, 2023 – JUNE 30, 2027

The International Association of
Sheet Metal, Air, Rail and Transportation Workers
Local Union No. 40
100-A Old Forge Road
Rocky Hill, CT 06067
www.smwlocal40.org
Telephone – 860-529-2616
Fax – 860-529-3177

* * *

Covering the counties of:
Hartford, New Haven, Middlesex,
Tolland, Windham, New London in Connecticut
Fishers Island, New York
and the open area of:
Harwinton, Thomaston, Torrington, Watertown,
Plymouth and Litchfield in Litchfield County in Connecticut

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STANDARD FORM OF UNION AGREEMENT

ADDENDA TO STANDARD AGREEMENT

APPENDICES TO STANDARD AGREEMENT

STANDARD FORM OF UNION AGREEMENT

SHEET METAL, ROOFING, VENTILATING AND AIR CONDITIONING CONTRACTING DIVISIONS OF THE CONSTRUCTION INDUSTRY

Agreement entered into JULY 1, 2023
(Month) (Day) (Year)

by and between, SMACNA Connecticut
(Name of Contractor or Contractor's Association)

and each business establishment individually, whether represented by a contractor association or not, hereinafter referred to as the Employer, and Local Union No. 40 of The International Association of Sheet Metal, Air, Rail, and Transportation Workers, hereinafter referred to as the Union for the counties of Hartford, New Haven, Middlesex, Tolland, Windham, New London in Connecticut, Fishers Island New York and the open area of Litchfield, Plymouth, Harwinton, Thomaston, Torrington, and Watertown in Litchfield County in Connecticut

ARTICLE I

SECTION 1. This Agreement covers the rates of pay and conditions of employment of all employees of the Employer engaged in but not limited to the: (a) manufacture, fabrication, assembling, handling, erection, installation, dismantling, conditioning, adjustment, alteration, repairing and servicing of all ferrous or nonferrous metal work and all other materials used in lieu thereof and of all air-veyor systems and air-handling systems regardless of material used including the setting of all equipment and all reinforcements in connection therewith; (b) all lagging over insulation and all duct lining; (c) testing and balancing of all air-handling equipment and duct work; (d) the preparation of all shop and field sketches whether manually drawn or computer assisted used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches; (e) metal roofing; and siding wall systems (f) all other work included in the jurisdictional claims of the International Association of Sheet Metal, Air, Rail and Transportation Workers.

ARTICLE II

SECTION 1. No Employer shall subcontract or assign any of the work described herein which is to be performed at a jobsite to any contractor, subcontractor or other person or party who fails to agree in writing to comply with the conditions of employment contained herein including, without limitations, those relating to union security, rates of pay and working conditions, hiring and other matters covered hereby for the duration of the project.

SECTION 2. Subject to other applicable provisions of this Agreement, the Employer agrees that when subcontracting for prefabrication of materials covered herein, such prefabrication shall be subcontracted to fabricators who pay their employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication, as established under provisions of this Agreement.

ARTICLE III

SECTION 1. The Employer agrees that none but journeymen, apprentice, pre-apprentice and classified sheet metal workers shall be employed on any work described in Article I and further, for the purpose of proving jurisdiction, agrees to provide the Union with written evidence of assignment on the Employer's letterhead for certain specified items of work to be performed at a jobsite prior to commencement of work at the site. List of such specific items, which may be revised from time to time, as agreed to by and between SMACNA and SMART shall be provided to the Employer.

ARTICLE IV

SECTION 1. The Union agrees to furnish upon request by the Employer duly qualified journeymen, apprentice, pre-apprentice, and classified sheet metal workers in sufficient numbers as may be necessary to properly execute work contracted for by the Employer in the manner and under the conditions specified in this Agreement.

ARTICLE V

SECTION 1. The Employer agrees to require membership in the Union, as a condition of continued employment of all employees performing any of the work specified in Article I of this Agreement, within eight (8) days following the beginning of such employment or the effective date of this Agreement, whichever is the later, provided the Employer has reasonable grounds for believing that membership is available to such employees on the same terms and conditions generally applicable to other members and that membership is not denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership.

SECTION 2. If during the term of this Agreement the Labor-Management Relations Act of 1947 shall be amended by Congress in such manner as to reduce the time within which an employee may be required to acquire union membership, such reduced time limit shall become immediately effective instead of and without regard to the time limit specified in Section 1 of this Article.

SECTION 3. The provisions of this Article shall be deemed to be of no force and effect in any state to the extent to which the making or enforcement of such provision is contrary to law. In any state where the making and enforcement of such provision is lawful only after compliance with certain conditions precedent, this Article shall be deemed to take effect as to involved employees immediately upon compliance with such conditions.

ARTICLE VI

SECTION 1. The regular working day shall consist of as per Addendum I (___8___) hours labor in the shop or on the job between eight (8) a.m. and five (5) p.m. unless modified in local negotiations and the regular working week shall consist of five (5) consecutive eight (__8__) hour days labor in the shop or on the job, beginning with Monday and ending with Friday of each week. All full-time or part-time labor performed during such hours shall be recognized as regular working hours and paid for at the regular hourly rate. Except as otherwise provided pursuant to Section 4 of this Article, all work performed outside the regular working hours and performed during the regular work week, shall be as per Addendum I (1 1/2) times the regular rate. Where conditions warrant, the regular workday may consist of ten (10) hours labor on the job and the regular work week of four (4) ten (10) hour days between Monday and Friday when mutually agreed between the Local Union and Employer.

Employees shall be at the shop or project site at scheduled starting time each day and shall remain until quitting time.

SECTION 2. New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Good Friday, Veterans Day, or days locally observed as such, and Saturday and Sunday shall be recognized as holidays. All work performed on holidays shall be paid as per Addendum I Item 3.

SECTION 3. It is agreed that all work performed outside of regular working hours during the regular work week and on holidays shall be performed only upon notification by the Employer to the Union in advance of scheduling such work. Preference on overtime and holiday work shall be given to employees on the job on a rotation basis so as to equalize such work as nearly as possible.

SECTION 4. Shift work and the pay and conditions therefore shall be only as provided in written addenda attached to this Agreement. Energy conservation—Retrofit work performed outside the regular workday in occupied buildings shall be performed under shift work conditions to be established by the local parties or by the National Joint Adjustment Board on the request of either party, if not locally provided.

ARTICLE VII

SECTION 1. When employed in a shop or on a job within the limits of fifteen (15) miles employees shall be governed by the regular working hours specified herein and shall provide for themselves necessary transportation within the said limits from home to shop or job at starting time and from shop or job to home at quitting time, and the Employer shall provide, or pay, for all necessary additional transportation during working hours.

SECTION 2. When employed outside of the limits specified in Section 1 of this Article, and within the jurisdiction of the Union, employees shall provide transportation for themselves which will assure their arrival at the limits specified in Section 1 of this Article at regular starting time, and the Employer shall provide or pay for all additional transportation for such jobs, including transportation from such job back to the limits specified in Section 1 of this Article which will assure arrival at such limits at quitting time. As an alternative to the foregoing method, travel expense may be paid by a zone or other method of payment. If this alternative method is used, it will be provided in a written addendum attached hereto. If an Employer sends an employee to perform work outside of the territorial jurisdiction of the United States of America or Canada, travel pay and/or subsistence arrangements shall be negotiated locally.

ARTICLE VIII

SECTION 1. The minimum rate of wages for journeymen sheet metal workers covered by this Agreement when employed in a shop or on a job within the jurisdiction of the Union to perform any work specified in Article I of this Agreement shall be as per Addendum I, except hereinafter specified in Section 2 of this Article.

SECTION 2. On all work specified in Article I of this Agreement, fabricated and/or assembled by journeymen, apprentices, pre-apprentices and/or classified sheet metal workers within the jurisdiction of this Union, or elsewhere, for erection and/or installation within the jurisdiction of any other collective bargaining areas or local union affiliated with the International Association of Sheet Metal, Air, Rail and Transportation Workers, whose established wage scale is higher than the wage scale specified in this Agreement, the higher wage scale of the jobsite Union shall be paid to the employees employed on such work in the home shop or sent to the jobsite.

SECTION 3. The provisions of Section 2 of this Article, Section 2 of Article II and Section 1 of Article III shall not be applicable to the manufacture for sale to the trade or purchase of the following items:

1. Ventilators
2. Louvers
3. Automatic and fire dampers
4. Radiator and air conditioning unit enclosures
5. Fabricated pipe and fittings for residential installations and light commercial work as defined in the locality
6. Mixing (attenuation) boxes
7. Plastic skylights
8. Air diffusers, grilles, registers
9. Sound attenuators
10. Chutes
11. Double-wall panel plenums
12. Angle rings

SECTION 4. The provisions of Section 2 of this Article shall not be applicable to AIR POLLUTION CONTROL SYSTEMS fabricated for the purpose of removing air pollutants, excluding air conditioning, heating, and ventilating systems. In addition, the provisions of Section 2 of this Article will not be applicable to the manufacture of spiral pipe and fittings, except when such a provision is contained in the local union agreement or addendum to the SFUA.

SECTION 5. Except as provided in Sections 2 and 6 of this Article, the Employer agrees that journeymen, pre-apprentice, and classified sheet metal workers hired outside the territorial jurisdiction of this Agreement shall receive the wage scale and working conditions of the local Agreement covering the territory in which such work is performed or supervised.

SECTION 6. When the Employer has any work specified in Article I of this Agreement to be performed outside of the area covered by this Agreement and within the area covered by another Agreement with another local union affiliated with the International Association of Sheet Metal, Air, Rail and Transportation Workers, and qualified sheet metal workers are available in such area, the Employer may send no more than two (2) sheet metal workers per job into such area to perform any work which the Employer deems necessary, both of whom shall be from the Employer's home jurisdiction. All additional sheet metal workers shall come from the area in which the work is to be performed. Journeymen sheet metal workers covered by this Agreement who are sent outside of the area covered by this Agreement shall be paid at least the established minimum wage scale specified in Section 1 of this Article but in no case less than the established wage scale of the local Agreement covering the territory in which such work is performed or supervised, plus all necessary transportation, travel time, board and expenses while employed in that area, and the Employer shall be otherwise governed by the established working conditions of the local Agreement. If employees are sent into an area where there is no local Agreement of the International Association of Sheet Metal, Air, Rail and Transportation Workers covering the area, then the minimum conditions of the home local union shall apply.

SECTION 7. In applying the provisions of Sections 2, 5, and 6 of this Article VIII, the term "wage scale" shall include the value of all applicable hourly contractual benefits in addition to the hourly wage rate provided in said Sections.

SECTION 8. Welfare benefit contributions shall not be duplicated.

When sheet metal workers are employed temporarily outside the jurisdiction of their home local union, the parties signatory to this Agreement agree to arrange through the Health and Welfare Trust Fund to transmit health and welfare contributions made on behalf of the employee to the Health and Welfare Trust Fund in the employee's home local union.

The parties to this Agreement agree to establish a system for continuing health and welfare coverage for employees working temporarily outside the jurisdiction of the local collective bargaining agreement when health and welfare contributions are transmitted on their behalf by trust funds from other areas.

SECTION 9. Wages at the established rates specified herein shall be paid as per Addendum I in the shop or on the job at or before quitting time on as per Addendum I, Item 8 of each week, and no more than two (2) days' pay will be withheld. Alternative payroll procedures, i.e., electronic and/or automatic deposit may be negotiated locally. However, employees, when discharged shall be paid in full.

SECTION 10. Journeymen, apprentices, pre-apprentices, and classified sheet metal workers who report for work by direction of the Employer, and are not placed to work, shall be entitled to two (2) hours' pay at the established rate. This provision, however, shall not apply under conditions over which the Employer has no control.

SECTION 11. Each Employer covered by this Agreement shall employ at least one (1) journeyman sheet metal worker who is not a member of the firm on all work specified in Article I of this Agreement.

SECTION 12(a). Contributions provided for in Section 12(b) of this Article will be used to promote programs of industry education, training, negotiation and administration of collective bargaining agreements, research and promotion, such programs serving to expand the market for the services of the Sheet Metal Industry, improve the technical and business skills of Employers, stabilize and improve Employer-Union relations, and promote, support and improve the employment opportunities for employees. No part of any such payments, however, shall be used for any other purpose except as expressly specified above.

(b). The Employer shall pay the Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States (IFUS or National Industry Fund) at the hourly rates set forth on Appendices A, B, C, D, or E, as applicable, for each hour worked on and after the effective date of this Agreement by each employee of the Employer covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted to IFUS, 4201 Lafayette Center Drive, Chantilly, Virginia, 20151 -1209, or for the purpose of transmittal, through Sheet Metal Workers' Local No. 40 Fringe Benefit Office, 100 Old Forge Road, Rocky Hill, CT 06067.

(c). The IFUS shall submit to the International Association of Sheet Metal, Air, Rail and Transportation Workers not less often than semi-annually written reports describing accurately and in reasonable detail the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds. One time per year, the IFUS shall include in such written report a financial statement attested to by a certified public accountant containing its balance sheet and detailed statement of annual receipts and disbursements. Further specific detailed information in regard to IFUS activities or its receipts and/or expenditures shall be furnished to the International Association of Sheet Metal, Air, Rail and Transportation Workers upon written request.

(d). Grievances concerning use of IFUS funds for purposes prohibited under Section 12(a) or for violations of other subsections of this Section may be processed by the International Association of Sheet Metal, Air, Rail and Transportation Workers directly to the National Joint Adjustment Board under the provisions of Article X of this Agreement. In the event such proceeding results in a deadlock, either party may, upon ten (10) days notice to the other party, submit the issue to final and binding arbitration. The Arbitrator shall be selected by the Co-Chairmen of the National Joint Adjustment Board. The Arbitrator shall be authorized to impose any remedial order he deems appropriate for violation of this Section, including termination of the Employer's obligation to contribute to the IFUS. The authority of the Arbitrator is expressly limited to a determination of a deadlocked issue under this Section, (Section 12, Article VIII), and no other.

SECTION 13(a). Contributions provided for in Section 13(b) of this Article will be used to promote programs of industry education, training, negotiation and administration of collective bargaining agreements, research and promotion, such programs serving to expand the market for the services of the Sheet Metal Industry, improve the technical and business skills of Employers, stabilize and improve Employer-Union relations, and promote, support and improve the employment opportunities for employees. No part of any such payments, however, shall be used for any other purpose except as expressly specified above.

(b). The Employer shall pay to the Sheet Metal Industry Fund, Inc. (the local industry fund), (Appendix A and C) per hour for each hour (or portion of hour, as specified on Appendix A) worked on or after the effective date of this Agreement by each employee of the Employer covered by this Agreement. Payment shall be made monthly on or before the 20th day of the succeeding month.

(c). The local industry fund shall furnish to the Business Manager of the Union, not less often than semi-annually, written reports describing in reasonable detail the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds. One time per year, the local industry fund shall include in such written report, a statement attested to by a certified public accountant and containing its balance sheet and detailed statement of receipts and disbursements. Further specific detailed information in regard to local industry fund activities or its receipts and/or disbursements shall be furnished to the Business Manager of the Union upon his written request.

(d). Grievances concerning use of local industry fund monies to which an Employer shall contribute for purposes prohibited under Section 13(a) or for violations of other subsections of this Section shall be handled under the provisions of Article X of this Agreement. The National Joint Adjustment Board shall be authorized to impose any remedial order for violation of this Section, including termination of the Employer's obligation to contribute to the local industry fund.

SECTION 14. The Union and Employer recognize that the contributions provided in Sections 12(b) and 13(b) of this Article support activities that benefit the entire sheet metal industry. It is essential that the Employer support these activities, even though it may be performing sheet metal work under the provisions of a separate project agreement or maintenance agreement.

Therefore, hours worked for purposes of determining the contributions required under Sections 12(b) and 13(b) of this Article shall include all hours worked by each employee of the Employer under any project agreement or maintenance agreement, unless specifically excluded by the terms of a written addendum that is negotiated by the Contractors' Association and the Local Union that are parties to this Agreement.

SECTION 15. Effective as of the date of this Agreement the Employers will contribute to the International Training Institute for the Sheet Metal and Air Conditioning Industry (ITI) twelve cents ($0.12) per hour for each hour worked by each employee of the Employer covered by this Agreement. This contribution is included as part of the National Funds contribution listed on Appendices A, B, C, D, and E. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the ITI, or for purposes of collection and transmittal through Sheet Metal Workers' National Benefits, P.O. Box 79321. Baltimore, Maryland, 21279-0321

(Name of local transmittal office)

Effective as of the date of this Agreement the Employers will contribute to the National Energy Management Institute Committee (NEMIC), a jointly administered trust fund, three cents ($0.03) per hour for each hour worked by each employee of the Employer covered by this Agreement. This contribution is included as part of the National Funds contribution listed on Appendices A, B, C, D, and E. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the NEMIC, or for the purposes of collection and transmittal through Sheet Metal Workers' National Benefits, P.O. Box 79321, Baltimore, Maryland, 21279-0321.

(Name of local transmittal office)

Effective as of the date of this Agreement the Employers will contribute to the Sheet Metal Occupational Health Institute Trust (Institute) two cents ($0.02) per hour for each hour worked by each employee of the Employer covered by this Agreement until the Institute Trustees determine that the Trust is financially self-sufficient. This contribution is included as part of the National Funds contribution listed on Appendices A, B, C, D, and E. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the Institute, or for purposes of collection and transmittal through Sheet Metal Workers' National Benefit Funds, P.O. Box 79321, Baltimore, Maryland 21279-0321.

(Name of local transmittal office)

The parties agree to be bound by the separate Agreements and Declarations of Trusts establishing the International Training Institute for the Sheet Metal and Air Conditioning Industry, the National Energy Management Institute Committee, the Sheet Metal Occupational Health Institute Trust, and the Industry Fund of the United States and the separate agreements and declarations of trusts of all other local or national programs to which it has been agreed that contributions will be made. In addition, the parties agree to be bound by any amendments to said trust agreements as may be made from time to time and hereby designate as their representatives on the Board of Trustees such trustees as are named together with any successors who may be appointed pursuant to said agreements.

The parties authorize the trustees of all national funds to cooperatively establish uniform collection procedures to provide for efficient and effective operation of the various national trusts.

SECTION 16. In the event that the Employer becomes delinquent in making contributions to any national or local Fund, the Union may withdraw all employees from the service of the Employer as per Addendum III Section 1. The withdrawal of such employees from the service of the Employer shall not constitute a violation of any provision of this Agreement.

SECTION 17(a). The Employer shall comply with any bonding provisions governing local Funds that may be negotiated by the local parties and set forth as a written Addendum to this Agreement. The Employer shall likewise comply with bonding requirements established by the Trustees of the National Funds.

(b). When an Employer is performing any work specified in Article I of this Agreement outside of the area covered by this Agreement, and within the area covered by another Agreement with a local union affiliated with the Sheet Metal Workers' International Association, the Employer shall comply with uniformly applied bonding requirements of that local area that are reasonable and necessary to ensure the timely payment of any contribution that may be required to local and national Funds, but in no event shall such bonds be in excess of three (3) months estimated contributions to local and national Funds.

(c). An Employer that has been delinquent in making contributions to any national or local fund shall, upon written notification of the trustees or local union, make the specified payment to such fund at weekly intervals as per Addendum III Section 1.

ARTICLE IX

SECTION 1. Journeymen, apprentice, pre-apprentice, and classified sheet metal workers covered by this Agreement shall provide for themselves all necessary hand tools. The Union and the Employer shall establish a standardized tool list, which shall be set forth as a written addendum attached hereto.

SECTION 2. Journeymen, apprentice, pre-apprentice and classified sheet metal workers covered by this Agreement shall not be permitted or required as a condition of employment to furnish the use of automobile or other conveyance to transport men, tools, equipment or materials from shop to job, from job to job, or from job to shop; facilities for such transportation to be provided by the Employer. This provision shall not restrict the use of an automobile or other conveyance to transport its owner and personal tools from home to shop or job at starting time or from shop or job to home at quitting time.

ARTICLE X

The Union and the Employer, whether party to this Agreement independently or as a member of a multi-employer bargaining unit, agree to utilize and be bound by this Article.

SECTION 1. Grievances of the Employer or the Union, arising out of interpretation or enforcement of this Agreement, shall be settled between the Employer directly involved and the duly authorized representative of the Union, if possible. Both parties may participate in conferences through representatives of their choice. The local Employers' Association or the Local Union, on its own initiative, may submit grievances for determination by the Board as provided in this Section. The grievance procedure set forth in this Article applies only to labor-management disputes.

To be valid, grievances must be raised within thirty (30) calendar days following the occurrence giving rise to the grievance, or, if the occurrence was not ascertainable, within thirty (30) calendar days of the first knowledge of the facts giving rise to the grievance.

SECTION 2. Grievances not settled as provided in Section 1 of this Article may be appealed by either party to the Local Joint Adjustment Board where the work was performed or in the jurisdiction of the Employer's home local and such Board shall meet promptly on a date mutually agreeable to the members of the Board, but in no case more than fourteen (14) calendar days following the request for its services, unless the time is extended by mutual agreement of the parties or Local Joint Adjustment Board. The Board shall consist of representatives of the Union and of the local Employers' Association and both sides shall cast an equal number of votes at each meeting. Except in the case of a deadlock, a decision of a Local Joint Adjustment Board shall be final and binding.

Notice of appeal to the Local Joint Adjustment Board shall be given within thirty (30) days after termination of the procedures prescribed in Section 1 of this Article, unless the time is extended by a mutual agreement of the parties.

SECTION 3. Grievances not disposed of under the procedure prescribed in Section 2 of this Article, because of a deadlock or failure of such Board to act, may be appealed jointly or by either party to a Panel, consisting of one (1) representative appointed by the Labor Co-Chairman of the National Joint Adjustment Board and one (1) representative appointed by the Management Co-Chairman of the National Joint Adjustment Board. Appeals shall be mailed to the National Joint Adjustment Board. * Notice of appeal to the Panel shall be given within thirty (30) days after termination of the procedures prescribed in Section 2 of this Article. Such Panel shall meet promptly but in no event more than fourteen (14) calendar days following receipt of such appeal, unless such time is extended by mutual agreement of the Panel members. Except in case of deadlock, the decision of the Panel shall be final and binding.

In establishing the grievance procedure of the Standard Form of Union Agreement, it was the intent of the International Association of Sheet Metal, Air, Rail and Transportation Workers and the Sheet Metal and Air Conditioning Contractors' National Association, Inc. to establish a method for resolving grievances permitting appeals for out-of-area Employers from the grievance arbitration procedures established for the territory in which work is performed. An Employer who was not a party to the Labor Agreement of the area in which the work in dispute is performed may appeal the decision of the Local Joint Adjustment Board from that area, including a unanimous decision, as well as a decision of any alternative arbitration tribunal established for that area, and request a Panel hearing as set forth in Section 3 of this Article, providing such appeal is approved by the Co-Chairmen of the National Joint Adjustment Board. Such a right of appeal shall exist despite any contrary provision in the agreement covering the area in which the work is performed.

For the purposes of this Section, an Employer who is party to the Labor Agreement of the area in which the work in dispute is performed, but has no permanent shop within the area served by the Local Joint Adjustment Board that rendered the unanimous decision, shall also be entitled to appeal a deadlocked or unanimous Local Joint Adjustment Board decision, and request a Panel hearing.

SECTION 4. Grievances not settled as provided in Section 3 of this Article may be appealed jointly or by either party to the National Joint Adjustment Board. Submissions shall be made, and decisions rendered under such procedures as may be prescribed by such Board. Appeals to the National Joint Adjustment Board shall be submitted within thirty (30) days after termination of the procedures described in Section 3 of this Article. The Procedural Rules of the National Joint Adjustment Board are incorporated in this Agreement as though set out in their entirety. (Copies of the procedures may be obtained from the National Joint Adjustment Board. *)

SECTION 5. A Local Joint Adjustment Board, Panel and the National Joint Adjustment Board are empowered to render such decisions and grant such relief to either party as they deem necessary and proper, including awards of damages or other compensation.

***All correspondence to the National Joint Adjustment Board shall be sent to the following address: National Joint Adjustment Board, P.O. Box 220956, Chantilly, VA 20153-0956 or 4201 Lafayette Center Drive, Chantilly, VA 20151-1209.**

SECTION 6. In the event of non-compliance within thirty (30) calendar days following the mailing of a decision of a Local Joint Adjustment Board, Panel or the National Joint Adjustment Board, a local party may enforce the award by any means including proceedings in a court of competent jurisdiction in accord with applicable state and federal law. If the party seeking to enforce the award prevails in litigation, such party shall be entitled to its costs and attorney's fees in addition to such other relief as is directed by the courts.

SECTION 7. Failure to exercise the right of appeal at any step thereof within the time limit provided therefore shall void any right of appeal applicable to the facts and remedies of the grievances involved. There shall be no cessation of work by strike or lockout during the pendency of the procedures provided for in this Article. Except in case of deadlock, the decision of the National Joint Adjustment Board shall be final and binding.

SECTION 8. In addition to the settlement of grievances arising out of interpretation or enforcement of this Agreement as set forth in the preceding sections of this Article, any controversy or dispute arising out of the failure of the parties to negotiate a renewal of this Agreement shall be settled as hereinafter provided:

(a). Should the negotiations for a renewal of this Agreement or negotiations regarding a wage/fringe reopener become deadlocked in the opinion of the Union representative(s) or of the Employer('s) representative(s), or both, notice to that effect shall be given to the National Joint Adjustment Board.

If the Co-Chairmen of the National Joint Adjustment Board believe the dispute might be adjusted without going to final hearing before the National Joint Adjustment Board, each will then designate a Panel representative who shall proceed to the locale where the dispute exists as soon as convenient, attempt to conciliate the differences between the parties and bring about a mutually acceptable agreement. If such Panel representatives or either of them conclude that they cannot resolve the dispute, the parties thereto and the Co-Chairmen of the National Joint Adjustment Board shall be promptly so notified without recommendation from the Panel representatives. Should the Co-Chairmen of the National Joint Adjustment Board fail or decline to appoint a Panel member or should notice of failure of the Panel representatives to resolve the dispute be given, the parties shall promptly be notified so that either party may submit the dispute to the National Joint Adjustment Board.

In addition to the mediation procedure set forth above or as an alternate thereto, the Co-Chairmen of the National Joint Adjustment Board may each designate a member to serve as a Subcommittee and hear the dispute in the local area. Such Subcommittees shall function as arbitrators and are authorized to resolve all or part of the issues. They are not, however, authorized to deadlock and the matter shall be heard by the National Joint Adjustment Board in the event a Subcommittee is unable to direct an entire resolution of the dispute.

The dispute shall be submitted to the National Joint Adjustment Board pursuant to the rules as established and modified from time to time by the National Joint Adjustment Board. The unanimous decision of said Board shall be final and binding upon the parties, reduced to writing, signed and mailed to the parties as soon as possible after the decision has been reached. There shall be no cessation of work by strike or lockout unless and until said Board fails to reach a unanimous decision and the parties have received written notification of its failure.

(b). Any application to the National Joint Adjustment Board shall be upon forms prepared for that purpose subject to any changes which may be decided by the Board from time to time. The representatives of the parties who appear at the hearing will be given the opportunity to present oral argument and to answer any questions raised by members of the Board. Any briefs filed by either party including copies of pertinent exhibits shall also be exchanged between the parties and filed with the National Joint Adjustment Board at least twenty-four (24) hours in advance of the hearing.

(c). The National Joint Adjustment Board shall have the right to establish time limits which must be met with respect to each and every step or procedure contained in this Section. In addition, the Co-Chairmen of the National Joint Adjustment Board shall have the right to designate time limits which will be applicable to any particular case and any step therein which may be communicated to the parties by mail, facsimile or telephone notification.

(d). Unless a different date is agreed upon mutually between the parties or is directed by the unanimous decision of the National Joint Adjustment Board, all effective dates in the new agreement shall be retroactive to the date immediately following the expiration date of the expiring agreement.

SECTION 9. Employers not contributing to the Industry Fund of the United States (IFUS) will be assessed a fee to be determined periodically by the Administrator of the National Joint Adjustment Board. Proceeds will be used to reimburse IFUS for costs of arbitration under the provisions of Article X.

SECTION 10. In addition to the settlement of disputes provided for in Sections 1 through 8 of this Article, either party may invoke the services of the National Joint Adjustment Board to resolve disputes over the initial establishment of terms for specialty addenda, if the provisions of Article X have been adopted in their entirety, and without modification.

Such a dispute may be submitted upon the request of either party any time that local negotiations for such an agreement have been unsuccessful. Such a dispute shall be submitted to the National Joint Adjustment Board pursuant to the rules as established and modified from time to time by said Board. The unanimous decision of said Board shall be final and binding upon the parties. There shall be no strike or lockout over such a dispute.

ARTICLE XI

SECTION 1. All duly qualified apprentices shall be under the supervision and control of a Joint Apprenticeship and Training Committee composed of six (6) members, three (3) of whom shall be selected by the Employer, and three (3) by the Union. Said Joint Apprenticeship and Training Committee shall formulate and make operative such rules and regulations as they may deem necessary and which do not conflict with the specific terms of this Agreement, to govern eligibility, registration, education, transfer, wages, hours, working conditions of duly qualified apprentices and the operation of an adequate apprentice system to meet the needs and requirements of the trade. Said rules and regulations when formulated and adopted by the parties hereto shall be recognized as part of this Agreement.

SECTION 2. The Joint Apprenticeship and Training Committee designated herein shall serve for the life of this Agreement, except that vacancies in said Joint Apprenticeship and Training Committee caused by resignation or otherwise, may be filled by either party hereto, and it is hereby mutually agreed by both parties hereto, that they will individually and collectively cooperate to the extent that duly qualified apprentices be given every opportunity to secure proper technical and practical education experience in the trade, under the supervision of the Joint Apprenticeship and Training Committee.

(a). The parties will review the needs for specialized and skill-upgrade training and cooperate to establish necessary programs which will then be supervised by the Joint Apprenticeship Training Committee.

SECTION 3. It is the understanding of the parties to this Agreement that the funds contributed by signatory Employers to the International Training Institute and any Local Joint Apprenticeship and Training Fund (Local JATC) will not be used to train apprentices or journeymen who will be employed by employers in the Sheet Metal Industry not signatory to a collective bargaining agreement providing for contributions to the International Training Institute and a Local JATC. Therefore, the trustees of the International Training Institute and Local JATC shall adopt and implement a Scholarship Loan Agreement Program which will require apprentices and journeymen employed by signatory Employers to repay the cost of training either by service following training within the union sector of the industry or by actual repayment of the cost of training if the individual goes to work for a non-signatory Employer in the Sheet Metal Industry. The cost of training shall include the reasonable value of all International Training Institute and Local JATC materials, facilities and personnel utilized in training. If a Local JATC does not implement the Scholarship Loan Agreement, the Local JATC shall be prohibited from utilizing International Training Institute materials and programs.

SECTION 4. It is hereby agreed that the Employer shall apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant apprentices on the basis of one (1) apprentice for each three (3) journeymen regularly employed throughout the year. Provided, however, an Employer will not be entitled to a new apprentice if the Employer has an apprentice on layoff for lack of work.

SECTION 5. Each apprentice shall serve an apprenticeship of up to five (5) years and such apprentices shall not be in charge of work on any job and shall work under the supervision of a journeyman until apprenticeship terms have been completed and they have qualified as journeymen.

SECTION 6. A graduated wage scale similar to that shown below, based on the journeyman wage rate, shall be established for apprentices. The scale may vary based on local market conditions and recruiting requirements.

First year	50%	Third year	70%
Second year	60%	Fourth year	80%

This Section shall not have the effect of reducing the wage progression schedule of any apprentice who was indentured prior to the effective date of this Agreement.

SECTION 7. The parties will establish on a local basis the SMART Youth-to-Youth program (the program) and the procedures to enable all apprentices to participate in the program. The activities of the program that deal with organizing and other traditional union activities shall be funded by the Local Union through a check off in compliance with the provisions of Section 302(c) of the Labor-Management Relations Act of 1947. Activities that may be funded by Employer contributions shall be so funded if, and to the extent, the parties shall agree locally to sponsor and implement the same.

SECTION 8. The parties agree that concentrated apprenticeship training is preferable to night-schooling and urge the Joint Apprenticeship and Training Committee to implement concentrated training during the term of this Agreement.

The parties recognize that previous experience in the industry can be considered when evaluating and placing sheet metal workers into the apprenticeship program and the JATC shall work cooperatively with the parties in establishing standards for placing employees into the program. The parties shall also address the need to provide continuity in health care for those workers entering the program with prior experience in the industry.

SECTION 9. The parties agree that career-long skill upgrade training is necessary for an effective workforce and agree to undertake those measures available to them to encourage continuing training for sheet metal journeymen.

ARTICLE XII

SECTION 1. It is hereby agreed that the Employer may apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant pre-apprentices on the basis of one (1) pre-apprentice for each three (3) apprentices employed by the Employer. Provided, however, that an Employer who employs one (1) or more apprentices and at least three (3) sheet metal journeymen shall be entitled to at least one (1) pre-apprentice. Any apprentice of the Employer on layoff at the effective date of this Agreement must be rehired before said Employer is entitled to any pre-apprentice. Thereafter, the same conditions and ratios shall apply.

In the event the Employer is entitled to employ a pre-apprentice and the Union fails to comply with the Employer's written request to furnish a pre-apprentice within forty-eight (48) hours, the Employer may hire such employees and refer them to the Joint Apprenticeship and Training Committee for enrollment.

Preapprentices shall be enrolled as applicants for future openings in the apprenticeship program. The Joint Apprenticeship and Training Committee shall evaluate the qualifications of preapprentices for such openings during the first year of employment. No preapprentice shall be retained beyond one (1) year unless the preapprentice has been found to be qualified as an applicant.

The wage scale for preapprentices shall be a minimum of thirty percent (30%) of the wage rate for journeymen sheet metal workers. Health and welfare coverage shall be arranged on behalf of the preapprentices by the parties.

Pension contributions will be paid on all hours worked beginning with the first payroll period after 90 days in the amount of five percent (5%) of the journeyman pension fund contribution, to the next whole cent, or a minimum of twelve cents ($0.12) per hour, whichever is greater, for each hour worked on or after the effective date of this agreement. The parties shall make all necessary arrangements so that any preapprentice being reclassified shall experience no break in benefits coverage.

ARTICLE XIII

SECTION 1. Classified workers may be employed in the following ratio:

A. one (1) classified worker for any Employer who employs an apprentice;
B. two (2) classified workers for any Employer who employs at least three (3) apprentices;
C. Thereafter, the ratio will be one (1) classified worker for each additional three (3) apprentices employed.

Classified workers may perform any work covered by Article I of which they are capable and will work under the general direction of a journeyman. The wage rate for classified workers will be not less than forty percent (40%) of the journeyman wage rate. They shall be covered by the local health and welfare plan. Pension contributions shall be the same percentage as their wage rate.

In the event the Employer is entitled to employ a classified worker and the Union fails to comply with the Employer's written request to furnish a classified worker within forty-eight (48) hours, the Employer may directly hire such employees, and refer them to the Union.

ARTICLE XIV

SECTION 1. SMACNA and SMART are committed to promoting productive and cooperative labor-management relations. In furtherance of this goal, the local Employers' association and local Union agree to establish a labor-management committee which shall meet on a regular basis, but not less often than quarterly, to discuss industry issues of mutual concern. Such committees will strive to improve communications, understand, and respond to industry direction and trends, and resolve common issues collaboratively.

ARTICLE XV

SECTION 1. In applying the terms of this Agreement, and in fulfilling their obligations thereunder, neither the Employer nor the Union will discriminate in any manner prohibited by law.

ARTICLE XVI

SECTION 1. This Agreement and Addenda Numbers __1 through 30__ attached hereto shall become effective on the __FIRST__ day of __JULY 2023__ or as otherwise noted and remain in full force and effect until the __THIRTIETH__ day of __JUNE 2027__ and shall continue in force from year to year thereafter unless written notice of reopening is given not less than ninety (90) days prior to the expiration date. In the event such notice of reopening is served, this Agreement shall continue in force and effect until conferences relating thereto have been terminated by either party by written notice, provided, however, that, if this Agreement contains Article X, Section 8, it shall continue in full force and effect until modified by order of the National Joint Adjustment Board or until the procedures under Article X, Section 8 have been otherwise completed.

SECTION 2. If, pursuant to federal or state law, any provision of this Agreement shall be found by a court of competent jurisdiction to be void or unenforceable, all of the other provisions of this Agreement shall remain in full force and effect. The parties agree to meet and negotiate a substitute provision. If negotiations are unsuccessful, the issue may be submitted for resolution by either party pursuant to Article X, Section 8 of this Agreement.

SECTION 3. Notwithstanding any other provision of this Article, or any other Article of this Agreement, whenever an amendment to the Standard Form of Union Agreement shall be adopted by the sponsoring national associations, any party to this Agreement, upon the service of notice to all other parties hereto, shall have this Agreement reopened thirty (30) days thereafter, for the sole and only purpose of attempting to negotiate such amendment or amendments into this Agreement for the duration of the term hereof. There shall be no strike or lockout over this issue.

SECTION 4. Each Employer hereby waives any right it may have to repudiate this Agreement during the term of this Agreement or during the term of any extension, modification or amendment to this Agreement.

SECTION 5. By execution of this Agreement the Employer authorizes __SMACNA Connecticut__ to act as its collective bargaining representative for all matters relating to this Agreement. The parties agree that the Employer will hereafter be a member of the multi-employer bargaining unit represented by said Association unless this authorization is withdrawn by written notice to the Association and the Union at least one hundred and fifty (150) days prior to the then current expiration date of this Agreement.

In witness whereof, the parties hereto affix their signatures and seal as of this FIRST day of JULY 2023.
(Month) (Year)

THIS STANDARD FORM OF UNION AGREEMENT HAS PROVIDED FOR THE INCLUSION OF PREAPPRENTICES AND A REDUCTION OF THE WAGE SCHEDULE FOR NEW APPRENTICES. THE PURPOSE OF THIS IS TO MAKE CONTRACTORS MORE COMPETITIVE WITH NON-UNION COMPETITION. TO ACHIEVE THAT OBJECTIVE EMPLOYERS AGREE TO MINIMIZE MULTIPLE MARKUPS.

SMACNA Connecticut
(Specify Name of Association or Contractor)

By ______________________
(Signature of Officer or Representative)

MICHAEL THOMPSON
Print Name

Local Union No.40
of the International Association of
Sheet Metal, Air, Rail and
Transportation Workers

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Robert Butler – Council President

ADDENDA TO THE STANDARD FORM OF UNION AGREEMENT

ADDENDUM I
WAGE RATES, WORKDAY, and INCREASES

1. The total contractual hourly obligation effective July 1, 2023, of the Employer is $2.50 per hour increase above the previously established rate. Future increments during the term of this Agreement are as follows:

July 1, 2024	$ 2.51*
July 1, 2025	$ 2.52*
July 1, 2026	$ 2.52*

*$0.05 from these increments will be added to the Local Industry Fund as follows:
2024 $0.01 2025 $0 .02 2026 $0.02

The complete breakdown of wages and fringe benefit contributions is contained in **(Appendices A-E)** of this Agreement.

2. The regular working day shall consist of EIGHT (8) hours labor in the shop or on the job between seven (7:00) a.m. and three-thirty (3:30) p.m. The regular working week schedule shall consist of five (5) consecutive eight (8) hour day's labor in the shop or on the job, beginning with Monday and ending with Friday of each week. There shall be no split shifts working in the shop or on the job site without prior approval of SMART Local Union No. 40 Regional Manager or Union Representative. Classroom instruction offered by and on the premises of the Sheet Metal Workers' Industry Apprentice and Training Fund shall not constitute regular working hours under this Agreement.

3. Overtime shall be paid at the rate of time and one half for all overtime with the exception of Sundays and holidays. Overtime for work performed on Sundays and holidays shall be at the rate of two (2) times the regular rate (double time).

4. The Union reserves the right, if they so desire, to allocate to the Health Fund, Pension Fund, Apprentice and Training Fund, Supplemental Retirement Fund, or any other existing funds, any monies from the increase due, or at any other such times as increments are called for in the Collective Bargaining Agreement. The Union also reserves the right to change the Work Assessment and the Organizing Fund increments provided the total hourly contractual obligation to the contractor does not change from what is called for in Section 1 of the Addendum.

5. All monies due under the provision of this Agreement shall be due and payable within ten (10) days of notification to the contractor of the allocations.

6. Failure to make payment of monies described herein within ten (10) days shall constitute a violation of this Agreement, and the Union shall have the right to strike said delinquent Employer, and said work stoppage shall not be a violation of this Agreement.

7. The Employer also agrees that all employees engaged in a work stoppage as described in the above clause shall be compensated in full for all time lost by the employees of the delinquent Employer.

8. Wages at the established rates shall be paid in the shop or job site before noon on Thursday. Should Thursday be a holiday, employees shall be paid on or before quitting time on Wednesday. Failure to pay by noon on Thursday will be compensated for by one (1) hour's pay or one (1) hour off with pay at the rate the employee is earning.

9. Any member that received an incorrect pay will be compensated for the incorrect amount not later than Friday in the same workweek that the shortage occurred.

10. The Employer agrees that there will be no shutdown of his/her operation in either shop or job site on the day immediately following a holiday between Monday and Friday of any week unless:

    a) Journeypersons and apprentice members employed by the Employer, vote at a **secret ballot** election held in the shop, and on each individual job, and conducted by the Shop Steward and/or the Job Steward, **not to work on said day**.
    b) If the vote at a **secret ballot** election is taken in a timely manner, and some jobs **vote to shutdown**, including the shop, then the employees who voted to work may be assigned to work on projects that will remain open.
    c) The General Contractor shuts the job down.
    d) There is no work available in the shop or on the job site.

ADDENDUM II
LAYOFF PROVISIONS

1. The Contractor shall be obligated to provide SMART Local Union #40 notification of a layoff for any Local #40 member. The Employer shall be obligated to provide the Local #40 member with one (1) hour notification of a layoff and shall provide the employee the opportunity to leave the job site or shop at that time with the understanding that the employee will be paid in full for the full day's wages on the day the layoff occurs.

2. When employees are selected to be laid off, they must be paid in full, or they cannot be laid off. They will continue to report to work the next day and any and all other days until all wages are paid in full (excluding Saturdays, Sundays, and Holidays). Any violation of the section shall be subject to review and decision by the Joint Adjustment Board.

3. Contractors will provide a list of all members, either faxed on company letterhead or transmitted by official company email, employed by the contractor by the close of business each Friday if changes in employment are made. If no changes in employment of any member are made then it is understood the previously submitted list of members

employed is still valid. Contractors are still obligated to notify the Union Hall of lay offs to members that occur on any day except Friday when the company list will be sent.

ADDENDUM III
HEALTH FUND, PENSION FUND, SUPPLEMENTAL RETIREMENT FUND, LABOR MANAGEMENT COOPERATION FUND AND OTHER FUNDS AS PER AGREEMENT

1. Contributions shall be due and billed as provided in Addendum III of this Agreement and the Employer agrees to be subject to and incorporate by reference herein all Trust Agreement provisions and Trust Fund rules, including those on bonding, collection, delinquency, and the Union's work stoppage authority, all as described in said Addendum III.

The Employer agrees to accept and be bound by (1) the Agreement and Declaration of Trust under which each fringe benefit trust fund to which it contributes is maintained, the terms of which Agreement and Declaration of Trust are incorporated by reference as part of this Agreement, and (2) all rules and regulations of each of those fringe benefit trust funds regarding the collection of contributions, including but not limited to rules on posting of cash or surety bonds, auditing of employer records to verify monthly fringe benefit contributions due, and payment of contributions, interest, costs of collection including the funds' attorney fees, and penalties.

In the event that an Employer is delinquent in the payment of the contributions or fails to post the required cash or surety bond, the Trustees of the respective funds may require the Employer to make contributions to the funds on a weekly or bi-weekly schedule. The trustees and the Local Union may also require employers who are based outside of the jurisdiction of Local Union #40 to make contributions and reports on a weekly basis, without regard to the payment history of any such employers. There will be a single check disbursement for all Local Union #40 fringe benefit payments.

A contributing Employer to the Sheet Metal Workers' Local No. 40 Health Fund, Pension Fund, Apprentice and Training Fund, Local No. 17 Annuity Income Fund, Sheet Metal Workers' International Association Pension Fund, National Training Fund to the Sheet Metal and Air Conditioning Industry, Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States, Sheet Metal Industry Fund, Inc., National Energy Management Institute, Sheet Metal Occupational Health Institute Trust, Stabilization Agreement of the Sheet Metal Industry, SMART Local Union #40 Office Assessment, Local Union #40 P.A.C., P.A.L., Labor Management Cooperation Fund, F.F.C., and Sheet Metal Scholarship Fund shall be considered delinquent if the monthly payments for the above mentioned funds are not paid on or before the twentieth (20^{th}) day of the month following the month for which payment is due. A delinquent Employer shall be charged interest determined by the Trustees of the respective funds, not to exceed a maximum legal rate per month on the unpaid balance. In the event that a delinquent account is referred to an attorney for collection, a reasonable attorney's fee shall be added to the principal and interest due thereon.

The Union may engage in a work stoppage against any Employer who shall fail to make any payment of fringe benefits once in any twelve month period due under the terms of this Agreement and such work stoppage shall not constitute a violation of this Agreement, and all time lost by all employees shall be compensated by the delinquent Employer.

2. Local Health Fund. The Employer shall pay monthly to the Sheet Metal Workers' Local No. 40 Health Fund at the rate of **(Appendixes A, B, D and E)** per hour for each hour worked by all journeypersons, at the rate of **(Appendix A)** per hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites, and at the rate of **(Appendix C and D)** per hour for each hour worked by other SMART Local Union #40 apprentices in his/her employ. Such contributions shall be forwarded by the Employer to the Sheet Metal Workers' Local No. 40 Health Fund no later than the twentieth (20th) day of the following month for which contributions are made.

The Employer shall pay monthly to the Sheet Metal Workers' Local No. 40 Health Fund (a) , at the rate set by the Health Fund Trustees, for each hour worked by each pre-apprentice employed by the Employer, provided that the new rate will not take effect until at least 30 days after the Employer has received written notice of the new rate, and (b) at the rate of **(Appendix C)** per hour for each hour worked by each apprentice employed by the Employer who started as a pre-apprentice and has not yet become eligible for active members' benefits under the Health Fund.

Those contributions shall be used to provide health benefits to pre-apprentices, but not for their families, in such amounts, at such times and on such terms as may be determined by the trustees of the Health Fund.

3. Local Pension Fund. The Employer shall pay monthly to the Sheet Metal Workers' Local No. 40 Pension Fund at the rate of **(Appendix A and B)** per hour for each hour worked by all journeypersons, at the rate of **(Appendix A)** per hour for each hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites, and at the rate of **(Appendix C)** per hour for each hour worked by other SMART Local Union #40 apprentices in his/her employ. Such contributions shall be forwarded by the Employer to the Sheet Metal Workers' Local No. 40 Pension Fund no later than the twentieth (20th) day of the month following the month for which contributions are made.

4. Sheet Metal Workers Local 17 Annuity Income Fund at the rate of **(Appendix A,B,D and E)** per hour for each hour worked by all journeypersons, at the rate of **(Appendix A)** per hour subject to applicable legal limits for each hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites, and at the rate of **(Appendix C and D)** per hour for each hour worked by other SMART Local Union #40 apprentices in his/her employ. Such contributions shall be forwarded by the employer to the Sheet Metal Workers Local 17 Annuity Income Fund no later than the close of business on or before the fifteenth (15th) day of the second month following the month in which the hours were worked.

5. Equity (Labor Management Cooperation) Fund. A. For all work on and after July 1, 1998, the Employer shall pay monthly to the SMART Local No. 40 Labor Management

Cooperation Fund at the rate of **(Appendix A or B)** per hour for each hour worked by all journeyperson Sheet Metal Workers in his/her employ and at the rate of **(Appendix A)** per hour for each hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites. Such contributions shall be forwarded by the Employer to the SMART Local No. 40 Labor Management Cooperation Fund, in care of the **Business Office of SMART Local Union #40, 100A Old Forge Road, Rocky Hill, CT 06067**, no later than the twentieth (20th) day of the month following the month for which contributions are made.

B. The Employer agrees to be subject to and incorporate by reference herein provisions of the SMART Local No. 40 Labor Management Cooperation Fund Trust Agreement and all Trust Fund rules, including those on bonding, delinquency, and the Union's work stoppage authority, all as described in said Trust Agreement rules or in Addendum III of this Agreement.

6. The Employer shall report hours worked in the previous month by the seventh (7th) of each month. Monies due per the monthly bill from the Sheet Metal Workers' Local No. 40 Fringe Benefit Office are due and payable by the twentieth (20th) of each month for all hours worked by all covered employees and should be sent to the **Sheet Metal Workers' Local No. 40 Fringe Benefit Fund Office, 100 Old Forge Road, Rocky Hill, CT 06067.**

7. National Pension Fund. The Employer shall pay monthly to the Sheet Metal Workers' International Pension Fund at the rate of **(Appendix A-E)** per hour for each hour worked by all journeypersons and apprentice Sheet Metal Workers in his/her employ. Such contributions shall be forwarded to the Sheet Metal Workers' International Pension Fund no later than the twentieth (20th) day of the month following the month for which contributions are made. The Employer agrees to remit payments to the **Sheet Metal Workers' National Benefits Fund, P. O. Box 79321, Baltimore, MD 21279-0321** for each employee covered by the said Collective Bargaining Agreement according to the Standard Form of Participation Agreement.

8. Notwithstanding any other provisions of this Agreement, for the purpose of the provisions of Addendum III, Health Fund, Pension Fund and Sheet Metal Workers' Local No. 17 Annuity Income Fund Contributions, regarding contributions by the Employer to the Sheet Metal Workers' Local No. 40 Pension Fund (the "Pension Fund"), to the Sheet Metal Workers' Local No. 17 Annuity Income Fund and to each other local or national fringe benefit fund referred to in this Addendum III, persons in the employ of the Employer who qualify as "Sheet Metal Superintendents" shall be members of the bargaining unit and shall be covered by this Agreement. The term "Sheet Metal Superintendents" shall include each person who is a member of the Union working in a capacity, which contributes, to the sheet metal trade and the work covered by this Agreement.

Contributions for Sheet Metal Superintendents shall be subject to the administrative rules of the Funds regarding acceptance or return of contributions, as the fund may deem necessary to protect its status for tax purposes, reporting of contributions and auditing of payroll records.

9. To ensure uniform compliance with the Wage and Fringe Benefit provisions of this Agreement, the parties agree that a Representative of the Union/Management, or any auditor designated by the Union/Management shall have the right to review all payroll, monthly fringe benefit reports (for either or both home and job site local), time tickets, etc. necessary to validate compliance with the wage equalization provisions of this Agreement.

   Such review shall be made only after written notice to the individual employer under review and shall not unduly interfere with the operation of the employer. This requirement shall be applicable to all contractors bound by the Collective Bargaining Agreement, including out-of-town contractors who perform work in the area under a Participation Agreement or Reciprocal Agreement.

10. Solely for the purposes of creating an historical record, the parties acknowledge that in a document labeled Amendment to and Extension of Agreement executed by the Union on November 2, 2009, they agreed to dedicate to the Local Pension Fund contributions that would otherwise be made to the Local Pension COLA, the Equity Fund Lab/Man. Cooperation Fund, the Local Apprentice and Training Fund, and the Local Industry Fund on one-eighth of all hours worked under this Agreement between November 1, 2009 and June 30, 2010, as shown on the Appendix A in effect at that time.

11. The parties to this Agreement recognize that the Local Health Fund, the Local Pension Fund, and the Sheet Metal Workers' Local No. 17 Annuity Income Fund may choose to be bound by Reciprocal Agreements that require the transfer of contributions from those Funds to fringe benefit funds maintained in or for members of an individual's "Home Local" union and agree that transferring of contributions in compliance with any such Reciprocal Agreement will not be deemed a violation of this Agreement.

ADDENDUM IV
TRAVEL EXPENSE

Travel pay shall be paid at the Internal Revenue Service Standard Rate per mile, for all miles over fifteen (15) miles. This will be a true free zone with no travel paid inside the fifteen (15) mile zone. Maximum travel expense per day will not exceed ten dollars and fifty cents ($10.50) within the border of Connecticut.

Example: If the job site is eighteen (18) miles from the employee's home or shop, whichever is closer, mileage would be 18 miles minus the 15-mile free zone equals 3 miles times the adjusted rate per mile times 2 ways (back and forth).

(A) Travel expense rate per mile will be reviewed on January 1st of each year of this Agreement and will be adjusted to meet the Internal Revenue Standard Rate.

(B) All miles shall be measured in miles actually traveled by the shortest practicable route.

(C) The Employer agrees to pay all tolls paid by each employee traveling over the shortest practicable route to the job. No tolls shall be paid by the Employer when the job is within the fifteen (15) mile free zone.

(D) No man shall be permitted to ride on any truck except in the cab of said truck, or when the truck is equipped to carry passengers according to the state law.

(E) Any employee going to a travel job (over 15 miles) required to report to the shop to pick up a vehicle before working hours will be paid full Travel for all miles traveled. (No Free Zone and no $10.50 per day cap)

(F) Any employee required to report to the shop going to a non-travel job (less than 15 miles) will be considered on the clock at the start of their workday and will report back to the shop by the end of their workday.

(G) Any employee required to report to a project outside of Connecticut, in addition to the compensation listed above, shall be compensated for all miles paid at the IRS established rate one way.

ADDENDUM V
ROOM AND BOARD

1. Room and Board will not be paid within the jurisdiction of Local Union #40.

2. Room and Board, both of good quality, shall be paid for by the Employer on a seven (7) day basis to all employees actually rooming and boarding at or near a job site.

3. A sum posted on the GSA.Gov/Per Diem Rates to meet expenses shall be advanced to all employees sent out on Room and Board jobs.

4. Employees traveling to and from a Room and Board job shall be compensated at the Internal Revenue Service Standard Rate per mile at the start of the job, completion of the job, any interruption of the job, or the Employer shall furnish good quality transportation to and from the job.

ADDENDUM VI
UNION STEWARDS

1. The Union Steward, on the job or in the shop, shall be appointed by the Business Manager.

2. A Steward in the shop shall have three (3) years of employment with the Employer to be eligible unless there are no other journeypersons available.

3. Each such Steward, if qualified to perform the work, shall be the last person to be discharged from any shop or jobsite. On a jobsite project only, and with permission from the Business Manager or Business Representative, a Union Steward may be discharged in the event the crew size is down to the existing project Foreman, the Union Steward and one apprentice.

4. The Union Steward shall not be discriminated against, transferred from the job site or shop without the permission of the Regional Manager or Business Representative or discharged for the performance of duties as such working steward.

5. Any dispute arising over the interpretation of this Section shall be subject to adjustment under the provisions of ARTICLE X of the Standard Form of Union Agreement within forty-eight (48) hours.

    (a) It is further agreed that there shall not be work or compensation stoppage for the Steward until such meeting is held and a decision is made.

6. No Steward shall have the authority to stop any work.

7. The Steward, if qualified to perform the work, shall be employed on all overtime worked in the shop or on the job where he/she is acting as Steward. However, the Steward shall not replace any employees already working on the job, whether in the shop or on the job.

8. The Employer shall be notified by the Union when Stewards are appointed.

9. The Stewards, both in the shop or on the job, shall be the first person other than the Foreman to return to work in the shop or on the job after a layoff or temporary interruption of work, which consists of less than thirty (30) regular working days, unless the Steward is elsewhere employed at the time work resumes.

10. The Shop Steward will be provided information on territories of jobs, job numbers, and local union areas.

ADDENDUM VII
FOREMEN (MEN/WOMEN)

1. It is mutually agreed that the minimum pay for Foremen (Men/Women) shall be paid at four percent (4%) per hour over the total package. Also, that General Foremen (Men/Women) shall be paid at seven percent (7%) per hour over the total package on all wage rates.

2. Any or all foremen (Men/Women) shall be a Sheet Metal journeyperson, and NOT from another craft.

3. All Contractors working within the jurisdiction of Local #40 signatory to any Sheet Metal Workers' International Association and Standard Form of Agreement, shall employ at least one (1) journeyperson member of Local #40 as a Foreman (Man/Woman).

4. The ratio of Foremen is as follows:

   1 Foreman to 5 Journeymen. The ratio shall remain the same as additional Journeyman are on the jobsite.

5. The ratio of General Foremen is as follows:

   For every sixteen (16) sheet metal workers on a job site, not including the foremen, a General Foreman will be appointed to oversee the project.

6. Employers agree that all General Foremen and Foremen are covered by all terms and conditions of the Collective Bargaining Agreement.

6\. Nothing in the language shall be construed to mean that the Contractor cannot pay more than the agreed percent for General Foremen and Foremen.

ADDENDUM VIII
OWNER/MEMBER PROVISION

1. Bargaining unit employees hereunder shall include Owner/Members, defined to mean employees of incorporated employers who: (a) are officers, directors, or majority stockholders, (or spouses, children of officers, directors or majority stockholders) of an incorporated employer, and (b) perform work covered by the terms of this Agreement, and (c) are listed on a registration statement filed with the Sheet Metal Workers' Local No. 40 Funds Office. Contributions on behalf of owner/members shall be made to the Sheet Metal Workers' Local No. 40 Health Fund, the Sheet Metal Workers' Local No. 40 Pension Fund, the Sheet Metal Workers Local No. 17 Annuity Fund, the Sheet Metal Workers' Apprentice and Training Fund, and the Sheet Metal Industry Fund, Inc. for all hours on and after November 1, 1996 for which the owner/member is paid or entitled to payment, except the minimum number of hours on which contributions are made for work after 2006 shall be:

   (A) Forty (40) hours per week, for at least 50 weeks per calendar year of employment, or
   (B) One Hundred (100) hours per month, for a first-time owner/member during his company's first twenty-four (24) months as a contractor signatory to a collective bargaining or participation agreement in the sheet metal industry anywhere in the United States.

   A first-time Owner/Member is an individual employed by a company that has been a signatory contractor for less than twenty-four (24) months, and who has never before been contributed on as an Owner/Member to said Health, Pension, Supplemental Retirement, Apprentice and Training, or Industry Funds and all Local Union Funds.

   For work on and after January 1, 2007, in no event will an Owner/Member be entitled to hours, eligibility, contributions, or pension credit under said Health, Pension, or Supplemental Retirement Funds unless contributions are actually made on such Owner/Member's behalf.

   A 24-month period that has not expired by January 1, 2008 will be extended to December 31, 2008 (and thereafter the 24-month period may be extended, for periods and under conditions established in the discretion of the Boards of Trustees of said Funds), for a company while it has only one Owner/Member, has no employees, and is current on all contributions and interest due to and on all settlement agreements with said Funds. The extension will end immediately if such a company hires an employee or brings in another owner, or becomes delinquent in any contributions, interest, or settlement agreement installments due to said Funds.

2. Owner/members are those who perform work covered by the terms of this Agreement and are listed on the registration statement filed with Sheet Metal Workers' National Pension Fund. Contributions on behalf of owner/members shall be made to the National Pension Fund for all hours for which the owner/member is paid or entitled to payment. In

any event, however, no less than minimum regular hours per week as required by this Agreement for all bargaining unit employees shall be paid. The term “minimum regular hours per week” shall be defined as the number of hours per week for which an employee received straight time wages.

3. The signatory contractors who fall under the category of owner/member shall be subject to special rules and provisions established from time to time by the trustees of SMART Local Union #40 Fringe Benefit Funds that are applicable only to this classification of signatory contractors.

ADDENDUM IX
SHEET METAL INDUSTRY APPRENTICE AND TRAINING FUND

1. The Employer shall pay monthly to the Sheet Metal Workers’ Industry Apprentice and Training Fund at the rate of **(Appendix A or B)** per hour for each hour worked by all journeypersons, at the rate of **(Appendix A)** per hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites, and at the rate of **(Appendix C)** per hour for each hour worked by other SMART Local Union #40 apprentices in his/her employ. Such contributions shall be forwarded by the employer to the Sheet Metal Industry Apprentice and Training Fund no later than the twentieth (20^{th}) day of the following month for which contributions are made. This Fund shall be used to conduct programs of Industry Education, and Training, such programs serving to expand the market for the services of the Sheet Metal Industry, improve the technical skills and job opportunities for journeypersons and Apprentice Sheet Metal Workers. Such Fund shall be administered and controlled jointly by a committee of an equal number of Employer and Union Trustees as provided by Section 302(c) of the Taft-Hartley Act.

2. There shall be instituted a four (4) year Apprenticeship Training Program for all apprentices. All Local Fringe Benefits for all apprentices will be pro-rated by the percentage of earnings in the Apprenticeship Program **(Appendix C).**

3. It is mutually agreed that the 3 to 1 Apprentice ratio shall not be exceeded in either shop or job site.

4. The parties to this Agreement hereby agree that the Sheet Metal Industry Apprentice and Training Fund shall be permitted to require all students, whether apprentices, pre-apprentices, or journeypersons, to sign "scholarship loan agreement" documents requiring the student to pay and repay the Fund an amount equal to all or a portion of the cost of training programs and supplies available to that student if the student withdraws voluntarily or involuntarily prior to completing the Fund's standard curriculum or withdraws voluntarily or involuntarily from the Union at any time before or after completing that curriculum. The purpose of this provision is to satisfy the requirements for the exception contained in Section 31-51r(c)(4) of the Connecticut General Statutes, to the extent it is deemed applicable despite the fact that students are not employees of the Fund.

ADDENDUM X
AIR HANDLING EQUIPMENT

1. In the temporary operation of this equipment (fans, blowers) in a new building or addition to an existing building shall be the jurisdiction of SMART Local Union #40.

2. If the equipment is accepted by the owner or their representative, the Union agrees to relinquish their jurisdiction.

3. Where other mechanical trades relinquish their jurisdiction over temporary operation of the equipment, the Union agrees to also waive this requirement.

ADDENDUM XI
SHIFT WORK

1. 15% increase of money in envelope ~ 2nd shift.
   20% increase of money in envelope ~ 3rd shift.
   15% Increase of money in envelope for any single shift outside the regular working Day as described in Addendum 1 Section 2.

   Shift work to be considered Monday through Friday only, with a minimum of three (3) days. Any signatory contractor to this Agreement may utilize their existing work force for the 2nd or 3rd shift. If the employer utilizes existing employees for the 2nd or 3rd shift, they must replace that employee from the Union Office for the 1st shift. The Employer will have the right to refuse the first referral. Foremen (men/women) for shift work shall be supplied by the employer. Referral employees shall remain employed until an equal reduction in the workforce from the 2nd or 3rd shift takes place. Notwithstanding the foregoing, it may be necessary to schedule work and it may be performed in a manner that causes the least disruption to the project. Therefore, the purpose is that a second shift and/or third shift may be established as the first shift. This may require an adjustment of the starting time of those shifts – only with documentation of bid conditions and with the permission of the Regional Manager and or Union Representative.

2. Shift work provisions for Addendum XXVIII work shall be the same shift work provisions applicable in this Addendum.

ADDENDUM XII
REFERRAL SYSTEM

Every 5th new hire will be referred to the Contractor by SMART Local Union #40 Business Office. The Contractor will have the right to refuse the first referral. After the first referral, and in the event the Contractor and the local union cannot agree on acceptance of a referral by the local union, the matter will be referred to the Local Joint Adjustment Board for resolution.

ADDENDUM XIII
PRODUCTION WORK

The Employer who desires to engage in production work in his/her shop shall be subject to the terms of this Agreement unless he/she shall negotiate with the Union a plan or agreement which will modify or amend the terms of this Agreement.

ADDENDUM XIV
MISCELLANEOUS

1. Any Contractor working within the jurisdiction of Local Union #40 shall provide a suitable shanty on all job sites where there are over ten (10) employees for thirty (30) days or more. The shanty shall be heated during the months of November through March if job conditions can support an approved heat supply.

2. There will be a ten (10) minute coffee break between the hours of 7:00 A.M. and 12:00 P.M.

3. Parking shall be paid by the Employer upon presentation of stamped receipt for parking expense. Parking will be paid on the basis of the least expensive parking available where the job site is located.

4. It is mutually agreed that all employers shall provide adequate tool chests or sheds on the jobs in the field, so that Employer's and employee's tools can be safely and reasonably stored when not in use. If the company's tool chest or shed is broken into and personal tools and toolboxes are stolen, in order to be eligible for tool replacement under the terms of this agreement, a police report indicating the stolen items must be filed with the local police department.

   - Only those tools specified below under minimum tools required will be eligible for replacement under this addendum.
   - Tool replacement shall not exceed $300 per employee.
   - Employees are responsible for replacement of tools and reimbursement for lost tools will be made to the employee by the employer upon submittal of receipts for the purchase of stolen tools. Where agreeable, the employer may reimburse the tools lost directly to the employee by replacing the stolen tool with a like or similar tool.

MINIMUM TOOLS REQUIRED

Sheet Metal Hammer	8" x ¼" Screwdriver
8" Adjustable Wrench	Vice Grips (2)
Scratch Awl	12" Combination Square
Right and Left Snips	6' Folding Ruler
25' Tape Measures	Sheet Metal Bulldog Shears
Hack Saw	Plumb Bob

Felt Marking Pen	Bending Tongs
Toolbox with Lock	Drift (Lineup) Pin
Channel Lock Pliers	5/16" Nut Driver
Torpedo Level	Keyhole Saw
Allen Wrench Set	Tool Pouch / Apron

5. If an Employee is instructed to load a vehicle, they will be considered on the clock and paid their hourly wage from that time.

6. If an Employee is required to be transported to the jobsite from a designated area, there will be an equal amount of time given from the Employer and the Employee.
Example: If an Employee is required to be at the designated area 15 minutes prior to starting time, they will leave the jobsite 15 minutes early.

7. The Employer will provide first aid kits on all job sites and shop areas.

8. It is mutually agreed that journeypersons and apprentice sheet metal workers shall abide by all OSHA regulations.

9. It is mutually agreed that safety job box meetings will be held.

10. The Business Representatives of the Union shall have the privilege, at all times, of going through shops, premises, or buildings where work is being performed in order to examine the cards of members employed there and transact any other business he/she may have to perform.

11. It is agreed that this Agreement shall not be entered into with any but duly recognized sheet metal contractors. A duly recognized sheet metal contractor shall be interpreted to be any sheet metal contractor capable of performing work covered in Article I, Section 1 of the Standard Form of Union Agreement.

12. Computer language ~ The preparation of all required forms or computer take-off sheets taken from architectural and engineering drawings or shop and field sketches, the inputting of information into the computer after it has been prepared shall be the responsibility of the sheet metal workers. The operation of the cutting table, including the installation of punch tapes, shall be the responsibility of the sheet metal workers.

13. In the event that the Employer or Contractor is not subject to the Unemployment Compensation Act of the State of Connecticut, he/she shall voluntarily subject themselves to the provisions of said Act as provided therein, and he/she shall continue to be subject to its provisions throughout the life of this Agreement.

14. The Employer or Contractor agrees that he/she shall carry Workers' Compensation throughout the life of this Agreement as specified in the statutes of the state of Connecticut, regardless of the number of employees. The Employer shall cause

certificates of liability to be filed with the Union by an insurance carrier recognized to do business in the state of Connecticut.

15. Whenever possible, the Contractor shall post the wage rates for any Resolution #78 conditions on the job site and must post the wage rates in the shop.

16. No journeyperson or apprentice shall be required to go through a legally established picket line. No employee shall be disciplined or discharged for such refusal.

17. The Employer agrees to employ only Union sheet metal workers for the intermittent operation of electrical hoists used for any work described in Article I, Section 1 of the Standard Form of Union Agreement.

18. When air pollution control systems are fabricated and installed for the purpose of removing air pollutants, excluding HVAC systems within the jurisdiction of the SMART Local Union #40, the higher wage scale of the jobsite union shall be paid to the employees employed on such work in the home shop or sent to the jobsite.

19. It is mutually agreed that no personal electronic devices i.e., cell phones, iPad, iPod, music players ect., will be allowed to be used at any time on the jobsite or in the shop during working hours (excluding lunch breaks).

If a member is found using a personal electronic device the following disciplinary procedure will be followed:

Step 1 – 1st offense	Written warning a copy of which must be sent to the Union office.
Step 2 – 2nd offense	Written warning a copy of which must be sent to the Union office.
Step 3 – 3rd offense	Possible termination with good lay off slip.

All offenses must occur within a six-month period at a single employer and the Union office must be notified about each offense to be considered valid. Any violation that is more than six months old must be removed from the employee's record and any remaining violations (if applicable) will be moved up to a lesser step in the procedure.

Electronic devices supplied by the contractor may be used by the employees for business-related calls. The Union office will be supplied with an accurate list of names and phone numbers for any employee that is issued a company phone.

Job or shop stewards may use their electronic devices for communications with the Business Manager or Business Representatives about jobsite issues that either party need to be made aware of.

Emergency situations where immediate access to electronic devices is required must be authorized by the project Foreman as well as the Business Representative covering the area.

ADDENDUM XV
PROJECT REPORTING FORMS

1. The Employer agrees that they will report to the Union Office all projects undertaken on the forms provided by the Union for that purpose.

2. Reporting forms will contain the following information:

   Job name and location
   General contractor
   Mechanical contractor
   Description of work
   Private or public sector

3. Reporting forms will be submitted to the Union office (Fax or Mail) before the start of the project.

ADDENDUM XVI
STABILIZATION AGREEMENT OF SHEET METAL INDUSTRY

1. It is agreed that the Employer shall make monthly payments of an amount equal to three percent (3%) of the gross earnings of each employee subject to this Agreement to the National Stabilization Agreement of Sheet Metal Industry (SASMI). Gross earnings, for the purpose of this Agreement, shall mean (a) total wages paid to an employee by the Employer which is reportable by the employee for Federal Income Tax purposes, and (b) any and all contributions paid by such Employer on behalf of the employee to a Pension, Supplemental Retirement, and/or Health Fund.

2. The Employer agrees to adopt the National SASMI Trust as presently constituted and as the same may be amended from time to time, to be bound by all rules and regulations of the plan as adopted by the Trustees, as presently existing and as the same may be amended from time to time, and to sign the Standard Participation Agreement prescribed by the Trustees as a condition of becoming party to and participant in such Trust.

3. The Employer shall pay the (3%) of the gross earnings based on (a & b) of Section one (1) of this addendum to the Stabilization Agreement of the Sheet Metal Industry Fund at the rate of **(Appendix A or B)** per hour for each hour worked by all journeypersons at the rate of **(Appendix A)** per hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites, and at the rate of **(Appendix C)** per hour for each hour worked by other SMART Local Union #40 apprentices in his/her employ. Such contributions shall be forwarded by the employer to (SASMI) no later than the twentieth (20th) day of the month following the month for which contributions are made. The employer agrees to remit payment to **Sheet Metal Workers' National Benefits Fund, P. O. Box 79321, Baltimore, MD 21279-0321.**

ADDENDUM XVII
SCHOLARSHIP FUND

The Employers will contribute to the Scholarship Foundation, Inc. one cent ($0.01) per hour for each hour worked by each employee of the Employer covered by this Agreement. This contribution is included as part of the National Funds contribution listed on Appendices A, B, C D, and E. Payment shall be made before the twentieth (20^{th}) day of the succeeding month and shall be remitted to the **Sheet Metal Workers' National Benefits, P.O. Box 79321, Baltimore, MD 21279-0321.**

ADDENDUM XVIII
UNION OFFICE ASSESSMENTS

The Employer shall deduct Union Office Assessments **(Appendix A, B, D and E)** for each hour worked for all journeyperson sheet metal workers in their employ and shall deduct Union Office Assessments **(Appendix C)** for each hour worked by all registered apprentices working on Davis-Bacon (Prevailing Wage) job sites and by other SMART Local Union #40 apprentices in his/her employ. The Union reserves the right to allocate and administer **(Appendix A, B, C, D and E)** from the Union Office Assessment for whatever is determined by the Union for the Youth-to-Youth Program (Organizing Fund). This deduction shall be made from envelope wages and shall be forwarded to the **Business Office of SMART Local Union #40, 100A Old Forge Road, Rocky Hill, CT 06067**, no later than the twentieth (20^{th}) day of the month following the month for which contributions are made.

ADDENDUM XIX
P.A.L.

The Employer agrees to honor political contribution deduction authorizations from its employees who are Union members. A form will be provided for the member by the Local Union for this purpose. This deduction of $0.05 for each hour worked from the envelope wages shall be forwarded to the **Business Office of SMART Local Union #40, 100A Old Forge Road, Rocky Hill, CT 06067** no later than the twentieth ($20^{th)}$ day of the month following the month for which contributions are made.

ADDENDUM XX
SMART LOCAL UNION #40 P.A.C.

The Employer agrees to honor political contribution deduction authorizations from its employees who are Union members. A form will be provided for the member by the Local union for this purpose. This deduction of $0.02 for each hour worked from the envelope wages shall be forwarded to the **Business Office of SMART Local Union #40, 100A Old Forge Road, Rocky Hill, CT 06067** no later than the twentieth ($20^{th)}$ day of the month following the month contributions are made.

ADDENDUM XXI
INTEGRITY CLAUSE

1. A "bad – faith Employer" for the purposes of this Agreement is an Employer that itself, or through a person or persons subject to an owner's control, has ownership interests (other than a non-controlling interest in a corporation whose stock is publicly traded) in any business entity that engages in work within the scope of SFUA Article I, using employees whose wage package, hours and working conditions are inferior to those prescribed in this Agreement or, if such business entity is located or operating in another area, inferior to those prescribed in the Agreement of the sister local union affiliated with the International Association of Sheet Metal, Air, Rail and Transportation Workers, AFL-CIO in that area.

2. An Employer is also a "bad – faith Employer" when it is owned by another business entity as its direct subsidiary or as a subsidiary of any other subsidiary within the corporate structure thereof through a parent-subsidiary and/or holding-company relationship, and any other business entity within such corporate structure is engaging in work within the scope of SFUA Article I, using employees whose wage package, hours and working conditions are inferior to those prescribed in this Agreement or, if such other business entity is located or operating in another area, inferior to those prescribed in the Agreement of the sister local union affiliated with the International Association of Sheet Metal, Air, Rail and Transportation Workers, AFL-CIO in that area.

3. Any Employer that signs this Agreement or is covered thereby by virtue of being a member of a multi-employer bargaining unit expressly represents to the Union that he/she is not a "bad – faith Employer" as such term is defined in Section 1, hereinabove and, further, agrees to advise the Union promptly if at any time during the life of this Agreement said Employer changes its mode of operation and becomes a "bad – faith Employer". Failure to give timely notice of being or becoming a "bad – faith Employer" shall be viewed as fraudulent conduct on the part of such Employer.

4. In the event any Employer signatory to or bound by this Agreement shall be guilty of fraudulent conduct as defined above, such Employer shall be liable to the Union for liquidated damages at the rate of $500.00 per calendar day from the date of failure to notify the Union until the date on which the Employer gives notice to the Union. The claim for liquidated damages shall be processed as a grievance in accordance with, and within the time limits prescribed by, the provision of SFUA Article X.

ADDENDUM XXII
RECOGNITION CLAUSE

Following a demand by the Union for recognition as a 9(a)-majority collective bargaining representative, the Employer recognizes the Union as a Section 9(a) majority collective bargaining representative for all sheet meal employees performing unit work based upon a showing by the Union or an offer by the Union to show evidence that the majority of the employees authorize the Union to represent them in collective bargaining.

ADDENDUM XXIII
SUB-CONTRACTING

1. The Employer shall not sub-contract, sublet, delegate, or assign to any firm, individual or corporation outside the jurisdiction of the Union, any work covered under Article I, Section 1 of the Standard Form of Union Agreement, except with the written consent of the Union.

2. When signatory contractors in the Local Union #40 area sub-contract to other signatory contractors (in the jurisdiction of SMART Local Union #40) they will be required to provide notification of such sub-contracting to the Business Manager or the Business Agent of the Local Union. Nothing in this language shall be construed to mean that the Contractor must obtain permission to sub-contract. The objective of this language is solely for purposes of advising the local union that sub-contracting work to other signatory contractors is taking place.

ADDENDUM XXIV
FAVORED NATIONS CLAUSE

Should it be found that more favorable conditions exist for work to be performed within jurisdiction of SMART Local Union #40, then said conditions shall be made available to all signatory contractors performing work of a similar nature. The conditions of the Favored Nations Clause shall be applicable to all categories of work covered under the terms and conditions of this collective bargaining agreement.

ADDENDUM XXV
NON-DISCRIMINATION POLICY

There shall be no discrimination in the referral, hiring, placement, classification, upgrading, layoff or termination of employment of any person by reason of race, creed, color, sex, national origin, membership, or non-membership in the Union.

ADDENDUM XXVI
ARCHITECTURAL/SHEET METAL MAKE-UP DAY

With respect to the Architectural/Sheet Metal Work performed under this Agreement, the following terms and conditions shall apply:

A) Effective October 1st through May 15th of each year, a "Saturday Make-Up Day" will be provided for Local Union #40 employees of Local Union #40 area Architectural Sheet Metal contractors only, who lose in the field, eight (8) or more hours in a given work week due to inclement weather.

B) Resolution #78 will be available through the Local Union #40 Business Manager or Agent between May 16th and September 30th of each year for a make-up day in the field for projects within the Local Union #40 jurisdiction only.

C) The rate of pay on such "Saturday Make-Up Day" shall be at the rate of time and one half for the first four hours of the day, and straight time for the next four hours of the day.

D) The "Saturday Make-Up Day" shall be a full eight (8) consecutive hours. Employees working on the project for which a "make-up day" is required shall be given the first opportunity for working the "make-up day." No employee shall be penalized in any fashion for refusal to work on the "Saturday Make-Up Day."

ADDENDUM XXVII
TESTING AND BALANCING

Testing and balancing uses a specialized field of Local Union #40 employees, therefore all aspects of the Union Agreement as written for sheet metal workers may or may not apply to testing and balancing employees and the testing and balancing contractors. There are certain areas, especially as follows, that should be incorporated since they apply strictly to the testing and balancing employees and the testing and balancing contractors:

1. The regular working day shall consist of eight (8) hours labor on the job site between 6:00 A.M. and 6:00 P.M.

2. Testing and balancing apprentices will adhere to the specialized apprentice program as established by the JATC and the testing and balancing JATC subcommittee. The JATC, apprentices, and contractors will adhere to the typical work experience and related training as per "Connecticut State Apprentice Council Testing and Balancing Technician DOT #007.181.010" as submitted and approved.

3. Apprenticeship ratio typically is 1:1 for testing and balancing contractors since the majority of projects require only one technician and thus any training of apprentices would be a one-to-one basis. The requirement for apprentices is usually based upon the project size and the future requirements for trained testing and balancing technician journeypersons.

4. Travel expenses for employees of testing and balancing contractors shall be as follows:

   The Testing and Balancing employer agrees to compensate employees driving their personal vehicle at the Internal Revenue Service Standard Rate per mile each way for all miles traveled from shop to job, or home to job, whichever is less. The schedule is based on a full eight (8) hour day on the job or in the shop.

Travel expense will be revised on January 1st of each year of this Agreement with rate per mile adjusted to meet the Internal Revenue Service Standards.

It shall be permissible for the employee to transport the instruments, tools, balancing devices, and a stepladder necessary to perform the balancing procedures, in the employee's vehicle. Said instruments and tools are to be provided by the Employer except those set forth as hand tools in Addendum XIV of this Agreement. Each employee shall sign out for the instruments and shall be fully responsible for their return when not in use.

The Contractor may furnish employees with contractor owned vehicles. Employees furnished with Contractor owned vehicles that are used daily for traveling from home to job or shop and from job or shop to home shall not be paid mileage providing the Contractor pays all expenses for that vehicle. The full eight (8) hour day on the job still applies.

5. Testing and Balancing Apprentice Rate schedule is as follows:

1st Year	60%
2nd Year	70%
3rd Year	80%
4th Year	90%

Testing and Balancing Apprentices shall not be eligible to advance to the 4th Year 90% rate until they have successfully completed the Tabb Certification written exam. To be eligible to receive 100% of the journeyman wages, Testing and Balancing Apprentices must successfully complete either the Tabb Certification practical exam or the State of Connecticut License exam. Once a Testing and Balancing Apprentice has successfully completed the Tabb Certification practical exam, they will receive a $.25 per hour increase above journeyman wages.

6. If a journeyman Sheet Metal Worker wishes to enter the Testing and Balancing industry, they will receive one (1) years credit towards their Testing and Balancing apprenticeship. They will start at the 2nd Year wage rate and follow the same rate schedule as is established for the Testing and Balancing Apprentice.

ADDENDUM XXVIII
MARKET RECOVERY PROGRAM

1. All signatory contractors bidding work under the terms and conditions of this addendum must request Market Recovery program approval from the Regional Manager or Union Representative of SMART Local Union #40 prior to the bid date. Any signatory contractor securing work under the terms and conditions of this addendum must advise the Business Office of SMART Local Union #40 of the project on a form provided for this purpose by the Union Business Office.

Market Recovery program approval and funding may be withdrawn by the Regional Manager of SMART Local Union #40 at any time when fringe benefit fund contributions are delinquent to the Local Health Fund, the Local Pension Fund, the Local Supplemental Retirement Fund, or the Local Apprentice & Training Fund.

2. There shall be no work stoppages or jurisdictional disputes on projects covered under this Addendum.

3. Work covered under this addendum shall not exceed $500,000 for any given HVAC project excluding units provided they are not in the scope of work in the bid package on which there is open shop competition. In the event that the provisions of this addendum are not sufficient to meet open shop competition on projects beyond the defined scope of this addendum, the Regional Manager or Union Representative of SMART Local Union #40 shall be empowered under the terms of Resolution #78 to extend the provisions of this addendum. There shall be no Resolution #78 Relief granted with respect to contributions to the Sheet Metal Industry Fund, Inc unless agreed to by management.

4. Under the terms of this addendum there shall be an eight (8) hour workday and forty (40) hour work week for HVAC projects.

5. There shall be no travel provisions (travel expense) under this addendum.

6. On all projects covered by this addendum the journeyperson/apprentice ratio shall be in conformist with state statutes.

7. Local #40 members manning this work shall first be utilized from the employer's existing work force if possible. All new hires working on projects covered by this addendum will be by referral from the Regional Manager or Union Representative of the Local Union Office.

8. The total journeyperson contractual obligation of the contractor employing workers under this addendum shall be at the rate of **(Appendix B).**

9. The total apprentice contractual obligation of the contractor employing workers under this addendum shall be at the rate of **(Appendix C).**

10. In the event there is any misuse of this addendum, the employer in question shall pay all attorney, audit, and collection fees. The employer shall also pay all wages and fringe benefits as per the Building Trades Agreement (Master Agreement), plus a 25% fine based on the total package differential, with all fines going to the Sheet Metal Local #40 Industry Apprentice and Training Fund.

11. With respect to the Architectural/Roofing Contractors, the following provisions shall apply under this addendum:

    a) Work covered under this addendum at the wage rate called for in **(Appendix B)** of this agreement shall be limited to gutters and leaders.

b) On architectural sheet metal work covered under this addendum, the work shall consist of five (5) consecutive eight (8) hour days totaling forty (40) hours on the job site, and there shall be no travel pay provisions for this type of work.

c) In order to expand the Architectural/Roofing Provisions, the contractor must submit a request for Resolution #78 to the Local Union Business Manager.

12. Labor and Management agree to review the terms and conditions of this addendum at least annually. In the event Labor and Management cannot agree to any new terms and conditions in this addendum, the resolution of any unresolved issues shall be submitted to the NJAB for resolution by either party.

ADDENDUM XXIX
RESIDENTIAL/LIGHT COMMERCIAL SERVICE AND DUCT CLEANING ADDENDUM TO THE STANDARD FORM OF UNION AGREEMENT

This Addendum amends the Standard Form of Union Agreement only to the extent specifically stated and all other Articles, Sections, and Addendums shall remain in full force and effect without modification or exceptions.

No journeyperson sheet metal workers or apprentices, presently or on the Employer's payroll, at the time of the signing of this Addendum shall suffer any reduction of pay or loss of fringe benefit of any other monetary compensation of benefits as a result of the signing of the Addendum, unless mutually agreed to by the Employer and Union and nothing shall preclude the payment of a higher rate at the discretion of the Employer.

~ HVAC ONLY~

This Addendum does not apply to Work that is subject to Davis-Bacon (Prevailing Wage) or Posted Rates.

ARTICLE 1 of Addendum XXIX
Coverage

This Addendum covers the rates of pay, rules, and working conditions of all employees of the Employer engaged in fabrication, erection, installation, repairing, and alterations of all residential/light commercial heating and air conditioning systems.

ARTICLE 2 of Addendum XXIX
Residential/Light Commercial

The definition of Residential/Light Commercial Work is the fabrication and installation of all HVAC systems used within a light commercial or residential building of any type. Light commercial and residential is a building with single air handling units in the aggregate not to exceed 35 tons of cooling, or fans or blowers in the aggregate not exceeding 14,000 cubic feet per minute (volume).

ARTICLE 3 of Addendum XXIX
Work Assignment

The Employer agrees that none but residential/light commercial journeyperson sheet metal workers and apprentices or those employees engaged in the sheet metal training program, and authorized by the training committee, shall be employed on any work described in Article I of this Addendum.

ARTICLE 4 of Addendum XXIX
Rates of Pay

1. The total hourly contractual obligation of the Contractor employing workers under this Addendum shall be at the rate of **(Appendixes D and E)**.

2. There shall be no travel provisions (travel expense) under this Addendum.

3. Under the terms of this Addendum, there shall be a forty (40) hour work week, running consecutively Monday through Friday between the hours of 7:00 a.m. and 5:30 p.m.

4. All work performed after forty (40) hours, or on Saturday, shall be compensated for at one and one half (1.5) times the basic hourly wage rate. All work performed on Sundays and Holidays will be paid at two (2) times the basic hourly rate.

ARTICLE 5 of Addendum XXIX
Apprentices

1. All duly qualified apprentices shall be under the rules and conditions as under Article XI of the Standard Form of Union Agreement.

2. The length of the program will be two (2) years plus a probationary period of eight (8) calendar days. At the time a new apprentice is hired, the Employer must furnish the Union with the employee's name, address, social security number, and the eight (8) days probationary period will apply towards the first six month increment of apprenticeship. The

training program will be made up of the following increments, all percentages based on Residential/Light Commercial Journeyman rate (Appendix D):

First Six Months	**40%**
Second Six Months	**50%**
Third Six Months	**65%**
Fourth Six Months	**80%**

3. The ratio of apprentices to journeypersons shall be in conformist with state statutes.

ARTICLE 6 of Addendum XXIX
Union Membership

All applicants for Union Membership will be according to the Standard Form of Union Agreement, Article V, Sections 1, 2, and 3.

ARTICLE 7 of Addendum XXIX
Alternatives for Shop Work

1. In order for employers who perform residential/light commercial work as well as other work covered under the Standard Form of Union Agreement to fabricate work in their existing shops, the following options are available with respect to the fabrication of sheet metal work to be used on residential projects covered by this addendum.

    A. Residential/light commercial sheet metal fabrication work will be performed after the normal workday is completed between the hours of 5:00 p.m. and 1:30 a.m. This work will be performed by residential workers only. The employer shall maintain the discretion to use a building trade journey person as a foreman.

    B. If residential/light commercial project fabrication work is performed in existing shops by building trade journey persons between the hours of 7:00 a.m. and 5:30 p.m., the rules and rates of pay contained in the Standard Form of Union Agreement shall be applicable and the total hourly contractual obligation for all workers performing work shall be Appendix A of the Standard Form of Union Agreement. The Employer, by request to the Regional Manager, can ask for Resolution #78 conditions in regards to fabrication by residential/light commercial sheet metal workers in a commercial shop.

ARTICLE 8 of Addendum XXIX
Qualifications

1. The employer agrees to be bound by all wages, hours, and conditions of employment contained in the Standard Form of Union Agreement and Addendum #1 on all work items not specifically changed or amended by the terms of this Addendum by request of the Employer.

2. The employer agrees that no employee shall suffer a reduction in wages or benefits due to the signing of this Addendum.

3. Under no circumstances shall residential/light commercial journey persons and residential/light commercial apprentices be employed on projects other than those covered by the terms of this Addendum. Violations of this aspect of the Addendum will be subject to the grievance procedure set forth in the Standard Form of Union Agreement.

4. The Union agrees to furnish upon request by the employer, duly qualified residential/light commercial journey persons and residential/light commercial apprentices in sufficient numbers as may be necessary to properly execute work contracted for by the Employer in the manner and under the conditions specified in this Addendum.

ARTICLE 9 of Addendum XXIX
Miscellaneous

1. Flexible Duct – Use of flexible duct or duct board will be in accordance with County, Town, and City Codes or regulations.

2. Fabrication – Residential/light commercial sheet metal workers may assemble duct in a Commercial Shop if the Employer requests Resolution #78 conditions to the Regional Manager of SMART Local 40.

3. Transfers from Residential/light commercial to Commercial status must have the consent of the Joint Apprentice Training Committee.

4. Employer agrees to be bound by the wages, hours, working conditions, and collections contained in the Standard Form of Union Agreement or on any work not specified in this Residential/Light Commercial Addendum.

5. For all Project Labor Agreements, Davis-Bacon prevailing wage jobs, or any and all union projects, refer to the schedule that applies under or to that agreement, job, or project or, if there is no specific such schedule, to Appendix A to this Agreement.

ARTICLE 10 of Addendum XXIX
Fringe Benefits

1. Employers agree to contribute to the applicable Residential/light commercial wage rate on all Benefits so listed (see Appendix D and E).

2. All contributions will be paid according to the Standard Form of Union Agreement, Addendum III.

ARTICLE 11 of Addendum XXIX

Residential/Light Commercial Foreman (man/woman)

1. It is mutually agreed that the minimum pay for Foreman (man/woman) shall be one dollar ($1.00) per hour above the rate paid to journeypersons on all wage rates.

2. Any or all foremen (man/woman) shall be a Sheet Metal journeyperson, and not from another craft.

3. All contractors working within the jurisdiction of Local Forty signatory to any Sheet Metal Workers' International Association and Standard Form of Union Agreement, shall employ at least one (1) journeyperson member of Local Forty as a Foreman (man/woman) for every four (4) journeypersons employed on the job at a rate of pay one dollar ($1.00) per hour above the regular journeyperson rate.

ARTICLE 12 of Addendum XXIX

Service

1. This work is defined by the Connecticut Licensing Bureau, including servicing refrigeration, heating, cooling, and/or ventilation, mechanical equipment, and related piping systems.

2. Hours of Work

   A. The work week shall consist of a forty (40) hour work week, divided into five (5) workdays, running consecutively from Monday to Friday, starting between the hours of 7:00 a.m. and 10:00 a.m. and ending by 6:30 p.m.

   B. Overtime shall be paid at the rate of time and one half for all overtime with the exception of Sundays and holidays. Overtime for work performed on Sundays and holidays shall be at the rate of two (2) times the regular rate (double time).

   C. When Service employees are required to be on standby, or on call, for a period of seven days they will be reimbursed a total of $75.00 for their obligation to be available. When called out on service calls, they shall be compensated at one- and one-half times the hourly rate.

ARTICLE 13 of Addendum XXIX

Duct Cleaning

1. This Agreement covers the rates of pay and conditions of employment of all employees of the Employer engaged in the manual, mechanical and chemical cleaning of ductwork, flue and air system components, including the cutting out and installing access doors as needed for duct cleaning and the handling, dismantling, removing, repairing and servicing of all hazardous waste and toxic waste materials and equipment including applying up-to-date technological methods in the jurisdictional claims of the International Association of Sheet Metal, Air, Rail and Transportation Workers.

2. The Company agrees to maintain safe, sanitary and health working conditions and will supply necessary safety items as needed.

3. All tools, hard hats, respirators, and other equipment, when necessary to the performance of any of the work covered by this Agreement, shall be furnished by the Employer and shall remain the property of the Employer when not in use or upon leaving its employ. Each employee may be required to sign a receipt for such equipment at the time he receives it, and he shall be liable for the cost of replacement of any equipment which is lost or otherwise not returned to the Employer.

ADDENDUM XXX

Beginning July 1, 2010, the Union, Association, and Employers signatory to this Agreement agree to use their best efforts to comply with the SMART Code of Excellence Program as attached.

IMPLEMENTATION OF THE CODE OF EXCELLENCE

The Code of Excellence Program is an internal SMART program. Therefore, implementation of the program shall be accomplished at the local union level using the following steps:

1. Presentation to all Local Union Leadership – The program shall be presented by a SMART International Representative to the officers and leaders of the local union.

2. Adoption by Officers – Local union officers and leadership shall discuss the provisions of the program and develop necessary local provisions for inclusion into the document. After adoption by the Officers, the Local union leadership then commits through a recommendation by the local union Executive Board that implementation of the Code of Excellence Program be adopted by the full membership.
3. Adoption by Membership – Following adoption by local union leadership, the program is presented to local union membership for adoption.
4. Local Officers and Leadership Training – Upon request of the local union, the International will assist in training local union leadership on the goals and implementation of the program.
5. Presentation to Local Union Membership – Presentations will be provided to the membership by the local union with assistance from the International. Through this process, the expectations necessary to achieve the acceptable level of professionalism and productivity for each SMART member will be discussed and defined.
6. Presentation to Employer- Once the local union adopts the Code of Excellence Program, the Business Manager or his/her designee presents the program to the Employer.

SMART MEMBERSHIP COMMITMENT

As we face unprecedented competition for the services provided by the membership of SMART, we must recognize our primary marketable qualities are our skills, productivity and professionalism. To succeed we must present to the end user, be it contractor or end user clients, the value in using SMART members. This requires that each member conforms to and supports the Code of Excellence Program responsibilities set forth below. As a result, our promise of professionalism and productivity is met everyday by every member. The future of our membership and SMART is dependent upon our ability to establish our added value to the employers and end users within the sheet metal industry.

SMART RESPONSIBILITIES:

The Business Manager of the local union will have ultimate responsibility for implementation and administration of the Code of Excellence Program. The program structure is designed to insure that the Business Manager or his/her designee shall be the first point to resolve Code of Excellence Program issues quickly and effectively.

Our responsibilities include the following:

Working Time

- First and foremost, our members shall adhere to our core principle of productivity, eight hours work, for eight hours
- All members shall adhere to established contractual starting and quitting times and shall meet their responsibility to their fellow members and employers by arriving to work on time and ready to work.

- Break and lunch periods are limited to the time allowed by the contract, or agreement(s).
    - Members shall meet their responsibility not to leave the jobsite without proper approval.
- When absent the member shall contact supervision in advance of their established starting time to confirm such absence.
    - All members shall be productive and efficient, with idle time kept to a minimum.
    - Personal cell phone usage shall be limited to appropriate break times or lunch periods, or emergency use as defined by the Business Manager.
- Members shall meet their contractual responsibility to eliminate work disruptions on the job.
    - All members shall work toward the goal of completion of projects on or under the allotted time.

Safety

- Safety, being a primary concern for both our members and contractors, members shall meet their obligation to perform work safely and effectively, following employer and industry established rules.

- Members will meet their contractual and personal responsibility to utilize proper safety equipment and safety methods.
- Members will participate in OSHA 10 courses as offered by the local union when required by their collective bargaining agreements.

Tools

- In meeting their responsibility as highly skilled and qualified craftsmen, all members shall carry the necessary and proper tools as required by the collective bargaining agreement.
- Members shall meet their responsibility in taking care of the equipment and tools provided by the employer.

Fitness for Duty

- Members shall meet their responsibility of being fit for duty by accepting work for which they have the requisite skills and training.

- Members shall exhibit and maintain a level of craftsmanship recognized to be within the industry standard.
  - Members shall meet their responsibility to be fit for duty, with zero tolerance for substance abuse.
- As representatives of their local union and the employer, all members will be professional in appearance.
  - The wearing or display of inappropriate materials shall not be tolerated.
- The Business Manager or his/her designee and leaders on the job shall work with other members who have displayed unacceptable work habits so that each member on the job meets a standard of quality and productivity second to none.

Labor/ Management Relations

- Members shall respect the property of the contractor and end users, and graffiti and other forms of destruction and waste will not be tolerated.

- Members shall respect all legal facility rules of the client and or end user.
  - Activities which cast the International Association or the local union in disrepute shall not be tolerated.
- Any inappropriate behavior toward another member or group of members shall not be tolerated.
  - Inappropriate behavior toward customer representatives or employer representatives shall not be tolerated.
- The goal of the SMART Code of Excellence Program is to promote professionalism within the total membership of SMART and a sense of pride in our membership.

EMPLOYER RESPONSIBILITIES;

The ultimate responsibility of managing the work and projects falls within the control of the employer. With such responsibility our signatory employers, and if applicable our employer associations, have a responsibility to manage their jobs effectively. Therefore, to build confidence and trust in the Code of Excellence Program, the employer must meet its responsibilities in addressing job performance issues, including the following:

- To address ineffective supervisors, including superintendents, general foremen, and foremen.
- To insure proper job planning, supervision and layout, to minimize down time.
- To make available the proper types and quantities of tools, equipment and materials to ensure job progress.
- To ensure proper maintenance, care, storage, and security for employer-provided equipment and tools and employee-provided tools.
- To demonstrate to the customer the efficiency of our partnership, the employer will ensure there are adequate numbers of employees to perform the work efficiently and, conversely, to limit the number of employees to the work at hand.
- To provide the necessary jobsite leadership to eliminate problems and provide effective solutions.

- To instill in supervisors the necessary positive attitude that the SMART local union, their members and the employer are working together.
- To ensure that jobsite leadership takes the necessary ownership of mistakes created by management decisions.
- To eliminate unsafe work conditions and ensure that proper safety training, equipment, and methods are utilized.
- To address concerns brought forth by the Business Manager or his/her designee. If the problem is not resolved at the lowest level of management, the Business Manager or his/her designee may choose to address the issue with higher levels of management.
- If the issue is not resolved, the local union or employer may call for a labor-management meeting to resolve concerns or issues.
- To treat all employees with dignity and respect.
- To discipline fairly and reasonably.

MEMBERSHIP DISPUTE RESOLUTION CRITERIA

Overview

The success of the Code of Excellence Program is dependent upon the acceptance and understanding by each member of the scope of their responsibilities as established within the program.

It must be understood that a truly successful workplace environment can only be achieved by participation of both SMART and the Employer in meeting their responsibilities. The union's role is to address with its members any individual problems that are brought to its attention to ensure the Union's obligation to live up to the promise of providing a skilled and professional workforce to the employer and the end user is maintained and improved.

UNION RESPONSIBILITIES:

- The Business Manager or his/her designee will work with members through a process of mentoring to correct and solve problems related to job performance.
- On a regular basis, the Business Manager or his/her designee will communicate with management on Code of Excellence Program issues. This will then be communicated to SMART members through the local union leadership.
- If an individual member is not meeting established responsibilities under the program and the correction of such adverse behavior cannot be achieved through mentoring between the local union leadership, member peers and the individual member, the local union Executive Board shall have the responsibility to review, evaluate, and address such problems with the individual member. If the member is unwilling or unable to meet his/her obligation under the Code of Excellence Program, the local union shall be empowered to take necessary action up to and including filing of appropriate charges under the Constitution and Ritual of SMART.

The following is inconsistent with the conduct required under the Code of Excellence Program.

1. Refusal of jobs or unavailable (no returned call) upon call from the dispatcher for work shall upon the third violation result in removal from the out of work list and placement in the "inactive file".

2. Not showing for work when dispatched, which shall be deemed to be a violation of the Constitution, and may, subject the member to local union charges and trials.

3. Acceptance of employment or job under false pretenses, such as no adequate skills for the job, which shall also be deemed a violation of the Constitution, and may subject the member to local union charges and trials.

4. Conduct resulting in termination by an employer for cause, which shall be documented upon the attached form which is to be supplied by the local union. If the employer indicates that a terminated employee is not eligible for rehire, such designation shall be honored by the dispatch office for a minimum of 180-days. Provided that, if the local union determines to process a grievance contesting such a termination, such termination shall not be considered as being for cause until a Local Joint Adjustment Board, a Panel, the National Joint Adjustment Board (or any alternative procedures negotiated by the local parties) determines that such termination was for cause, or the grievance process is otherwise completed without invalidating the termination.

The Business Manager and or his/her designee, as well as the employer, must endeavor to correct performance problems with individual members at the workplace, so that their performance meets the standards of the Code of Excellence Program. However, there will be instances where the local union ultimately must withhold contractual referral privileges from those members that have demonstrated that they are either unwilling, or incapable, of meeting acceptable standards of workplace behavior. In such circumstances, employers have a reciprocal obligation to terminate employees for cause, rather than merely laying them off, so that such employees are not simply referred for employment with another employer. A disciplinary action plan shall be implemented which establishes a "Three Strikes Policy" for violation of the Code of Excellence Program provisions. Such plan shall provide that, in any case where there are three separate instances within a 24-month period where the employee has been convicted of constitutional violation under points 2 or 3 or has been subject to termination under point 4, in any combination, the member's referral privileges shall be suspended indefinitely.

The member may appeal the suspension to the Local Joint Adjustment Board, a Panel, the National Joint Adjustment Board (or any alternative procedure negotiated by the local parties), which shall have authority to reduce the period of any suspension of referral privileges, if it determines that fairness and equity require such action under the circumstances of the particular case or to terminate the suspension when it determines that the underlying causes for the suspension have changed so that the member deserves to be restored to referral privileges.

A sample copy of the Notice of Termination Form is attached as Exhibit A.

SMART CODE OF EXCELLENCE PROGRAM

Exhibit A
NOTICE OF TERMINATION
SMART Local --- (Required by Code of Excellence Program)

Name: ____

Address: ____

Last 4- Digits of Soc. Sec. No. ____________ Termination Date:____________

Employee Classification: _________________________________

Lay Off	Discharge	Voluntary Quit
☐ Reduction of Forces	☐ Not Qualified	☐ To Take Another Job
	☐ Absenteeism	☐ To Seek Another Job
	Dates: ____________	☐ Leaving Area
	☐ Not-Productive	☐ Sickness
	☐ Insubordination (Explain)	☐ Other (Explain)
	☐ Misconduct (Explain)	

Employer: ____

Explanation:

SIGNATURE PAGE to Standard Form of Union Agreement (July 2023 through June 2027), with Addenda I-XXX and Appendices A-E as in effect July 1, 2023.

SMACNA Connecticut
(Specify Name of Association or Contractor)

By
(Signature of Officer or Representative)

MICHAEL THOMPSON
Print Name

Local Union No.40
of the International Association of
Sheet Metal, Air, Rail and
Transportation Workers

Robert Butler – Council President

Sheet Metal Worker's Local Union No. 40 Contractors

Architectural Roofing & Siding Contractors

Architectural Sheet Metal
290 Hartford Road
Manchester, CT 06040
Tel: (860)643-1600
Fax: (860)432-7350
Contact: Joan McConville

Barrett Sheet Metal
106 Mill Plain Road
Danbury, CT 06811
Tel: (203)744-2780
Fax: (203)791-2218
Contact: John Lucceshi

Commercial Roofing & Contracting
340 Kennedy Drive
P.O. Box 647
Putnam, CT 06260
Tel: (860)928-9199
Fax: (860)432-7350

Eagle Rivet Roofing
15 Britton Road
Bloomfield, CT 06002
Tel: (860)953-1213
Fax: (860)953-0619
Contact: Art Dias

Ernest Peterson, Inc.
1830 Broad Street
Hartford, CT 06114
Tel: (860)522-4271
Fax: (860)522-1062
Contact: Alex Ross

Gold Seal, LLC
95 Bysiewicz Dr
Middletown, CT 06457-Tel: (860)296-6811
Contact: Matthew/Kelly Roberts

Greenwood Industries
86A Leonardo Drive
North Haven, CT 06002
Tel: (508)865-4040
Fax: (508)865-1123
Contact: Lucien Lanau

The Imperial Roofing Co.
261 Main Street
Cromwell, CT 06416
Tel: (860)632-2258
Fax: (860)632-2278
Contact: Bruce Raulukaitis

J.D. Rivet Roofing
1635 Page Boulevard
Springfield, MA 01104
Tel: (413)543-5660
www.rivetroofing.com
Contact: James Trask

JHS Restoration
P.O. Box 505
Broad Brook, CT 06016
Tel: (860)462-1209
Fax: (860)370-9512
Contact: John Snyder

New Britain Roofing, Inc.
135 Day Street
Newington, CT 06111
Tel: (860)665-7656
Fax: (860)953-2051
Contact: Tom Leith

Southern New England Installers, LLC
P.O. Box 1024
South Windsor, CT 06074
Tel: (860)290-8930
Fax: (860)290-8940
Contact: Kerry Chapps

Titan Roofing; Inc.
200 Tapley Street
Springfield, MA 01104
Tel: (413)536-1624
Fax: (413)533-2560
www.titanroofing.com
Contact: Fred Pazmino

Young Developers
42 Crest Way Unit A
Hamden, CT 06514-1141
Tel: (203)859-5320
Contact: Bogden Rejuin

HVAC Balancing Contractors

Air Balancing Service Company
16 Progress Circle
Unit 1A
Newington, CT 06111-5543
Tel: (860)500-5008
Fax: (860)500-5010

LabCo Air & Water Balancing
1090 Mountain Road
West Suffield, CT 06093-3502
Tel: (860)668-1329
Fax: (860)668-7089
Contact: Denis LaBarre

Environmental Testing & Balancing
154 State Street Suite 208
North Haven, CT 06473
Tel: (203)234-2089
Fax: (230)234-2147
Contact: John Burgess

James E. Brennan Company
187 N Main Street
P.O. Box 507
Wallingford, CT 06492
Tel: (203)269-1454
Fax: (203)265-5068
Contact: James E. Brennan

Wing's Testing & Balancing Co.
94 N. Branford Road
Branford, CT 06405-2811
Tel: (203)481-4988
Fax: (203)488-5634
Contact: Andrea Cole

Trueflow Testing & Balancing, LLC
489A Old Hartford Road
Colchester, CT 06415-2717
Tel: (860)531-9398
Contact: Scott Boothroyd

HVAC Contractors

F & F Mechanical Enterprises
2 Dwight Street
North Haven, CT 06473
Tel: (203)239-4870
Fax: (203)239-4852
Contact: John Ferrucci

Kleeberg Sheet Metal
65 Westover Road
Ludlow, MA 01056
Tel: (413)589-1854
Fax: (413)583-6407
Contact: Dan Kleeberg

L.K. Sheet Metal
35 Wrobel Place
East Hartford, CT 06108-3601
Tel: (860)528-9431
Fax: (860)291-9502
Contact: Lynne Kleeberg

Yankee Sheet Metal
35 Wrobel Place
East Hartford, CT 06108-3601
Tel: (860)528-9431
Fax: (860)291-9502

Specialty Contractors

H.R. Hillery Company
739 Meridian Street
Groton, CT 06340
Tel: (860)445-9791
Fax: (860)449-1693
Contact: James Lewis

Southern New England Installers
P.O. Box 1024
South Windsor, CT 06074
Tel: (860)290-8930
Fax: (860)290-8940
Contact: Kerry Chaps

Production Contractors

Metecno Morin
85 Middle Street
P.O. Box 3028
Bristol, CT 06011-3028
Tel: (860)584-0900
Fax: (860)582-7503
Contact: Operations Manager

NEGOTIATING COMMITTEE

Northeast Regional Council of SMART
Local #40

John Nimmons – Chairman

Robert Butler	John Beal
Russell Bartash	Emmanuel Heredia
Fred Descy	Giuseppe Misseri
	Alt. – Vincenzo DiMauro

SMACNA Connecticut

Michael Thompson – Chairman

John Ferrucci	John Lucchesi
Kenneth Kleeberg	Michael Mauro
Lynne Kleeberg	

SHEET METAL WORKERS' LOCAL NO. 40
FRINGE BENEFIT FUNDS
DELINQUENCY CONTROL PROGRAM POLICIES AND PROCEDURES

EIGHTH AMENDMENT
TO
AND RESTATEMENT OF
SHEET METAL WORKERS' LOCAL NO. 40
FRINGE BENEFIT FUNDS
DELINQUENCY CONTROL PROGRAM POLICIES AND PROCEDURES

WHEREAS, the Trustees of the Sheet Metal Workers' Local No. 40 Fringe Benefit Funds adopted an Audit, Collection and Delinquency Policy (the "Policy") effective August 15, 1987; and

WHEREAS, the Trustees amended said Policy of August 15, 1987 in the form of a completely restated Policy, effective June 1, 1993; and

WHEREAS, the Trustees revised the restated Policy and adopted Delinquency Control Policies and Procedures (the "Policies and Procedures") effective July 1, 1997;

WHEREAS, the Trustees amended said Policy of July 1, 1997 by the First Amendment effective January 1, 1999, the Second Amendment effective June 30, 2000, the Third Amendment effective January 1, 2005, the Fourth Amendment effective December 1, 2005, the Fifth Amendment effective March 1, 2007, the Sixth Amendment effective March 1, 2008, and the Seventh Amendment effective March 1, 2011;

NOW, THEREFORE, the Trustees of the Sheet Metal Workers' Local No. 40 Health, Pension and Supplemental Retirement Funds, and of The Sheet Metal Industry Apprentice and Training Fund, along with the Board of Directors of The Sheet Metal Industry Fund, Inc., hereby agree that the Policies and Procedures shall be amended and completely restated as follows, effective January 1, 2017, except as otherwise may be provided herein:

I. General Principles:

A. Each employer who is required by the terms of the applicable Trust Agreements and/or Collective Bargaining Agreement to contribute to one or more of the Funds (an "Employer") is responsible for making all reports and all contributions required by its Collective Bargaining Agreement to the Fund in a timely, correct and complete manner.

The term "Collective Bargaining Agreement" means any written labor contract or written agreement between Local 40, or any successor thereto, of the Sheet Metal Workers' International Association (the "Local Union") and an Employer, or a Board of Trustees and an Employer, which is accepted by the Board of Trustees of a Fund and which provides for contributions to that Fund in a manner acceptable to the Trustees. For purposes of these Policies and Procedures, an Employer shall be bound to contribute as long as the Employer is deemed to be bound by the Collective Bargaining Agreement for any purpose, including continuation of such contributions required by applicable state or federal law or by order of an appropriate court or administrative agency. The term "Collective Bargaining Agreement" shall also include any interim written agreement and, for temporary purposes, a signed contribution form containing the Employer's undertaking to contribute.

A limited liability company organized under Connecticut law ("LLC") may be a contributing employer under the Trust Agreement provided that its members have signed a separate agreement, in addition to its Collective Bargaining Agreement, acknowledging its status as a corporation, for tax purposes, and consenting to the application of Connecticut law to each of its members, managers and officers.

The Local Union shall provide each Fund with the name of each contributing Employer with which it has such an agreement as well as the term of such agreement and any renewals or terminations of such agreement.

B. Recognizing the importance of maximizing the collection of contributions owed, so as to maximize the monies available for the payment of employee benefits and minimize the unfunded liabilities of each Fund, the Trustees of each Fund will take reasonable and lawful steps, within their reasonable discretion, to enforce the reporting and contribution obligations of Employers.

C. As provided in the respective Agreements and Declarations of Trust, the Trustees may, at any time, have an audit conducted of the pertinent records of any Employer in connection with its reports and/or contributions. Such audits shall be conducted by independent certified public accountants selected by the Board of Trustees of the Pension, Health and Supplemental Retirement Funds.

Recognizing the importance of field audits for confirming the accuracy of reports and contributions made to the Funds by all Employers, it is the policy of the Trustees to conduct a program of random and priority audits for the purpose of determining whether Employers have fully satisfied their reporting and contribution obligations to the Funds.

D. Employers who become delinquent in making required contributions may be liable to the various Funds for the costs of collecting the delinquent contributions, including auditing fees, attorneys' fees and court costs, for interest charges, for liquidated damages, and for such other relief as may be available to the Funds under applicable law.

E. It is the policy of the Trustees to advise the Local Union of an Employer's contribution delinquencies. The Trustees' authority to pursue an Employer for payment of contributions due to the Funds shall not be dependent upon or subject to any requirement that any grievance or arbitration procedure provided under the Collective Bargaining Agreement be exhausted.

F. It is the policy of the Trustees to encourage all Employers to advise the Funds Administrator of any discrepancies in any Employer's reports and contributions of which they are aware, inasmuch as it is in the interest of all Employers contributing to the Funds that delinquencies be minimized.

G. Pursuant to authority in the respective Trust Agreements, the Board of Trustees of each Fund may delegate to a Collection Committee the responsibility and authority to oversee the operation of the delinquency control program. The Collection Committee shall be composed of one Union Trustee and one Association Trustee from each of the Pension, Health and Supplemental Retirement Funds. In their capacity as members of the Collection Committee such Trustees shall be known as the "Collection Committee Trustees." An individual may serve on the Collection Committee as the designee of more than one Fund.

The full Boards of Trustees of the Funds shall have the fiduciary responsibility and authority to establish and implement a set of reasonable, diligent and systematic audit and collection policies and procedures, including the authority to take all enforcement actions in the names of the Trustees of the respective Funds. The Pension, Health and Supplemental Retirement Funds' Boards of Trustees shall have the exclusive authority to hire and retain such collection and other counsel and auditors as they deem appropriate.

Subject to the general review and approval of the stated Funds' Boards of Trustees, whenever these Policies and Procedures call for action by the Funds Administrator, such action may be taken by one or more staff persons, under the supervision of the Funds Administrator.

Each Fund shall bear its share of the salaries, fees and other expenses incurred in the operation of the Collection Committee and its program of collecting contributions.

Each Fund's Board of Trustees shall meet regularly, and those meetings shall also serve as meetings of the Collection Committee Trustees, to review the nature and amount of existing delinquencies, the efforts being made to collect these delinquencies, and the auditors' and counsels' reports. In addition, the Collection Committee Trustees may meet at such special times, between regular meetings of the Boards of Trustees, as they deem appropriate to conduct such reviews.

H. The Funds Administrator will report on the activities of the Collection Committee Trustees, and provide copies of all minutes of all Collection Committee meetings for approval, at the regular meetings of the Boards of Trustees of the Funds.

I. The Trustees who from time to time hold the positions of Labor Co-Chairman and Management Co-Chairman of each of the Funds are authorized to institute, prosecute, or intervene in any lawsuit or proceeding at law or in equity or in bankruptcy, on behalf of the Fund, acting alone or joining with other funds.

J. Under the authority delegated by the Trustees of the Funds pursuant to their respective Trust Agreements, the Trustees of all of the Funds have adopted the procedures set forth in Sections II through VII below. The Boards of Trustees or the Collection Committee Trustees shall have the authority, in accordance with applicable law, to interpret these Policies and Procedures when they consider it to be in the best interest of the Funds and their participants and beneficiaries.

II. Reporting and Contribution Procedures.

A. Each Employer shall maintain complete and accurate payroll and other records (as described in Section IV.E. of these Policies and Procedures) on any employee for whom contributions are required.

B. The Benefit Fund Office will send Remittance Report forms to each contributing Employer by the end of each month.

C. Except as otherwise provided in Paragraphs II.G. or II.I., on or before the seventh (7th) day of each month each Employer must file with the Benefit Fund Office for each month it is obligated to contribute, the Monthly Remittance Report and such other reports as may be required by the Trustees of the Funds listing each covered employee who worked in covered employment during the immediately preceding month, and that employee's social security number and hours worked by job category (Full Rate, Market Recovery Rate, Resolution 78 Rate, etc.). Monthly Reports must be filed even for those months during which the Employer did not employ any covered employees. If an Employer is obligated to contribute to the Funds pursuant to more than one Collective Bargaining Agreement, it is required to file separate Monthly Reports for each unit of employees covered by a separate Collective Bargaining Agreement, unless otherwise approved by the Trustees of the Funds.

D. After receipt of the completed Report described in II.C., II.G., or II.I. and prior to the Due Date of contributions, the Benefit Fund Office will send to each Employer by facsimile, e-mail, or other mutually-acceptable method, an invoice on which it has calculated the total contributions due on all reported employees for the period covered by the Report.

E. Except as otherwise provided in Paragraph II.G. or II.I., contributions shall be paid on a monthly basis in accordance with the terms of the applicable Collective Bargaining Agreement and the Trust Agreements governing each Fund. Monthly Remittance Reports and contributions shall be filed with the Benefit Fund Office administering each Fund, and shall be due and payable in accordance with the invoice described in II.D above by the twentieth (20th) day of the month following the month on which the Monthly Remittance Report and contributions are based.

F. The Funds Administrator will maintain files for each Employer which shall contain all Monthly Remittance Reports and any other pertinent documents. No Fund shall accept any Monthly Remittance Reports or contributions unless there is on file a signed Collective Bargaining Agreement, as defined in Paragraph I.A., above.

G. In the event that an Employer is delinquent in the payment of contributions, the Trustees of the Funds, voting and otherwise acting in accordance with each Fund's Trust

Agreement, may, upon notice to the Employer and the Association, require that Employer to make contributions and submit reports to the Funds on a weekly schedule and such weekly contributions and reports may be required for a period of up to twelve months. If the Employer continues to be delinquent, the Trustees may require weekly contributions and reports to be made for additional periods of time. The Trustees of the Funds, voting and otherwise acting in accordance with each Fund's Trust Agreement, may also require Employers who are based outside of the State of Connecticut, or who are engaged in a short-term (less than 60 days) job, to make contributions and reports on a weekly basis, without regard to the payment history of any such out-of-state or short-term Employers. If contributions are due from an Employer on a weekly basis, then within seven (7) calendar days following the end of each work week that Employer must file with the Benefit Fund Office for each week it is obligated to contribute, the Remittance Report and such other reports as may be required by the Trustees of the Funds listing each covered employee who worked in covered employment during the week, and that employee's social security number and hours worked by job category. Reports must be filed even for those weeks during which the Employer did not employ any covered employees. Contributions shall be due and payable in accordance with the invoice described in II.D. above by the fourteenth (14th) calendar day after the end of the period covered by the invoice.

H. The Boards of Trustees of the Funds, voting and otherwise acting in accordance with each Fund's Trust Agreement, may, in their discretion, require an Employer from outside Connecticut or an employer who is engaged in a short-term job to deposit a cash bond or equivalent, in such amounts and under such conditions as the Trustees determine, as security for the payment of contributions, interest, audit costs, attorneys' fees, liquidated damages or collection costs owed to the Funds.

I. Article VI permits certain Employers to make contributions on an every-two-weeks basis. In that situation, then within seven (7) calendar days following the end of that period of two consecutive work weeks, that Employer must file with the Benefit Fund Office for each two-week period it is obligated to contribute, the Remittance Report and such other reports as may be required by the Trustees of the Funds listing each covered employee who worked in covered employment during the two-week period, and that employee's social security number and hours worked by job category. Reports must be filed even for those two-week periods during which the Employer did not employ any covered employees. Contributions shall be due and payable in accordance with the invoice described in II.D. above by the fourteenth (14th) calendar day after the end of the period covered by the invoice (the "Due Date"). If such bi-weekly contributions and Reports are not received in the Benefit Fund Office by the Due Date, then the delinquent Employer shall be immediately referred to Collection Counsel for collection of the overdue amount, as set forth in Paragraph G. of Article VI, and all overdue Reports. Thereupon, Collection Counsel will take appropriate steps, which may include commencing legal action against the Employer. The notices described in Paragraph B of Article III shall not be required prior to referral or legal action under this Paragraph I. The Benefit Fund Office shall advise the delinquent Employer that it is no longer eligible to make bi-weekly contributions and must post a cash or surety bond or contribute weekly, in strict compliance with the rules of Article VI.

J. At each meeting of the Funds' Trustees or the Collection Committee, the Funds Administrator will present a written report on the operations of the delinquency control program. The report will identify all Employers which are delinquent and the efforts made to collect the delinquent amounts.

At each meeting, the Collection Committee shall also receive a summary of the results of the field audit program, and the status of actions taken by Collection Counsel. At least once each year, the Collection Counsel will report to the Collection Committee on any amounts he or she has determined to be uncollectible pursuant to the provisions of Paragraph III.D. hereof. At these meetings, the Local Union may report on any actions taken by it with respect to any delinquent Employer. However, whatever steps the Local Union might take to secure compliance with the Collective Bargaining Agreement shall neither bind the Collection Committee or full Boards of Trustees nor otherwise affect their right to collect the delinquent contributions as well as any other monies due to the Funds.

III. Delinquency Procedures.

A. An Employer is "delinquent" if its completed Monthly Remittance Report and/or full payment of contributions due are not received by the Benefit Fund Office within twenty (20) calendar days (the "Due Date") following the end of the month on which the Monthly Report and contributions are based. An Employer who is required to make contributions and submit reports on a weekly basis, or an every-two-weeks basis, will be deemed "delinquent" if its completed Remittance Report and/or full payment of contributions due are not received by the Benefit Fund Office within fourteen (14) calendar days (the "Due Date") following the end of the period on which the Report and contributions are based.

B. The Benefit Fund Office will prepare, at least monthly, a listing of all delinquent Employers, and the following actions will be taken with respect to each delinquent Employer.

1. First notice. When an Employer fails to submit its Monthly Remittance Report by the seventh (7th) of any month, the Funds Administrator shall, on the next business day following the 7th of the month or as soon as administratively possible thereafter, telephone that Employer requesting prompt submission of the Monthly Remittance Report. When an Employer becomes delinquent, the Funds Administrator shall, on the next business day following the Due Date or as soon as administratively possible thereafter, telephone that Employer advising it of its delinquent status and requesting: (a) prompt payment of the delinquent contributions, and (b) submission of the Monthly Remittance Report, if applicable. At their meetings, the Funds' Boards of Trustees or the Collection Committee will review a listing of all delinquent employers who have received First Notices.

2. Second and Final Notice. If an Employer continues to be delinquent, the Funds Administrator shall, as soon as administratively possible following

the end of the month in which the Due Date falls, send a final letter to that Employer by facsimile or e-mail (or other commercially reasonable delivery method), and by first class mail advising it of its delinquent status, requesting prompt payment of the delinquent contributions, late payment interest, and any other amounts due, and the need to submit the Monthly Remittance Report, if applicable. Until an Employer cures all of its delinquencies to the Funds, no subsequent communications or letters need be sent, even if the Employer fails to pay subsequent contributions when due. At meetings, the Boards of Trustees or the Collection Committee will review a listing of all delinquent employers who have received Second and Final Notices.

3. Notice to Local Union/Trustees. On the last business day of the month in which the Due Date falls or as soon as administratively possible thereafter, the Funds Administrator shall communicate to the Local Union the names of the delinquent Employers, and shall ascertain whether the Employer is still active and, if so, whether it employed any covered employees during the period of the stated delinquency. On that date, a list of delinquent Employers shall also be provided to each Fund's Trustees via facsimile, e-mail, mail or other commercially reasonable delivery method.

4. Referral. Except as provided in Paragraph I. of Article II, the delinquent Employers that have not corrected their delinquencies as of one (1) month following the Due Date will be immediately referred to Collection Counsel for collection. Thereupon, Collection Counsel will take appropriate steps, which may include commencing legal action, against each delinquent Employer to collect the delinquencies and other monies due, as described in subparagraph 10, below.

5. The failure of the Funds Administrator to communicate either notice shall not relieve the Employer of its responsibility to pay the contributions and other amounts prescribed by these Policies and Procedures, nor shall that omission prevent Collection Counsel from commencing an action to enforce payment.

6. Once an Employer is delinquent and is referred to Collection Counsel, all subsequent delinquencies will automatically and immediately be referred to said Counsel, without First or Second Notices to the Employer regarding new delinquencies, until such Employer is current in its obligations to the Funds.

7. The Funds Administrator may refer any delinquent Employer to the Collection Committee's field auditors for an audit as described in Section IV. below.

8. At any time after an Employer is referred to Collection Counsel, a Fund's Board of Trustees or the Collection Committee may, in its discretion, direct the Funds Administrator to send a letter to those employees who are working or were working for that delinquent Employer during the period of the delinquency, based on names provided to the Benefit Fund Office by the Local Union. That letter will advise the employees of the nature of the Employer's delinquency and the impact of that delinquency on the employee's benefits.

9. If it appears that a delinquency presents an immediate threat to the interests of a Fund, the Funds Administrator may immediately refer the delinquency to Collection Counsel for appropriate legal action without regard to the procedural steps outlined above.

10. On receipt of the referral concerning an Employer's delinquency or Audit disclosure, the following steps are taken by the Collection Counsel:

(a) A demand letter is sent to the Employer requesting payment in full within one (1) week.

(b) If no response is received within ten (10) days from the date of the letter, Collection Counsel will contact the Funds Administrator to recommend that suit be instituted against the Employer and, if applicable, any individuals who may be liable under Connecticut General Statutes, and that Counsel will pursue specific additional informal efforts to collect amounts due.

(c) The suits are pursued as rapidly as possible, judgment is sought, and when obtained, judgment liens are placed on the property previously attached and executions are sought against any other property which may be available.

(d) In all cases, the attorneys' fees, costs, interest, and liquidated damages are also sought in accordance with the law, these Policies and Procedures, the Trust Agreements and Collective Bargaining Agreement.

(e) A report listing the status of each delinquent Employer assigned to the Collection Counsel is provided at least quarterly to the Boards of Trustees and to the Collection Committee by the Collection Counsel.

C. Delinquent Employers shall be assessed the following charges:

1. Each Employer that is delinquent as of the end of the calendar month that includes the applicable Due Date will automatically be charged interest at the rate of one percent (1%) per month for each month or part thereof from such Due Date until the date on which the delinquency is corrected. Interest charges will be calculated as of June 30 and December 31 of each calendar year. In addition to the process described in Paragraph B., above, the Funds Administrator or Collection Counsel will notify the Employer of interest charges as follows:

(a) The Employer will be notified as soon as possible after June 30th of the total amount of interest due for the previous six months and the total will be immediately due and payable.

(b) The Employer will be notified as soon as possible after December 31st of the total amount of interest due for the previous six months and the total will be immediately due and payable.

(c) Also, in the event that an Employer solely owes the Funds interest charges, the Benefit Fund Office will notify such Employer of the amount due in writing as soon as administratively possible and note that such Employer has thirty (30) days to pay the outstanding interest charges. If the interest charges demanded by the Fund are not paid in full within sixty (60) days, the Benefit Fund Office will refer the matter to Collection Counsel.

(d) Interest charges which are of a "de minimus" amount, as determined from time to time by the Funds' Boards of Trustees in their discretion (as of October 1, 2016, $10 or less in any six month cycle), will be waived as the Trustees have determined that the cost of calculating, assessing and collecting those charges will exceed the expected recovery.

D. The Funds' Boards of Trustees, the Collection Committee, or the Funds Administrator or Collection Counsel acting on its behalf when authorized to do so by the full Boards or by the Collection Committee Trustees, may extend the time in which an Employer is required to make a contribution, accept from an Employer less than the full amount due, or determine an amount due from an Employer to be uncollectible, but only:

1. After making such reasonable, diligent and systematic efforts as are appropriate under the circumstances to collect such contributions; and

2. If the terms of the extension, the agreement to accept less than the full amount due, or the determination of uncollectibility are in writing; and

3. If the matter otherwise complies with the Department of Labor's Prohibited Transaction Class Exemption 76-1.

IV. Employer Audit Procedures

A. Audits generally shall be conducted by a firm of independent certified public accountants chosen by the Boards of Trustees of the Health, Pension and Supplemental Retirement Funds.

B. Subject to the exceptions noted in this Paragraph B. and the terms of Paragraph C., a field audit will be conducted on all contributing employers on a randomly selected basis according to a schedule designed as follows:

An employer whose contributions, as a percentage of total annual employer contributions, equal	will be audited once every

1% or more	5 years
under 1%	10 years

The Funds Administrator and the auditing firm will keep the Boards of Trustees or the Collection Committee Trustees informed of the Employers scheduled for audits and the results of those audits.

The field audit will be limited to the elapsed portion of the current calendar year and the two (2) full prior calendar years unless evidence, in the opinion of the Funds' independent certified public accountant, reveals that such audit should extend to additional prior years. Where the field audit reveals a "substantial error" (as defined in Paragraph IV. H., below), the audit may be extended to review the five (5) (for a 1% or more Employer) or ten (10) (for an under 1% Employer) full prior calendar years.

Exceptions to the random selection rules will be as follows:

1. In the discretion of the Boards of Trustees, a new contributing employer may be scheduled for a field audit approximately six (6) months after it first contributes to the Funds.

2. Employers whose field audit reveals a substantial error may be scheduled for a subsequent field audit at any interval.

3. The random selection rules for field audits may be extended in the discretion of the Boards of Trustees for those contributing employers whose prior field audit or audits have revealed no or minimal discrepancies and who have established a continuous prompt and accurate payment record throughout the period of such prior field audit or audits.

4. The random selection rules for field audits may be waived in the discretion of the Boards of Trustees for those contributing employers who perform work under a single job agreement (i.e., such employer performs work on a specific project in Connecticut for a specific time) and who have established a continuous prompt and accurate payment record throughout the period they perform work under such single job agreement.

C. In addition to the field audits described in Paragraph B., a Fund's Board of Trustees, the Collection Committee, or the Funds Administrator, may direct the auditors to conduct audits of specific Employers who are referred to the Collection Counsel or are otherwise suspected of being delinquent, or whose work on a project has been completed or is nearing completion, or in other circumstances when a Fund's Trustees, the Collection Committee Trustees or the Funds Administrator determine that an audit will be in the best interests of the Funds' participants and beneficiaries. Such other circumstances include, but are not limited to:

1. Upon receipt of participants' complaints or where the Trustees of a Fund consider a field audit to be merited.

2. For apparent discrepancies on contribution reports noted by the Funds Administrator, a Business Representative, a Business Manager, or a Fund Trustee.

3. When the contributing employer is determined to be delinquent on a recurring basis by the Boards of Trustees.

4. When the contributing employer is based out-of-state and is performing work covered by the Funds within the State of Connecticut, irrespective of whether such contributing employer is delinquent.

5. When a delinquency matter has previously been referred to the Funds'

Collection Counsel and a significant period of time elapses between the initial field audit and the actual litigation to resolve the delinquency matter.

6. When a contributing employer's obligation to contribute to the Funds is expected to cease, ceases or may have ceased, if it goes out of business or files for bankruptcy (whether voluntarily or involuntarily), if it is expected to be acquired or merged into a different entity, and/or is acquired or merged into a different entity.

D. An Employer selected for an audit will be advised in writing by the auditor or the Funds Administrator that the audit will be conducted and that the auditor will contact the Employer to arrange a time for conducting the audit. A copy of that letter may be sent to the Local Union and the Association.

E. Employers shall permit the Collection Committee's auditors to enter upon its premises at reasonable times and during business hours to examine all pertinent records, relative to all individuals working at jobs covered by a Collective Bargaining Agreement requiring contributions to one or more of the Funds. These records generally will include quarterly and annual payroll tax returns, payroll listings, certified payroll records, time cards, travel records, social security reports, unemployment compensation reports, workers' compensation reports, W-2's, 1099's, 1096's and cash disbursement journals and check registers (regarding disbursements to individuals working at jobs covered by a Collective Bargaining Agreement). The auditors may also examine bonds available to satisfy claims for the payment of contributions, and project names and locations where Funds members are employed. The Employer shall also identify all individuals including their addresses and craft or job classifications. In addition, the Employer must produce, upon request, records showing the names of all persons having an ownership interest, in the case of a single proprietorship or other non-corporate business organization, and of all officers and directors if it is a corporation, and of all members, managers and officers if it is a limited liability company.

The auditors shall make every effort to satisfy the payroll audit requirements using the items listed above. However, if the auditors are unable to complete their audit due to insufficient data, or if the auditors become aware of circumstances that appear inconsistent with the policies related to payment of employer contributions, the auditors shall contact the Fund Office and Co-Chairmen. The Employer may be required to supply additional records based on (1) a request by the Co-Chairmen, based on the auditor's recommendations, or (2) a request by the Boards of Trustees of the Funds, should the Boards find that such records are necessary to determine the full extent of the Employer's liability to the Funds. These records generally would include cash disbursement journals, general ledger, listings of subcontractors or independent contractors and time and billing records.

F. The auditors shall make reasonable efforts to discuss their audit findings with the Employer, and correct or identify any areas of misunderstanding, before issuing a written report on the audit results.

G. All employer information reviewed by the auditors will remain confidential except for the pertinent payroll audit findings that need to be reported to the Boards of Trustees, Funds Administrator, Fund Accountant, Collection Counsel and Fund Counsel.

The auditors shall report the results of each audit, and the audit costs, to the Funds Administrator as soon as possible after completion of the audit, and to each Fund's Board of Trustees or the Collection Committee at its next meeting. Copies of the audit report shall be sent to the audited Employer and may be sent to the Local Union. If the audit reveals that contributions are due the Funds, the Employer will be considered delinquent and a billing for the delinquent amount and, if applicable, auditing fees, shall be sent by the Funds Administrator to the Employer. The relevant Board or Boards of Trustees may, in their discretion, also assess any applicable interest charges. The factors the Trustees will consider in determining whether to include an interest assessment will include, but are not limited to:

1. whether the contributing employer has a continuous history of prompt and accurate payments to the Fund,

2. whether the matter involves a "substantial error" (as defined in Paragraph IV. H., below),

3. the extent the contributing employer cooperates with the Funds and any relevant professionals, such as the independent certified public accountant and Collection Counsel, during the audit process, and

4. the total amount of delinquent contributions owed to the Funds.

H. The cost of the audit under this Section IV shall be borne by the Funds, except that the audited Employer shall be liable for the cost of the audit under any one of the following circumstances:

1. If audit costs incurred were above the reasonable and customary costs of an audit for a company of comparable size because the Employer failed to cooperate in providing records necessary to perform the audit.

2. If the Employer refuses to cooperate with the independent certified public accountant as described in Paragraph J of Section IV hereof.

3. If the audit reveals a "substantial error". For purposes of these procedures, a "substantial error" means that the audit determined that the gross number of hours which were reported inaccurately (for this purpose, whether underreported or overreported) for the period under audit exceeded 300 hours and three percent (3%) of the total hours reported.

4. If the Employer's headquarters is outside Connecticut, the Employer did not make all necessary records available to the auditors within Connecticut, and the Employer required that the audit be done at the Employer's headquarters. Reasonable traveling distance to bordering states will be exempted, upon application by the Employer and acceptance by the Funds Administrator.

5. If the Funds are required to initiate a lawsuit to collect any delinquent contributions from an audited Employer.

I. In the event that an Employer fails or refuses to permit an audit or in any way fails or refuses to cooperate with the auditor, the Boards of Trustees, the Collection Committee, or the Funds Administrator acting on its behalf, will take all reasonable steps, including the commencement of legal proceedings, to insure that the audit is conducted. Such an Employer shall be liable to the Funds for all attorneys' fees and costs incurred in enforcing the Employer's obligations with respect to Fund audits, as well as for the cost of the audit.

J. In the event that, for any reason, an Employer is unable to produce requested records which are deemed necessary for the audit by the Boards of Trustees, the Collection Committee or the auditor, the Collection Committee may direct the auditor to take such steps as the auditor deems necessary and appropriate to determine the scope of any delinquency, which may include, but is not limited to, an examination of documents filed with governmental agencies and owners of projects for the purpose of determining the amount of contributions owed by the Employer. All costs and expenses incurred in connection with such investigation shall be charged to the Employer under investigation, unless the records are unavailable due to circumstances beyond the control of an Employer.

K. In all lawsuits brought on behalf of the Funds to collect delinquent contributions, Collection Counsel may demand, as part of the relief sought, that the court order an audit of the defendant Employer, by auditors selected by the Funds or by the court, and that the costs of such audit be assessed against the Employer.

V. Acceptance and Allocation of Employer Contributions:

A. This Policy applies whenever contributions are paid to any of the Funds. Subject to the provisions of this subsection A and subsection B, below, it supersedes any conflicting instructions or approach noted on any check in payment of such contributions or any letter or contribution report accompanying such check. Further, this Policy shall also permit the collection on behalf of, and the allocation of receipts to, certain other entities or deductions referred to in the current collective bargaining agreement, including, but not limited to, the National Pension and National Funds, the Equity Fund/Labor Management Cooperation Fund, and Union office assessments (as defined in Paragraph VI. A.), provided there is a written agreement in effect between the Funds and the entity on whose behalf the Funds are undertaking collection. In addition and for clarity, the items referred to in the prior sentence shall not be deemed to be "contributions" for purposes of this Policy.

B. When contributions are made to the Funds from a Contributing Employer, all payments will be either applied to the appropriate Funds or held in the Funds' clearing account. No contributions will be returned to a Contributing Employer except in accordance with a Fund's Contribution Refund Policy, provided that the Boards of Trustees have authorized the Funds' administrative office to return overpayments of contributions to those contributing employers whose prior field audit or audits have revealed no or minimal discrepancies and who have established a continuous prompt and accurate payment record for the period of time that such entity has been a contributing employer to the Funds.

Further, the Boards of Trustees have authorized the Funds' administrative office to correct an obvious error made by a Contributing Employer, provided that such Employer makes a correction request in writing to the administrative office within a reasonable time frame (which shall be no longer than fourteen (14) days) and the Funds' administrative office verifies the error.

By way of example and not limitation, in the event that a Contributing Employer (whether or not delinquent to one or more Funds) submits a single check to the Funds' administrative office, such Employer indicates in writing seven days thereafter that the check was issued in error (with a portion of the check meant to cover Union office assessments in this example), and Funds' personnel can verify that the Employer made such an error, then the Funds' administrative office is authorized to take such action as is necessary in order to correct the Contributing Employer's error and to apply the contributions and any other monies in the manner so intended.

C. When an employer makes a contribution to the Funds, each Fund's proportionate share of that contribution will be applied to the month of the oldest delinquent contribution within the term of that Employer's Collective Bargaining Agreement. If a payer other than the Employer designates a payment as being for a specific project or job, or if a joint check is issued to cover an Employer's obligations to the Funds on a certain project, then this rule shall not apply and the payment will be allocated to the project (or job) and period specified.

D. When an Employer makes a contribution to the Funds, each Fund's share will be allocated proportionately among all participants working in the month to which the contributions are credited. An Employer will not be permitted to direct contributions to fewer than all of the participants employed in any given month.

E. When an Employer makes a contribution directly to any one Fund to which the Employer is obligated to contribute, it will be allocated proportionately, based on applicable contribution rates, among all such Funds. An Employer will not be permitted to direct contributions to fewer than all of the Funds to which it is obligated.

F. The provisions of Paragraph C of this Section V will not be applied, and a delinquent employer's current contributions will be allocated to a current month, only if the Funds' Collection Counsel reports to the Fund Office that (a) all outstanding delinquencies and related costs and fees are covered by a written agreement accepted by the Funds obligating the delinquent employer to repay all amounts over a fixed period of time, and (b) the delinquent employer is in compliance with that written agreement.

G. Collected delinquent contributions and late payment interest shall be allocated among the Funds as follows:

1. If the collected delinquent contributions in a particular delinquency are less than the full amount due, the net amount actually collected shall be allocated among the Funds on a pro rata basis, based on each Fund's percentage share of the full amount of the delinquency.

2. Late payment interest on delinquent contributions collected pursuant to Section III.C.1. shall be allocated among the Funds on a pro rata basis, based on each Fund's percentage share of the full amount of the delinquency.

3. Any late payment interest allocated to the Supplemental Retirement Fund under subsection G.2. shall be used to offset expenses otherwise assessed against all then-existing Supplemental Retirement Fund accounts pursuant to the monthly operating expense request from The Vanguard Group.

H. In unusual circumstances, an employer may request that the Boards of Trustees or the Collection Committee vary the terms of this Policy by contacting the Funds Administrator and submitting appropriate letters and supporting evidence. All such requests shall be treated in a nondiscriminatory manner.

VI. Employer Bonding Policy.

A. Effective January 1, 2005, each and every contributing employer to the Funds, and each new employer that seeks to hire sheet metal workers, shall be required to post a fringe benefit bond issued by a reputable insurance company authorized to do business in Connecticut as security for the payment of (1) contributions owed to the Funds, and (2) all union office assessments collected by the Sheet Metal Workers' Local No. 40 (the "Union"), along with interest, administrative fees, audit costs, attorneys' fees, liquidated damages, and other collection costs related to both categories. "Union office assessments" includes monies collected by or contributed by employers, as specified by the applicable collective bargaining agreement with the Union, for Youth-to-Youth programs, Brother-to-Brother programs, the Foundation for Fair Contracting, work assessments, the Labor Management Cooperation Fund, and the like.

B. The total amount of the bond to be posted on and after January 1, 2008 shall be as follows:

Number of sheet metal workers employed by employer		Amount
Tier I:	1 to 3	$10,000
Tier II:	4 to 9	$50,000
Tier III:	10 to 25	$100,000
Tier IV:	26 to 50	$200,000
Tier V:	51 or more	$300,000

C. The bond an employer posts shall be in the name of each of the Funds and the Union. The bond shall provide that in the event an employer is delinquent in contributions to any one of the Funds, or in dues to the Union, a pro rata portion of the amount of the bond shall be paid to that Fund and/or the Union. The bond may not require, as a condition of payment, that the employer be delinquent in contributions to all of the Funds and the Union. The bond shall require that written notice of cancellation/expiration be given to the Funds and the Union at least thirty (30) days prior to termination of the bond.

D. An employer who proves to the Funds that it cannot obtain a bond is required to comply with one of the following conditions:

(i) deposit with the Funds a cash payment equal to one month's contributions, based on a 40-hour work week, for each sheet metal worker on its payroll, or

(ii) make weekly contributions to the Funds, as described in II. G., or

(iii) if the employer has never been delinquent in its Reports or contributions to any of the Funds, make contributions for two-consecutive-work-week periods, as described in II. I.

E. If an employer chooses to make a cash deposit, a check shall be provided, made payable to the Sheet Metal Workers Local No. 40 Employer Bond Account. The check will be cashed immediately and held in a separate account in the Health Fund. No interest or other earnings shall be due to the employer on a cash deposit. An employer may apply to the Funds for a refund of its cash deposit. Refunds will only be made after approval of the Trustees of all Funds when all obligations to the Funds and the Union have been satisfied and the employer has not employed sheet metal workers for at least three (3) months.

F. The amount of a cash deposit in effect on January 1, 2008 and each January 1st thereafter, and the amount of a fringe benefit bond in effect as of the first policy renewal date after 2007 and each policy renewal date thereafter, will depend upon the average number of sheet metal workers an employer employed during the twelve months ended on the previous June 30th. For new signatory employers, the cash deposit or bond will be based on the number of sheet metal workers expected to be employed during the first three months after that employer signs a collective bargaining agreement.

If, at any time after a bond is posted or money is deposited, an employer's work force is due to increase, the fringe benefit contribution rates are due to increase, or the Funds Trustees are reasonably concerned about the ability of the employer to pay its fringe benefit contributions, the

Funds Trustees may demand that the employer submit a corresponding increase in bonding or deposit (if the work force increases to a number that falls in a higher Tier than the workforce on which the bond is based or if workforce or contribution rate increases justify an increase in the cash deposit) on a date earlier than the July 1st or policy renewal date that otherwise would apply. If the Fund Trustees require an additional amount of deposit or bonding pursuant to the previous sentence, that employer must submit a new bond or a new deposit before the Union sends additional workers to that employer.

G. Employers who make contributions every week or every-two-weeks and then fail to do so will be required to pay interest and costs as follows:

(i) Due date for contributions is fourteen (14) calendar days following the end of the period on which the Report and contributions are based. Employers who contribute every-two-weeks will be immediately referred to Collection Counsel for failure to pay by the Due Date.

(ii) Interest will be charged at 1% per month.

(iii) Interest will be calculated at 6-month intervals, ending June 30 and December 31.

(iv) Interest charges will be waived, in the Trustees' discretion (in the manner described in Article III, C, 1 (c)), if they determine that the costs of calculating, assessing and collecting will exceed the expected recovery.

(v) Employer must pay all collection costs (counsel, audits, court fees, liquidated damages, etc.).

(vi) Employers contributing every-two-weeks will no longer be permitted to contribute on that basis, and must either post a surety bond or comply with Section D.(i) or (ii) of this Article VI.

H. An employer's insured bond or cash deposit will be "pulled" and applied towards its outstanding delinquency when Collection Counsel recommends that action, based on

(i) the Funds' receipt of a cancellation notice reporting that the insured bond is due to expire, and the employer has not provided evidence of renewal at least ten (10) days prior to the expiration date, or

(ii) pending or threatened (a) bankruptcy or dissolution of the employer, or (b) termination of the employer's collective bargaining agreement.

(iii) the cessation of the employer's operations, or

(iv) the percentage of the outstanding delinquency covered by that bond (without regard to public work covered by a separate bond).

Action in response to items (i), (ii) or (iii) shall be taken immediately upon receipt of Collection Counsel's recommendation, without requiring a vote of the Trustees. Action in response to item (iv) shall be taken only after an affirmative vote of the Trustees of each Fund (other than any Trustee who must abstain because of a relationship with the affected employer), provided that if a tie vote exists, the Collection Counsel shall be entitled to make the decision on whether to make a claim on the bond or withdraw and apply the cash deposit.

I. The Funds and the Union, to the extent any of them is a contributing employer to the Funds, are exempt from posting bonds, making cash deposits, or making weekly contributions required by this Article VI.

J. Effective as of July 1, 2017, the following rules shall apply with respect to the Employer Bonding Policy described in this Section VI. For an employer that seeks to hire sheet metal workers and executes a collective bargaining agreement with the Union for the first time, such contributing employer shall have ninety (90) days from the date of such execution to come into compliance with the requirements of this Section VI. Further, contributing employers that comply with this Section VI by posting a sufficient bond and who then have such bond expire or lapse, shall have ninety (90) days from the date such bond expired or lapsed to come into compliance with the provisions of this Section VI, whether by posting a new or reissued bond, providing a cash deposit, or the like. Thereafter, in the event that any contributing employer to the Funds is not in compliance with this Section VI for any month (known hereunder as a "Noncompliance Month"), then it shall owe a monetary penalty to the Funds. The penalty amount for any Noncompliance Month shall be equal to 10% of the total amount of contributions owed by such contributing employer to the Funds with respect to such Noncompliance Month. As an example, in the event that Employer Z (a longstanding contributing employer to the Funds) was not in compliance with Section VI of this Policy for the month of August 2017, and the contributions required to be made to the Funds for such month were $10,000, then the penalty amount owed by Employer Z to the Funds for the month of August 2017 would be $1,000 (which is 10% of $10,000). Any amount(s) owed by a contributing employer under this Paragraph J. shall be collected in accordance with the process described in Section III.

K. The Union will communicate regularly with the Fund Office and will advise the Funds before a new employer signs a collective bargaining agreement or before sending additional workers to any contributing employer.

VII. Contribution Refund Policy:

A. An Employer seeking a refund must notify the Fund Office in writing of its claim for a refund and the reasons therefor.

B. The Trustees of the Funds other than the Health Fund will consider requests for the refund of contributions made within three (3) years prior to the date of such notification. The Health Fund Trustees will consider requests for refund of contributions made within eighteen (18) months prior to the date of such notification. Requests for refund of contributions attributable to an Employer's failure to use, misuse or misinterpretation of any provision of the Employer's Collective Bargaining Agreement will be considered only with respect to the Plan Year (Jan. 1 - Dec. 31) in which the date of notification occurs. Any contributions made prior to those three (3) year, eighteen (18) month, or current Plan Year periods will not be considered for a refund. Further, if any contributions directed to a Fund have been reciprocated pursuant to a reciprocity agreement, such contributions will not be considered for a refund.

C. In order to be entitled to a refund, the Employer must prove, to the satisfaction of the Trustees, that the contributions were made by mistake of fact or law and must provide all documentation to support the amount of refund requested. Excess contributions made in any purposeful attempt to circumvent Plan rules or in negligent disregard of those rules will not be refunded.

D. If a determination is made by the Trustees that contributions have been made by mistake of fact or law, the Trustees will then determine whether the return of these mistaken contributions will have a significant adverse financial effect on the Fund. If a refund will not have such a significant adverse effect and the other above-stated criteria are met, a refund will be given, on the condition that the Employer receiving that refund provides the Fund with a save harmless and indemnification agreement absolving the Fund from any future liability to the Employer and/or his employees. The Boards of Trustees of the Funds have full discretion and authority with respect to the determination of any refund pursuant to the terms of this Section VII.

E. Provided the other requirements of this Section VII are satisfied, such refunds shall normally be made, less applicable reasonable costs, within six (6) months after the determination by the Trustees that a refund is due and then only in the form of a credit against, first, any contributions, interest, attorneys' fees, collection costs, and other amounts that may have been due from that employer in the past (even if such amounts were previously waived by the Trustees of a respective Fund or Funds) and, thereafter, future contributions. After that, cash payments refunding excess contributions will be made after all previously waived amounts have been covered, if any, and only:

1. pursuant to an order by the bankruptcy court,

2. in the event of the permanent dissolution of a Contributing Employer, or

3. in the event an Employer permanently ceases to qualify as a Contributing Employer.

Any employer purporting to satisfy the criteria listed in 1., above, must provide the bankruptcy court order to the Funds, while an employer purporting to satisfy the criteria in 2., above, must provide proof of permanent dissolution satisfactory to the Trustees. Further, in any circumstance where an employer has withdrawal liability (as defined by ERISA), that employer will not be entitled to a refund until such withdrawal liability is paid in full. No interest will be paid on any refund. Any amount refunded and not credited against past or future contributions or paid in cash within the applicable current Plan Year, eighteen (18) month or three (3) year period will revert to the Fund.

F. No refund will be given for excess contributions made on behalf of individuals who have received benefits from the applicable Fund. If an Employer claims a refund because it contributed on an individual by mistake, whether or not that Employer is entitled to a refund under the terms of this Section VII, any benefits based on mistaken contributions, or eligibility for benefits in the Health Fund based on mistaken contributions, will be unequivocally revoked. COBRA rights, if applicable, under the Health Fund will be extended either retroactively or prospectively as the Trustees of the Health Fund determine will be appropriate depending upon the circumstances. Health Fund contributions made on behalf of an employee who, by virtue of those contributions, establishes eligibility for benefits will be reduced by benefits actually paid to or for that employee and his family, unless the employee repays the Health Fund for benefits actually paid.

[*REMAINDER OF PAGE BLANK -- SIGNATURE PAGE FOLLOWS*]

Adopted by the Boards of Trustees of the following Funds on May 16, 2017, as signified by the signatures of the Co-Chairmen of those Funds:

SHEET METAL WORKERS' LOCAL NO. 40 HEALTH FUND

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

SHEET METAL WORKERS' LOCAL NO. 40 SUPPLEMENTAL RETIREMENT FUND

THE SHEET METAL INDUSTRY APPRENTICE AND TRAINING FUND

THE SHEET METAL INDUSTRY FUND, INC.

Version Updates

Version	Date updated
v20220701p	07/01/2022

TEMPLATE 1

Form 5500 Projection

File name: *Template 1 Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

v20220701p

For an additional submission due to merger under § 4262.4(f)(1)(ii): *Template 1 Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

For the 2018 plan year until the most recent plan year for which the Form 5500 is required to be filed by the filing date of the initial application, provide the projection of expected benefit payments as required to be attached to the Form 5500 Schedule MB if the response to line 8b(1) of the Form 5500 Schedule MB should be "Yes."

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001

Complete for each Form 5500 that has been filed prior to the date the SFA application is submitted*.

	2018 Form 5500	2019 Form 5500	2020 Form 5500	2021 Form 5500	2022 Form 5500	2023 Form 5500	2024 Form 5500	2025 Form 5500
Plan Year Start Date	01/01/2018	01/01/2019	01/01/2020	01/01/2021	01/01/2022			
Plan Year End Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022			
Plan Year	Expected Benefit Payments							
2018	$9,585,684	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	$9,624,253	$9,677,598	N/A	N/A	N/A	N/A	N/A	N/A
2020	$9,674,249	$9,750,298	$9,783,945	N/A	N/A	N/A	N/A	N/A
2021	$9,682,356	$9,748,875	$9,787,161	$9,774,161	N/A	N/A	N/A	N/A
2022	$9,802,477	$9,860,914	$9,897,803	$9,923,329	N/A	N/A	N/A	N/A
2023	$9,876,138	$9,954,144	$9,988,746	$10,036,537	N/A		N/A	N/A
2024	$9,993,616	$10,079,023	$10,155,745	$10,234,703	N/A			N/A
2025	$10,030,792	$10,144,486	$10,217,393	$10,276,219	N/A			
2026	$10,059,242	$10,185,613	$10,269,585	$10,362,699	N/A			
2027	$10,135,399	$10,281,808	$10,356,954	$10,471,139	N/A			
2028	N/A	$10,325,953	$10,410,257	$10,479,283	N/A			
2029	N/A	N/A	$10,364,313	$10,443,471	N/A			
2030	N/A	N/A	N/A	$10,368,812	N/A			
2031	N/A	N/A	N/A	N/A	N/A			
2032	N/A	N/A	N/A	N/A	N/A			
2033	N/A	N/A	N/A	N/A	N/A	N/A		
2034	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

* Adjust column headers as may be needed due to any changes in the plan year since 2018 and provide supporting explanation. For example, assume the plan has a calendar year plan year, but effective 10/1/2019 the plan year is changed to begin on October 1. For 2019 there will be two 2019 Forms - one for the short plan year from 1/1/2019 to 9/30/2019, and another for the plan year 10/1/2019 to 9/30/2020. For this example, modify the table to show a separate column for each of the separate Forms 5500, and identify the plan year period for each filing.

Version Updates

Version	Date updated	
v20230727p	07/27/2023	Updated to highlight explanation needed if contributions and withdrawal liability payments do not match the plan year 5500 amounts.
v20220701p	07/01/2022	

TEMPLATE 3

Historical Plan Information

File name: *Template 3 Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

v20230727p

For additional submission due to merger under § 4262.4(f)(1)(ii): *Template 3 Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

Provide historical plan information for the 2010 plan year through the plan year immediately preceding the date the plan's initial application was filed that separately identifies: total contributions, total contribution base units (including identification of the base unit used (i.e., hourly, weekly)), average contribution rates, and number of active participants at the beginning of each plan year. Also show separately for each of the plan years in the same period all other sources of non-investment income, including, if applicable, withdrawal liability payments collected, reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if any), and other identifiable contribution streams.

If the contributions and withdrawal liabilities shown on this table do not equal the amount shown as credited to the funding standard account on the plan year Schedule MB of Form 5500, include an explanation as a footnote to this table.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001

Unit (e.g. hourly, weekly)	hourly

Plan Year (in order from oldest to most recent)	Plan Year Start Date	Plan Year End Date	Total Contributions*, **	Total Contribution Base Units	Average Contribution Rate	All Other Sources of Non-Investment Income: Reciprocity Contributions (if applicable)	Additional Rehab Plan Contributions (if applicable)	Other - Explain if Applicable	Withdrawal Liability Payments Collected**	Number of Active Participants at Beginning of Plan Year
2010	01/01/2010	12/31/2010	$5,546,864	542,340	$10.23	$0.00	$0	$0	$0.00	474
2011	01/01/2011	12/31/2011	$5,970,436	516,926	$11.55	$0.00	$0	$0	$0.00	427
2012	01/01/2012	12/31/2012	$6,068,187	489,949	$12.39	$0.00	$0	$0	$0.00	385
2013	01/01/2013	12/31/2013	$7,103,987	491,646	$14.45	$0.00	$0	$0	$0.00	357
2014	01/01/2014	12/31/2014	$8,360,330	613,836	$13.62	$0.00	$0	$0	$0.00	340
2015	01/01/2015	12/31/2015	$8,593,761	629,002	$13.66	$0.00	$0	$0	$0.00	358
2016	01/01/2016	12/31/2016	$9,110,585	641,647	$14.20	$0.00	$0	$0	$0.00	379
2017	01/01/2017	12/31/2017	$7,216,082	498,321	$14.48	$0.00	$0	$0	$0.00	370
2018	01/01/2018	12/31/2018	$7,616,225	518,923	$14.68	$0.00	$0	$0	$0.00	355
2019	01/01/2019	12/31/2019	$8,075,076	548,369	$14.73	$0.00	$0	$0	$0.00	326
2020	01/01/2020	12/31/2020	$6,635,834	433,624	$15.30	$0.00	$0	$0	$0.00	318
2021	01/01/2021	12/31/2021	$6,515,421	434,597	$14.99	$0.00	$0	$0	$0.00	298
2022	01/01/2022	12/31/2022	$7,212,678	478,450	$15.08	$0.00	$0	$0	$0.00	285

* Total contributions shown here should be contributions based upon CBUs and should not include items separately shown in any columns under "All Other Sources of Non-Investment Income."

** If the contributions and withdrawal liabilities shown on this table do not equal the amounts shown as credited to the funding standard account on the plan year Schedule MB of Form 5500, include an explanation as a footnote to this table.

FOOTNOTE: Total CBUs reported for 2010 and later are based on the most recently reported hours from the Plan Administrator and may include subsequent reporting corrections, audit results, etc. . They differ from those reported in actuarial valuation reports which are estimated contributions reported in the audited financial statements. that were not available at the time the valuation was completed.

TEMPLATE 4A

v20221102p

SFA Determination - under the "basic method" for all plans, and under the "increasing assets method" for MPRA plans

File name: *Template 4A Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

If submitting additional information due to a merger under § 4262.4(f)(1)(ii): *Template 4A Plan Name Merged* , where "Plan Name Merged" is an abbreviated version of the plan name for the separate plan involved in the merger.

If submitting additional information due to certain events with limitations under § 4262.4(f)(1)(i): *Template 4A Plan Name Add* , where "Plan Name" is an abbreviated version of the plan name.

If submitting a supplemented application under § 4262.4(g)(6): *Template 4A Supp Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (4) of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

IFR filers submitting a supplemented application should see Addendum C for more information.

MPRA plans using the "increasing assets method" should see Addendum D for more information.

For all plans, provide information used to determine the amount of SFA under the "basic method" described in § 4262.4(a)(1).

For MPRA plans, also provide information used to determine the amount of SFA under the "increasing assets method" described in § 4262.4(a)(2)(i).

The information to be provided is:

NOTE: All items below are provided on Sheet '4A-4 SFA Details .4(a)(1)' unless otherwise indicated.

a. The amount of SFA calculated using the "basic method", determined as a lump sum as of the SFA measurement date.

b. Non-SFA interest rate required under § 4262.4(e)(1) of PBGC's SFA regulation, including supporting details on how it was determined.
[Sheet: 4A-1 Interest Rates]

c. SFA interest rate required under § 4262.4(e)(2) of PBGC's SFA regulation, including supporting details on how it was determined.
[Sheet: 4A-1 Interest Rates]

d. Fair market value of assets as of the SFA measurement date. This amount should include any assets at the SFA measurement date attributable to financial assistance received by the plan under section 4261 of ERISA, but should not reflect a payable for amounts owed to PBGC for all amounts of such financial assistance received by the plan.

e. For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"):

   i. Separately identify the projected amount of contributions, projected withdrawal liability payments reflecting a reasonable allowance for amounts considered uncollectible, and other payments expected to be made to the plan (excluding the amount of financial assistance under section 4261 of ERISA and SFA to be received by the plan).

   ii. Identify the benefit payments described in § 4262.4(b)(1) (including any benefits that were restored under 26 CFR 1.432(e)(9)-(1)(e)(3) and excluding the payments in e.iii. below), separately for current retirees and beneficiaries, current terminated vested participants not yet in pay status, current active participants, and new entrants.
   [Sheet: 4A-2 SFA Ben Pmts]

   Identify total benefit payments paid and expected to be paid from projected SFA assets separately from total benefit payments paid and expected to be paid from non-SFA assets after the projected SFA assets are fully exhausted.

   iii. Separately identify the make-up payments described in § 4262.4(b)(1) attributable to the reinstatement of benefits under § 4262.15 that were previously suspended through the SFA measurement date.
   [Also see applicable examples in Section C, Item (4)e.iii. of the SFA instructions.]

   iv. Separately identify administrative expenses paid and expected to be paid (excluding the amount owed PBGC under section 4261 of ERISA) for premiums to PBGC and for all other administrative expenses.
   [Sheet: 4A-3 SFA Pcount and Admin Exp]

   Identify total administrative expenses paid and expected to be paid from projected SFA assets separately from total administrative expenses paid and expected to be paid from non-SFA assets after the projected SFA assets are fully exhausted.

   v. Provide the projected total participant count at the beginning of each year.
   [Sheet: 4A-3 SFA Pcount and Admin Exp]

   vi. Provide the projected investment income earned by assets not attributable to SFA based on the non-SFA interest rate in b. above and the projected fair market value of non-SFA assets at the end of each plan year.

   vii. Provide the projected investment income earned by assets attributable to SFA based on the SFA interest rate in c. above (excluding investment returns for the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets) and the projected fair market value of SFA assets at the end of each plan year.

f. The projected SFA exhaustion year. This is the first day of the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets. Note this date is only required for the calculation method under which the requested amount of SFA is determined.

Additional instructions for each individual worksheet:

Sheet

4A-1 SFA Determination - non-SFA Interest Rate and SFA Interest Rate

See instructions on 4A-1 Interest Rates.

4A-2 SFA Determination - Benefit Payments for the "basic method" for all plans, and for the "increasing assets method" for MRPA plans

This sheet is not required for an IFR filer submitting a supplemented application under § 4262.4(g)(6) if the total projected benefit payments are the same as those used in the application approved under the interim final rule.

On this sheet, you will provide:
--Basic plan information (plan name, EIN/PN, SFA measurement date), and
--Year-by-year deterministic projection of benefit payments.

For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"), identify benefit payments described in § 4262.4(b)(1) for current retirees and beneficiaries, current terminated vested participants not yet in pay status, currently active participants, and new entrants. Projected benefit payments should be entered based on current participant status as of the SFA census date. On this Sheet 4A-2, show all benefit payments as positive amounts.

If the plan has suspended benefit payments under sections 305(e)(9) or 4245(a) of ERISA, the benefit payments in this Sheet 4A-2 projection should reflect prospective reinstatement of benefits assuming such reinstatements commence as of the SFA measurement date. If the plan restored or partially restored benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date, the benefit payments in this Sheet 4A-2 should reflect fully restored prospective benefits.

Make-up payments to be paid to restore previously suspended benefits should not be included in this Sheet 4A-2, and are separately shown in Sheet 4A-4.

Except for the first row in the projection exhibit, each row must include the full plan year of the indicated information up to the plan year ending in 2051. The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date, so the first row may contain less than a full plan year of information. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

4A-3 SFA Determination - Participant Count and Administrative Expenses for the "basic method" for all plans, and for the "increasing assets method" for MPRA plans

This sheet is not required for an IFR filer submitting a supplemented application under § 4262.4(g)(6).

On this sheet, you will provide:
--Basic plan information (plan name, EIN/PN, SFA measurement date), and
--Year-by-year deterministic projection of participant count and administrative expenses.

For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"), identify the projected total participant count at the beginning of each year, as well as administrative expenses, separately for premiums to PBGC and for all other administrative expenses. On this Sheet 4A-3, show all administrative expenses as positive amounts. Total expenses should match the amounts shown on 4A-4 and 4A-5.

Any amounts owed to PBGC for financial assistance under section 4261 of ERISA should not be included in this Sheet 4A-3.

Except for the first row in the projection exhibit, each row must include the full plan year of the indicated information up to the plan year ending in 2051. The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date, so the first row may contain less than a full plan year of information. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

4A-4 SFA Determination - Details for the "basic method" under § 4262.4(a)(1) for all plans

On this sheet, you will provide:
--Basic plan information (plan name, EIN/PN, SFA measurement date, non-SFA interest rate, SFA interest rate),
--MPRA plan status and, if applicable, certain MPRA information,
--Fair Market Value of Assets as of the SFA measurement date,
--SFA Amount as of the SFA measurement date calculated under the "basic method",
--Projected SFA exhaustion year (only if the requested amount of SFA is determined under the "basic method"), and
--Year-by-year deterministic projection.

For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the "SFA coverage period"), provide each of the items requested in Columns (1) through (12). Show payments INTO the plan as positive amounts and payments OUT of the plan as negative amounts.

If the plan has suspended benefit payments under sections 305(e)(9) or 4245(a) of ERISA, Column (5) should show the make-up payments to be paid to restore the previously suspended benefits. These amounts should be determined as if such make-up payments are paid beginning as of the SFA measurement date. If the plan sponsor elects to pay these amounts as a lump sum, then the lump sum amount is assumed paid as of the SFA measurement date. If the plan sponsor elects to pay equal installments over 60 months, the first monthly payment is assumed paid on the first regular payment date on or after the SFA measurement date. See the examples in the SFA Instructions. If the make-up payments are paid over 60 months, each row in the projection should reflect the monthly payments for that period. The prospective reinstatement of suspended benefits is included in Column (4); Column (5) is only for make-up payments for past benefits that were suspended.

Except for the first row in the projection exhibit, each row must include the full plan year of the indicated information up to the plan year ending in 2051. The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date, so the first row may contain less than a full plan year of information. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

4A-5 SFA Determination - Details for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans

This sheet is to only be used by MPRA plans. For such plans, this sheet should be completed in addition to Sheet 4A-4.

On this sheet, you will provide:
--Basic plan information (plan name, EIN/PN, SFA measurement date, non-SFA interest rate, SFA interest rate),
--MPRA plan status, and if applicable, certain MPRA information,
--Fair Market Value of Assets as of the SFA measurement date,
--SFA Amount as of the SFA measurement date calculated under the "increasing assets method",
--Projected SFA exhaustion year (only if the requested amount of SFA is determined under the "increasing assets method"), and
--Year-by-year deterministic projection.

This sheet is identical to Sheet 4A-4, and the information in Columns (1) through (6) should be the same as that used in the "basic method" calculation in Sheet 4A-4. The SFA Amount as of the SFA Measurement Date will differ from that calculated in Sheet 4A-4, as it will be calculated in accordance with § 4262.4(a)(2)(i) as the lowest whole dollar amount (not less than $0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero, and, as of the last day of the SFA coverage period, the sum of projected SFA assets and projected non-SFA assets is greater than the amount of such sum as of the last day of the immediately preceding plan year.

Version Updates (newest version at top)

Version	Date updated	
v20221102p	11/02/2022	Added clarifying instructions for 4A-2 and 4A-3
v20220802p	08/02/2022	Cosmetic changes to increase the size of some rows
v20220701p	07/01/2022	

TEMPLATE 4A - Sheet 4A-1 v20221102p

SFA Determination - non-SFA Interest Rate and SFA Interest Rate

Provide the non-SFA interest rate and SFA interest rate used, including supporting details on how they were determined.

PLAN INFORMATION

Abbreviated Plan Name:	SM40	
EIN:	06-6157817	
PN:	001	
Initial Application Date:	03/31/2023	
SFA Measurement Date:	12/31/2022	For a plan other than a plan described in § 4262.4(g) (i.e., for a plan that has not filed an initial application under PBGC's interim final rule), the last day of the third calendar month immediately preceding the plan's initial application date. For a plan described in § 4262.4(g) (i.e., for a plan that filed an initial application prior to publication of the final rule), the last day of the calendar quarter immediately preceding the plan's initial application date.
Last day of first plan year ending after the measurement date:	12/31/2022	

Non-SFA Interest Rate Used:	5.85%	Rate used in projection of non-SFA assets.
SFA Interest Rate Used:	3.77%	Rate used in projection of SFA assets.

Development of non-SFA interest rate and SFA interest rate:

Plan Interest Rate:	7.25%	Interest rate used for the funding standard account projections in the plan's most recently completed certification of plan status before 1/1/2021.

	Month Year	Corresponding ERISA Section 303(h)(2)(C)(i), (ii), and (iii) rates disregarding modifications made under clause (iv) of such section. (i)	(ii)	(iii)	
Month in which plan's initial application is filed, and corresponding segment rates (leave (i), (ii), and (iii) blank if the IRS Notice for this month has not yet been issued):	March 2023	2.50%	3.83%	4.06%	24-month average segment rates without regard to interest rate stabilization rules. These rates are issued by IRS each month. For example, the applicable segment rates for August 2021 are 1.13%, 2.70%, and 3.38%. Those rates were issued in IRS Notice 21-50 on August 16, 2021 (see page 2 of notice under the heading "24-Month Average Segment Rates Without 25-Year Average Adjustment").
1 month preceding month in which plan's initial application is filed, and corresponding segment rates:	February 2023	2.31%	3.72%	4.00%	
2 months preceding month in which plan's initial application is filed, and corresponding segment rates:	January 2023	2.13%	3.62%	3.93%	They are also available on IRS' Funding Yield Curve Segment Rate Tables web page (See Funding Table 3 under the heading "24-Month Average Segment Rates Not Adjusted").
3 months preceding month in which plan's initial application is filed, and corresponding segment rates:	December 2022	1.95%	3.50%	3.85%	

Non-SFA Interest Rate Limit *(lowest 3rd segment rate plus 200 basis points)* :	5.85%	This amount is calculated based on the other information entered above.
Non-SFA Interest Rate Calculation *(lesser of Plan Interest Rate and Non-SFA Interest Rate Limit):*	5.85%	This amount is calculated based on the other information entered above.
Non-SFA Interest Rate Match Check:	Match	If the non-SFA Interest Rate Calculation is not equal to the non-SFA Interest Rate Used, provide explanation below.

SFA Interest Rate Limit (*lowest average of the 3 segment rates plus 67 basis points*):	3.77%	This amount is calculated based on the other information entered.
SFA Interest Rate Calculation (*lesser of Plan Interest Rate and SFA Interest Rate Limit*):	3.77%	This amount is calculated based on the other information entered above.
SFA Interest Rate Match Check:	Match	If the SFA Interest Rate Calculation is not equal to the SFA Interest Rate Used, provide explanation below.

TEMPLATE 4A - Sheet 4A-2 v20221102p

SFA Determination - Benefit Payments for the "basic method" for all plans, and for the "increasing assets method" for MRPA plans

See Template 4A Instructions for Additional Instructions for Sheet 4A-2.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001
SFA Measurement Date:	12/31/2022

On this Sheet, show all benefit payment amounts as positive amounts.

		PROJECTED BENEFIT PAYMENTS for:				
SFA Measurement Date / Plan Year Start Date	Plan Year End Date	Current Retirees and Beneficiaries in Pay Status	Current Terminated Vested Participants	Current Active Participants	New Entrants	Total
12/31/2022	12/31/2022	$0	$0	$0	$0	$0
01/01/2023	12/31/2023	$8,888,808	$335,238	$785,691	$47	$10,009,784
01/01/2024	12/31/2024	$8,593,034	$589,227	$1,110,524	$79	$10,292,864
01/01/2025	12/31/2025	$8,293,397	$609,928	$1,457,269	$104	$10,360,698
01/01/2026	12/31/2026	$7,984,835	$748,004	$1,774,525	$134	$10,507,498
01/01/2027	12/31/2027	$7,668,831	$864,905	$2,138,311	$190	$10,672,237
01/01/2028	12/31/2028	$7,343,986	$960,370	$2,437,552	$7,980	$10,749,888
01/01/2029	12/31/2029	$7,014,086	$1,007,789	$2,742,764	$12,251	$10,776,890
01/01/2030	12/31/2030	$6,678,590	$1,054,574	$3,026,972	$16,607	$10,776,743
01/01/2031	12/31/2031	$6,338,498	$1,233,734	$3,311,870	$23,372	$10,907,474
01/01/2032	12/31/2032	$5,991,392	$1,350,972	$3,612,490	$28,314	$10,983,168
01/01/2033	12/31/2033	$5,645,361	$1,434,693	$3,917,905	$48,974	$11,046,933
01/01/2034	12/31/2034	$5,298,902	$1,479,333	$4,142,265	$63,275	$10,983,775
01/01/2035	12/31/2035	$4,953,811	$1,581,816	$4,320,534	$78,091	$10,934,252
01/01/2036	12/31/2036	$4,612,035	$1,603,067	$4,516,594	$97,741	$10,829,437
01/01/2037	12/31/2037	$4,275,613	$1,643,725	$4,637,272	$114,413	$10,671,023
01/01/2038	12/31/2038	$3,946,550	$1,756,866	$4,723,752	$174,421	$10,601,589
01/01/2039	12/31/2039	$3,626,722	$1,847,740	$4,833,986	$217,074	$10,525,522
01/01/2040	12/31/2040	$3,317,918	$1,922,609	$4,939,976	$260,746	$10,441,249
01/01/2041	12/31/2041	$3,021,806	$1,915,275	$5,042,551	$323,781	$10,303,413
01/01/2042	12/31/2042	$2,739,714	$1,922,918	$5,085,006	$380,931	$10,128,569
01/01/2043	12/31/2043	$2,472,579	$1,922,552	$5,145,555	$468,607	$10,009,293
01/01/2044	12/31/2044	$2,221,063	$1,894,477	$5,146,732	$538,845	$9,801,117
01/01/2045	12/31/2045	$1,985,559	$1,854,474	$5,142,433	$607,738	$9,590,204
01/01/2046	12/31/2046	$1,766,146	$1,810,499	$5,103,794	$690,841	$9,371,280
01/01/2047	12/31/2047	$1,562,700	$1,761,600	$5,041,375	$769,047	$9,134,722
01/01/2048	12/31/2048	$1,374,923	$1,733,265	$5,003,817	$859,199	$8,971,204
01/01/2049	12/31/2049	$1,202,466	$1,686,426	$4,978,469	$943,874	$8,811,235
01/01/2050	12/31/2050	$1,044,919	$1,642,206	$4,930,315	$1,026,207	$8,643,647
01/01/2051	12/31/2051	$901,854	$1,595,553	$4,878,247	$1,124,777	$8,500,431

TEMPLATE 4A - Sheet 4A-3

v20221102p

SFA Determination - Participant Count and Administrative Expenses for the "basic method" for all plans, and for the "increasing assets method" for MPRA plans

See Template 4A Instructions for Additional Instructions for Sheet 4A-3.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001
SFA Measurement Date:	12/31/2022

On this Sheet, show all administrative expense amounts as positive amounts.

SFA Measurement Date / Plan Year Start Date	Plan Year End Date	Total Participant Count at Beginning of Plan Year	**PROJECTED ADMINISTRATIVE EXPENSES** for: PBGC Premiums	Other	Total
12/31/2022	12/31/2022	N/A	$0	$0	$0
01/01/2023	12/31/2023	1011	$35,385	$395,371	$430,756
01/01/2024	12/31/2024	1007	$36,252	$405,273	$441,525
01/01/2025	12/31/2025	1000	$37,000	$415,563	$452,563
01/01/2026	12/31/2026	994	$37,772	$426,105	$463,877
01/01/2027	12/31/2027	988	$38,532	$436,942	$475,474
01/01/2028	12/31/2028	982	$39,280	$448,081	$487,361
01/01/2029	12/31/2029	975	$39,975	$459,570	$499,545
01/01/2030	12/31/2030	967	$40,614	$471,420	$512,034
01/01/2031	12/31/2031	959	$49,868	$483,598	$533,466
01/01/2032	12/31/2032	951	$50,403	$496,399	$546,802
01/01/2033	12/31/2033	943	$51,865	$508,607	$560,472
01/01/2034	12/31/2034	936	$52,416	$522,068	$574,484
01/01/2035	12/31/2035	925	$52,725	$536,121	$588,846
01/01/2036	12/31/2036	913	$53,867	$549,700	$603,567
01/01/2037	12/31/2037	902	$54,120	$564,537	$618,657
01/01/2038	12/31/2038	889	$55,118	$579,005	$634,123
01/01/2039	12/31/2039	878	$55,314	$594,662	$649,976
01/01/2040	12/31/2040	866	$56,290	$609,936	$666,226
01/01/2041	12/31/2041	854	$57,218	$625,663	$682,881
01/01/2042	12/31/2042	843	$57,324	$642,629	$699,953
01/01/2043	12/31/2043	831	$58,170	$659,282	$717,452
01/01/2044	12/31/2044	820	$59,040	$676,348	$735,388
01/01/2045	12/31/2045	807	$58,911	$694,862	$753,773
01/01/2046	12/31/2046	795	$59,625	$712,992	$772,617
01/01/2047	12/31/2047	782	$60,214	$731,719	$791,933
01/01/2048	12/31/2048	770	$60,830	$750,901	$811,731
01/01/2049	12/31/2049	758	$61,398	$770,626	$832,024
01/01/2050	12/31/2050	747	$62,001	$790,824	$852,825
01/01/2051	12/31/2051	734	$62,390	$811,756	$874,146

TEMPLATE 4A - Sheet 4A-4

v20221102p

SFA Determination - Details for the "basic method" under § 4262.4(a)(1) for all plans

See Template 4A Instructions for Additional Instructions for Sheet 4A-4.

PLAN INFORMATION

Abbreviated Plan Name:	SM40	
EIN:	06-6157817	
PN:	001	
MPRA Plan?	No	Meets the definition of a MPRA plan described in § 4262.4(a)(3)?
If a MPRA Plan, which method yields the greatest amount of SFA?	N/A	MPRA increasing assets method described in § 4262.4(a)(2)(i). MPRA present value method described in § 4262.4(a)(2)(ii).
SFA Measurement Date:	12/31/2022	
Fair Market Value of Assets as of the SFA Measurement Date:	$47,310,760	
SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet:	$18,760,079	Per § 4262.4(a)(1), the lowest whole dollar amount (not less than $0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero.
Projected SFA exhaustion year:	01/01/2024	Only required on this sheet if the requested amount of SFA is based on the "basic method". Plan Year Start Date of the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets.
Non-SFA Interest Rate:	5.85%	
SFA Interest Rate:	3.77%	

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

SFA Measurement Date / Plan Year Start Date	Plan Year End Date	(1) Contributions	(2) Withdrawal Liability Payments	(3) Other Payments to Plan (excluding financial assistance and SFA)	(4) Benefit Payments (should match total from Sheet 4A-2)	(5) Make-up Payments Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date	(6) Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA; should match total from Sheet 4A-3)	(7) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets	(8) SFA Investment Income Based on SFA Interest Rate	(9) Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8))	(10) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets	(11) Non-SFA Investment Income Based on Non-SFA Interest Rate	(12) Projected Non-SFA Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11))
12/31/2022	12/31/2022	$0	$0	$0	$0	$0	$0	$0	$0	$18,760,079	$0	$0	$47,310,760
01/01/2023	12/31/2023	$7,048,143	$0	$0	-$10,009,784	$0	-$430,756	-$10,440,540	$502,331	$8,821,870	$0	$2,956,658	$57,315,560
01/01/2024	12/31/2024	$6,977,661	$0	$0	-$10,292,864	$0	-$441,525	-$8,821,870	$0	$0	-$1,912,519	$3,481,807	$65,862,509
01/01/2025	12/31/2025	$6,907,885	$0	$0	-$10,360,698	$0	-$452,563	$0	$0	$0	-$10,813,262	$3,708,649	$65,665,781
01/01/2026	12/31/2026	$6,838,806	$0	$0	-$10,507,498	$0	-$463,877	$0	$0	$0	-$10,971,376	$3,690,333	$65,223,544
01/01/2027	12/31/2027	$6,770,418	$0	$0	-$10,672,237	$0	-$475,474	$0	$0	$0	-$11,147,712	$3,657,131	$64,503,381
01/01/2028	12/31/2028	$6,702,714	$0	$0	-$10,749,888	$0	-$487,361	$0	$0	$0	-$11,237,249	$3,610,219	$63,579,065
01/01/2029	12/31/2029	$6,635,686	$0	$0	-$10,776,890	$0	-$499,545	$0	$0	$0	-$11,276,435	$3,552,847	$62,491,164
01/01/2030	12/31/2030	$6,569,330	$0	$0	-$10,776,743	$0	-$512,034	$0	$0	$0	-$11,288,777	$3,486,700	$61,258,416
01/01/2031	12/31/2031	$6,503,636	$0	$0	-$10,907,474	$0	-$533,466	$0	$0	$0	-$11,440,940	$3,407,745	$59,728,857
01/01/2032	12/31/2032	$6,438,600	$0	$0	-$10,983,168	$0	-$546,802	$0	$0	$0	-$11,529,971	$3,313,527	$57,951,013
01/01/2033	12/31/2033	$6,374,214	$0	$0	-$11,046,933	$0	-$560,472	$0	$0	$0	-$11,607,405	$3,205,132	$55,922,955
01/01/2034	12/31/2034	$6,310,472	$0	$0	-$10,983,775	$0	-$574,484	$0	$0	$0	-$11,558,259	$3,085,810	$53,760,977
01/01/2035	12/31/2035	$6,247,367	$0	$0	-$10,934,252	$0	-$588,846	$0	$0	$0	-$11,523,099	$2,958,250	$51,443,495
01/01/2036	12/31/2036	$6,184,893	$0	$0	-$10,829,437	$0	-$603,567	$0	$0	$0	-$11,433,004	$2,823,207	$49,018,592
01/01/2037	12/31/2037	$6,123,044	$0	$0	-$10,671,023	$0	-$618,657	$0	$0	$0	-$11,289,680	$2,683,443	$46,535,399
01/01/2038	12/31/2038	$6,061,814	$0	$0	-$10,601,589	$0	-$634,123	$0	$0	$0	-$11,235,712	$2,537,661	$43,899,162
01/01/2039	12/31/2039	$6,001,196	$0	$0	-$10,525,522	$0	-$649,976	$0	$0	$0	-$11,175,498	$2,383,113	$41,107,972
01/01/2040	12/31/2040	$5,941,184	$0	$0	-$10,441,249	$0	-$666,226	$0	$0	$0	-$11,107,475	$2,219,734	$38,161,415
01/01/2041	12/31/2041	$5,881,772	$0	$0	-$10,303,413	$0	-$682,881	$0	$0	$0	-$10,986,294	$2,048,824	$35,105,717
01/01/2042	12/31/2042	$5,822,954	$0	$0	-$10,128,569	$0	-$699,953	$0	$0	$0	-$10,828,522	$1,872,605	$31,972,754
01/01/2043	12/31/2043	$5,764,725	$0	$0	-$10,009,293	$0	-$717,452	$0	$0	$0	-$10,726,745	$1,690,230	$28,700,964
01/01/2044	12/31/2044	$5,707,078	$0	$0	-$9,801,117	$0	-$735,388	$0	$0	$0	-$10,536,506	$1,502,325	$25,373,860
01/01/2045	12/31/2045	$5,650,007	$0	$0	-$9,590,204	$0	-$753,773	$0	$0	$0	-$10,343,977	$1,311,252	$21,991,143
01/01/2046	12/31/2046	$5,593,507	$0	$0	-$9,371,280	$0	-$772,617	$0	$0	$0	-$10,143,897	$1,117,150	$18,557,902
01/01/2047	12/31/2047	$5,537,572	$0	$0	-$9,134,722	$0	-$791,933	$0	$0	$0	-$9,926,655	$920,595	$15,089,413
01/01/2048	12/31/2048	$5,482,196	$0	$0	-$8,971,204	$0	-$811,731	$0	$0	$0	-$9,782,935	$719,828	$11,508,502
01/01/2049	12/31/2049	$5,427,374	$0	$0	-$8,811,235	$0	-$832,024	$0	$0	$0	-$9,643,259	$512,367	$7,804,984
01/01/2050	12/31/2050	$5,373,100	$0	$0	-$8,643,647	$0	-$852,825	$0	$0	$0	-$9,496,472	$297,941	$3,979,553
01/01/2051	12/31/2051	$5,319,369	$0	$0	-$8,500,431	$0	-$874,146	$0	$0	$0	-$9,374,576	$75,654	$0

TEMPLATE 4A - Sheet 4A-5

v20221102p

SFA Determination - Details for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans

See Template 4A Instructions for Additional Instructions for Sheet 4A-5.

PLAN INFORMATION

Abbreviated Plan Name:		
EIN:		
PN:		
MPRA Plan?		Meets the definition of a MPRA plan described in § 4262.4(a)(3)?
If a MPRA Plan, which method yields the greatest amount of SFA?		MPRA increasing assets method described in § 4262.4(a)(2)(i). MPRA present value method described in § 4262.4(a)(2)(ii).
SFA Measurement Date:		
Fair Market Value of Assets as of the SFA Measurement Date:		
SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet:		Per § 4262.4(a)(2)(i), the lowest whole dollar amount (not less than $0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero, and, as of the last day of the SFA coverage period, the sum of projected SFA assets and projected non-SFA assets is greater than the amount of such sum as of the last day of the immediately preceding plan year.
Projected SFA exhaustion year:		Only required on this sheet if the requested amount of SFA is based on the "increasing assets method". Plan Year Start Date of the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets.
Non-SFA Interest Rate:		
SFA Interest Rate:		

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

SFA Measurement Date / Plan Year Start Date	Plan Year End Date	(1) Contributions	(2) Withdrawal Liability Payments	(3) Other Payments to Plan (excluding financial assistance and SFA)	(4) Benefit Payments (should match total from Sheet 4A-2)	(5) Make-up Payments Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date	(6) Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA; should match total from Sheet 4A-3)	(7) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets	(8) SFA Investment Income Based on SFA Interest Rate	(9) Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8))	(10) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets	(11) Non-SFA Investment Income Based on Non-SFA Interest Rate	(12) Projected Non-SFA Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11))

TEMPLATE 5A

v20220802p

Baseline - for non-MPRA plans using the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"

File name: *Template 5A Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (5) of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

This Template 5A is not required if all assumptions and methods used to determine the requested SFA amount are identical to those used in the most recent actuarial certification of plan status completed before 1/1/2021 ("pre-2021 certification of plan status"), except the non-SFA and SFA interest rates, and except any assumptions that were changed in accordance with Section III, Acceptable Assumption Changes in PBGC's SFA assumptions guidance (other than the acceptable assumption change for "missing" terminated vested participants described in Section III.E. of PBGC's SFA assumptions guidance).

Provide a separate deterministic projection ("Baseline") using the same calculation methodology used to determine the requested SFA amount, in the same format as Template 4A (Sheets 4A-2, 4A-3, and either 4A-4 or 4A-5) that shows the amount of SFA that would be determined if all underlying assumptions and methods used in the projection were the same as those used in the pre-2021 certification of plan status, except the plan's non-SFA interest rate and SFA interest rate, which should be the same as used in Template 4A (Sheet 4A-1).

For purposes of this Template 5A, any assumption change made in accordance with Section III, Acceptable Assumption Changes, in PBGC's SFA assumptions guidance should be reflected in this Baseline calculation of the SFA amount and supporting projection information, except that an assumption change for “missing” terminated vested participants described in Section III.E of PBGC’s SFA assumptions guidance should not be reflected in the Baseline projections. See examples in the SFA instructions for Section C, Item (5).

Additional instructions for each individual worksheet:

Sheet

5A-1 Baseline - Benefit Payments for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"

See Template 4A instructions for Sheet 4A-2, except provide the benefit payment projection used to determine the Baseline SFA amount.

5A-2 Baseline - Participant Count and Administrative Expenses for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"

See Template 4A instructions for Sheet 4A-3, except provide the projected total participant count and administrative expense projection used to determine the Baseline SFA amount.

5A-3 Baseline - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

For non-MPRA plans, see Template 4A instructions for Sheet 4A-4, except provide the projection used to determine the Baseline SFA amount under the "basic method" described in § 4262.4(a)(1). Unlike Sheet 4A-4, it is not necessary to explicitly identify the projected SFA exhaustion year in Sheet 5A-3.

For MPRA plans for which the requested amount of SFA is determined under the "increasing assets method", see Template 4A instructions for Sheet 4A-5, except provide the projection used to determine the Baseline SFA amount under the "increasing assets method" described in § 4262.4(a)(2)(i). Unlike Sheet 4A-5, it is not necessary to identify the projected SFA exhaustion year in Sheet 5A-3.

Version Updates (newest version at top)

Version	Date updated	
v20220802p	08/02/2022	Cosmetic changes to increase the size of some rows
v20220701p	07/01/2022	

TEMPLATE 5A - Sheet 5A-1

v20220802p

Baseline - Benefit Payments for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"

See Template 4A instructions for Sheet 4A-2, except provide the benefit payment projection used to determine the Baseline SFA amount.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001
SFA Measurement Date:	12/31/2022

On this Sheet, show all benefit payment amounts as positive amounts.

		PROJECTED BENEFIT PAYMENTS for:				
SFA Measurement Date / Plan Year Start Date	Plan Year End Date	Current Retirees and Beneficiaries in Pay Status	Current Terminated Vested Participants	Current Active Participants	New Entrants	Total
12/31/2022	12/31/2022	$0	$0	$0	$0	$0
01/01/2023	12/31/2023	$8,888,808	$335,238	$801,722	$100	$10,025,868
01/01/2024	12/31/2024	$8,593,034	$589,227	$1,127,549	$156	$10,309,966
01/01/2025	12/31/2025	$8,293,397	$609,928	$1,476,468	$195	$10,379,988
01/01/2026	12/31/2026	$7,984,835	$748,004	$1,796,915	$240	$10,529,994
01/01/2027	12/31/2027	$7,668,831	$864,905	$2,165,491	$340	$10,699,567
01/01/2028	12/31/2028	$7,343,986	$960,370	$2,469,876	$18,187	$10,792,419
01/01/2029	12/31/2029	$7,014,086	$1,007,789	$2,781,096	$25,744	$10,828,715
01/01/2030	12/31/2030	$6,678,590	$1,054,574	$3,072,087	$33,113	$10,838,364
01/01/2031	12/31/2031	$6,338,498	$1,233,734	$3,365,560	$45,834	$10,983,626
01/01/2032	12/31/2032	$5,991,392	$1,350,972	$3,676,514	$53,502	$11,072,380
01/01/2033	12/31/2033	$5,645,361	$1,434,693	$3,994,303	$98,684	$11,173,041
01/01/2034	12/31/2034	$5,298,902	$1,479,333	$4,229,592	$124,459	$11,132,286
01/01/2035	12/31/2035	$4,953,811	$1,581,816	$4,418,076	$150,624	$11,104,327
01/01/2036	12/31/2036	$4,612,035	$1,603,067	$4,626,774	$187,568	$11,029,444
01/01/2037	12/31/2037	$4,275,613	$1,643,725	$4,758,328	$215,221	$10,892,887
01/01/2038	12/31/2038	$3,946,550	$1,756,866	$4,854,692	$347,956	$10,906,064
01/01/2039	12/31/2039	$3,626,722	$1,847,740	$4,977,245	$425,683	$10,877,390
01/01/2040	12/31/2040	$3,317,918	$1,922,609	$5,096,003	$503,322	$10,839,852
01/01/2041	12/31/2041	$3,021,806	$1,915,275	$5,212,154	$626,162	$10,775,397
01/01/2042	12/31/2042	$2,739,714	$1,922,918	$5,264,843	$726,752	$10,654,227
01/01/2043	12/31/2043	$2,472,579	$1,922,552	$5,339,201	$899,048	$10,633,380
01/01/2044	12/31/2044	$2,221,063	$1,894,477	$5,350,104	$1,020,478	$10,486,122
01/01/2045	12/31/2045	$1,985,559	$1,854,474	$5,356,366	$1,138,040	$10,334,439
01/01/2046	12/31/2046	$1,766,146	$1,810,499	$5,326,956	$1,290,768	$10,194,369
01/01/2047	12/31/2047	$1,562,700	$1,761,600	$5,272,051	$1,426,564	$10,022,915
01/01/2048	12/31/2048	$1,374,923	$1,733,265	$5,246,271	$1,591,049	$9,945,508
01/01/2049	12/31/2049	$1,202,466	$1,686,426	$5,235,713	$1,740,079	$9,864,684
01/01/2050	12/31/2050	$1,044,919	$1,642,206	$5,200,877	$1,884,296	$9,772,298
01/01/2051	12/31/2051	$901,854	$1,595,553	$5,162,301	$2,070,904	$9,730,612

TEMPLATE 5A - Sheet 5A-2 v20220802p

Baseline - Participant Count and Administrative Expenses for the "basic method", or for MPRA plans for which the requested amount of SFA is determined under the "increasing assets method"

See Template 4A instructions for Sheet 4A-3, except provide the projected total participant count and administrative expense projection used to determine the Baseline SFA amount.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001
SFA Measurement Date:	12/31/2022

On this Sheet, show all administrative expense amounts as positive amounts.

SFA Measurement Date / Plan Year Start Date	Plan Year End Date	Total Participant Count at Beginning of Plan Year	PROJECTED ADMINISTRATIVE EXPENSES for: PBGC Premiums	Other	Total
12/31/2022	12/31/2022	N/A	$0	$0	$0
01/01/2023	12/31/2023	1057	$36,995	$393,761	$430,756
01/01/2024	12/31/2024	1056	$38,016	$403,509	$441,525
01/01/2025	12/31/2025	1052	$38,924	$413,639	$452,563
01/01/2026	12/31/2026	1050	$39,900	$423,977	$463,877
01/01/2027	12/31/2027	1046	$40,794	$434,680	$475,474
01/01/2028	12/31/2028	1045	$41,800	$445,561	$487,361
01/01/2029	12/31/2029	1043	$42,763	$456,782	$499,545
01/01/2030	12/31/2030	1039	$43,638	$468,396	$512,034
01/01/2031	12/31/2031	1034	$53,768	$480,373	$534,141
01/01/2032	12/31/2032	1031	$54,643	$492,851	$547,494
01/01/2033	12/31/2033	1026	$56,430	$504,752	$561,182
01/01/2034	12/31/2034	1025	$57,400	$517,811	$575,211
01/01/2035	12/31/2035	1019	$58,083	$531,508	$589,591
01/01/2036	12/31/2036	1012	$59,708	$544,623	$604,331
01/01/2037	12/31/2037	1005	$60,300	$559,139	$619,439
01/01/2038	12/31/2038	996	$61,752	$573,173	$634,925
01/01/2039	12/31/2039	992	$62,496	$588,303	$650,799
01/01/2040	12/31/2040	985	$64,025	$603,043	$667,068
01/01/2041	12/31/2041	979	$65,593	$618,152	$683,745
01/01/2042	12/31/2042	974	$66,232	$634,607	$700,839
01/01/2043	12/31/2043	967	$67,690	$650,670	$718,360
01/01/2044	12/31/2044	963	$69,336	$666,983	$736,319
01/01/2045	12/31/2045	956	$69,788	$684,939	$754,727
01/01/2046	12/31/2046	949	$71,175	$702,420	$773,595
01/01/2047	12/31/2047	942	$72,534	$720,401	$792,935
01/01/2048	12/31/2048	935	$73,865	$738,893	$812,758
01/01/2049	12/31/2049	930	$75,330	$757,747	$833,077
01/01/2050	12/31/2050	924	$76,692	$777,212	$853,904
01/01/2051	12/31/2051	917	$77,945	$797,307	$875,252

TEMPLATE 5A - Sheet 5A-3 v20220802p

Baseline - Details for the "basic method" under § 4262.4(a)(1) for non-MPRA plans, or for the "increasing assets method" under § 4262.4(a)(2)(i) for MPRA plans for which the requested amount of SFA is determined under that method

See Template 4A instructions for Sheet 4A-4 or Sheet 4A-5, except provide the projection used to determine the Baseline SFA amount.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001
MPRA Plan?	No
If a MPRA Plan, which method yields the greatest amount of SFA?	N/A
SFA Measurement Date:	12/31/2022
Fair Market Value of Assets as of the SFA Measurement Date:	$47,310,760
SFA Amount as of the SFA Measurement Date under the method calculated in this Sheet:	$0
Non-SFA Interest Rate:	5.85%
SFA Interest Rate:	3.77%

On this Sheet, show payments INTO the plan as positive amounts, and payments OUT of the plan as negative amounts.

SFA Measurement Date / Plan Year Start Date	Plan Year End Date	(1) Contributions	(2) Withdrawal Liability Payments	(3) Other Payments to Plan (excluding financial assistance and SFA)	(4) Benefit Payments (should match total from Sheet 5A-1)	(5) Make-up Payments Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date	(6) Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA; should match total from Sheet 5A-2)	(7) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from SFA Assets	(8) SFA Investment Income Based on SFA Interest Rate	(9) Projected SFA Assets at End of Plan Year (prior year assets + (7) + (8))	(10) Benefit Payments (from (4) and (5)) and Administrative Expenses (from (6)) Paid from Non-SFA Assets	(11) Non-SFA Investment Income Based on Non-SFA Interest Rate	(12) Projected Non-SFA Assets at End of Plan Year (prior year assets + (1) + (2) + (3) + (10) + (11))
12/31/2022	12/31/2022	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$47,310,760
01/01/2023	12/31/2023	$8,184,000	$0	$0	-$10,025,868	$0	-$430,756	$0	$0	$0	-$10,456,624	$2,668,657	$47,706,793
01/01/2024	12/31/2024	$8,184,000	$0	$0	-$10,309,966	$0	-$441,525	$0	$0	$0	-$10,751,491	$2,682,885	$47,822,187
01/01/2025	12/31/2025	$8,184,000	$0	$0	-$10,379,988	$0	-$452,563	$0	$0	$0	-$10,832,551	$2,686,942	$47,860,577
01/01/2026	12/31/2026	$8,184,000	$0	$0	-$10,529,994	$0	-$463,877	$0	$0	$0	-$10,993,871	$2,684,138	$47,734,844
01/01/2027	12/31/2027	$8,184,000	$0	$0	-$10,699,567	$0	-$475,474	$0	$0	$0	-$11,175,041	$2,671,144	$47,414,947
01/01/2028	12/31/2028	$8,184,000	$0	$0	-$10,792,419	$0	-$487,361	$0	$0	$0	-$11,279,780	$2,649,019	$46,968,186
01/01/2029	12/31/2029	$8,184,000	$0	$0	-$10,828,715	$0	-$499,545	$0	$0	$0	-$11,328,260	$2,621,109	$46,445,035
01/01/2030	12/31/2030	$8,184,000	$0	$0	-$10,838,364	$0	-$512,034	$0	$0	$0	-$11,350,398	$2,589,492	$45,868,129
01/01/2031	12/31/2031	$8,184,000	$0	$0	-$10,983,626	$0	-$534,141	$0	$0	$0	-$11,517,767	$2,550,201	$45,084,563
01/01/2032	12/31/2032	$8,184,000	$0	$0	-$11,072,380	$0	-$547,494	$0	$0	$0	-$11,619,874	$2,500,985	$44,149,674
01/01/2033	12/31/2033	$8,184,000	$0	$0	-$11,173,041	$0	-$561,182	$0	$0	$0	-$11,734,223	$2,442,549	$43,042,000
01/01/2034	12/31/2034	$8,184,000	$0	$0	-$11,132,286	$0	-$575,211	$0	$0	$0	-$11,707,497	$2,378,121	$41,896,624
01/01/2035	12/31/2035	$8,184,000	$0	$0	-$11,104,327	$0	-$589,591	$0	$0	$0	-$11,693,918	$2,311,093	$40,697,799
01/01/2036	12/31/2036	$8,184,000	$0	$0	-$11,029,444	$0	-$604,331	$0	$0	$0	-$11,633,775	$2,242,290	$39,490,314
01/01/2037	12/31/2037	$8,184,000	$0	$0	-$10,892,887	$0	-$619,439	$0	$0	$0	-$11,512,326	$2,174,763	$38,336,751
01/01/2038	12/31/2038	$8,184,000	$0	$0	-$10,906,064	$0	-$634,925	$0	$0	$0	-$11,540,989	$2,105,988	$37,085,749
01/01/2039	12/31/2039	$8,184,000	$0	$0	-$10,877,390	$0	-$650,799	$0	$0	$0	-$11,528,189	$2,032,714	$35,774,275
01/01/2040	12/31/2040	$8,184,000	$0	$0	-$10,839,852	$0	-$667,068	$0	$0	$0	-$11,506,920	$1,956,139	$34,407,494
01/01/2041	12/31/2041	$8,184,000	$0	$0	-$10,775,397	$0	-$683,745	$0	$0	$0	-$11,459,142	$1,877,092	$33,009,444
01/01/2042	12/31/2042	$8,184,000	$0	$0	-$10,654,227	$0	-$700,839	$0	$0	$0	-$11,355,066	$1,797,851	$31,636,229
01/01/2043	12/31/2043	$8,184,000	$0	$0	-$10,633,380	$0	-$718,360	$0	$0	$0	-$11,351,740	$1,717,102	$30,185,592
01/01/2044	12/31/2044	$8,184,000	$0	$0	-$10,486,122	$0	-$736,319	$0	$0	$0	-$11,222,441	$1,635,497	$28,782,648
01/01/2045	12/31/2045	$8,184,000	$0	$0	-$10,334,439	$0	-$754,727	$0	$0	$0	-$11,089,166	$1,556,785	$27,434,267
01/01/2046	12/31/2046	$8,184,000	$0	$0	-$10,194,369	$0	-$773,595	$0	$0	$0	-$10,967,964	$1,480,898	$26,131,200
01/01/2047	12/31/2047	$8,184,000	$0	$0	-$10,022,915	$0	-$792,935	$0	$0	$0	-$10,815,850	$1,408,552	$24,907,902
01/01/2048	12/31/2048	$8,184,000	$0	$0	-$9,945,508	$0	-$812,758	$0	$0	$0	-$10,758,266	$1,338,093	$23,671,729
01/01/2049	12/31/2049	$8,184,000	$0	$0	-$9,864,684	$0	-$833,077	$0	$0	$0	-$10,697,761	$1,266,953	$22,424,921
01/01/2050	12/31/2050	$8,184,000	$0	$0	-$9,772,298	$0	-$853,904	$0	$0	$0	-$10,626,202	$1,195,498	$21,178,217
01/01/2051	12/31/2051	$8,184,000	$0	$0	-$9,730,612	$0	-$875,252	$0	$0	$0	-$10,605,864	$1,122,537	$19,878,890

Version Updates

Version	Date updated
v20220701p	07/01/2022

TEMPLATE 7

7a - Assumption/Method Changes for SFA Eligibility

File name: *Template 7 Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (7)a. of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

Sheet 7a of Template 7 is not required if the plan is eligible for SFA under § 4262.3(a)(2) (MPRA suspensions) or § 4262.3(a)(4) (certain insolvent plans) of PBGC's special financial assistance regulation.

Sheet 7a of Template 7 is not required if the plan is eligible based on a certification of plan status completed before January 1, 2021.

Sheet 7a of Template 7 is not required if the plan is eligible based on a certification of plan status completed after December 31, 2020 but reflects the same assumptions as those in the pre-2021 certification of plan status.

Provide a table identifying which assumptions/methods used in determining the plan's eligibility for SFA differ from those used in the pre-2021 certification of plan status and brief explanations as to why using those assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable.

This table should identify <u>all changed assumptions/methods</u> (including those that are reflected in the Baseline provided in Template 5A or Template 5B) and should be an abbreviated version of information provided in Section D, Item (6)a. of the SFA filing instructions.

For example, if the mortality assumption used in the pre-2021 certification of plan status is the RP-2000 mortality table, and the plan proposes to change to the Pri-2012(BC) table, complete one line of the table as follows:

	(A)	(B)	(C)
Assumption/Method That Has Changed From Assumption/Method Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021	Brief description of assumption/method used in showing the plan's eligibility for SFA (if different)	Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable
Base Mortality Assumption	RP-2000 mortality table	Pri-2012(BC) mortality table	Prior assumption is outdated. New assumption reflects more recently published experience for blue collar workers.

Add one line for each assumption/method that has changed from that used in the most recent certification of plan status completed prior to 1/1/2021.

Since this Template 7a is intended as an abbreviated version of more detailed information provided in Section D, Item (6)a. of the SFA filing instructions, it is not necessary to include full tables of rates at every age (e.g., for retirement, turnover, etc.). Instead, a high level description that focuses on what aspect of the assumption/method has changed is preferred.

Template 7 - Sheet 7a v20220701p

Assumption/Method Changes - SFA Eligibility

PLAN INFORMATION

Abbreviated Plan Name:	
EIN:	
PN:	

Brief description of basis for qualifying for SFA (e.g., critical and declining status in 2020, insolvent plan, critical status and meet other criteria)	

	(A)	(B)	(C)
Assumption/Method That Has Changed From Assumption/Method Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021	Brief description of assumption/method used in showing the plan's eligibility for SFA (if different)	Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable

TEMPLATE 7

v20220701p

7b - Assumption/Method Changes for SFA Amount

File name: *Template 7 Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

Instructions for Section C, Item (7)b. of the Instructions for Filing Requirements for Multiemployer Plans Applying for Special Financial Assistance:

Provide a table identifying which assumptions/methods used in determining the amount of SFA differ from those used in the pre-2021 certification of plan status (except the non-SFA and SFA interest rates) and brief explanations as to why using those original assumptions/methods is no longer reasonable and why the changed assumptions/methods are reasonable.

Please state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's guidance on Special Financial Assistance Assumptions.

This table should identify <u>all changed assumptions/methods</u> except for the interest rates (including those that are reflected in the Baseline provided in Template 5A or Template 5B) and should be an abbreviated version of information provided in Section D, Item (6)b. of the SFA filing instructions.

For example, if the mortality assumption used in the pre-2021 certification of plan status is the RP-2000 mortality table, and the plan proposes to change to the Pri-2012(BC) table, complete one line of the table as follows:

	(A)	(B)	(C)
Assumption/Method That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021	Brief description of assumption/method used to determine the requested SFA amount (if different)	Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable
Base Mortality Assumption	RP-2000 mortality table	Pri-2012(BC) mortality table	Original assumption is outdated. New assumption reflects more recently published experience for blue collar workers.

For example, assume the plan is projected to be insolvent in 2029 in the pre-2021 certification of plan status. The plan changes its CBU assumption by extending the assumption to the later projection years as described in Paragraph A, "Adoption of assumptions not previously factored into pre-2021 certification of plan status" of Section III, Acceptable Assumption Changes of PBGC's guidance on Special Financial Assistance Assumptions. Complete one line of the table as follows:

	(A)	(B)	(C)
Assumption/Method That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021	Brief description of assumption/method used to determine the requested SFA amount (if different)	Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable
CBU Assumption	Decrease from most recent plan year's actual number of CBUs by 2% per year to 2028	Same number of CBUs for each projection year to 2028 as shown in (A), then constant CBUs for all years after 2028.	Original assumption does not address years after original projected insolvency in 2029. Proposed assumption uses acceptable extension methodology.

Add one line for each assumption/method that has changed from that used in the most recent certification of plan status completed prior to 1/1/2021.

Since this Template 7b is intended as an abbreviated version of more detailed information provided in Section D, Item (6)b. of the SFA filing instructions, it is not necessary to include full tables of rates at every age (e.g., for retirement, turnover, etc.). Instead, a high level description that focuses on what aspect of the assumption/method has changed is preferred.

Template 7 - Sheet 7b v20220701p

Assumption/Method Changes - SFA Amount

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001

	(A)	(B)	(C)
Assumption/Method That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Brief description of assumption/method used in the most recent certification of plan status completed prior to 1/1/2021	Brief description of assumption/method used to determine the requested SFA amount (if different)	Brief explanation on why the assumption/method in (A) is no longer reasonable and why the assumption/method in (B) is reasonable
New Entrant Profile	New entrants were assumed to have the same demographic characteristics as those new entrants hired within the last five years	Assumed demographics for new entrants are based on the distributions of age, service, and gender for the new entrants in the five plan years from January 1, 2017 through December 31, 2021. The profile was developed using all new entrants, including those who terminated prior to January 1, 2022.	The 2020 status certification used a simplifying assumption for new entrants based on the most recent census data available and is not reasonable for a long-term solvency projection for SFA purposes since it exhibits survivorship bias by generating new entrants from the most recent data. The new entrant profile used for SFA purposes is expanded to include everyone hired and/or rehired in the five years prior to the census date and is consistent with the PBGC's acceptable assumption guidance.
Average Contribution Rate	The average contribution rate for 2020 and later years was $14.79 plus the $0.21 Reserve Fund contribution.	The average contribution rate used for 2023 and later was determined to be $14.67 plus the Reserve Fund contribution of $0.21 based on a review of recent information (contributions, demographic mix, etc) provided by the Plan Administrator for the period ending with the December 31, 2022 measurement date.	The prior assumption is no longer reasonable because of known changes since January 1, 2019 including the updated census data and hours and contributions information received from the third party administrator. The average contribution rate reflects changes in the demographic mix since the 2020 certification was completed. In addition, there were no assumed future increases beyond the current levels because the final SFA regulations state that contribution rate increases negotiated after July 9, 2021 can be excluded.
Administrative Expenses	$400,000, payable at the beginning of the year January 1, 2020, increased by 2.5% per year in all future years	Extension of zone certification assumption: $400,000 in 2020 increased at 2.5% per year to $430,756 payable at the beginning of the year January 1, 2023. All future years continue to increase at 2.5%. We also reflected the PBGC premium increase in 2031 to $52 and capped total expenses in each year at 12% of projected benefit payments.	The prior assumption remains reasonable, but had to be updated to reflect the PBGC requirements under the acceptable assumption changes for the PBGC premium rate increase and total cap on expenses.
Contribution Base Units (CBUs)	Total hours were assumed to be 550,000 hours for 2020 and remain level for all future years. This assumption was set based on the most recently reported hours in the plan year ending in 2019 and future employment expectations of the Trustees.	Accounting for actual experience until the measurement date, the actual 2022 plan year CBUs were used as the starting value and totaled 478,450 hours. For future projected years of CBUs, we assumed 1% annual decreases from the 2022 level for all future years.	Original assumption is not reasonable since it did not account for actual experience through the measurement date and actual hours reported in 2022 were lower than previously anticipated. In addition, a detailed review of hours trends for the 14 years through 2019 shows how hours are volatile and cyclical in nature, with highly endpoint sensitive annual changes. After a review of all history available, it was determined that the hours have had an overall average long-term decline of 1.0%. Assuming the average annual long-term decline of 1.0% for all future years from the measurement date is a reasonable approach to projecting hours over the long-term. In addition, this assumption considers that the "generally acceptable" CBU assumption change in PBGC's guidance constrains assumed long-term declines in CBUs to 1.0% per year.

TEMPLATE 8

File name: *Template 8 Pension Plan Name* , where "Pension Plan Name" is an abbreviated version of the plan name.

v20210706p

Contribution and Withdrawal Liability Details

Provide details of the projected contributions and withdrawal liability payments used to calculate the requested SFA amount. This should include total contributions, contribution base units (including identification of the base unit used (i.e., hourly, weekly)), average contribution rate(s), reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and any other identifiable contribution streams. For withdrawal liability, separately show amounts for currently withdrawn employers and for future assumed withdrawals. Also provide the projected number of active participants at the beginning of each plan year.

The first row in the projection period is for the period beginning on the SFA measurement date and ending on the last day of the plan year containing the SFA measurement date. For all other periods, provide the full plan year of information up to the plan year ending in 2051.

PLAN INFORMATION

Abbreviated Plan Name:	SM40
EIN:	06-6157817
PN:	001

Unit (e.g. hourly, weekly)	hourly

Plan Year Start Date	Plan Year End Date	Total Contributions*	Total Contribution Base Units	Average Contribution Rate	All Other Sources of Non-Investment Income: Reciprocity Contributions (if applicable)	Additional Rehab Plan Contributions (if applicable)	Other - Explain if Applicable	Withdrawal Liability Payments for Currently Withdrawn Employers	Withdrawal Liability Payments for Projected Future Withdrawals	Projected Number of Active Participants (Including New Entrants) at the Beginning of the Plan Year
12/31/2022	12/31/2022	$0	-	$0.00	$0	$0	$0	$0	$0	-
01/01/2023	12/31/2023	$7,048,143	473,666	$14.88	$0	$0	$0	$0	$0	309
01/01/2024	12/31/2024	$6,977,661	468,929	$14.88	$0	$0	$0	$0	$0	306
01/01/2025	12/31/2025	$6,907,885	464,240	$14.88	$0	$0	$0	$0	$0	303
01/01/2026	12/31/2026	$6,838,806	459,597	$14.88	$0	$0	$0	$0	$0	300
01/01/2027	12/31/2027	$6,770,418	455,001	$14.88	$0	$0	$0	$0	$0	297
01/01/2028	12/31/2028	$6,702,714	450,451	$14.88	$0	$0	$0	$0	$0	294
01/01/2029	12/31/2029	$6,635,686	445,947	$14.88	$0	$0	$0	$0	$0	291
01/01/2030	12/31/2030	$6,569,330	441,487	$14.88	$0	$0	$0	$0	$0	288
01/01/2031	12/31/2031	$6,503,636	437,072	$14.88	$0	$0	$0	$0	$0	285
01/01/2032	12/31/2032	$6,438,600	432,702	$14.88	$0	$0	$0	$0	$0	282
01/01/2033	12/31/2033	$6,374,214	428,375	$14.88	$0	$0	$0	$0	$0	279
01/01/2034	12/31/2034	$6,310,472	424,091	$14.88	$0	$0	$0	$0	$0	277
01/01/2035	12/31/2035	$6,247,367	419,850	$14.88	$0	$0	$0	$0	$0	274
01/01/2036	12/31/2036	$6,184,893	415,651	$14.88	$0	$0	$0	$0	$0	271
01/01/2037	12/31/2037	$6,123,044	411,495	$14.88	$0	$0	$0	$0	$0	268
01/01/2038	12/31/2038	$6,061,814	407,380	$14.88	$0	$0	$0	$0	$0	266
01/01/2039	12/31/2039	$6,001,196	403,306	$14.88	$0	$0	$0	$0	$0	263
01/01/2040	12/31/2040	$5,941,184	399,273	$14.88	$0	$0	$0	$0	$0	260
01/01/2041	12/31/2041	$5,881,772	395,280	$14.88	$0	$0	$0	$0	$0	258
01/01/2042	12/31/2042	$5,822,954	391,328	$14.88	$0	$0	$0	$0	$0	255
01/01/2043	12/31/2043	$5,764,725	387,414	$14.88	$0	$0	$0	$0	$0	253
01/01/2044	12/31/2044	$5,707,078	383,540	$14.88	$0	$0	$0	$0	$0	250
01/01/2045	12/31/2045	$5,650,007	379,705	$14.88	$0	$0	$0	$0	$0	248
01/01/2046	12/31/2046	$5,593,507	375,908	$14.88	$0	$0	$0	$0	$0	245
01/01/2047	12/31/2047	$5,537,572	372,149	$14.88	$0	$0	$0	$0	$0	243
01/01/2048	12/31/2048	$5,482,196	368,427	$14.88	$0	$0	$0	$0	$0	240
01/01/2049	12/31/2049	$5,427,374	364,743	$14.88	$0	$0	$0	$0	$0	238
01/01/2050	12/31/2050	$5,373,100	361,095	$14.88	$0	$0	$0	$0	$0	236
01/01/2051	12/31/2051	$5,319,369	357,484	$14.88	$0	$0	$0	$0	$0	233

* Total contributions shown here should be contributions based upon CBUs and should not include items separately shown in any columns under "All Other Sources of Non-Investment Income."

Version Updates

Version	Date updated
V2023XXXXx	XX/XX/2023

V2023XXXXx

TEMPLATE 10 V2023XXXXx

Pre-2021 Zone Certification, Baseline Details, and Final SFA Assumption Summaries

File name: *Template 10 Plan Name* , where "Plan Name" is an abbreviated version of the plan name.

Provide a table identifying and summarizing which assumptions/methods were used in each of the pre-2021 certification of plan status, the Baseline details (Template 5A or Template 5B), and the final SFA calculation (Template 4A or Template 4B).

This table should identify all assumptions/methods used, including those that are reflected in the Baseline provided in Template 5A or Template 5B and any assumptions not explicitly listed. Please identify the source (file and page number) of the pre-2021 certification of plan status assumption. Additionally, please select the appropriate assumption change category per SFA assumption guidance*. Please complete all rows of Template 10. If an assumption on Template 10 does not apply to the application, please enter "N/A" and explain as necessary in the "comments" column. If the application contains assumptions not listed on Template 10, create additional rows as needed.

See the table below for a brief example of how to fill out the requested information in summary form. In the example the first row demonstrates how one would fill out the information for a change in the mortality assumption used in the pre-2021 certification of plan status, where the RP-2000 mortality table was the original assumption, and the plan proposes to change to the Pri-2012(BC) table.

	(A)	(B)	(C)	(D)	(E)
	Source of (B)	Assumption/Method Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Baseline Assumption/Method Used	Final SFA Assumption/Method Used	Category of assumption change from (B) to (D) per SFA Assumption Guidance
Base Mortality - Healthy	*2019 Company XYZ AVR.pdf p. 55*	RP-2000 mortality table	Pri-2012(BC) mortality table	Same as baseline	Acceptable Change
Contribution Base Units	*2020 Company XYZ ZC.pdf p. 19*	125,000 hours projected to insolvency in 2024	125,000 hours projected through the SFA projection period in 2051	100,000 hours projected with 3.0% reductions annually for 10 years and 1.0% reductions annually thereafter	Generally Acceptable Change
Assumed Withdrawal Payments -Future Withdrawals	*2020 Company XYZ ZC.pdf p. 20*	None assumed until insolvency in 2024	None assumed through the SFA projection period in 2051	Same as baseline	Other Change
Retirement - Actives	*2019 Company XYZ AVR.pdf p. 54*	<u>Age</u> / <u>Actives</u> 55 / 10% 56 / 20% 57 / 30% 58 / 40% 59 / 50% 60+ / 100%	Same as Pre-2021 Zone Cert	Same as baseline	No Change

Add additional lines if needed.

*https://www.pbgc.gov/sites/default/files/sfa/sfa-assumptions-guidance.pdf

	(A)	(B)	(C)	(D)
	Source of (B)	Assumption/Method Used in Most Recent Certification of Plan Status Completed Prior to 1/1/2021	Baseline Assumption/Method Used	Final SFA Assumption/Method Used
SFA Measurement Date	N/A	N/A	12/31/2022	12/31/2022
Census Data as of	*2022AVR SM40.pdf*	01/01/2019	01/01/2022	01/01/2022

DEMOGRAPHIC ASSUMPTIONS

	(A)	(B)	(C)	(D)
Base Mortality - Healthy	*2019AVR SM40.pdf page 55*	RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables	Same as Pre-2021 Zone Cert	Same as baseline
Mortality Improvement - Healthy	*2019AVR SM40.pdf page 55*	Projected generationally using Scale MP-2017	Same as Pre-2021 Zone Cert	Same as baseline
Base Mortality - Disabled	*2019AVR SM40.pdf page 55*	RP-2006 Blue Collar Healthy Annuitant Mortality Tables	Same as Pre-2021 Zone Cert	Same as baseline
Mortality Improvement - Disabled	*2019AVR SM40.pdf page 55*	Projected generationally using Scale MP-2017	Same as Pre-2021 Zone Cert	Same as baseline
Retirement - Actives	*2019AVR SM40.pdf page 56*		Same as Pre-2021 Zone Cert	Same as baseline

Age[1]	Retirement Rates
55 – 59	5%
60 -61	15%
62	60%
63 – 64	30%
65	100%

	(A)	(B)	(C)	(D)
Retirement - TVs	*2019AVR SM40.pdf page 56*	100% at age 62	Same as Pre-2021 Zone Cert	Same as baseline

	Rate (%)			
	Mortality[1]			
Age	Male	Female	Disability[2]	Withdrawal
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

	(A)	(B)	(C)	(D)
Turnover	*2019AVR SM40.pdf page 55*	Rates shown at sample ages	Same as Pre-2021 Zone Cert	Same as baseline
Disability	*2019AVR SM40.pdf page 55*	Rates shown at sample ages in above chart	Same as Pre-2021 Zone Cert	Same as baseline
Optional Form Elections - Actives	*2019AVR SM40.pdf page 56*	All participants are assumed to elect a Life annuity because the optional forms of payment are actuarially equivalent.	Same as Pre-2021 Zone Cert	Same as baseline
Optional Form Elections - TVs	*2019AVR SM40.pdf page 56*	All participants are assumed to elect a Life annuity because the optional forms of payment are actuarially equivalent.	Same as Pre-2021 Zone Cert	Same as baseline
Marital Status	*2019AVR SM40.pdf page 56*	80% married	Same as Pre-2021 Zone Cert	Same as baseline
Spouse Age Difference	*2019AVR SM40.pdf page 56*	Females 3 years younger than males	Same as Pre-2021 Zone Cert	Same as baseline
Active Participant Count	*N/A*	348 actives in 2020 and all future years (after adjustment to reflect employment assumption)	355 actives in 2023 and all future years (after adjustment to reflect employment assumption)	309 actives in 2023 (after adjustment to reflect employment assumption) declining 1.0% per year beginning in 2024
New Entrant Profile	*2020Zone20200330 SM40.pdf page 11*	New entrants were assumed to have the same demographic characteristics as those new entrants hired in the last five years.	Assumed demographics for new entrants are based on the distributions of age, service, and gender for the new entrants in the five plan years from January 1, 2017 through December 31, 2021. The profile was developed using all new entrants, including those who terminated prior to January 1, 2022.	Same as baseline
Missing or Incomplete Data	*2019AVR SM40.pdf page 56*	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.	Same as Pre-2021 Zone Cert	Same as baseline
"Missing" Terminated Vested Participant Assumption	*N/A*			
Treatment of Participants Working Past Retirement Date	*2019AVR SM40.pdf page 56*	Actives are suspended earning additional accruals. Inactive vested participants after attaining NRA are eligible for delayed retirement factors as they are not assumed to be in disqualifying employment.	Same as Pre-2021 Zone Cert	Same as baseline
Assumptions Related to Reciprocity	*N/A*			
Other Demographic Assumption 1	*2019AVR SM40.pdf page 56*	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.	Same as Pre-2021 Zone Cert	Same as baseline
Other Demographic Assumption 2	*2019AVR SM40.pdf page 56*	Annual pension credit equal to credit accrued in the year ended on the valuation date.	Same as Pre-2021 Zone Cert	Same as baseline
Other Demographic Assumption 3				

NON-DEMOGRAPHIC ASSUMPTIONS

	(A)	(B)	(C)	(D)
Contribution Base Units	*2020Zone20200330 SM40.pdf page 12*	550,000 hours in 2020 and later years	Same as Pre-2021 Zone Cert	478,450 hours reported for 2022, with 1% annual decreases beginning in 2023 and all future years
Contribution Rate	*2020Zone20200330 SM40.pdf page 12*	$15.00	$14.88	Same as baseline
Administrative Expenses	*2020Zone20200330 SM40.pdf page 12*	$400,000 payable beginning of year 1/1/2020 increased by 2.5% per year for all future years.	Same as Pre-2021 Zone Cert	Same as baseline
Assumed Withdrawal Payments - Currently Withdrawn Employers	*N/A*			
Assumed Withdrawal Payments -Future Withdrawals	*N/A*			
Other Assumption 1				
Other Assumption 2				
Other Assumption 3				

CASH FLOW TIMING ASSUMPTIONS

	(A)	(B)	(C)	(D)
Benefit Payment Timing	*2020Zone20200330 SM40.pdf*	1/2	Same as Pre-2021 Zone Cert	Same as baseline
Contribution Timing	*2020Zone20200330 SM40.pdf*	11/24	Same as Pre-2021 Zone Cert	Same as baseline
Withdrawal Payment Timing	*N/A*			
Administrative Expense Timing	*2020Zone20200330 SM40.pdf*	1 (beginning of year)	Same as Pre-2021 Zone Cert	Same as baseline
Other Payment Timing	*N/A*			

Create additional rows as needed.

Section E, Item 3: Certification of Eligibility

Certification of Eligibility for Special Financial Assistance

This is a certification that the Sheet Metal Workers' Local 40 Pension Plan ("Plan") is eligible for Special Financial Assistance ("SFA") under §4262.3(a)(3) of the final rule issued by the Pension Benefit Guaranty Corporation ("PBGC"). As shown below, each requirement is met for the 2020 plan year, based on the Plan's status as of January 1, 2020.

1. The Plan was certified to be in critical status within the meaning of section 305(b)(2) of ERISA for the plan year beginning January 1, 2020, based on the certification filed on March 30, 2020.

2. The Plan's current liability funded percentage was less than 40%, as reported on the 2020 Form 5500 Schedule MB. Specifically:

Current Liability Information from 2020 Form 5500 Schedule MB

2a	Current value of assets*	$50,269,381
2b(4)	Current liability for total participants	$215,622,680
2c	Modified current liability funded percentage	23.31%

* *No withdrawal liability due is included in assets to develop the modified funding percentage, as the plan has made no such assessments*

3. The ratio of the number of the Plan's active participants to the number of its inactive participants was less than 2 to 3 as of January 1, 2020.

Participant Information from 2020 Form 5500 Schedule MB

2a(3)	Total active participants		318
2b(1)	Retired participants and beneficiaries	506	
2b(2)	Terminated vested participants	194	
	Total inactive participants		700
	Ratio of active participants to inactive participants		0.4543

The Plan continued to meet these requirements for plan years beginning January 1, 2021 through January 1, 2024.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied herein is complete and accurate. Each prescribed assumption for the determination of the SFA amount was applied in accordance with applicable law and regulations. In my opinion, all other assumptions are reasonable considering the experience of the Plan and reasonable expectations.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 23-4134

October 7, 2024

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: NOV 06 2015

BOARD OF TRUSTEES SHEET METAL
WORKERS LOCAL NO 40 PENSION FUND
100 OLD FORGE ROAD
ROCKY HILL, CT 06067-3791

Employer Identification Number:
06-6157817
DLN:
17007021062015
Person to Contact:
JENNIFER M THIMMADASIAH ID# [redacted]
Contact Telephone Number:
(513) 263-4613
Plan Name:
SHEET METAL WORKERS LOCAL NO 40
PENSION PLAN
Plan Number: 001

Dear Applicant:

Based on the information you provided, we are issuing this favorable determination letter for your plan listed above. However, our favorable determination only applies to the status of your plan under the Internal Revenue Code and is not a determination on the effect of other federal or local statutes. To use this letter as proof of the plan's status, you must keep this letter, the application forms, and all correspondence with us about your application.

Your determination letter does not apply to any qualification changes that become effective, any guidance issued, or any statutes enacted after the dates specified in the Cumulative List of Changes in Plan Requirements (the Cumulative List) for the cycle you submitted your application under, unless the new item was identified in the Cumulative List.

Your plan's continued qualification in its present form will depend on its effect in operation (Section 1.401-1(b)(3) of the Income Tax Regulations). We may review the status of the plan in operation periodically.

You can find more information on favorable determination letters in Publication 794, Favorable Determination Letter, including:

The significance and scope of reliance on this letter,
The effect of any elective determination request in your application materials,
The reporting requirements for qualified plans, and
Examples of the effect of a plan's operation on its qualified status.

You can get a copy of Publication 794 by visiting our website at www.irs.gov/formspubs or by calling 1-800-TAX-FORM (1-800-829-3676) to request a copy.

This determination letter applies to the amendments dated on 9/16/14 & 1/28/14.

This determination letter also applies to the amendments dated on

BOARD OF TRUSTEES SHEET METAL

12/21/10 & 9/21/10.

This determination letter also applies to the amendments dated on 11/17/09.

You can't rely on this letter after the end of the plan's first five-year remedial amendment cycle that ends more than 12 months after we received the application. This letter expires on January 31, 2020. This letter considered the 2013 Cumulative List of Changes in Plan Qualification Requirements.

If you submitted a Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, with your application and asked us to send your authorized representative or appointee copies of written communications, we will send a copy of this letter to him or her.

If you have any questions, you can contact the person listed at the top of this letter.

Sincerely,

Karen D. Truss

Karen D. Truss
Director, EP Rulings & Agreements

Addendum

This determination letter does not apply to any portions of the document that incorporate the terms of an auxiliary agreement (collective bargaining, reciprocity, or participation agreement), unless you append to the plan document the exact language of the sections that you incorporated by reference.

LendingClub

STATEMENT of ACCOUNT

LendingClub Bank, N.A.

1 Harbor St, Ste 201 Boston, MA 02210
800.242.0272

SHEET METAL WORKERS LOCAL NO 40
PENSION FUND - BENEFIT ACCOUNT
10 TECHNOLOGY DR
WALLINGFORD CT 06492-1955

Statement Begin Date: 12/01/2022
Statement End Date: 12/31/2022
Account Number: [redacted]

Save as PDF

Business Interest Checking [redacted]

All Transactions by Date

Date	Description	Withdrawal / Debit (-)	Deposit / Credit (+)	Balance
11/30	Balance Forward			$626,365.10
12/01	SMW 40 PEN BENEF PENSION	$617,777.71-		$8,587.39
12/01	IRS USATAXPYMT	$60,721.57-		$52,134.18-
12/01	Transfer from DDA [redacted] to DDA [redacted]		$204,217.65	$152,083.47
12/02	STATE OF CT DRS BUS DIRPAY	$20,969.69-		$131,113.78
12/02	Check Number 46205	$1,263.60-		$129,850.18
12/05	Check Number 46197	$431.57-		$129,418.61
12/05	Check Number 46198	$770.00-		$128,648.61
12/05	Check Number 46208	$93.50-		$128,555.11
12/05	Check Number 46209	$837.28-		$127,717.83
12/06	Check Number 1336	$24,099.00-		$103,618.83
12/06	Check Number 46185	$901.27-		$102,717.56
12/06	Check Number 46201	$901.27-		$101,816.29
12/06	Check Number 46202	$2,614.74-		$99,201.55
12/06	Check Number 46210	$1,808.80-		$97,392.75
12/08	Check Number 1334	$175.00-		$97,217.75
12/08	Check Number 46206	$775.10-		$96,442.65
12/09	PRINCPLCUSTDYSOL PAYMENT		$750,000.00	$846,442.65
12/09	SMW 40 HLTH CLEA AchBatch		$139,385.09	$985,827.74
12/09	Transfer from DDA [redacted] to DDA [redacted]	$54,198.00-		$931,629.74
12/13	Check Number 1340	$4,646.00-		$926,983.74
12/14	Check Number 1339	$2,704.09-		$924,279.65
12/15	Check Number 1333	$14,875.00-		$909,404.65
12/15	Check Number 1338	$55,802.21-		$853,602.44

12/15	Check Number 46199	$906.63-		$852,695.81
12/15	Check Number 46207	$1,192.00-		$851,503.81
12/16	Check Number 1337	$17,900.00-		$833,603.81
12/19	SMW 40 HLTH CLEA AchBatch		$21,097.47	$854,701.28
12/20	Check Number 1331	$8,494.00-		$846,207.28
12/20	Check Number 1332	$427.56-		$845,779.72
12/20	Check Number 1335	$377.48-		$845,402.24
12/20	Check Number 1341	$8,494.00-		$836,908.24
12/20	Check Number 1342	$427.56-		$836,480.68
12/20	Check Number 46213	$379.00-		$836,101.68
12/20	Check Number 46220	$190.00-		$835,911.68
12/20	Check Number 46226	$250.00-		$835,661.68
12/21	Check Number 46204	$354.91-		$835,306.77
12/21	Check Number 46212	$154.00-		$835,152.77
12/21	Check Number 46219	$335.00-		$834,817.77
12/21	Check Number 46224	$244.00-		$834,573.77
12/21	Check Number 46225	$299.00-		$834,274.77
12/23	Check Number 46200	$2,526.92-		$831,747.85
12/23	Check Number 46221	$135.00-		$831,612.85
12/23	Check Number 46223	$350.00-		$831,262.85
12/29	SMW 40 HLTH CLEA AchBatch		$61,460.37	$892,723.22
12/29	SMW 40 PEN BENEF PENSION	$82,731.00-		$809,992.22
12/29	Check Number 46222	$397.00-		$809,595.22
12/30	Check Number 46203	$923.50-		$808,671.72
12/30	Check Number 46218	$336.00-		$808,335.72
12/31	Interest Credited Deposit		$367.98	$808,703.70

Checks in Order

Date	Number	Amount	Date	Number	Amount
12/20	1331	$8,494.00	12/21	46204	$354.91
12/20	1332	$427.56	12/02	46205	$1,263.60
12/15	1333	$14,875.00	12/08	46206	$775.10
12/08	1334	$175.00	12/15	46207	$1,192.00
12/20	1335	$377.48	12/05	46208	$93.50
12/06	1336	$24,099.00	12/05	46209	$837.28
12/16	1337	$17,900.00	12/06	46210	$1,808.80
12/15	1338	$55,802.21	12/21	46212 *	$154.00
12/14	1339	$2,704.09	12/20	46213	$379.00
12/13	1340	$4,646.00	12/30	46218 *	$336.00
12/20	1341	$8,494.00	12/21	46219	$335.00
12/20	1342	$427.56	12/20	46220	$190.00
12/06	46185 *	$901.27	12/23	46221	$135.00
12/05	46197 *	$431.57	12/29	46222	$397.00
12/05	46198	$770.00	12/23	46223	$350.00
12/15	46199	$906.63	12/21	46224	$244.00
12/23	46200	$2,526.92	12/21	46225	$299.00

12/06	46201	$901.27	12/20	46226	$250.00
12/06	46202	$2,614.74			
12/30	46203	$923.50			

* Check Numbers Missing

Interest Rate Summary

DATE	0 - $9	$10 and up
12/01	0.65%	0.65%

Account Summary

Previous Statement Date: 11/30/2022

Average Statement Balance: $666,562.38

Beginning Balance +	Deposits +	Interest Paid -	Withdrawals -	Service Charge =	Ending Balance
$626,365.10	$1,176,160.58	$367.98	$994,189.96	$0.00	$808,703.70

Statement from 12/01/2022 Thru 12/31/2022
Interest Earned $367.98
Minimum Balance $96,442.65

Avg Stmt Available Bal $666,562.38
*Annual Percentage Yield Earned 0.65%

Summary of Deposit Accounts

TYPE OF ACCOUNT	ACCOUNT	BALANCE	INT-RATE%	YTD-INT	YTD-PENALTY	MATURITY
Checking	[redacted]	$808,703.70	0.65000%	$1,901.29		

Principal® | Custody Solutions

AS PREVIOUSLY COMMUNICATED, YOUR ACCOUNT HAS TRANSITIONED TO PRINCIPAL BANK OR PRINCIPAL TRUST COMPANY ("PRINCIPAL") FROM WELLS FARGO BANK, N.A.

SINCE THE TRANSITION OCCURRED IN THE MIDDLE OF A STATEMENT PERIOD, THIS INITIAL STATEMENT FROM PRINCIPAL INCLUDES: (1) THE TRANSACTIONS IN THE ACCOUNT IN THE STATEMENT PERIOD UP TO THE TRANSFER TO PRINCIPAL; (2) THE TRANSACTIONS IN THE ACCOUNT AFTER TRANSFER TO PRINCIPAL; AND (3) THE VALUE OF ALL ASSETS HELD BY PRINCIPAL AT THE END OF THE STATEMENT PERIOD.

ALL INFORMATION FOR THE PERIOD BEFORE THE TRANSFER TO PRINCIPAL ON FEBRUARY 22, 2022, IS BEING PROVIDED ON BEHALF OF WELLS FARGO BANK, N.A. UNDER ITS DIRECTION USING PRINCIPAL SYSTEMS AND IS REPORTED BY PRINCIPAL FOR CONVENIENCE PURPOSES ONLY.

Principal® | Custody Solutions

PCS - CONNECTICUT
510 N VALLEY MILLS DRIVE, SUITE 400
WACO, TX 76710-6075

SHEET METAL WORKERS LOCAL 40 PENSION FUND PRINCIPAL TRUST COMPANY AS CUSTODIAN - SEI

TRADE DATE
ACCOUNT NUMBER [redacted]
ANNUAL STATEMENT
JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

ACCOUNT CONTACT: JOSEPH DEPALMA
TELEPHONE NUMBER: 515-878-1323

PFGEDD

PRINCIPAL BANK, MEMBER FDIC, HEREBY CERTIFIES THAT THE ENCLOSED STATEMENT FURNISHED PURSUANT TO 29 CFR 2520.103-5(C) IS COMPLETE AND ACCURATE.

BY_______________________

0201

Custody and trust services are provided by Principal Bank®, Member FDIC, and/or Principal Trust Company®. These services are provided under the trade name Principal® Custody Solutions. Principal Trust Company is a trade name of Delaware Charter Guarantee & Trust Company. Principal Bank and Principal Trust Company are members of the Principal Financial Group®, Des Moines, IA 50392.

ASSET VALUATION PRACTICES

VALUES REFLECTED FOR PUBLICLY TRADED ASSETS ARE OBTAINED FROM UNAFFILIATED PRICING SOURCES. IN SITUATIONS WHERE AN ASSET VALUE CANNOT BE PROVIDED BY OUR UNAFFILIATED PRICING SOURCES, SUCH AS BUT NOT LIMITED TO NON-PUBLICLY TRADED ASSETS, THE CUSTOMER OR THEIR DESIGNATED REPRESENTATIVE MUST PROVIDE THE UPDATED VALUE. IF PRINCIPAL CUSTODY SOLUTIONS DOES NOT RECEIVE AN UPDATED VALUE, OR IS UNABLE TO USE THE VALUE PROVIDED, THE LAST REPORTED VALUE WILL CONTINUE TO BE REPORTED. VALUES OBTAINED FROM THE CUSTOMER OR THEIR DESIGNATED REPRESENTATIVE SHOULD NOT BE CONSIDERED TO BE CERTIFIED BY PRINCIPAL BANK/PRINCIPAL TRUST COMPANY, AS APPLICABLE.

SPECIAL INVESTMENTS

"SPECIAL INVESTMENTS" ARE ASSETS NOT HELD IN CUSTODY BY PRINCIPAL BANK/PRINCIPAL TRUST COMPANY BUT WHOSE VALUE MAY BE SHOWN ON ACCOUNT STATEMENTS. EXAMPLES OF SPECIAL INVESTMENTS INCLUDE, BUT ARE NOT LIMITED TO, COMMON OR COLLECTIVE FUNDS NOT ADMINISTERED BY PRINCIPAL BANK/PRINCIPAL TRUST COMPANY (OR THEIR AFFILIATES), HEDGE FUNDS, LIMITED PARTNERSHIPS, AND OTHER UNREGISTERED SECURITIES.

AT THE DIRECTION OF AND AS A MATTER OF CONVENIENCE TO ITS CLIENTS, PRINCIPAL BANK/PRINCIPAL TRUST COMPANY MAY REPORT SPECIAL INVESTMENTS AS A RECORDKEEPING ITEM ON ACCOUNT STATEMENTS, AT NOMINAL VALUE OR SUCH OTHER VALUE PROVIDED BY CLIENTS/EXTERNAL SOURCES. NEITHER PRINCIPAL BANK NOR PRINCIPAL TRUST COMPANY IS RESPONSIBLE FOR THE ACCURACY OF INFORMATION PROVIDED EXTERNAL SOURCES, AND DOES NOT CERTIFY THAT INFORMATION PROVIDED BY THESE EXTERNAL SOURCES TRUE OR CORRECT FOR THE SPECIAL INVESTMENTS REFLECTED IN YOUR ACCOUNT.

CERTIFICATION OF SPECIAL INVESTMENTS

THE CERTIFICATION CONTAINED ON THIS STATEMENT DOES NOT APPLY TO SPECIAL INVESTMENTS REFLECTED IN THIS STATEMENT.

TRADE CONFIRMS

PURSUANT TO FEDERAL REGULATION, MONTHLY OR QUARTERLY ACCOUNT STATEMENTS THAT INCLUDE INVESTMENT TRANSACTION DETAILS MAY BE PROVIDED IN LIEU OF SEPARATE TRADE CONFIRMATIONS. SEPARATE TRADE CONFIRMS MAY BE OBTAINED AT NO ADDITIONAL COST UPON WRITTEN REQUEST TO THE ACCOUNT MANAGER.

UNCLAIMED PROPERTY DESIGNATED REPRESENTATIVE NOTIFICATION

YOUR PROPERTY MAY BE TRANSFERRED TO THE APPROPRIATE STATE IF NO ACTIVITY OCCURS IN THE ACCOUNT WITHIN THE TIME PERIOD SPECIFIED BY STATE LAW. IF YOUR STATE OF RESIDENCE ALLOWS, YOU MAY DESIGNATE A REPRESENTATIVE FOR THE PURPOSE OF RECEIVING NOTICE OF ACCOUNT INACTIVITY BY PROVIDING THE NAME AND MAILING OR EMAIL ADDRESS OF A REPRESENTATIVE. THE DESIGNATED REPRESENTATIVE DOES NOT HAVE ANY RIGHTS TO YOUR ACCOUNT. PLEASE REFER TO YOUR STATE'S UNCLAIMED PROPERTY WEBSITE FOR MORE INFORMATION AND INSTRUCTIONS ON HOW TO DESIGNATE A REPRESENTATIVE FOR NOTICE.

RECONCILIATION OF MARKET VALUE
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

BEGINNING MARKET VALUE		**54,997,073.61**
RECEIPTS		
INCOME		
INTEREST	594.67	
DIVIDENDS	1,003,577.21	
OTHER INCOME	38.00	
NET CHANGE IN ACCRUED INCOME	158.26	
TOTAL INCOME		1,004,368.14
REALIZED GAIN / LOSS		811,900.57
UNREALIZED GAIN / LOSS		-8,421,089.45
TOTAL RECEIPTS		**-6,604,820.74**
DISBURSEMENTS		
EXPENSES		
OTHER EXPENSE	-38.00	
TOTAL EXPENSES		-38.00
OTHER CASH DISBURSEMENTS		-3,150,000.00
TOTAL DISBURSEMENTS		**-3,150,038.00**
ENDING MARKET VALUE		**45,242,214.87**

RECONCILEMENT OF COST VALUE
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

BEGINNING COST VALUE		**47,889,264.78**
RECEIPTS		
INCOME		
INTEREST	594.67	
DIVIDENDS	1,003,577.21	
OTHER INCOME	38.00	
NET CHANGE IN ACCRUED INCOME	158.26	
TOTAL INCOME		1,004,368.14
REALIZED GAIN / LOSS		1,164,623.40
TOTAL RECEIPTS		**2,168,991.54**
DISBURSEMENTS		
EXPENSES		
OTHER EXPENSE	-38.00	
TOTAL EXPENSES		-38.00
OTHER SECURITY DISBURSEMENTS		-36,609.30
OTHER CASH DISBURSEMENTS		-3,150,000.00
TOTAL DISBURSEMENTS		**-3,186,647.30**
ENDING COST VALUE		**46,871,609.02**

RECONCILEMENT OF CASH BALANCES **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

BEGINNING CASH BALANCE		**0.16**
RECEIPTS		
INCOME		
INTEREST	594.67	
DIVIDENDS	1,003,577.21	
OTHER INCOME	38.00	
TOTAL INCOME		1,004,209.88
PROCEEDS FROM DISPOSITIONS		7,967,549.00
TOTAL RECEIPTS		**8,971,758.88**
DISBURSEMENTS		
EXPENSES		
OTHER EXPENSE	-38.00	
TOTAL EXPENSES		-38.00
COST OF ACQUISITIONS		-5,821,721.04
OTHER CASH DISBURSEMENTS		-3,150,000.00
TOTAL DISBURSEMENTS		**-8,971,759.04**
ENDING CASH BALANCE		**0.00**

SCHEDULE OF INCOME EARNED
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

ACTIVITY DATE	DESCRIPTION	PAR VALUE SHARES	NET INCOME COLLECTED	PRIOR ACCRUED INCOME	CURRENT ACCRUED INCOME	EARNED INCOME
CASH EQUIVALENTS						
	ALLSPRING GOVERNMENT MONEY MARKET FUND INSTL CLASS - #1751 CUSIP VP4560000					
12/31/21	PRIOR ACCRUED INCOME	10,514.30		0.00		
01/03/22	INCOME RECEIPT RECEIVED	0.00	0.16-			
01/03/22	INCOME RECEIPT RECEIVED	0.00	0.16			
02/01/22	INCOME RECEIPT RECEIVED	0.00	0.17			
03/01/22	INCOME RECEIPT RECEIVED	0.00	0.13			
04/01/22	INCOME RECEIPT RECEIVED	0.00	2.46			
05/02/22	INCOME RECEIPT RECEIVED	0.00	11.05			
06/01/22	INCOME RECEIPT RECEIVED	0.00	26.25			
07/01/22	INCOME RECEIPT RECEIVED	0.00	52.28			
08/01/22	INCOME RECEIPT RECEIVED	0.00	57.22			
09/01/22	INCOME RECEIPT RECEIVED	0.00	80.81			
10/03/22	INCOME RECEIPT RECEIVED	0.00	111.18			
11/01/22	INCOME RECEIPT RECEIVED	0.00	114.80			
12/01/22	INCOME RECEIPT RECEIVED	0.00	138.32			
12/31/22	CURRENT ACCRUED INCOME	48,572.06			158.26	
	TOTAL		594.67	0.00	158.26	752.93
	CASH EQUIVALENTS TOTAL		**594.67**	**0.00**	**158.26**	**752.93**
MUTUAL FUNDS						
	SEI INSTITUTIONAL INVESTMENT TRUST - CORE FIXED INCOME FUND CLASS A #285 CUSIP 783980204					
12/31/21	PRIOR ACCRUED INCOME	718,623.61		0.00		
02/02/22	INCOME RECEIPT RECEIVED	0.00	11,882.74			
03/01/22	INCOME RECEIPT RECEIVED	0.00	10,491.42			
04/01/22	INCOME RECEIPT RECEIVED	0.00	12,206.78			
05/02/22	INCOME RECEIPT RECEIVED	0.00	14,556.62			
06/01/22	INCOME RECEIPT RECEIVED	0.00	14,818.00			
07/01/22	INCOME RECEIPT RECEIVED	0.00	14,678.78			
08/01/22	INCOME RECEIPT RECEIVED	0.00	15,471.51			
09/01/22	INCOME RECEIPT RECEIVED	0.00	15,943.98			
10/03/22	INCOME RECEIPT RECEIVED	0.00	15,446.74			
11/01/22	INCOME RECEIPT RECEIVED	0.00	16,879.86			

ACTIVITY DATE	DESCRIPTION	PAR VALUE SHARES	NET INCOME COLLECTED	PRIOR ACCRUED INCOME	CURRENT ACCRUED INCOME	EARNED INCOME
12/01/22	INCOME RECEIPT RECEIVED	0.00	17,440.38			
01/03/23	INCOME RECEIPT RECEIVED	0.00	18,697.31			
12/31/22	CURRENT ACCRUED INCOME	667,628.84			0.00	
	TOTAL		178,514.12	0.00	0.00	178,514.12
	SEI INSTITUTIONAL INVESTMENT TRUST - HIGH YIELD BOND FUND CLASS A #284 CUSIP 783980303					
12/31/21	PRIOR ACCRUED INCOME	309,259.10		0.00		
02/02/22	INCOME RECEIPT RECEIVED	0.00	15,837.07			
03/01/22	INCOME RECEIPT RECEIVED	0.00	12,422.24			
04/01/22	INCOME RECEIPT RECEIVED	0.00	15,416.13			
05/02/22	INCOME RECEIPT RECEIVED	0.00	13,641.05			
06/01/22	INCOME RECEIPT RECEIVED	0.00	14,076.45			
07/01/22	INCOME RECEIPT RECEIVED	0.00	13,326.64			
08/01/22	INCOME RECEIPT RECEIVED	0.00	14,419.92			
09/01/22	INCOME RECEIPT RECEIVED	0.00	14,161.20			
10/03/22	INCOME RECEIPT RECEIVED	0.00	14,230.87			
11/01/22	INCOME RECEIPT RECEIVED	0.00	14,441.06			
12/01/22	INCOME RECEIPT RECEIVED	0.00	14,222.43			
01/03/23	INCOME RECEIPT RECEIVED	0.00	15,758.39			
12/31/22	CURRENT ACCRUED INCOME	294,379.02			0.00	
	TOTAL		171,953.45	0.00	0.00	171,953.45
	SIIT U.S. EQUITY FACTOR ALLOCATION FUND CLASS A #325 CUSIP 783980550					
12/31/21	PRIOR ACCRUED INCOME	204,988.58		0.00		
04/07/22	INCOME RECEIPT RECEIVED	0.00	10,709.26			
07/08/22	INCOME RECEIPT RECEIVED	0.00	10,054.65			
10/07/22	INCOME RECEIPT RECEIVED	0.00	9,817.98			
12/30/22	INCOME RECEIPT RECEIVED	0.00	10,496.16			
12/31/22	CURRENT ACCRUED INCOME	200,557.89			0.00	
	TOTAL		41,078.05	0.00	0.00	41,078.05

ACTIVITY DATE	DESCRIPTION	PAR VALUE SHARES	NET INCOME COLLECTED	PRIOR ACCRUED INCOME	CURRENT ACCRUED INCOME	EARNED INCOME
	SEI EMERGING MARKETS EQUITY FUND CLASS-A CUSIP 783980618					
12/31/21	PRIOR ACCRUED INCOME	201,445.75		0.00		
12/30/22	INCOME RECEIPT RECEIVED	0.00	42,962.38			
12/31/22	CURRENT ACCRUED INCOME	207,976.44			0.00	
	TOTAL		42,962.38	0.00	0.00	42,962.38
	SEI INSTITUTIONAL INVESTMENT TRUST - S&P 500 INDEX FUND CLASS A#322 CUSIP 783980626					
12/31/21	PRIOR ACCRUED INCOME	291,184.10		0.00		
04/07/22	INCOME RECEIPT RECEIVED	0.00	23,013.87			
07/08/22	INCOME RECEIPT RECEIVED	0.00	19,567.27			
10/07/22	INCOME RECEIPT RECEIVED	0.00	21,840.71			
12/30/22	INCOME RECEIPT RECEIVED	0.00	16,874.80			
12/31/22	CURRENT ACCRUED INCOME	284,095.70			0.00	
	TOTAL		81,296.65	0.00	0.00	81,296.65
	SEI EXTENDED MARKET INDEX FUND CLASS A CUSIP 783980659					
12/31/21	PRIOR ACCRUED INCOME	107,842.82		0.00		
04/07/22	INCOME RECEIPT RECEIVED	0.00	4,680.38			
07/08/22	INCOME RECEIPT RECEIVED	0.00	2,821.82			
10/07/22	INCOME RECEIPT RECEIVED	0.00	6,000.24			
12/30/22	INCOME RECEIPT RECEIVED	0.00	6,987.88			
12/31/22	CURRENT ACCRUED INCOME	112,487.32			0.00	
	TOTAL		20,490.32	0.00	0.00	20,490.32
	SEI INSTITUTIONAL INVESTMENT TRUST DYNAMIC ASSET ALLOCATION FUND CLASS A #314 CUSIP 783980683					
12/31/21	PRIOR ACCRUED INCOME	116,794.51		0.00		
12/30/22	INCOME RECEIPT RECEIVED	0.00	108,586.52			
12/31/22	CURRENT ACCRUED INCOME	117,026.42			0.00	
	TOTAL		108,586.52	0.00	0.00	108,586.52

SCHEDULE OF INCOME EARNED
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

ACTIVITY DATE	DESCRIPTION	PAR VALUE SHARES	NET INCOME COLLECTED	PRIOR ACCRUED INCOME	CURRENT ACCRUED INCOME	EARNED INCOME
	SEI EMERGING MARKETS DEBT FUND (SIIT CLASS A #270 CUSIP 783980758					
12/31/21	PRIOR ACCRUED INCOME	270,793.43		0.00		
12/30/22	INCOME RECEIPT RECEIVED	0.00	43,381.95			
12/31/22	CURRENT ACCRUED INCOME	267,239.71			0.00	
	TOTAL		43,381.95	0.00	0.00	43,381.95
	SEI INSTITUTIONAL INVESTMENT TRUST - WORLD EQUITY EX-US FUND CLASS A #280 CUSIP 783980774					
12/31/21	PRIOR ACCRUED INCOME	933,191.04		0.00		
12/30/22	INCOME RECEIPT RECEIVED	0.00	254,895.90			
12/31/22	CURRENT ACCRUED INCOME	941,730.90			0.00	
	TOTAL		254,895.90	0.00	0.00	254,895.90
	SEI INSTITUTIONAL INVESTMENT TRUST - SMALL/MID CAP EQUITY FUND CLASS A #296 CUSIP 783980816					
12/31/21	PRIOR ACCRUED INCOME	143,813.93		0.00		
04/07/22	INCOME RECEIPT RECEIVED	0.00	4,572.57			
07/08/22	INCOME RECEIPT RECEIVED	0.00	3,643.80			
10/07/22	INCOME RECEIPT RECEIVED	0.00	4,545.58			
12/30/22	INCOME RECEIPT RECEIVED	0.00	5,077.60			
12/31/22	CURRENT ACCRUED INCOME	142,015.64			0.00	
	TOTAL		17,839.55	0.00	0.00	17,839.55
	SEI INSTITUTIONAL INVESTMENT TRUST - LARGE CAP DISCIPLINED EQUITY FUND CLASS A #295 CUSIP 783980824					
12/31/21	PRIOR ACCRUED INCOME	265,294.65		0.00		
07/08/22	INCOME RECEIPT RECEIVED	0.00	2,917.80			
12/30/22	INCOME RECEIPT RECEIVED	0.00	39,660.52			
12/31/22	CURRENT ACCRUED INCOME	241,489.87			0.00	
	TOTAL		42,578.32	0.00	0.00	42,578.32

SCHEDULE OF INCOME EARNED
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

ACTIVITY DATE	DESCRIPTION	PAR VALUE SHARES	NET INCOME COLLECTED	PRIOR ACCRUED INCOME	CURRENT ACCRUED INCOME	EARNED INCOME
	MUTUAL FUNDS TOTAL		**1,003,577.21**	**0.00**	**0.00**	**1,003,577.21**
OTHER INCOME						
10/03/22	MUTUAL FUND REV SHARE RECEIVED	0.00	0.26			
10/04/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.02			
10/07/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.93			
10/07/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.93			
10/12/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.45			
10/12/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.45			
10/14/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.66			
10/14/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.66			
10/20/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.04			
10/20/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.04			
10/27/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.04			
10/27/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.86			
11/25/22	MUTUAL FUND REV SHARE RECEIVED	0.00	3.35			
11/25/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.39			
12/07/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.05			
12/07/22	MUTUAL FUND REV SHARE RECEIVED	0.00	2.87			
	TOTAL		38.00	0.00	0.00	38.00
	OTHER INCOME TOTAL		**38.00**	**0.00**	**0.00**	**38.00**
	GRAND TOTAL		**1,004,209.88**	**0.00**	**158.26**	**1,004,368.14**

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
		CASH EQUIVALENTS				
		PROPRIETARY FUNDS				
		ALLSPRING GOVT MM FD-INSTL #1751 CUSIP VP4560000				
12/31/22	3,328,142.190-	CASH SWEEP SALES 1/01/22 TO 12/31/22	0.00	3,328,142.19	3,328,142.19- 3,328,142.19-	0.00 0.00
	3,328,142.190-	ASSET TOTAL	0.00	3,328,142.19	3,328,142.19- 3,328,142.19-	0.00 0.00
		TOTAL PROPRIETARY FUNDS	**0.00**	**3,328,142.19**	**3,328,142.19-** **3,328,142.19-**	**0.00** **0.00**
		TOTAL CASH EQUIVALENTS	**0.00**	**3,328,142.19**	**3,328,142.19-** **3,328,142.19-**	**0.00** **0.00**
		POOLED, COMMON AND COLLECTIVE FUNDS				
		POOLED FUNDS				
		SEI GLOBAL PRIVATE ASSET IV CIT CUSIP 774993802				
2/24/22	37,380.730-	SOLD 37,380.73 SHARES/UNITS AT 1 ON TRADE DATE 2/24/22 TO SETTLE 2/24/22 COMMISSION $0.00 MISCELLANEOUS PER 2/28 SEI GPA IV STATEMENT	0.00	37,380.73	19,658.30- 37,380.73-	17,722.43 0.00

SECURITY DISPOSITIONS **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
7/28/22	37,380.730-	SOLD 37,380.73 SHARES/UNITS AT 1 ON TRADE DATE 7/28/22 TO SETTLE 7/28/22 COMMISSION $0.00 MISCELLANEOUS PER 7/31 SEI STATEMENT	0.00	37,380.73	18,493.86- 33,709.43-	18,886.87 3,671.30
	74,761.460-	ASSET TOTAL	0.00	74,761.46	38,152.16- 71,090.16-	36,609.30 3,671.30
		TOTAL POOLED FUNDS	**0.00**	**74,761.46**	**38,152.16- 71,090.16-**	**36,609.30 3,671.30**
		TOTAL POOLED, COMMON AND COLLECTIVE FUNDS	**0.00**	**74,761.46**	**38,152.16- 71,090.16-**	**36,609.30 3,671.30**
		EQUITIES				
		COMMON STOCKS				
		MEDIA GEN INC CVR CUSIP 584CVR997				
5/18/22	774.000-	SOLD 774 SHARES/UNITS AT 0.1062 ON TRADE DATE 5/18/22 TO SETTLE 5/18/22 COMMISSION $0.00 EACH SHARE HELD OF MEDIA GENERAL INC CVR (584CVR997) ENTITLES THE HOLDER TO RECEIVE $0.10620545. TAXABLE	0.00	82.20	0.00 0.00	82.20 82.20

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
	774.000-	ASSET TOTAL	0.00	82.20	0.00 0.00	82.20 82.20
		TOTAL COMMON STOCKS	**0.00**	**82.20**	**0.00** **0.00**	**82.20** **82.20**
		TOTAL EQUITIES	**0.00**	**82.20**	**0.00** **0.00**	**82.20** **82.20**
		MUTUAL FUNDS				
		MUTUAL FUNDS - EQUITY				
		SEI EMERGING MARKETS EQ-A #282 CUSIP 783980618				
1/21/22	1,605.329-	SOLD 1,605.329 SHARES/UNITS AT 10.41 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 1,605.329 SHARES AT 10.41 USD	0.00	16,711.48	15,764.84- 16,807.79-	946.64 96.31-
6/21/22	2,357.456-	SOLD 2,357.456 SHARES/UNITS AT 8.66 ON TRADE DATE 6/21/22 TO SETTLE 6/22/22 COMMISSION $0.00 2,357.456 SHARES AT 8.66 USD	0.00	20,415.57	23,150.97- 24,682.56-	2,735.40- 4,266.99-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.214 PER SHARE	0.00	42,340.35	0.00 0.00	42,340.35 42,340.35

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
	3,962.785-	ASSET TOTAL	0.00	79,467.40	38,915.81- 41,490.35-	40,551.59 37,977.05
		SEI EXTENDED MKT INDEX-A CUSIP 783980659				
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.420 PER SHARE	0.00	45,695.58	0.00 0.00	45,695.58 45,695.58
	0.000	ASSET TOTAL	0.00	45,695.58	0.00 0.00	45,695.58 45,695.58
		SEI INST INV L/C DIS EQTY-A #295 CUSIP 783980824				
1/21/22	4,480.515-	SOLD 4,480.515 SHARES/UNITS AT 10.03 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 4,480.515 SHARES AT 10.03 USD	0.00	44,939.57	53,137.79- 48,344.76-	8,198.22- 3,405.19-
3/25/22	4,769.376-	SOLD 4,769.376 SHARES/UNITS AT 10.35 ON TRADE DATE 3/25/22 TO SETTLE 3/28/22 COMMISSION $0.00 4,769.376 SHARES AT 10.35 USD	0.00	49,363.04	56,563.61- 51,461.57-	7,200.57- 2,098.53-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
4/01/22	1,083.263-	SOLD 1,083.263 SHARES/UNITS AT 10.34 ON TRADE DATE 4/01/22 TO SETTLE 4/04/22 COMMISSION $0.00 1,083.263 SHARES AT 10.34 USD	0.00	11,200.94	12,847.23- 11,688.41-	1,646.29- 487.47-
4/20/22	11,360.990-	SOLD 11,360.99 SHARES/UNITS AT 10.31 ON TRADE DATE 4/20/22 TO SETTLE 4/21/22 COMMISSION $0.00 11,360.99 SHARES AT 10.31 USD	0.00	117,131.81	134,738.50- 122,585.08-	17,606.69- 5,453.27-
5/13/22	450.545-	SOLD 450.545 SHARES/UNITS AT 9.34 ON TRADE DATE 5/13/22 TO SETTLE 5/16/22 COMMISSION $0.00 450.545 SHARES AT 9.34 USD	0.00	4,208.09	5,343.35- 4,861.38-	1,135.26- 653.29-
7/26/22	521.454-	SOLD 521.454 SHARES/UNITS AT 9.11 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 521.454 SHARES AT 9.11 USD	0.00	4,750.45	6,182.34- 5,625.25-	1,431.89- 874.80-
9/23/22	4,018.057-	SOLD 4,018.057 SHARES/UNITS AT 8.61 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 4,018.057 SHARES AT 8.61 USD	0.00	34,595.47	47,637.92- 43,345.32-	13,042.45- 8,749.85-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
10/21/22	1,186.194-	SOLD 1,186.194 SHARES/UNITS AT 8.76 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 1,186.194 SHARES AT 8.76 USD	0.00	10,391.06	14,063.47- 12,796.22-	3,672.41- 2,405.16-
12/07/22	8,943.355-	SOLD 8,943.355 SHARES/UNITS AT 9.3 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 8,943.355 SHARES AT 9.30 USD	0.00	83,173.20	106,032.06- 96,477.63-	22,858.86- 13,304.43-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.313 PER SHARE	0.00	71,501.48	0.00 0.00	71,501.48 71,501.48
	36,813.749-	ASSET TOTAL	0.00	431,255.11	436,546.27- 397,185.62-	5,291.16- 34,069.49

SEI INST INV S&P 500 IDX-A#322
CUSIP 783980626

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
1/21/22	3,465.568-	SOLD 3,465.568 SHARES/UNITS AT 21.63 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 3,465.568 SHARES AT 21.63 USD	0.00	74,960.24	49,880.03- 81,198.26-	25,080.21 6,238.02-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
3/25/22	4,896.369-	SOLD 4,896.369 SHARES/UNITS AT 22.41 ON TRADE DATE 3/25/22 TO SETTLE 3/28/22 COMMISSION $0.00 4,896.369 SHARES AT 22.41 USD	0.00	109,727.63	70,473.59- 114,721.93-	39,254.04 4,994.30-
4/01/22	1,134.695-	SOLD 1,134.695 SHARES/UNITS AT 22.42 ON TRADE DATE 4/01/22 TO SETTLE 4/04/22 COMMISSION $0.00 1,134.695 SHARES AT 22.42 USD	0.00	25,439.86	16,331.70- 26,585.90-	9,108.16 1,146.04-
4/20/22	10,586.491-	SOLD 10,586.491 SHARES/UNITS AT 21.93 ON TRADE DATE 4/20/22 TO SETTLE 4/21/22 COMMISSION $0.00 10,586.491 SHARES AT 21.93 USD	0.00	232,161.74	152,670.41- 247,986.72-	79,491.33 15,824.98-
7/26/22	438.903-	SOLD 438.903 SHARES/UNITS AT 19.29 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 438.903 SHARES AT 19.29 USD	0.00	8,466.44	6,337.34- 10,274.29-	2,129.10 1,807.85-
9/23/22	3,420.451-	SOLD 3,420.451 SHARES/UNITS AT 18.22 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 3,420.451 SHARES AT 18.22 USD	0.00	62,320.62	49,388.07- 80,069.40-	12,932.55 17,748.78-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
10/21/22	1,020.254-	SOLD 1,020.254 SHARES/UNITS AT 18.45 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 1,020.254 SHARES AT 18.45 USD	0.00	18,823.69	14,749.23- 23,860.72-	4,074.46 5,037.03-
12/07/22	6,962.199-	SOLD 6,962.199 SHARES/UNITS AT 19.39 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 6,962.199 SHARES AT 19.39 USD	0.00	134,997.03	100,648.54- 162,825.22-	34,348.49 27,828.19-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $1.383 PER SHARE	0.00	363,183.25	0.00 0.00	363,183.25 363,183.25
	31,924.930-	ASSET TOTAL	0.00	1,030,080.50	460,478.91- 747,522.44-	569,601.59 282,558.06
		SEI INST INV WRLD EQ EX-US-A #280 CUSIP 783980774				
1/21/22	661.933-	SOLD 661.933 SHARES/UNITS AT 12.68 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 661.933 SHARES AT 12.68 USD	0.00	8,393.31	8,216.74- 8,611.75-	176.57 218.44-

SECURITY DISPOSITIONS | **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 | **ACCOUNT NUMBER** [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
6/21/22	8,003.131-	SOLD 8,003.131 SHARES/UNITS AT 10.7 ON TRADE DATE 6/21/22 TO SETTLE 6/22/22 COMMISSION $0.00 8,003.131 SHARES AT 10.70 USD	0.00	85,633.50	99,344.86- 104,120.73-	13,711.36- 18,487.23-
12/07/22	27,671.092-	SOLD 27,671.092 SHARES/UNITS AT 10.85 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 27,671.092 SHARES AT 10.85 USD	0.00	300,231.35	343,488.18- 360,000.91-	43,256.83- 59,769.56-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.239 PER SHARE	0.00	214,258.63	0.00 0.00	214,258.63 214,258.63
	36,336.156-	ASSET TOTAL	0.00	608,516.79	451,049.78- 472,733.39-	157,467.01 135,783.40
		SEI INST S/M CAP EQTY-A #296 CUSIP 783980816				
3/25/22	1,199.182-	SOLD 1,199.182 SHARES/UNITS AT 10.87 ON TRADE DATE 3/25/22 TO SETTLE 3/28/22 COMMISSION $0.00 1,199.182 SHARES AT 10.87 USD	0.00	13,035.11	14,181.12- 13,754.62-	1,146.01- 719.51-

SECURITY DISPOSITIONS **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
4/01/22	167.231-	SOLD 167.231 SHARES/UNITS AT 10.82 ON TRADE DATE 4/01/22 TO SETTLE 4/04/22 COMMISSION $0.00 167.231 SHARES AT 10.82 USD	0.00	1,809.44	1,977.62- 1,918.14-	168.18- 108.70-
4/20/22	3,808.779-	SOLD 3,808.779 SHARES/UNITS AT 10.75 ON TRADE DATE 4/20/22 TO SETTLE 4/21/22 COMMISSION $0.00 3,808.779 SHARES AT 10.75 USD	0.00	40,944.37	45,025.27- 43,674.80-	4,080.90- 2,730.43-
7/26/22	322.725-	SOLD 322.725 SHARES/UNITS AT 9.58 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 322.725 SHARES AT 9.58 USD	0.00	3,091.71	3,812.82- 3,698.72-	721.11- 607.01-
9/23/22	980.512-	SOLD 980.512 SHARES/UNITS AT 8.77 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 980.512 SHARES AT 8.77 USD	0.00	8,599.09	11,584.23- 11,237.54-	2,985.14- 2,638.45-
10/21/22	846.953-	SOLD 846.953 SHARES/UNITS AT 9.1 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 846.953 SHARES AT 9.10 USD	0.00	7,707.27	9,998.02- 9,699.63-	2,290.75- 1,992.36-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
12/07/22	4,761.588-	SOLD 4,761.588 SHARES/UNITS AT 9.56 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 4,761.588 SHARES AT 9.56 USD	0.00	45,520.78	56,209.06- 54,531.55-	10,688.28- 9,010.77-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.552 PER SHARE	0.00	73,432.82	0.00 0.00	73,432.82 73,432.82
	12,086.970-	ASSET TOTAL	0.00	194,140.59	142,788.14- 138,515.00-	51,352.45 55,625.59
		STIT US EQTY FCTR ALL-A #325 CUSIP 783980550				
1/21/22	2,805.150-	SOLD 2,805.15 SHARES/UNITS AT 12.89 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 2,805.15 SHARES AT 12.89 USD	0.00	36,158.38	40,246.37- 38,851.33-	4,087.99- 2,692.95-
3/25/22	3,546.521-	SOLD 3,546.521 SHARES/UNITS AT 13.31 ON TRADE DATE 3/25/22 TO SETTLE 3/28/22 COMMISSION $0.00 3,546.521 SHARES AT 13.31 USD	0.00	47,204.20	50,883.06- 49,119.32-	3,678.86- 1,915.12-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
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DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
4/01/22	683.811-	SOLD 683.811 SHARES/UNITS AT 13.21 ON TRADE DATE 4/01/22 TO SETTLE 4/04/22 COMMISSION $0.00 683.811 SHARES AT 13.21 USD	0.00	9,033.14	9,810.85- 9,470.78-	777.71- 437.64-
4/20/22	7,923.908-	SOLD 7,923.908 SHARES/UNITS AT 13.15 ON TRADE DATE 4/20/22 TO SETTLE 4/21/22 COMMISSION $0.00 7,923.908 SHARES AT 13.15 USD	0.00	104,199.39	113,640.02- 109,715.75-	9,440.63- 5,516.36-
5/13/22	1,147.046-	SOLD 1,147.046 SHARES/UNITS AT 12.06 ON TRADE DATE 5/13/22 TO SETTLE 5/16/22 COMMISSION $0.00 1,147.046 SHARES AT 12.06 USD	0.00	13,833.37	16,450.26- 15,882.19-	2,616.89- 2,048.82-
7/26/22	384.626-	SOLD 384.626 SHARES/UNITS AT 11.62 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 384.626 SHARES AT 11.62 USD	0.00	4,469.35	5,511.11- 5,321.50-	1,041.76- 852.15-
9/23/22	2,474.203-	SOLD 2,474.203 SHARES/UNITS AT 10.9 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 2,474.203 SHARES AT 10.90 USD	0.00	26,968.81	35,451.59- 34,231.87-	8,482.78- 7,263.06-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
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DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
10/21/22	994.844-	SOLD 994.844 SHARES/UNITS AT 11.12 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 994.844 SHARES AT 11.12 USD	0.00	11,062.67	14,239.49- 13,751.36-	3,176.82- 2,688.69-
12/07/22	7,269.677-	SOLD 7,269.677 SHARES/UNITS AT 11.78 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 7,269.677 SHARES AT 11.78 USD	0.00	85,636.80	104,052.98- 100,486.03-	18,416.18- 14,849.23-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $1.020 PER SHARE	0.00	184,024.18	0.00 0.00	184,024.18 184,024.18
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.087 PER SHARE	0.00	15,671.99	0.00 0.00	15,671.99 15,671.99
	27,229.786-	ASSET TOTAL	0.00	538,262.28	390,285.73- 376,830.13-	147,976.55 161,432.15
		TOTAL MUTUAL FUNDS - EQUITY	**0.00**	**2,927,418.25**	**1,920,064.64-** **2,174,276.93-**	**1,007,353.61** **753,141.32**

MUTUAL FUNDS - CORPORATE BONDS

SEI INST INV COR FIX INC-A #285
CUSIP 783980204

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
1/21/22	2,587.016-	SOLD 2,587.016 SHARES/UNITS AT 10.27 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 2,587.016 SHARES AT 10.27 USD	0.00	26,568.65	27,077.22- 27,086.06-	508.57- 517.41-
5/13/22	23,379.554-	SOLD 23,379.554 SHARES/UNITS AT 9.32 ON TRADE DATE 5/13/22 TO SETTLE 5/16/22 COMMISSION $0.00 23,379.554 SHARES AT 9.32 USD	0.00	217,897.44	244,598.52- 244,677.83-	26,701.08- 26,780.39-
6/21/22	31,448.283-	SOLD 31,448.283 SHARES/UNITS AT 9.05 ON TRADE DATE 6/21/22 TO SETTLE 6/22/22 COMMISSION $0.00 31,448.283 SHARES AT 9.05 USD	0.00	284,606.96	328,938.03- 329,044.48-	44,331.07- 44,437.52-
7/26/22	1,224.107-	SOLD 1,224.107 SHARES/UNITS AT 9.31 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 1,224.107 SHARES AT 9.31 USD	0.00	11,396.44	12,800.02- 12,804.16-	1,403.58- 1,407.72-
9/23/22	8,779.216-	SOLD 8,779.216 SHARES/UNITS AT 8.77 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 8,779.216 SHARES AT 8.77 USD	0.00	76,993.72	91,747.62- 91,777.12-	14,753.90- 14,783.40-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
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DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
10/21/22	721.436-	SOLD 721.436 SHARES/UNITS AT 8.4 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 721.436 SHARES AT 8.40 USD	0.00	6,060.06	7,535.93- 7,538.35-	1,475.87- 1,478.29-
12/07/22	2,314.364-	SOLD 2,314.364 SHARES/UNITS AT 8.99 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 2,314.364 SHARES AT 8.99 USD	0.00	20,806.13	24,150.80- 24,158.51-	3,344.67- 3,352.38-
	70,453.976-	ASSET TOTAL	0.00	644,329.40	736,848.14- 737,086.51-	92,518.74- 92,757.11-
		SEI INST INV EMG MKT DEBT-A #270 CUSIP 783980758				
6/21/22	2,891.937-	SOLD 2,891.937 SHARES/UNITS AT 7.92 ON TRADE DATE 6/21/22 TO SETTLE 6/22/22 COMMISSION $0.00 2,891.937 SHARES AT 7.92 USD	0.00	22,904.14	28,744.31- 27,560.16-	5,840.17- 4,656.02-
9/23/22	2,474.875-	SOLD 2,474.875 SHARES/UNITS AT 7.7 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 2,474.875 SHARES AT 7.70 USD	0.00	19,056.54	24,598.93- 23,585.56-	5,542.39- 4,529.02-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
12/07/22	3,616.432-	SOLD 3,616.432 SHARES/UNITS AT 8.12 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION \$0.00 3,616.432 SHARES AT 8.12 USD	0.00	29,365.43	35,945.40- 34,464.60-	6,579.97- 5,099.17-
	8,983.244-	ASSET TOTAL	0.00	71,326.11	89,288.64- 85,610.32-	17,962.53- 14,284.21-
		SEI INST INV H/Y BOND FD-A #284 CUSIP 783980303				
1/21/22	6,454.434-	SOLD 6,454.434 SHARES/UNITS AT 8.8 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION \$0.00 6,454.434 SHARES AT 8.80 USD	0.00	56,799.02	57,357.04- 57,379.92-	558.02- 580.90-
3/25/22	1,885.690-	SOLD 1,885.69 SHARES/UNITS AT 8.4 ON TRADE DATE 3/25/22 TO SETTLE 3/28/22 COMMISSION \$0.00 1,885.69 SHARES AT 8.40 USD	0.00	15,839.80	16,752.39- 16,759.00-	912.59- 919.20-
4/01/22	579.320-	SOLD 579.32 SHARES/UNITS AT 8.45 ON TRADE DATE 4/01/22 TO SETTLE 4/04/22 COMMISSION \$0.00 579.32 SHARES AT 8.45 USD	0.00	4,895.25	5,145.23- 5,147.25-	249.98- 252.00-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
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DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
4/20/22	7,736.272-	SOLD 7,736.272 SHARES/UNITS AT 8.32 ON TRADE DATE 4/20/22 TO SETTLE 4/21/22 COMMISSION $0.00 7,736.272 SHARES AT 8.32 USD	0.00	64,365.78	68,709.66- 68,736.63-	4,343.88- 4,370.85-
5/13/22	8,068.149-	SOLD 8,068.149 SHARES/UNITS AT 7.94 ON TRADE DATE 5/13/22 TO SETTLE 5/16/22 COMMISSION $0.00 8,068.149 SHARES AT 7.94 USD	0.00	64,061.10	71,626.18- 71,654.15-	7,565.08- 7,593.05-
6/21/22	11,284.573-	SOLD 11,284.573 SHARES/UNITS AT 7.66 ON TRADE DATE 6/21/22 TO SETTLE 6/22/22 COMMISSION $0.00 11,284.573 SHARES AT 7.66 USD	0.00	86,439.83	100,124.73- 100,163.62-	13,684.90- 13,723.79-
7/26/22	186.368-	SOLD 186.368 SHARES/UNITS AT 7.7 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 186.368 SHARES AT 7.70 USD	0.00	1,435.03	1,652.00- 1,652.64-	216.97- 217.61-
9/23/22	5,827.822-	SOLD 5,827.822 SHARES/UNITS AT 7.43 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 5,827.822 SHARES AT 7.43 USD	0.00	43,300.72	51,573.71- 51,593.41-	8,272.99- 8,292.69-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
10/21/22	1,717.069-	SOLD 1,717.069 SHARES/UNITS AT 7.27 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 1,717.069 SHARES AT 7.27 USD	0.00	12,483.09	15,177.00- 15,182.77-	2,693.91- 2,699.68-
12/07/22	1,059.919-	SOLD 1,059.919 SHARES/UNITS AT 7.45 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 1,059.919 SHARES AT 7.45 USD	0.00	7,896.40	9,347.89- 9,351.40-	1,451.49- 1,455.00-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.201 PER SHARE	0.00	57,191.57	0.00 0.00	57,191.57 57,191.57
	44,799.616-	ASSET TOTAL	0.00	414,707.59	397,465.83- 397,620.79-	17,241.76 17,086.80
		TOTAL MUTUAL FUNDS - CORPORATE BONDS	**0.00**	**1,130,363.10**	**1,223,602.61-** **1,220,317.62-**	**93,239.51-** **89,954.52-**
		MUTUAL FUNDS - BALANCED				
		SEI INST INV DYN AST ALLOC-A #314 CUSIP 783980683				
1/21/22	1,575.715-	SOLD 1,575.715 SHARES/UNITS AT 22.51 ON TRADE DATE 1/21/22 TO SETTLE 1/24/22 COMMISSION $0.00 1,575.715 SHARES AT 22.51 USD	0.00	35,469.35	30,964.73- 38,242.60-	4,504.62 2,773.25-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
3/25/22	2,712.562-	SOLD 2,712.562 SHARES/UNITS AT 23.9 ON TRADE DATE 3/25/22 TO SETTLE 3/28/22 COMMISSION $0.00 2,712.562 SHARES AT 23.90 USD	0.00	64,830.22	53,305.17- 65,833.88-	11,525.05 1,003.66-
4/01/22	574.257-	SOLD 574.257 SHARES/UNITS AT 23.72 ON TRADE DATE 4/01/22 TO SETTLE 4/04/22 COMMISSION $0.00 574.257 SHARES AT 23.72 USD	0.00	13,621.37	11,284.85- 13,937.22-	2,336.52 315.85-
4/20/22	5,977.854-	SOLD 5,977.854 SHARES/UNITS AT 23.62 ON TRADE DATE 4/20/22 TO SETTLE 4/21/22 COMMISSION $0.00 5,977.854 SHARES AT 23.62 USD	0.00	141,196.91	117,472.15- 145,082.52-	23,724.76 3,885.61-
7/26/22	181.662-	SOLD 181.662 SHARES/UNITS AT 20.76 ON TRADE DATE 7/26/22 TO SETTLE 7/27/22 COMMISSION $0.00 181.662 SHARES AT 20.76 USD	0.00	3,771.31	3,569.88- 4,408.94-	201.43 637.63-
9/23/22	1,436.259-	SOLD 1,436.259 SHARES/UNITS AT 19.61 ON TRADE DATE 9/23/22 TO SETTLE 9/26/22 COMMISSION $0.00 1,436.259 SHARES AT 19.61 USD	0.00	28,165.03	28,224.25- 34,858.01-	59.22- 6,692.98-

SECURITY DISPOSITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	TRANSACTION PROCEEDS	HISTORICAL COST/ REVALUED COST	REALIZED GAIN/LOSS AT HIST/REV COST
10/21/22	412.713-	SOLD 412.713 SHARES/UNITS AT 19.95 ON TRADE DATE 10/21/22 TO SETTLE 10/24/22 COMMISSION $0.00 412.713 SHARES AT 19.95 USD	0.00	8,233.62	8,110.32- 10,016.54-	123.30 1,782.92-
12/07/22	2,037.158-	SOLD 2,037.158 SHARES/UNITS AT 20.8 ON TRADE DATE 12/07/22 TO SETTLE 12/08/22 COMMISSION $0.00 2,037.158 SHARES AT 20.80 USD	0.00	42,372.88	40,032.65- 49,441.82-	2,340.23 7,068.94-
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $1.439 PER SHARE	0.00	146,644.99	0.00 0.00	146,644.99 146,644.99
12/19/22	0.000	CAPITAL GAIN PAYABLE 12/19/22 RATE $0.221 PER SHARE	0.00	22,476.12	0.00 0.00	22,476.12 22,476.12
	14,908.180-	ASSET TOTAL	0.00	506,781.80	292,964.00- 361,821.53-	213,817.80 144,960.27
		TOTAL MUTUAL FUNDS - BALANCED	**0.00**	**506,781.80**	**292,964.00-** **361,821.53-**	**213,817.80** **144,960.27**
		TOTAL MUTUAL FUNDS	**0.00**	**4,564,563.15**	**3,436,631.25-** **3,756,416.08-**	**1,127,931.90** **808,147.07**
		TOTAL SECURITY DISPOSITIONS	**0.00**	**7,967,549.00**	**6,802,925.60-** **7,155,648.43-**	**1,164,623.40** **811,900.57**

ASSET SUMMARY
AS OF DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DESCRIPTION	HISTORICAL COST/ REVALUED COST	MARKET VALUE	ESTIMATED ANNUAL INCOME	YIELD ON COST	CURRENT YIELD
CASH	0.00 0.00	0.00			
CASH EQUIVALENTS					
OTHER CASH EQUIVALENTS	48,572.06 48,572.06	48,572.06	1,965.56	4.05	4.05
TOTAL CASH EQUIVALENTS	**48,572.06** **48,572.06**	**48,572.06**	**1,965.56**	**4.05**	**4.05**
POOLED, COMMON AND COLLECTIVE FUNDS	**5,620,303.17** **8,926,711.68**	**9,721,573.94**	**0.00**	**0.00**	**0.00**
EQUITIES					
COMMON STOCKS	0.00 0.00	0.00	0.00	0.00	0.00
TOTAL EQUITIES	**0.00** **0.00**	**0.00**	**0.00**	**0.00**	**0.00**
MUTUAL FUNDS	**41,202,575.53** **44,687,862.32**	**35,471,910.61**	**1,010,736.49**	**2.45**	**2.85**
PENDING CASH	0.00 0.00	0.00			
ACCRUED INCOME	158.26 158.26	158.26			
TOTAL ASSETS	**46,871,609.02** **53,663,304.32**	**45,242,214.87**	**1,012,702.05**	**2.16**	**2.24**

ASSET STATEMENT
AS OF DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

PAR VALUE / SHARES	DESCRIPTION	HISTORICAL COST/ REVALUED COST	UNIT PRICE PRICING DATE	MARKET VALUE	UNREALIZED G/L HISTORICAL COST / REVALUED COST	YIELD ON COST / MARKET
	CASH EQUIVALENTS					
	OTHER CASH EQUIVALENTS					
	PROPRIETARY FUNDS					
48,572.060	ALLSPRING GOVT MM FD-INSTL #1751 CUSIP VP4560000	48,572.06 48,572.06	100.0000 12/31/22	48,572.06	0.00 0.00	4.05 4.05
	TOTAL PROPRIETARY FUNDS	48,572.06 48,572.06		48,572.06	0.00 0.00	4.05 4.05
	TOTAL OTHER CASH EQUIVALENTS	48,572.06 48,572.06		48,572.06	0.00 0.00	4.05 4.05
	TOTAL CASH EQUIVALENTS	**48,572.06** **48,572.06**		**48,572.06**	**0.00** **0.00**	**4.05** **4.05**
	POOLED, COMMON AND COLLECTIVE FUNDS					
	POOLED FUNDS					
1,086.184	SEI CORE PROPERTY CIT CUSIP 714991833	2,200,000.00 3,210,406.13	3,674.5917 12/30/22	3,991,282.71	1,791,282.71 780,876.58	0.00 0.00
2,308,055.940	SEI GLOBAL PRIVATE ASSET IV CIT CUSIP 774993802	1,220,303.17 2,197,207.74	1.0000 12/30/22	2,308,055.94	1,087,752.77 110,848.20	0.00 0.00
954.335	SEI STRUCTURED CREDIT FUND CIT CUSIP 818995912	2,200,000.00 3,519,097.81	3,585.9895 12/30/22	3,422,235.29	1,222,235.29 96,862.52-	0.00 0.00
	TOTAL POOLED FUNDS	5,620,303.17 8,926,711.68		9,721,573.94	4,101,270.77 794,862.26	0.00 0.00
	TOTAL POOLED, COMMON AND COLLECTIVE FUNDS	**5,620,303.17** **8,926,711.68**		**9,721,573.94**	**4,101,270.77** **794,862.26**	**0.00** **0.00**
	MUTUAL FUNDS					
	MUTUAL FUNDS - EQUITY					

ASSET STATEMENT
AS OF DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

PAR VALUE / SHARES	DESCRIPTION	HISTORICAL COST/ REVALUED COST	UNIT PRICE PRICING DATE	MARKET VALUE	UNREALIZED G/L HISTORICAL COST / REVALUED COST	YIELD ON COST / MARKET
207,976.439	SEI EMERGING MARKETS EQ-A #282 CUSIP 783980618	2,024,648.60 2,152,949.35	8.0200 12/30/22	1,667,971.04	356,677.56- 484,978.31-	2.18 2.64
112,487.316	SEI EXTENDED MKT INDEX-A CUSIP 783980659	1,667,670.98 2,158,336.67	13.8800 12/30/22	1,561,323.95	106,347.03- 597,012.72-	1.26 1.35
241,489.874	SEI INST INV L/C DIS EQTY-A #295 CUSIP 783980824	2,823,861.78 2,579,423.49	8.6500 12/30/22	2,088,887.41	734,974.37- 490,536.08-	1.53 2.07
284,095.702	SEI INST INV S&P 500 IDX-A#322 CUSIP 783980626	4,175,022.52 6,519,400.83	17.5000 12/30/22	4,971,674.79	796,652.27 1,547,726.04-	2.00 1.68
941,730.897	SEI INST INV WRLD EQ EX-US-A #280 CUSIP 783980774	11,602,038.34 12,137,236.60	10.3300 12/30/22	9,728,080.17	1,873,958.17- 2,409,156.43-	2.26 2.69
142,015.640	SEI INST S/M CAP EQTY-A #296 CUSIP 783980816	1,649,178.40 1,602,303.10	8.7500 12/30/22	1,242,636.85	406,541.55- 359,666.25-	1.09 1.45
200,557.889	STIT US EQTY FCTR ALL-A #325 CUSIP 783980550	2,791,524.36 2,703,035.94	10.3500 12/30/22	2,075,774.15	715,750.21- 627,261.79-	1.52 2.05
	TOTAL MUTUAL FUNDS - EQUITY	26,733,944.98 29,852,685.98		23,336,348.36	3,397,596.62- 6,516,337.62-	1.92 2.20
	MUTUAL FUNDS - CORPORATE BONDS					
667,628.844	SEI INST INV COR FIX INC-A #285 CUSIP 783980204	6,963,200.33 6,965,416.84	8.7400 12/30/22	5,835,076.10	1,128,124.23- 1,130,340.74-	2.39 2.85
267,239.712	SEI INST INV EMG MKT DEBT-A #270 CUSIP 783980758	2,645,635.17 2,538,432.98	7.9800 12/30/22	2,132,572.90	513,062.27- 405,860.08-	1.68 2.08
294,379.021	SEI INST INV H/Y BOND FD-A #284 CUSIP 783980303	2,579,896.29 2,580,837.66	7.1100 12/30/22	2,093,034.84	486,861.45- 487,802.82-	6.64 8.19
	TOTAL MUTUAL FUNDS - CORPORATE BONDS	12,188,731.79 12,084,687.48		10,060,683.84	2,128,047.95- 2,024,003.64-	3.13 3.80
	MUTUAL FUNDS - BALANCED					
117,026.419	SEI INST INV DYN AST ALLOC-A #314 CUSIP 783980683	2,279,898.76 2,750,488.86	17.7300 12/30/22	2,074,878.41	205,020.35- 675,610.45-	5.03 5.52

PAR VALUE / SHARES	DESCRIPTION	HISTORICAL COST/ REVALUED COST	UNIT PRICE PRICING DATE	MARKET VALUE	UNREALIZED G/L HISTORICAL COST / REVALUED COST	YIELD ON COST / MARKET
	TOTAL MUTUAL FUNDS - BALANCED	2,279,898.76 2,750,488.86		2,074,878.41	205,020.35- 675,610.45-	5.03 5.52
	TOTAL MUTUAL FUNDS	**41,202,575.53** **44,687,862.32**		**35,471,910.61**	**5,730,664.92-** **9,215,951.71-**	**2.45** **2.85**
	ACCRUED INCOME	158.26 158.26		158.26		
	TOTAL SECURITIES	**46,871,609.02** **53,663,304.32**		**45,242,214.87**	**1,629,394.15-** **8,421,089.45-**	**2.16** **2.24**

SCHEDULE OF CONTRIBUTIONS AND OTHER CASH RECEIPTS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	DESCRIPTION	CASH
	OTHER RECEIPTS	
	WIRE RECEIPT	
2/24/22	CASH RECEIPT WIRE RECEIPT	37,380.73
2/24/22	CASH RECEIPT WIRE RECEIPT	37,380.73-
	TOTAL WIRE RECEIPT	0.00
	TOTAL OTHER RECEIPTS	**0.00**
	TOTAL CONTRIBUTIONS AND OTHER CASH RECEIPTS	**0.00**

SCHEDULE OF BENEFIT PAYMENTS AND OTHER CASH DISBURSEMENTS | **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 | **ACCOUNT NUMBER** [redacted]

DATE	DESCRIPTION	CASH
	EXPENSES OTHER EXPENSES	
	SUB TRANSFER AGENCY FEE	
10/03/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,02/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	0.26-
10/04/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,03/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.02-
10/07/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,04/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.93-
10/07/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,04/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.93-
10/12/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,05/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.45-
10/12/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,05/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.45-
10/14/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,06/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.66-

SCHEDULE OF BENEFIT PAYMENTS AND OTHER CASH DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	DESCRIPTION	CASH
10/14/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,06/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.66-
10/20/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,07/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.04-
10/20/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,07/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.04-
10/27/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,08/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.04-
10/27/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,08/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.86-
11/25/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,09/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	3.35-
11/25/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,09/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.39-

SCHEDULE OF BENEFIT PAYMENTS AND OTHER CASH DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	DESCRIPTION	CASH
12/07/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE SERVICE,10/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.05-
12/07/22	CASH DISBURSEMENT PAID TO PRINCIPAL CUSTODY SOLUTIONS SUB TRANSFER AGENCY FEE REVENUE SHARE,10/2022,VP4560000,[redacted] ALLSPRING GVT MNY MRK-INST	2.87-
	TOTAL SUB TRANSFER AGENCY FEE	38.00-
	TOTAL OTHER EXPENSES	38.00-
	TOTAL EXPENSES	**38.00-**
	OTHER CASH DISBURSEMENTS	
	MISC DISBURSEMENT DDA - ACH	
1/25/22	CASH DISBURSEMENT PAID TO RADIUS BANK MISC DISBURSEMENT DDA - ACH MONTHLY FUNDING	300,000.00-
3/28/22	CASH DISBURSEMENT PAID TO SHEET METAL WORKERS PENSION MISC DISBURSEMENT DDA - ACH MONTHLY BENEFIT FUNDING	300,000.00-
4/22/22	CASH DISBURSEMENT PAID TO SHEET METAL WORKERS PENSION MISC DISBURSEMENT DDA - ACH MONTHLY BENEFIT FUNDING	700,000.00-
5/17/22	CASH DISBURSEMENT PAID TO SHEET METAL WORKERS PENSION MISC DISBURSEMENT DDA - ACH MONTHLY BENEFIT FUNDING	300,000.00-

SCHEDULE OF BENEFIT PAYMENTS AND OTHER CASH DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	DESCRIPTION	CASH
6/23/22	CASH DISBURSEMENT PAID TO SHEET METAL WORKERS PENSION MISC DISBURSEMENT DDA - ACH MONTHLY BENEFIT FUNDING	500,000.00-
9/27/22	CASH DISBURSEMENT PAID TO SHEET METAL WORKERS PENSION MISC DISBURSEMENT DDA - ACH MONTHLY BENEFIT FUNDING	300,000.00-
12/08/22	CASH DISBURSEMENT PAID TO SHEET METAL WORKERS PENSION MISC DISBURSEMENT DDA - ACH MONTHLY BENEFIT FUNDING	750,000.00-
	TOTAL MISC DISBURSEMENT DDA - ACH	3,150,000.00-
	TOTAL OTHER CASH DISBURSEMENTS	**3,150,000.00-**
	TOTAL BENEFIT PAYMENTS AND OTHER CASH DISBURSEMENTS	**3,150,038.00-**

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
		CASH EQUIVALENTS			
		PROPRIETARY FUNDS			
		ALLSPRING GOVT MM FD-INSTL #1751 CUSIP VP4560000			
12/31/22	3,366,199.950	CASH SWEEP PURCHASES FOR THE PERIOD 1/01/22 TO 12/31/22	0.00	3,366,199.95-	3,366,199.95
	3,366,199.950	ASSET TOTAL	0.00	3,366,199.95-	3,366,199.95
		TOTAL CASH EQUIVALENTS	**0.00**	**3,366,199.95-**	**3,366,199.95**
		POOLED, COMMON AND COLLECTIVE FUNDS			
		POOLED FUNDS			
		EXTERNAL COMMINGLED FUND-PENDING CUSIP WAC099067			
4/04/22	66,000.000	PURCHASED 66,000 SHARES/UNITS AT $1.00 ON TRADE DATE 4/04/22 TO SETTLE 4/04/22 MISCELLANEOUS COMMISSION $0.00 SEI PRIVATE ASSETS IV COLLECTIVE TRUST	0.00	66,000.00-	66,000.00
4/05/22	66,000.000-	PURCHASED 66,000- SHARES/UNITS AT $1.00 ON TRADE DATE 4/05/22 TO SETTLE 4/05/22 MISCELLANEOUS COMMISSION $0.00 SEI PRIVATE ASSETS IV COLLECTIVE TRUST	0.00	66,000.00	66,000.00-
7/27/22	37,380.730	PURCHASED 37,380.73 SHARES/UNITS AT $1.00 ON TRADE DATE 7/27/22 TO SETTLE 7/27/22 MISCELLANEOUS COMMISSION $0.00 SEI PVT ASSET IV COLLECTIVE TRUST	0.00	37,380.73-	37,380.73

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
7/28/22	37,380.730-	PURCHASED 37,380.73- SHARES/UNITS AT $1.00 ON TRADE DATE 7/27/22 TO SETTLE 7/27/22 MISCELLANEOUS COMMISSION $0.00 SEI PVT ASSET IV COLLECTIVE TRUST	0.00	37,380.73	37,380.73-
10/24/22	74,761.460	PURCHASED 74,761.46 SHARES/UNITS AT $1.00 ON TRADE DATE 10/24/22 TO SETTLE 10/24/22 MISCELLANEOUS COMMISSION $0.00 SEI PRIVATE ASSETS IV COLLECTIVE TRUST	0.00	74,761.46-	74,761.46
10/24/22	74,761.460-	PURCHASED 74,761.46- SHARES/UNITS AT $1.00 ON TRADE DATE 10/24/22 TO SETTLE 10/24/22 MISCELLANEOUS COMMISSION $0.00 SEI PRIVATE ASSETS IV COLLECTIVE TRUST	0.00	74,761.46	74,761.46-
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	0.000	ASSET TOTAL	0.00	0.00	0.00
		SEI GLOBAL PRIVATE ASSET IV CIT CUSIP 774993802			
4/05/22	66,000.000	PURCHASED 66,000 SHARES/UNITS AT $1.00 ON TRADE DATE 4/05/22 TO SETTLE 4/05/22 MISCELLANEOUS COMMISSION $0.00 PER 4/30 SEI GLOBAL PRIVATE STATEMENT	0.00	66,000.00-	66,000.00
7/28/22	74,761.460	PURCHASED 74,761.46 SHARES/UNITS AT $1.00 ON TRADE DATE 7/28/22 TO SETTLE 7/28/22 MISCELLANEOUS COMMISSION $0.00 PER 7/31 SEI STATEMENT	0.00	74,761.46-	74,761.46

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
10/24/22	74,761.460	PURCHASED 74,761.46 SHARES/UNITS AT $1.00 ON TRADE DATE 10/24/22 TO SETTLE 10/24/22 MISCELLANEOUS COMMISSION $0.00 PER 10/31 SEI IV STATEMENT	0.00	74,761.46-	74,761.46
	215,522.920	ASSET TOTAL	0.00	215,522.92-	215,522.92
		TOTAL POOLED, COMMON AND COLLECTIVE FUNDS	**0.00**	**215,522.92-**	**215,522.92**
		MUTUAL FUNDS			
		MUTUAL FUNDS - EQUITY			
		SEI EMERGING MARKETS EQ-A #282 CUSIP 783980618			
12/16/22	5,169.762	PURCHASED 5,169.762 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	42,340.35-	42,340.35
12/29/22	5,323.715	PURCHASED 5,323.715 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	42,962.38-	42,962.38
	10,493.477	ASSET TOTAL	0.00	85,302.73-	85,302.73
		SEI EXTENDED MKT INDEX-A CUSIP 783980659			
4/06/22	272.749	PURCHASED 272.749 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 4/07/22	0.00	4,680.38-	4,680.38
7/07/22	191.961	PURCHASED 191.961 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/08/22	0.00	2,821.82-	2,821.82

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
10/06/22	413.810	PURCHASED 413.81 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 10/07/22	0.00	6,000.24-	6,000.24
12/16/22	3,263.970	PURCHASED 3,263.97 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	45,695.58-	45,695.58
12/29/22	502.003	PURCHASED 502.003 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	6,987.88-	6,987.88
	4,644.493	ASSET TOTAL	0.00	66,185.90-	66,185.90
		SEI INST INV L/C DIS EQTY-A #295 CUSIP 783980824			
7/07/22	323.840	PURCHASED 323.84 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/08/22	0.00	2,917.80-	2,917.80
12/16/22	8,115.946	PURCHASED 8,115.946 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	71,501.48-	71,501.48
12/29/22	4,569.184	PURCHASED 4,569.184 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	39,660.52-	39,660.52
	13,008.970	ASSET TOTAL	0.00	114,079.80-	114,079.80
		SEI INST INV S&P 500 IDX-A#322 CUSIP 783980626			

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
4/06/22	1,044.660	PURCHASED 1,044.66 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 4/07/22	0.00	23,013.87-	23,013.87
7/07/22	1,019.660	PURCHASED 1,019.66 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/08/22	0.00	19,567.27-	19,567.27
10/06/22	1,186.995	PURCHASED 1,186.995 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 10/07/22	0.00	21,840.71-	21,840.71
12/16/22	20,623.694	PURCHASED 20,623.694 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	363,183.25-	363,183.25
12/29/22	961.527	PURCHASED 961.527 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	16,874.80-	16,874.80
	24,836.536	ASSET TOTAL	0.00	444,479.90-	444,479.90
		SEI INST INV WRLD EQ EX-US-A #280 CUSIP 783980774			
12/16/22	20,366.790	PURCHASED 20,366.79 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	214,258.63-	214,258.63
12/29/22	24,509.221	PURCHASED 24,509.221 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	254,895.90-	254,895.90
	44,876.011	ASSET TOTAL	0.00	469,154.53-	469,154.53

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
		SEI INST S/M CAP EQTY-A #296 CUSIP 783980816			
4/06/22	437.567	PURCHASED 437.567 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 4/07/22	0.00	4,572.57-	4,572.57
7/07/22	390.547	PURCHASED 390.547 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/08/22	0.00	3,643.80-	3,643.80
10/06/22	499.514	PURCHASED 499.514 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 10/07/22	0.00	4,545.58-	4,545.58
12/16/22	8,382.742	PURCHASED 8,382.742 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	73,432.82-	73,432.82
12/29/22	578.314	PURCHASED 578.314 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	5,077.60-	5,077.60
	10,288.684	ASSET TOTAL	0.00	91,272.37-	91,272.37
		STIT US EQTY FCTR ALL-A #325 CUSIP 783980550			
4/06/22	828.249	PURCHASED 828.249 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 4/07/22	0.00	10,709.26-	10,709.26
7/07/22	872.799	PURCHASED 872.799 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/08/22	0.00	10,054.65-	10,054.65

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
10/06/22	885.300	PURCHASED 885.3 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 10/07/22	0.00	9,817.98-	9,817.98
12/16/22	19,201.555	PURCHASED 19,201.555 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	199,696.17-	199,696.17
12/29/22	1,011.191	PURCHASED 1,011.191 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	10,496.16-	10,496.16
	22,799.094	ASSET TOTAL	0.00	240,774.22-	240,774.22
		MUTUAL FUNDS - CORPORATE BONDS			
		SEI INST INV COR FIX INC-A #285 CUSIP 783980204			
1/31/22	1,161.558	PURCHASED 1,161.558 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 1/31/22	0.00	11,882.74-	11,882.74
2/28/22	1,040.815	PURCHASED 1,040.815 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 3/01/22	0.00	10,491.42-	10,491.42
3/31/22	1,248.137	PURCHASED 1,248.137 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 4/01/22	0.00	12,206.78-	12,206.78
4/30/22	1,555.194	PURCHASED 1,555.194 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 5/02/22	0.00	14,556.62-	14,556.62

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
5/31/22	1,578.062	PURCHASED 1,578.062 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 6/01/22	0.00	14,818.00-	14,818.00
6/30/22	1,597.256	PURCHASED 1,597.256 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/01/22	0.00	14,678.78-	14,678.78
7/31/22	1,644.156	PURCHASED 1,644.156 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 8/01/22	0.00	15,471.51-	15,471.51
8/31/22	1,750.162	PURCHASED 1,750.162 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 9/01/22	0.00	15,943.98-	15,943.98
9/30/22	1,783.688	PURCHASED 1,783.688 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 10/03/22	0.00	15,446.74-	15,446.74
10/31/22	1,983.532	PURCHASED 1,983.532 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 11/01/22	0.00	16,879.86-	16,879.86
11/30/22	1,977.367	PURCHASED 1,977.367 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/01/22	0.00	17,440.38-	17,440.38
12/31/22	2,139.280	PURCHASED 2,139.28 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 1/03/23	0.00	18,697.31-	18,697.31
	19,459.207	ASSET TOTAL	0.00	178,514.12-	178,514.12

SEI INST INV EMG MKT DEBT-A #270
CUSIP 783980758

SCHEDULE OF SECURITY ACQUISITIONS **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
12/29/22	5,429.530	PURCHASED 5,429.53 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	43,381.95-	43,381.95
	------------------		----------	-----------------	-----------------
	5,429.530	ASSET TOTAL	0.00	43,381.95-	43,381.95
		SEI INST INV H/Y BOND FD-A #284 CUSIP 783980303			
1/31/22	1,818.263	PURCHASED 1,818.263 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 1/31/22	0.00	15,837.07-	15,837.07
2/28/22	1,447.814	PURCHASED 1,447.814 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 3/01/22	0.00	12,422.24-	12,422.24
3/31/22	1,820.086	PURCHASED 1,820.086 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 4/01/22	0.00	15,416.13-	15,416.13
4/30/22	1,665.574	PURCHASED 1,665.574 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 5/02/22	0.00	13,641.05-	13,641.05
5/31/22	1,748.627	PURCHASED 1,748.627 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 6/01/22	0.00	14,076.45-	14,076.45
6/30/22	1,774.519	PURCHASED 1,774.519 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 7/01/22	0.00	13,326.64-	13,326.64
7/31/22	1,846.341	PURCHASED 1,846.341 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 8/01/22	0.00	14,419.92-	14,419.92

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
8/31/22	1,851.137	PURCHASED 1,851.137 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 9/01/22	0.00	14,161.20-	14,161.20
9/30/22	1,949.434	PURCHASED 1,949.434 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 10/03/22	0.00	14,230.87-	14,230.87
10/31/22	1,959.438	PURCHASED 1,959.438 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 11/01/22	0.00	14,441.06-	14,441.06
11/30/22	1,911.617	PURCHASED 1,911.617 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/01/22	0.00	14,222.43-	14,222.43
12/16/22	7,910.314	PURCHASED 7,910.314 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	57,191.57-	57,191.57
12/31/22	2,216.370	PURCHASED 2,216.37 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 1/03/23	0.00	15,758.39-	15,758.39
	29,919.534	ASSET TOTAL	0.00	229,145.02-	229,145.02
		MUTUAL FUNDS - BALANCED			
		SEI INST INV DYN AST ALLOC-A #314 CUSIP 783980683			
12/16/22	9,029.424	PURCHASED 9,029.424 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/19/22	0.00	169,121.11-	169,121.11

SCHEDULE OF SECURITY ACQUISITIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	BROKER COMMISSION	CASH	COST VALUE
12/29/22	6,110.665	PURCHASED 6,110.665 SHARES/UNITS UNDER TERMS OF DIVIDEND REINVESTMENT PAYABLE 12/30/22	0.00	108,586.52-	108,586.52
	15,140.089	ASSET TOTAL	0.00	277,707.63-	277,707.63
		TOTAL MUTUAL FUNDS	**0.00**	**2,239,998.17-**	**2,239,998.17**
		TOTAL SECURITY ACQUISITIONS	**0.00**	**5,821,721.04-**	**5,821,721.04**

SCHEDULE OF OTHER SECURITY CHANGES/REVALUED
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	HISTORICAL COST/ REVALUED COST	MARKET VALUE	REALIZED GAIN/LOSS ON HIST/REV COST
		ADJUSTMENTS			
		POOLED, COMMON AND COLLECTIVE FUNDS			
		POOLED FUNDS			
		SEI GLOBAL PRIVATE ASSET IV CIT CUSIP 774993802			
2/24/22	0.000	BOOK VALUE ADJUSTMENT PER 2/28 SEI GPA IV STATEMENT	0.00 0.00	0.00	0.00 0.00
2/24/22	0.000	COST ADJUSTMENT PER 2/28 SEI GPA IV STATEMENT	17,722.43- 0.00	0.00	0.00 0.00
4/14/22	181,205.080	SHARES ADJUSTMENT PER 4/30 SEI GLOBAL STATEMENT	0.00 0.00	0.00	0.00 0.00
6/30/22	53,622.080	SHARES ADJUSTMENT PER 6/30 SEI STATEMENT	0.00 0.00	0.00	0.00 0.00
7/28/22	0.000	BOOK VALUE ADJUSTMENT PER 7/31 SEI STATEMENT	0.00 0.00	0.00	0.00 0.00
7/28/22	0.000	COST ADJUSTMENT PER 7/31 SEI STATEMENT	18,886.87- 0.00	0.00	0.00 0.00
9/26/22	216,203.630-	SHARES ADJUSTMENT ADJU UNITS PER SEI IV 9/30 STATEMENT	0.00 0.00	0.00	0.00 0.00

SCHEDULE OF OTHER SECURITY CHANGES/REVALUED
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	PAR VALUE/SHARES	DESCRIPTION	HISTORICAL COST/ REVALUED COST	MARKET VALUE	REALIZED GAIN/LOSS ON HIST/REV COST
9/26/22	99,693.220	SHARES ADJUSTMENT	0.00 0.00	0.00	0.00 0.00
		ADJU UNITS PER 9/30 SEI IV STATEMENT			
12/29/22	3,797.250-	SHARES ADJUSTMENT	0.00 0.00	0.00	0.00 0.00
		ADJU SHARES PER SEI 12/31 STATEMENT			
	114,519.500	**ASSET TOTAL**	**36,609.30- 0.00**	**0.00**	**0.00 0.00**
		TOTAL POOLED FUNDS	**36,609.30- 0.00**	**0.00**	**0.00 0.00**
		TOTAL POOLED, COMMON AND COLLECTIVE FUNDS	**36,609.30- 0.00**	**0.00**	**0.00 0.00**
		TOTAL ADJUSTMENTS	**36,609.30- 0.00**	**0.00**	**0.00 0.00**
		TOTAL OTHER SECURITY CHANGES	**36,609.30- 0.00**	**0.00**	**0.00 0.00**

SCHEDULE OF PENDING TRADES
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

TRADE DATE	PAR VALUE/SHARE	DESCRIPTION	UNIT PRICE	PROCEEDS	HIST COST/ REVALUED COST	REALIZED GAIN/LOSS HISTORICAL COST / REVALUED COST

***** NO ACTIVITY FOR THIS PERIOD *****

SCHEDULE OF BROKER COMMISSIONS
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

BROKER	PAR VALUE/ SHARES	COMMISSION	TOTAL TRANSACTION AMOUNT	% OF COMMISSION TO TRANSACTION AMOUNT	COMMISSION PER SHARE IN CENTS

***** NO ACTIVITY FOR THIS PERIOD *****

BOND MATURITY SCHEDULE SMW40PENSION-SEI
AS OF DECEMBER 31, 2022 ACCOUNT NUMBER [redacted]

MATURITY YEAR	PAR VALUE	COST VALUE	MARKET VALUE	% OF PAR VALUE	CUMULATIVE % PAR VALUE	% OF MARKET VALUE	CUMULATIVE % MARKET VALUE

***** NO POSITIONS QUALIFY FOR THIS REPORTING PERIOD *****

FORM 5500 - ASSET & LIABILITY STATEMENT **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

	A. BEGINNING OF YEAR	B. END OF YEAR
ASSETS		
(A) TOTAL NONINTEREST-BEARING CASH	0.16	0.00
(B) RECEIVABLES (LESS DOUBTFUL ACCOUNTS)		
(1) EMPLOYERS	0.00	0.00
(2) PARTICIPANTS	0.00	0.00
(3) OTHER	0.00	158.26
(C) GENERAL INVESTMENTS:		
(1) INTEREST BEARING CASH	10,514.30	48,572.06
(2) U. S. GOVERNMENT SECURITIES	0.00	0.00
(3) CORPORATE DEBT INSTRUMENTS:		
(A) PREFERRED	0.00	0.00
(B) ALL OTHER	0.00	0.00
(4) CORPORATE STOCKS:		
(A) PREFERRED	0.00	0.00
(B) COMMON	0.00	0.00
(5) PARTNERSHIP/JOINT VENTURE INTEREST	0.00	0.00
(6) REAL ESTATE	0.00	0.00
(7) LOANS (OTHER THAN TO PARTICIPANTS)	0.00	0.00
(8) PARTICIPANT LOANS	0.00	0.00
(9) VALUE OF INT.- COMM/COLL TRUST	8,782,278.92	9,721,573.94
(10) VALUE OF INT.- POOLED SEP ACCTS	0.00	0.00
(11) VALUE OF INT.- MASTER TRUSTS	0.00	0.00
(12) VALUE OF INT.- 103-12 ENTITIES	0.00	0.00
(13) VALUE OF INT.- REGIS INVES CO.	46,204,280.23	35,471,910.61
(14) VALUE OF UNALLOCATED INS. CONTRACTS	0.00	0.00
(15) OTHER	0.00	0.00
(D) EMPLOYER-RELATED INVESTMENTS:		
(1) EMPLOYER SECURITIES	0.00	0.00
(2) EMPLOYER REAL PROPERTY	0.00	0.00
(E) BUILDINGS AND OTHER PROPERTY	0.00	0.00
(F) TOTAL ASSETS	54,997,073.61	45,242,214.87
LIABILITIES		
(G) BENEFIT CLAIMS PAYABLE	0.00	0.00
(H) OPERATING PAYABLES	0.00	0.00
(I) ACQUISITION INDEBTEDNESS	0.00	0.00
(J) OTHER LIABILITIES	0.00	0.00
(K) TOTAL LIABILITIES	0.00	0.00

FORM 5500 - ASSET & LIABILITY STATEMENT **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

	A. BEGINNING OF YEAR	B. END OF YEAR
NET ASSETS		
(L) NET ASSETS	54,997,073.61	45,242,214.87
	===============	===============

FORM 5500 - INCOME AND EXPENSE STATEMENT **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

		A. AMOUNT	B. TOTAL
	INCOME		
(A)	CONTRIBUTIONS:		
	(1) RECEIVED OR RECEIVABLE FROM:		
	(A) EMPLOYERS	0.00	
	(B) PARTICIPANTS	0.00	
	(C) OTHERS (INCLUDING ROLLOVERS)	0.00	
	(2) NONCASH CONTRIBUTIONS	0.00	
	(3) TOTAL CONTRIBUTIONS		0.00
(B)	EARNINGS ON INVESTMENTS:		
	(1) INTEREST:		
	(A) INTEREST-BEARING CASH	752.93	
	(B) U.S. GOVERNMENT SECURITIES	0.00	
	(C) CORPORATE DEBT INSTRUMENTS	0.00	
	(D) LOANS (OTHER THAN TO PARTICIPANTS)	0.00	
	(E) PARTICIPANT LOANS	0.00	
	(F) OTHER	0.00	
	(G) TOTAL INTEREST		752.93
	(2) DIVIDENDS:		
	(A) PREFERRED STOCK	0.00	
	(B) COMMON STOCK	0.00	
	(C) REGISTERED INVESTMENT COMPANY	1,003,577.21	
	(D) TOTAL DIVIDENDS		1,003,577.21
	(3) RENTS		0.00
	(4) NET GAIN (LOSS) ON SALE OF ASSETS:		
	(A) AGGREGATE PROCEEDS	3,328,224.39	
	(B) AGGREGATE CARRYING AMOUNT	-3,328,142.19	
	(C) NET GAIN (LOSS)		82.20
	(5) UNREALIZED APPRE (DEPRE) OF ASSETS		
	(A) REAL ESTATE	0.00	
	(B) OTHER	0.00	
	(C) TOTAL UNREALIZED APPRE OF ASSETS		0.00
	(6) NET INV. G/L - COMM/COLL TRUSTS		798,533.56
	(7) NET INV. G/L - POOLED SEP ACCTS		0.00
	(8) NET INV. G/L - MASTER TRUSTS		0.00
	(9) NET INV. G/L - 103-12 INV. ENTITIES		0.00
	(10) NET INV. G/L - REG. INVEST. CO.		-8,407,804.64
(C)	OTHER INCOME		38.00

FORM 5500 - INCOME AND EXPENSE STATEMENT **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

		A. AMOUNT	B. TOTAL
(D)	TOTAL INCOME		-6,604,820.74
	EXPENSES		
(E)	BENEFIT PMTS & PMTS TO PROVIDE BENE		
	(1) TO PARTICIPANTS/BENEFICIARIES	0.00	
	(2) TO INSURANCE CARRIERS	0.00	
	(3) OTHER	0.00	
	(4) TOTAL BENEFIT PAYMENTS		0.00
(F)	CORRECTIVE DISTRIBUTIONS		0.00
(G)	DEEMED DISTRIB OF PARTICIPANT LOANS		0.00
(H)	INTEREST EXPENSE		0.00
(I)	ADMINISTRATIVE EXPENSES		
	(1) PROFESSIONAL FEES	0.00	
	(2) CONTRACT ADMINISTRATOR FEES	0.00	
	(3) INVESTMENT ADVISORY & MGT FEES	0.00	
	(4) OTHER	-38.00	
	(5) TOTAL ADMINISTRATIVE EXPENSES		-38.00
(J)	TOTAL EXPENSES		-38.00
	NET INCOME AND RECONCILIATION		
(K)	NET INCOME (LOSS)		-6,604,858.74
(L)	TRANSFERS OF ASSETS		
	(1) TO THIS PLAN		0.00
	(2) FROM THIS PLAN		-3,150,000.00
	NET ASSETS AT BEGINNING OF YEAR		54,997,073.61
	NET ASSETS AT END OF YEAR		45,242,214.87

ASSETS BOUGHT & SOLD
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DATE	DESCRIPTION	SHARES/ PAR VALUE	COST VALUE	INCOME/ EXPENSES	TRANSACTION PROCEEDS	REALIZED GAIN/LOSS

*** NO ACTIVITY DURING THIS PERIOD ***

REPORTABLE TRANSACTIONS - SINGLE / BY ISSUE **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
	BEGINNING MARKET VALUE		54,997,073.61			
	COMPARATIVE VALUE (5%)		2,749,853.68			

*** NO TRANSACTIONS QUALIFIED ***

REPORTABLE TRANSACTIONS - SINGLE / BY BROKER
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

SINGLE / BY BROKER

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS

BEGINNING MARKET VALUE	54,997,073.61
COMPARATIVE VALUE (5%)	2,749,853.68

*** NO TRANSACTIONS QUALIFIED FOR THIS REPORT ***

F O O T N O T E S

* = SINGLE TRANSACTION IS 5% REPORTABLE
B = BUY TRANSACTION
S = SELL TRANSACTION
R = REINVESTMENT TRANSACTION

REPORTABLE TRANSACTIONS - SERIES / BY ISSUE **SMW40PENSION-SE[redacted]**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

SERIES / BY ISSUE

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
	BEGINNING MARKET VALUE		54,997,073.61			
	COMPARATIVE VALUE (5%)		2,749,853.68			

ISSUE: VP4560000 - ALLSPRING GOVT MM FD-INSTL #1751

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
01/03/22 B	0	1.000	0	0-	0	
01/24/22 B	300,000	1.000	0	300,000-	300,000	
02/01/22 B	0	1.000	0	0-	0	
02/24/22 B	37,381	1.000	0	37,381-	37,381	
03/01/22 B	0	1.000	0	0-	0	
03/28/22 B	300,000	1.000	0	300,000-	300,000	
04/01/22 B	2	1.000	0	2-	2	
04/04/22 B	66,000	1.000	0	66,000-	66,000	
04/21/22 B	700,000	1.000	0	700,000-	700,000	
05/03/22 B	11	1.000	0	11-	11	
05/16/22 B	300,000	1.000	0	300,000-	300,000	
05/18/22 B	82	1.000	0	82-	82	
06/02/22 B	26	1.000	0	26-	26	
06/22/22 B	500,000	1.000	0	500,000-	500,000	
07/01/22 B	52	1.000	0	52-	52	
07/27/22 B	37,381	1.000	0	37,381-	37,381	
08/01/22 B	57	1.000	0	57-	57	
09/01/22 B	81	1.000	0	81-	81	
09/26/22 B	229,730	1.000	0	229,730-	229,730	
09/26/22 B	70,270	1.000	0	70,270-	70,270	
10/03/22 B	111	1.000	0	111-	111	
10/24/22 B	74,761	1.000	0	74,761-	74,761	
11/01/22 B	115	1.000	0	115-	115	
12/01/22 B	138	1.000	0	138-	138	
12/08/22 B	750,000	1.000	0	750,000-	750,000	
SUB-TOTAL OF BUYS	# 25		0	3,366,198	3,366,198	
01/25/22 S	300,000	1.000	0	300,000	300,000	0
03/28/22 S	300,000	1.000	0	300,000	300,000	0
04/04/22 S	66,000	1.000	0	66,000	66,000	0
04/22/22 S	700,000	1.000	0	700,000	700,000	0
05/17/22 S	300,000	1.000	0	300,000	300,000	0
06/23/22 S	500,000	1.000	0	500,000	500,000	0
07/27/22 S	37,381	1.000	0	37,381	37,381	0

REPORTABLE TRANSACTIONS - SERIES / BY ISSUE **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

SERIES / BY ISSUE

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
09/27/22 S	300,000	1.000	0	300,000	300,000	0
10/24/22 S	74,761	1.000	0	74,761	74,761	0
12/08/22 S	750,000	1.000	0	750,000	750,000	0
SUB-TOTAL OF SALES # 10			0	3,328,142	3,328,142	0
SUB-TOTAL			0	6,694,340	6,694,340	0
GRAND TOTAL			0	6,694,340	6,694,340	0

F O O T N O T E S

* = SINGLE TRANSACTION IS 5% REPORTABLE
B = BUY TRANSACTION
S = SELL TRANSACTION
R = REINVESTMENT TRANSACTION

REPORTABLE TRANSACTIONS - SERIES / BY BROKER **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER [redacted]**

SERIES / BY BROKER

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS

BEGINNING MARKET VALUE	54,997,073.61
COMPARATIVE VALUE (5%)	2,749,853.68

*** NO TRANSACTIONS QUALIFIED FOR THIS REPORT ***

F O O T N O T E S

* = SINGLE TRANSACTION IS 5% REPORTABLE
B = BUY TRANSACTION
S = SELL TRANSACTION
R = REINVESTMENT TRANSACTION

BALANCE SHEET **SMW40PENSION-SEI**
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 **ACCOUNT NUMBER** [redacted]

	BEGINNING HISTORICAL COST/ REVALUED COST	ENDING HISTORICAL COST/ REVALUED COST	% TOTAL COST	BEGINNING MARKET VALUE	ENDING MARKET VALUE	% TOTAL MARKET
CASH	0.16 0.16	0.00 0.00	0.00	0.16	0.00	0.00
CASH EQUIVALENTS	10,514.30 10,514.30	48,572.06 48,572.06	0.10	10,514.30	48,572.06	0.11
POOLED, COMMON AND COLLECTIVE FUND	5,479,541.71 8,782,278.92	5,620,303.17 8,926,711.68	11.99	8,782,278.92	9,721,573.94	21.49
EQUITIES	0.00 0.00	0.00 0.00	0.00	0.00	0.00	0.00
MUTUAL FUNDS	42,399,208.61 46,204,280.23	41,202,575.53 44,687,862.32	87.91	46,204,280.23	35,471,910.61	78.40
TOTAL ASSETS	**47,889,264.78** **54,997,073.61**	**46,871,450.76** **53,663,146.06**	**100.00**	**54,997,073.61**	**45,242,056.61**	**100.00**
PENDING CASH	0.00 0.00	0.00 0.00	0.00	0.00	0.00	0.00
ACCRUED INCOME	0.00 0.00	158.26 158.26		0.00	158.26	
TOTAL ACCOUNT	**47,889,264.78** **54,997,073.61**	**46,871,609.02** **53,663,304.32**		**54,997,073.61**	**45,242,214.87**	

ASC 820 HIERARCHY REPORT
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

	CURRENT SHARES	CURRENT MARKET	PRICE DATE PRICE	CURRENT LEVEL	ASSET/ PRICE CODE*	PRICE METHOD DESCRIPTION
CASH EQUIVALENTS						
ALLSPRING GOVT MM FD-INSTL #1751 CUSIP VP4560000	48,572.060	48,572.06	12/31/2022 100.00	1	54/TR	TRADER-ENTERED PRICE
POOLED, COMMON AND COLLECTIVE FUNDS						
SEI CORE PROPERTY CIT CUSIP 714991833	1,086.184	3,991,282.71	12/30/2022 3,674.59	2	39/TR	TRADER-ENTERED PRICE
SEI GLOBAL PRIVATE ASSET IV CIT CUSIP 774993802	2,308,055.940	2,308,055.94	12/30/2022 1.00	2	39/TR	TRADER-ENTERED PRICE
SEI STRUCTURED CREDIT FUND CIT CUSIP 818995912	954.335	3,422,235.29	12/30/2022 3,585.99	2	39/TR	TRADER-ENTERED PRICE
MUTUAL FUNDS						
SEI EMERGING MARKETS EQ-A #282 CUSIP 783980618	207,976.439	1,667,971.04	12/30/2022 8.02	1	41/PR	FTID CORPORATE PRICING
SEI EXTENDED MKT INDEX-A CUSIP 783980659	112,487.316	1,561,323.95	12/30/2022 13.88	1	41/PR	FTID CORPORATE PRICING
SEI INST INV COR FIX INC-A #285 CUSIP 783980204	667,628.844	5,835,076.10	12/30/2022 8.74	1	42/PR	FTID CORPORATE PRICING
SEI INST INV DYN AST ALLOC-A #314 CUSIP 783980683	117,026.419	2,074,878.41	12/30/2022 17.73	1	43/PR	FTID CORPORATE PRICING
SEI INST INV EMG MKT DEBT-A #270 CUSIP 783980758	267,239.712	2,132,572.90	12/30/2022 7.98	1	42/PR	FTID CORPORATE PRICING
SEI INST INV H/Y BOND FD-A #284 CUSIP 783980303	294,379.021	2,093,034.84	12/30/2022 7.11	1	42/PR	FTID CORPORATE PRICING
SEI INST INV L/C DIS EQTY-A #295 CUSIP 783980824	241,489.874	2,088,887.41	12/30/2022 8.65	1	41/PR	FTID CORPORATE PRICING

ASC 820 HIERARCHY REPORT
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

	CURRENT SHARES	CURRENT MARKET	PRICE DATE PRICE	CURRENT LEVEL	ASSET/ PRICE CODE*	PRICE METHOD DESCRIPTION
SEI INST INV S&P 500 IDX-A#322 CUSIP 783980626	284,095.702	4,971,674.79	12/30/2022 17.50	1	41/PR	FTID CORPORATE PRICING
SEI INST INV WRLD EQ EX-US-A #280 CUSIP 783980774	941,730.897	9,728,080.17	12/30/2022 10.33	1	41/PR	FTID CORPORATE PRICING
SEI INST S/M CAP EQTY-A #296 CUSIP 783980816	142,015.640	1,242,636.85	12/30/2022 8.75	1	41/PR	FTID CORPORATE PRICING
STIT US EQTY FCTR ALL-A #325 CUSIP 783980550	200,557.889	2,075,774.15	12/30/2022 10.35	1	41/PR	FTID CORPORATE PRICING

TOTAL CURRENT ASC 820 LEVEL 1	**35,520,482.67**
TOTAL CURRENT ASC 820 LEVEL 2	**9,721,573.94**
TOTAL CURRENT ASC 820 LEVEL 3	**0.00**
GRAND TOTAL MARKET VALUE	**45,242,056.61**

ASC 820 ASSET LEVEL RECLASSIFICATION REPORT
FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

CUSIP	ASSET NAME	CURRENT/ PRIOR SHARES	PRIOR ASC LEVEL	CURRENT ASC LEVEL	CURRENT/ PRIOR MARKET VALUE

***** NO ACTIVITY FOR THIS PERIOD *****

ASC 820 LEVEL 3 ACTIVITY REPORT
FOR THE PERIOD 01/01/22 THROUGH 12/31/22

SMW40PENSION-SEI
ACCOUNT NUMBER [redacted]

DESCRIPTION	SHARES/ UNITS	HISTORICAL COST	MARKET VALUE	TRANSACTION PROCEEDS	REALIZED GAIN/LOSS

NO TRANSACTIONS QUALIFY FOR THIS REPORTING PERIOD

ASC820 REPORTS DISCLAIMER

THIS REPORT INCLUDES PRELIMINARY ACCOUNTING STANDARDS CODIFICATION TOPIC 820, REFERRED TO AS ASC 820, (FORMERLY KNOWN AS FINANCIAL ACCOUNT STANDARD 157 (FAS 157), HIERARCHY LEVELS DETERMINED BY USING A CONSERVATIVE METHODOLOGY. HOWEVER, YOU HAVE THE OPTION TO MODIFY THE HIERARCHY LEVELS AS YOU DEEM APPROPRIATE.

THE ASSET REPORTS ARE FOR ASC TOPIC 820 "LEVELING AND CATEGORIZATION REPORTING" ONLY AND INCLUDE ALL ASSETS EXCEPT UNINVESTED CASH. THE HIERARCHY LEVELS ARE PROVIDED FOR CLIENT CONVENIENCE ONLY AND ARE ESTABLISHED BASED ON MULTIPLE CRITERIA INCLUDING ASSET CLASS AND OBSERVABILITY OF INPUTS IN DETERMINING ASSET PRICE. THERE IS NO CONSENSUS FOR THE TREATMENT OF ASSETS UNDER ASC 820 (THE INFORMATION CONTAINED IN THESE DOCUMENTS HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE).

PRINCIPAL CUSTODY SOLUTIONS DOES NOT GUARANTEE THE INFORMATION SUPPLIED IS ACCURATE, COMPLETE OR TIMELY, AND DOES NOT MAKE ANY WARRANTIES WITH REGARD TO THE RESULTS OBTAINED FROM ITS USE. THE INFORMATION PROVIDED BY PRINCIPAL CAN BE USED AS A BASIS FOR SUPPORTING VARIOUS INTERPRETATIONS. ASSETS NOT CATEGORIZED AS "LEVEL 1" MAY HAVE VARIOUS OBSERVABLE INPUTS NOT KNOWN TO PRINCIPAL CUSTODY SOLUTIONS WHEN DETERMINING THE PRICE. ULTIMATELY, CONCLUSIONS AS THEY RELATE TO APPLYING ASC 820 "LEVELING AND CATEGORIZATION REPORTING" ARE THE RESPONSIBILITY OF THE ACCOUNT HOLDER, NOT PRINCIPAL CUSTODY SOLUTIONS.

LEVELS ARE ASSIGNED BY ASSET TYPE AND PRICING METHODOLOGY.

THE INFORMATION CONTAINED HEREIN AND ANY INFORMATION PROVIDED BY EMPLOYEES AND REPRESENTATIVES OF PRINCIPAL CUSTODY SOLUTIONS DOES NOT CONSTITUTE INVESTMENT, FINANCIAL, TAX OR LEGAL ADVICE. CLIENTS NEEDING SPECIFIC LEGAL OR ACCOUNTING DIRECTION SHOULD CONSULT WITH AN ATTORNEY OR ACCOUNTING PROFESSIONAL.

FAIR VALUE HIERARCHIES

LEVEL 1 INPUTS ARE *QUOTED PRICES* (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS THAT THE PLAN HAS THE ABILITY TO ACCESS AT THE MEASUREMENT DATE (E.G. PRICES DERIVED FROM NEW YORK STOCK EXCHANGE, NASDAQ OR CHICAGO BOARD OF TRADE).

LEVEL 2 INPUTS ARE INPUTS OTHER THAN QUOTED PRICE INCLUDED WITHIN LEVEL 1 THAT ARE OBSERVABLE FOR VALUING THE ASSET OR LIABILITY, EITHER DIRECTLY OR INDIRECTLY (I.E. INTEREST RATE AND YIELD CURVES OBSERVABLE AT COMMONLY QUOTED INTERVALS, DEFAULT RATES, ETC.). OBSERVABLE INPUTS INCLUDE QUOTED PRICE FOR SIMILAR ASSETS OR LIABILITIES IN ACTIVE OR NON-ACTIVE MARKETS. LEVEL 2 INPUTS MAY ALSO INCLUDE INSIGNIFICANT ADJUSTMENTS TO MARKET OBSERVABLE INPUTS.

LEVEL 3 INPUTS ARE *UNOBSERVABLE* INPUTS USED FOR VALUING THE ASSET OR LIABILITY. UNOBSERVABLE INPUTS ARE THOSE THAT REFLECT THE PLAN'S OWN ASSUMPTIONS ABOUT THE ASSUMPTIONS THAT MARKET PARTICIPANTS WOULD USE IN PRICING THE ASSET, BASED ON THE BEST INFORMATION AVAILABLE IN THE CIRCUMSTANCES. AN EXAMPLE COULD BE REAL ESTATE VALUATIONS, WHICH REQUIRE SIGNIFICANT JUDGEMENT.

PLEASE REFER TO THE PRICING METHODOLOGY KEY FOR APPLICABLE PRICING SOURCE AND METHODOLOGY INFORMATION. THE KEY, ASC TOPIC 820 OVERVIEW, AND OTHER ARTICLES ARE LOCATED WITHIN THE CLIENT PORTAL. CLICK THE 'DOCUMENTS' LINK TO VIEW THE MATERIAL. THIS DATA MAY PROVIDE YOU WITH THE ADDITIONAL INFORMATION TO ASSIST IN YOUR REPORTING NEEDS.

Section B, Item 9: Documentation of Death Audit

The Sheet Metal Workers' Local 40 Pension Plan ("Plan") has performed the required actions regarding the death audit set forth in the general instructions for applying for special financial assistance ("SFA"), as updated on November 1, 2023. Specifically:

- The Plan Administrator conducted a supplemental death audit using third-party service provider LexisNexis on the entire January 1, 2022 actuarial valuation census file to verify the current status of the participants based on the SFA census date.
- On April 3, 2024, prior to the submission of this complete application for SFA, Segal provided PBGC with complete census data for all participants that were to be included in the calculation of the SFA amount. PBGC performed an independent death audit on these participant records and provided a response to the Plan's actuary on April 4, 2024.
- On July 23, 2024, prior to the submission of this complete application for SFA, Segal provided PBGC with a summary file containing all prior death audit information received from the Plan and from the PBGC, explaining how those results were incorporated into the SFA calculation. On August 5, 2024, the PBGC confirmed the Plan actuary's responses are reasonable.

The death audits and how their results were reflected in the calculation of the SFA amount are described in more detail below. As noted above, the PBGC deemed this approach to be reasonable on August 5, 2024.

As required under the final rule on SFA, deaths that occurred on or before the January 1, 2022 census date were reflected in the calculation of the SFA amount.

Death Audit by Plan Administrator

The actuary provided a file with a total of 992 participants that was included in a batch run submitted on April 7, 2023, as identified by Request ID [redacted] in the below screenshot. A total of 8 records were returned as deceased, as shown in the redacted attachment to this summary. Of those reported:

- 4 had a date of death after the January 1, 2022 census date. These records remained in the census data for the calculation of the SFA amount.
- 2 with dates of death prior to the January 1, 2022 census date were deferred beneficiaries of deceased participants that were being tracked under the deceased participant's SSN. Therefore, the audit reported the known deceased participants' dates of death. The deferred beneficiary records remained in the census data for the calculation of the SFA amount.
- One with a date of death prior to the January 1, 2022 census date was for a beneficiary of a deceased participant that returned the known date of death. The participant had elected a life with certain form of benefit prior to death. Therefore, the record remained in the census data to value the remaining payments of the "certain period" payable to the estate for the calculation of the SFA amount.

- One deferred beneficiary, whose record reflected their own SSN and not the previously deceased participant, had a date of death reported prior to the January 1, 2022 census date. This death was reflected in the calculation of the SFA amount, as described below.

Screenshot from April 7, 2023 Death Audit Request

Batch R0 jobID [redacted] file [redacted]_SMW40_2022ValuationData_DeathAudit.csv has completed processingRun Date = 2023-03-16 13:45:59
Job ID = [redacted] (Online)
Customer ID = [redacted]
KettleScriptPath = /dv1/bps_r3/jobspecs/prod/engineering/r03jobs/R03_WebWizard_JobRunner.kjb
Customer Name = Zenith American Solutions, Inc.
Input Filename = [redacted]_SMW40_2022ValuationData_DeathAudit.csv
Input Record Count = 992
Results Filename #1 = [redacted]_SMW40_2022ValuationData_DeathAudit_append.csv

Job Stats:

Charge Qty Price Total Price Hit%
Total Records Submitted: 992
Total Billed for Input: 992 $0.05 $49.60
Total Deceased Hits: 8 $0.60 $4.80 0.81
Total Date of Birth Hits: 959 $0.15 $143.85 96.67
Total SSN Hits: 962 $0.35 $336.70 96.98
Total invoice: $534.95

Death Audits by PBGC

As noted earlier, on April 3, 2024, Segal submitted census data for all participants to PBGC to perform an independent death audit. This file included 285 active participants, 382 retirees, 106 beneficiaries (excludes 2 estates with certain period remaining), 211 terminated vested participants and 5 deferred beneficiaries (excludes 1 found to be deceased in Fund Office death audit). The PBGC provided results of the death audit on April 4, 2024, with a total of 67 records returned as deceased. Of those reported:

- 63 had a date of death after the January 1, 2022 census date. These records remained in the census data for the calculation of the SFA amount.
- 3 had a date of death prior to the January 1, 2022 census date.
  - The Administrator determined that 2 of these records match the information in the census data and agree that they are deceased. These 2 deaths were reflected in the calculation of the SFA amount, as described below.
  - The Administrator spoke to one of the deferred beneficiaries and confirmed she was still alive. This record remained in the census data for the calculation of the SFA amount.
- 1 active was reported as deceased but with an "unknown" date of death. The Administrator confirmed the participant had hours worked after the January 1, 2022 census date and was not deceased. This record remained in the census data for the calculation of the SFA amount.

Segal

Certification of Deaths Reflected in Calculation of SFA Amount

The following exhibit summarizes the number of participants included as living in the calculation of the SFA amount, reflecting the deaths identified by all death audits performed.

Reconciliation of Number of Participants

1. Number included in actuarial valuation as of January 1, 2022		992
• *Active*	*285*	
• *Terminated Vested and Deferred Beneficiaries*	*217*	
• *Pensioners and Beneficiaries**	*490*	
2. Confirmed deaths prior to census date for participants included in actuarial valuation as of January 1, 2022 (Plan Administrator death audit)		-1
• *Active*	*0*	
• *Terminated Vested and Deferred Beneficiaries*	*-1*	
• *Pensioners and Beneficiaries*	*0*	
3. Confirmed deaths prior to census date for participants included in actuarial valuation as of January 1, 2022 (PBGC death audits)		-2
• *Active*	*0*	
• *Terminated Vested and Deferred Beneficiaries*	*-2*	
• *Deferred Beneficiary of deceased TV confirmed alive*	*+1*	
• *Pensioners and Beneficiaries*	*-1*	
4. Net number of participants included as living in calculation of SFA amount		989
• *Active*	*285*	
• *Terminated Vested and Deferred Beneficiaries*	*215*	
• *Pensioners and Beneficiaries**	*489*	

**The count of beneficiaries includes 2 that are due the remaining payments of a "life only with certain period" option elected by the participant before death. These records were not sent to the PBGC for death audit as the payments are guaranteed to be made until the end of the certain period.*

As shown above, a death for 1 in-pay status participant was identified. This record was an in-pay beneficiary, therefore there are no additional survivor benefits due. This record was removed from the calculation of the SFA amount.

In addition, deaths for 2 deferred beneficiaries were reflected in the calculation of the SFA amount, one reported by the Plan Administrator, and one reported by the PBGC death audit. Both were removed from the calculation of the SFA amount since no additional survivor benefits are due.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied herein is complete and accurate. The results of the death audits performed by both the Plan Administrator and the PBGC have been reflected in determination of the SFA amount as described above, in accordance with applicable law and regulations as of the date filed. In my opinion, all assumptions are reasonable considering the experience of the Plan and reasonable expectations.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 23-4134

October 7, 2024

Section B, Item 9 Documentation of Death Audit (Continued)
Listing of Participants Reported as Deceased
Plan Audit Request ID#[redacted]

ssn	name	Status	dob	gender	best_dob	best_dod
[redacted]	[redacted]	Beneficiary	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Deferred Beneficary	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Deferred Beneficary	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Deferred Beneficary	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Estate	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Retiree	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Retiree	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	Retiree	[redacted]	[redacted]	[redacted]	[redacted]

LendingClub

Date: 10/07/24

To whom it may concern,

Please use this letter as a confirmation that BOARD OF TRUSTEES SHEET METAL WORKERS LOCAL NO 40 PENSION FUND has an active checking account in good standing with LendingClub Bank (LendingClub Bank, N.A.). The account information is as follows:

Account Information

Account Owner(s): MICHAEL F THOMPSON, JOHN C NIMMONS

Account Number: [redacted]

Account Type: Business Interest Checking

Opening Date: 10/04/24

Bank Routing/ABA Number: 211075086

Regards,

Deposit Operations
LendingClub Bank, N.A.
1 Harbor St, Suite 201 | Boston, MA 02210
bankhelp@lendingclub.com
800.242.0272 – Direct
617.330.1061 – Fax

Christopher Mikolazyk

Chris Mikolazyk

10/08/2024

State of Florida
County of Okaloosa

This foregoing instrument was acknowledged before me by means of online notarization, this 10/08/2024 by Chris Mikolazyk.

Ozella Mae Moore
OZELLA MAE MOORE

___ Personally Known OR ___✔ Produced Identification

Type of Identification Produced MA DL

Notarized remotely online using communication technology via Proof.

NOTARY PUBLIC STATE OF FLORIDA
OZELLA MAE MOORE
Notary Public - State of Florida
Commission # HH 391605
Expires on June 13, 2027

Docusign Envelope ID: [redacted]

LendingClub

Date: 10/07/24

To whom it may concern,

Please use this letter as a confirmation that BOARD OF TRUSTEES SHEET METAL WORKERS LOCAL NO 40 PENSION FUND has an active checking account in good standing with LendingClub Bank (LendingClub Bank, N.A.). The account information is as follows:

Account Information

Account Owner(s): MICHAEL F THOMPSON, JOHN C NIMMONS

Account Number: [redacted]

Account Type: Business Interest Checking

Opening Date: 10/04/24

Bank Routing/ABA Number: 211075086

Regards,

Deposit Operations
LendingClub Bank, N.A.
1 Harbor St, Suite 201 | Boston, MA 02210
bankhelp@lendingclub.com
800.242.0272 – Direct
617.330.1061 – Fax

Docusign Envelope ID: [redacted]

OMB No. 1530-0069

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY

AGENCY IDENTIFIER: | AGENCY LOCATION CODE (ALC): | ACH FORMAT: ☐ CCD+ ☐ CTX

ADDRESS:

CONTACT PERSON NAME: | TELEPHONE NUMBER: ( )

ADDITIONAL INFORMATION:

PAYEE/COMPANY INFORMATION

NAME: Board of Trustees Sheet Metal Workers Local 40 Pension Fund | SSN NO. OR TAXPAYER ID NO.: 06-6157817

ADDRESS: 1040 Avenue of The Americas, Suite 2400, New York, NY 10018

CONTACT PERSON NAME: Magaly Plunkett | TELEPHONE NUMBER: (212) 505-5050, x222

FINANCIAL INSTITUTION INFORMATION

NAME: LendingClub Bank, N.A.

ADDRESS: 1 Harbor St. Suite 201 Boston, MA 02210

ACH COORDINATOR NAME: Theresa McCulley | TELEPHONE NUMBER: (800) 242-0272

NINE-DIGIT ROUTING TRANSIT NUMBER: 2 1 1 0 7 5 0 8 6

DEPOSITOR ACCOUNT TITLE: BOARD OF TRUSTEES SHEET METAL WORKERS LOCAL NO 40 PENSION FUND

DEPOSITOR ACCOUNT NUMBER: [redacted] | LOCKBOX NUMBER:

TYPE OF ACCOUNT: ☒ CHECKING ☐ SAVINGS ☐ LOCKBOX

SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator) Chris Melick | TELEPHONE NUMBER: (800) 242-0272

AUTHORIZED FOR LOCAL REPRODUCTION

SF 3881 (Rev. 2/2003)
Prescribed by Department of Treasury
31 U S C 3322; 31 CFR 210

Docusign Envelope ID: [redacted]

LendingClub

Date: 10/07/24

To whom it may concern,

Please use this letter as a confirmation that BOARD OF TRUSTEES SHEET METAL WORKERS LOCAL NO 40 PENSION FUND has an active checking account in good standing with LendingClub Bank (LendingClub Bank, N.A.). The account information is as follows:

Account Information

Account Owner(s): MICHAEL F THOMPSON, JOHN C NIMMONS

Account Number: [redacted]

Account Type: Business Interest Checking

Opening Date: 10/04/24

Bank Routing/ABA Number: **211075086**

Regards,

Deposit Operations
LendingClub Bank, N.A.
1 Harbor St, Suite 201 | Boston, MA 02210
bankhelp@lendingclub.com
800.242.0272 – Direct
617.330.1061 – Fax

Docusign Envelope ID: [redacted]

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

OMB No. 1530-0069

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY:

AGENCY IDENTIFIER: | AGENCY LOCATION CODE (ALC): | ACH FORMAT: ☐ CCD+ ☐ CTX

ADDRESS:

CONTACT PERSON NAME: | TELEPHONE NUMBER: ( )

ADDITIONAL INFORMATION:

PAYEE/COMPANY INFORMATION

NAME: Board of Trustees Sheet Metal Workers Local 40 Pension Fund

SSN NO. OR TAXPAYER ID NO.: 06-6157817

ADDRESS: 1040 Avenue of The Americas, Suite 2400, New York, NY 10018

CONTACT PERSON NAME: Magaly Plunkett

TELEPHONE NUMBER: (212) 505-5050, X222

FINANCIAL INSTITUTION INFORMATION

NAME: LendingClub Bank, N.A.

ADDRESS: 1 Harbor St. Suite 201 Boston, MA 02210

ACH COORDINATOR NAME: Theresa McCulley

TELEPHONE NUMBER: (800) 242-0272

NINE-DIGIT ROUTING TRANSIT NUMBER: 2 1 1 0 7 5 0 8 6

DEPOSITOR ACCOUNT TITLE: BOARD OF TRUSTEES SHEET METAL WORKERS LOCAL NO 40 PENSION FUND

DEPOSITOR ACCOUNT NUMBER: [redacted]

LOCKBOX NUMBER:

TYPE OF ACCOUNT: ☒ CHECKING ☐ SAVINGS ☐ LOCKBOX

SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator)

Chris Mc[illegible]

TELEPHONE NUMBER: (800) 242-0272

AUTHORIZED FOR LOCAL REPRODUCTION