UNITE HERE Local 25 and Hotel Association of Washington, DC Pension Fund

Kevin Woodrich, FSA, EA, MAAA
Coralie Taylor, FSA, EA, MAAA

September 23, 2026

Topics for Discussion

- January 1, 2026 Valuation Results
- Stress Testing the Fund
- Next Steps

January 1, 2026 Valuation Results

- **Since June meeting, valuation results have been updated to reflect new information**
  - Updated financial statements have 12/31/2025 assets of $418.7 million / 16.1% return *(previously $417.4 million)*
  - Small 0.2% decrease in liabilities for data updates based on responses from AA
- **January 1, 2026 funded ratio <u>slightly</u> increased compared to June meeting**
  - 80.2% based on Actuarial Value of Assets (*prev. 80.0%*)
  - 85.4% based on Marke Value of Assets (*prev. 85.0%*)

Classic Values, Innovative Advice.

Key Results

	2025	2026	% Change
Number of Actives	5,768	5,633	(2.3)%
Total Hours in Prior Year[1]	10,594,299	10,331,388	(2.5)%
Number of Term Vesteds	2,511	2,528	0.7%
Number of Ret/Dis/Ben	3,334	3,420	2.6%
Total Annual Benefits	$ 23,029,212	$ 26,259,240	14.0%
Average Annual Benefit	$ 6,907	$ 7,678	11.2%

[1] Based on employer contributions on financial statement divided by average contribution rate for the year.

Classic Values, Innovative Advice.

Key Results

Valuation Date	1/1/2025	Prelim 1/1/2026	Updated 1/1/2026
		$ in millions	
1. Actuarial Accrued Liability	$ 423.3	$ 491.2	$ 490.4
2. Actuarial Value of Assets (AVA)	$ 362.7	$ 393.0	$ 393.2
3. Unfunded Actuarial Liability [1. – 2.]	$ 60.6	$ 98.2	$ 97.2
4. Funded Ratio (on AVA basis) [2. ÷ 1.]	85.7%	80.0%	80.2%
5. Market Value of Assets (MVA)	$ 357.1	$ 417.4	$ 418.6
6. Funded Ratio (on MVA basis) [5. ÷ 1.]	84.4%	85.0%	85.4%

Minimum Required Contribution	$ 3.2	$ 8.4	$ 8.4
Minimum to Preserve Credit Balance	$ 27.9	$ 34.6	$ 34.5
Actual ‘25 / *Expected* ‘26 Contribution	$ 29.4	$ *31.4*	$ *31.4*

Per Trustees expectation for industry activity, expected contribution for 2026 based on same level of hours in 2025.

Classic Values, Innovative Advice.

Key Results

	($ in Millions)			
	Liability	Actuarial Assets	UAL	% Funded
1/1/2025	$ 423.3	$ 362.7	$ 60.6	85.7%
Expected Change*	13.9	28.3	(14.4)	
Plan Changes	54.2	0.0	54.2	
Assumption Changes	0.0	0.0	0.0	
Expected at 1/1/2026	$ 491.4	$ 391.0	$100.4	79.6%
Actual at 1/1/2026	$ 490.4	$ 393.2	$ 97.2	80.2%
(Gain) / Loss	$ (1.0)	$ 2.2	$ (3.2)	

* For Liabilities, includes normal cost, benefit payments, and interest
For Assets, includes contributions, benefit payments, and interest

6.75% Annual Return for ALL Years

MFD	None
Insolvent PYB	None
Emergence	N/A
Fully Funded	2030

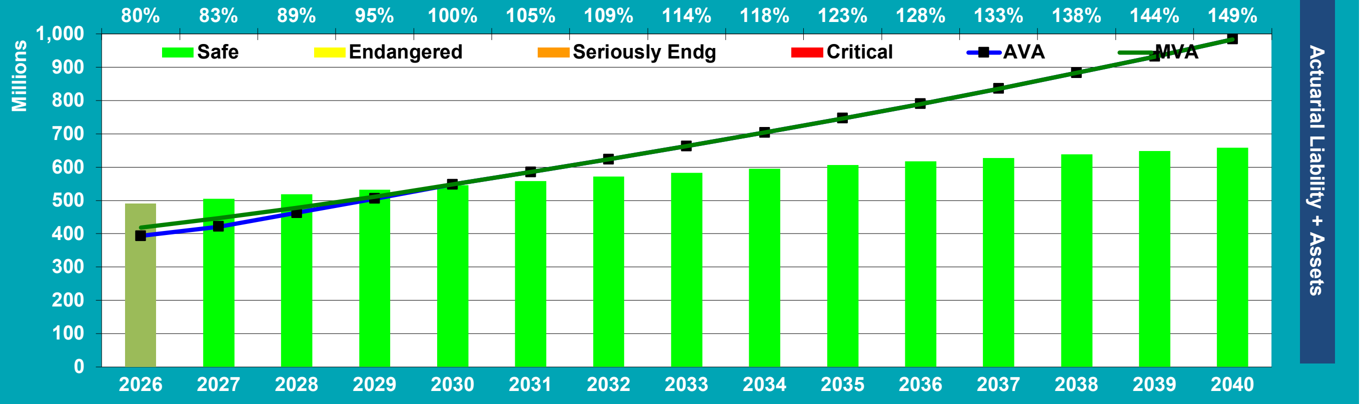
1934

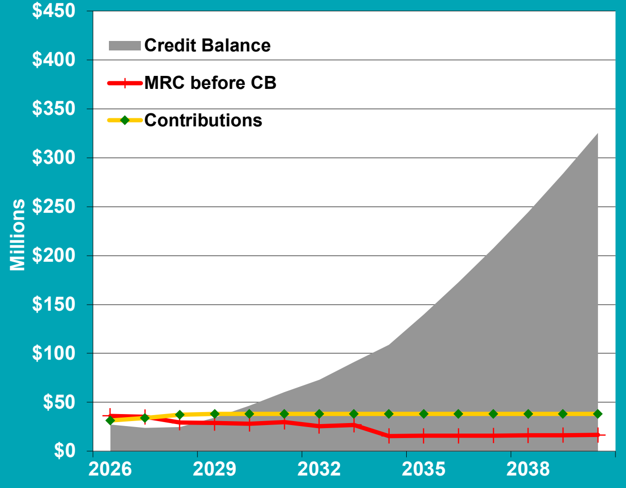
Discount Rate	6.75%
2026 Return	#N/A
Est. December 31, 2026 MVA	$ 446.5 million

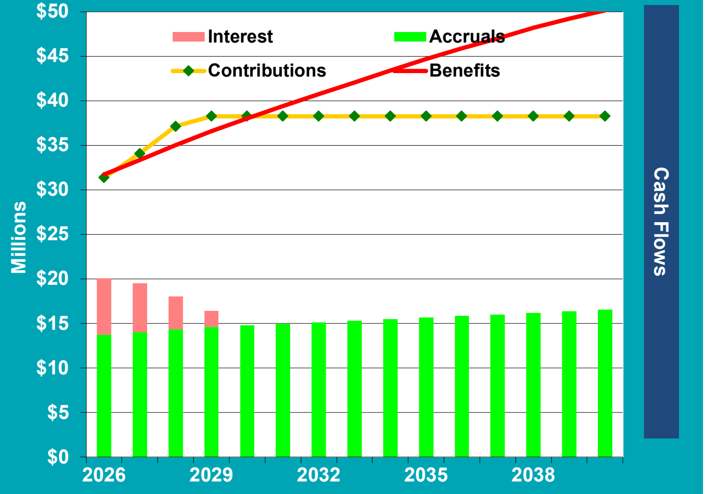
PYB	Return	Contrib Rate*	Hours Growth
2026	6.75%	$3.10	0.0%
2027	6.75%	$3.35	1.0%
2028	6.75%	$3.60	1.2%
2029	6.75%	$3.60	1.0%
2030	6.75%	$3.60	0.0%
2031	6.75%	$3.60	0.0%
2032	6.75%	$3.60	0.0%
2033	6.75%	$3.60	0.0%
2034	6.75%	$3.60	0.0%
2035	6.75%	$3.60	0.0%
2036	6.75%	$3.60	0.0%
2037	6.75%	$3.60	0.0%
2038	6.75%	$3.60	0.0%
2039	6.75%	$3.60	0.0%
2040	6.75%	$3.60	0.0%
2041	6.75%	$3.60	0.0%
2042	6.75%	$3.60	0.0%
2043	6.75%	$3.60	0.0%
2044	6.75%	$3.60	0.0%
2045	6.75%	$3.60	0.0%
2046	6.75%	$3.60	0.0%
2047	6.75%	$3.60	0.0%
2048	6.75%	$3.60	0.0%
2049	6.75%	$3.60	0.0%
2050	6.75%	$3.60	0.0%

Return	
6.75%	20-Year Geometric Average

* Effective Mar. 16







2026 Return That Results in Non-Safe Status in Future

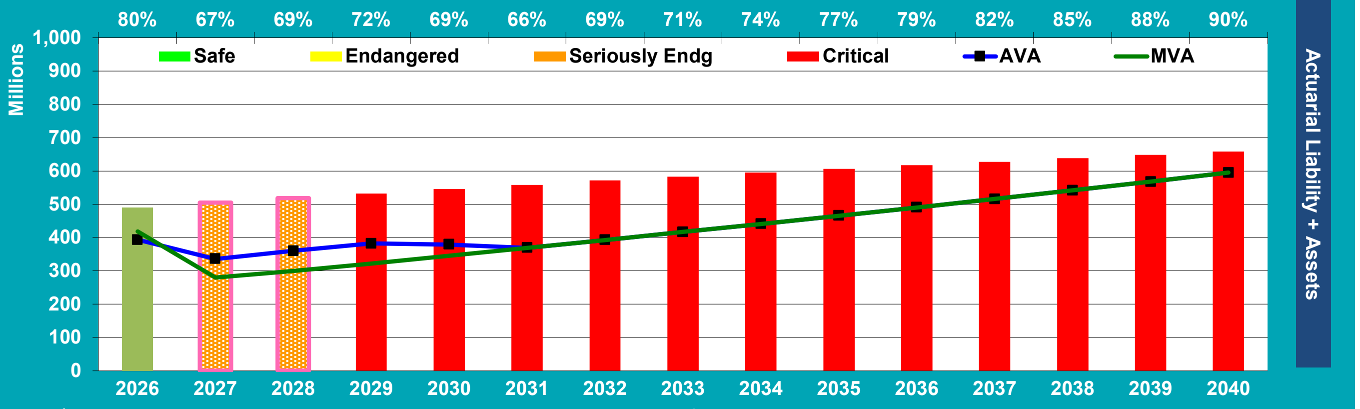
MFD	2032
Insolvent PYB	None
Emergence	N/A
1934 Fully Funded	2044

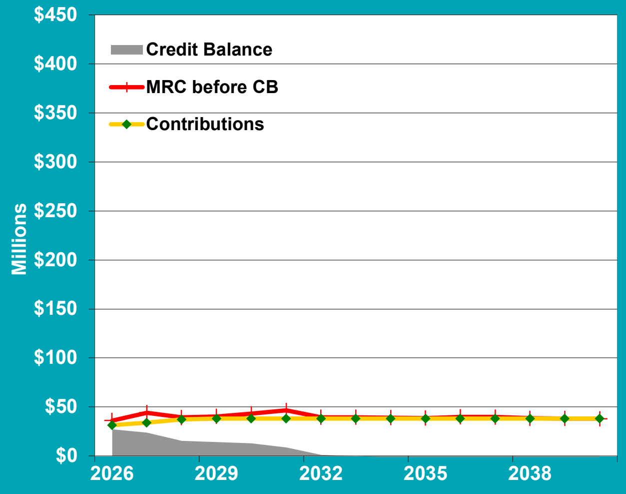
Discount Rate	6.75%
2026 Return	-33.00%
Est. December 31, 2026 MVA	$ 280.2 million

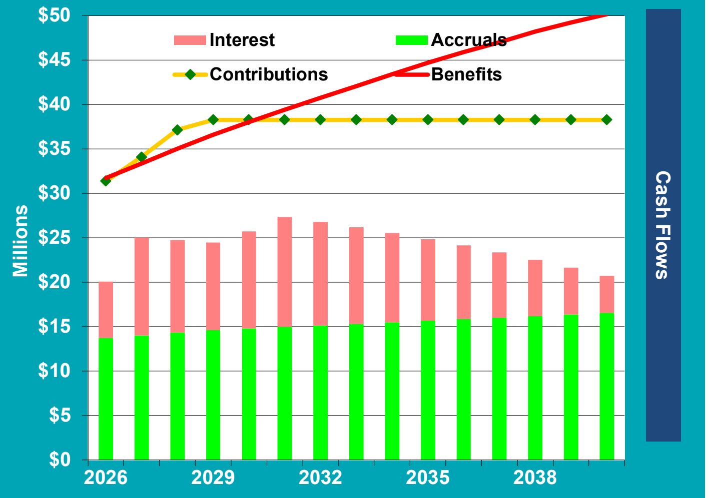
PYB	Return	Contrib Rate*	Hours Growth
2026	-33.00%	$3.10	0.0%
2027	6.75%	$3.35	1.0%
2028	6.75%	$3.60	1.2%
2029	6.75%	$3.60	1.0%
2030	6.75%	$3.60	0.0%
2031	6.75%	$3.60	0.0%
2032	6.75%	$3.60	0.0%
2033	6.75%	$3.60	0.0%
2034	6.75%	$3.60	0.0%
2035	6.75%	$3.60	0.0%
2036	6.75%	$3.60	0.0%
2037	6.75%	$3.60	0.0%
2038	6.75%	$3.60	0.0%
2039	6.75%	$3.60	0.0%
2040	6.75%	$3.60	0.0%
2041	6.75%	$3.60	0.0%
2042	6.75%	$3.60	0.0%
2043	6.75%	$3.60	0.0%
2044	6.75%	$3.60	0.0%
2045	6.75%	$3.60	0.0%
2046	6.75%	$3.60	0.0%
2047	6.75%	$3.60	0.0%
2048	6.75%	$3.60	0.0%
2049	6.75%	$3.60	0.0%
2050	6.75%	$3.60	0.0%

Return	
4.29%	20-Year Geometric Average

* Effective Mar. 16







Next Steps

- 2025 Schedule MB
- Finalize 2026 valuation report

Disclaimer

In preparing this presentation, we relied on information (some oral and some written) supplied by Associated Administrators, LLC and Novak Francella, LLC. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. This analysis was based on the current assumptions and methods, financial data through December 31, 2025, and the January 1, 2026 valuation results. Assumptions, methods, and participant valuation data are outlined in the upcoming 2026 Actuarial Valuation Report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared solely for the UNITE Hotel and Restaurant Employees for Local 25 and Hotel Association of Washington, DC Pension Fund for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty of liability to such other users.

Kevin Woodrich, FSA, EA, MAAA
Principal Consulting Actuary

Coralie Taylor, FSA, EA, MAAA
Principal Consulting Actuary

CHEIRON

Classic Values, Innovative Advice.

Contact us if you have any questions

Kevin Woodrich, FSA, EA
tel: 703.893.1456 (ext. 1001)
kwoodrich@cheiron.us

Coralie Taylor, FSA, EA
tel: 703.893.145 (ext. 1041)
ctaylor@cheiron.us