Warehouse Employee Union Local No. 730 Pension Trust

CHEIRON
Classic Values, Innovative Advice

2019 Valuation Results

March 3, 2020

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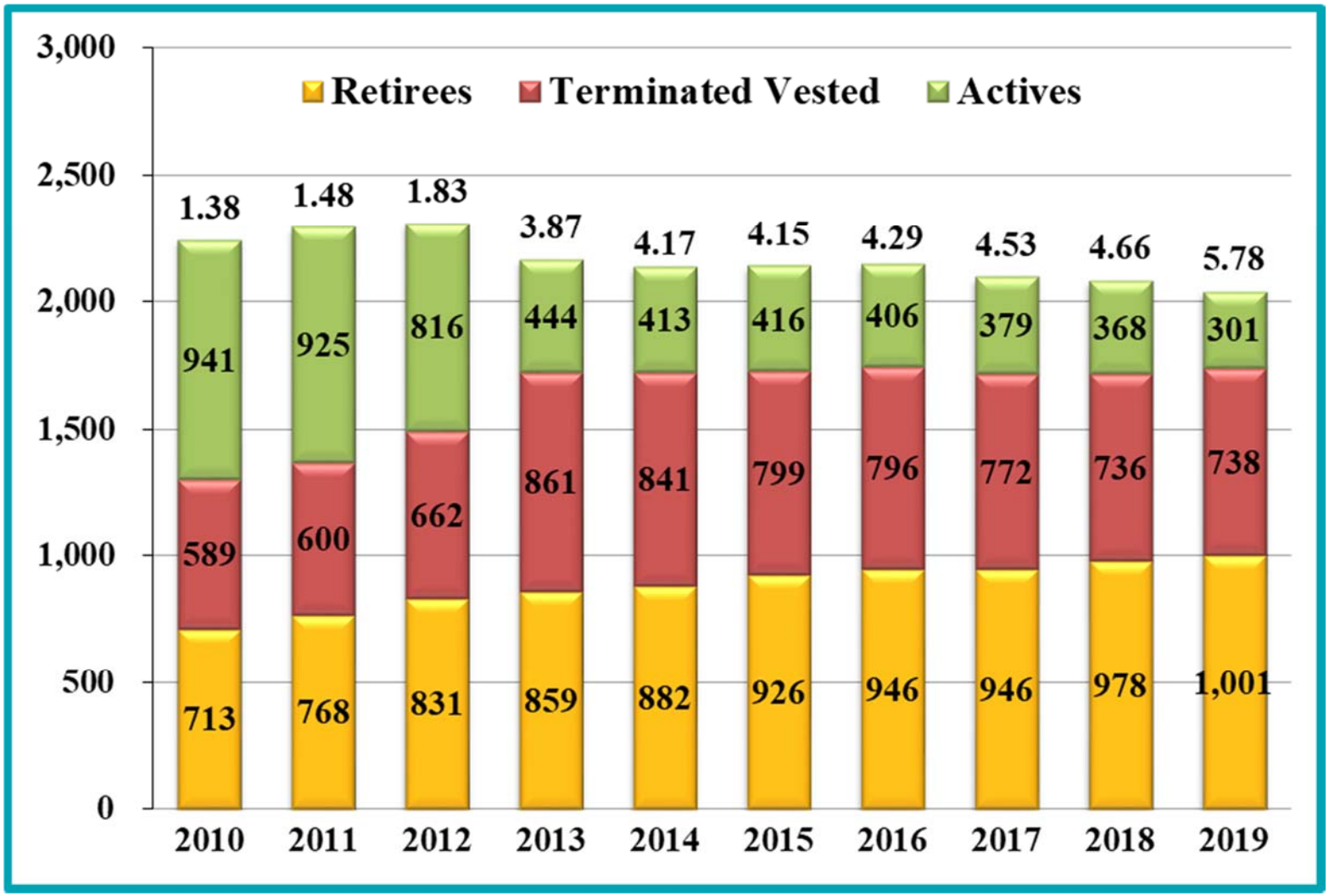
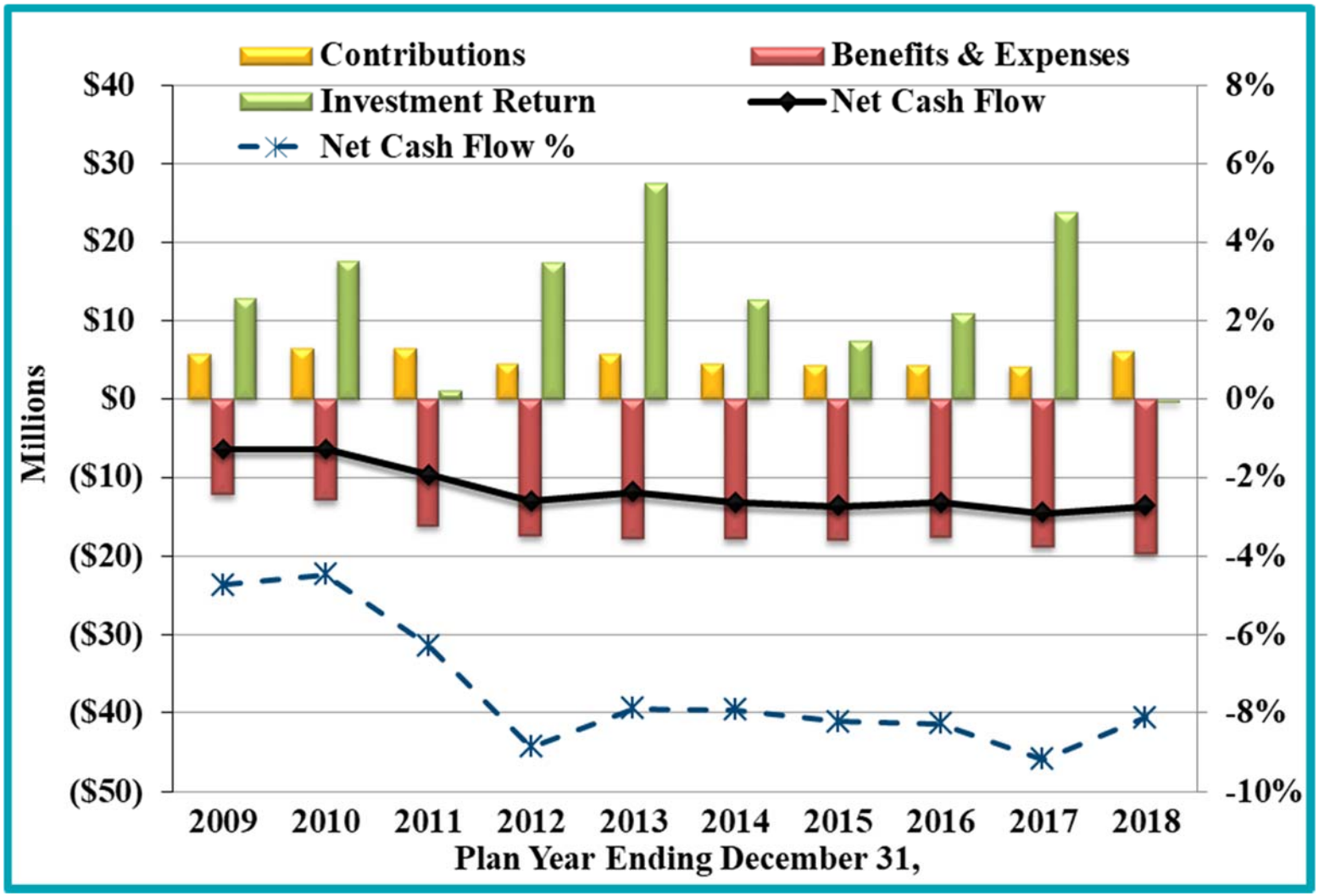
Topics

- Trend Analysis
  - Membership
  - Cash Flows
  - Assets and Liabilities
  - Minimum Funding
- 2019 Valuation Results
- Risk Analysis Projections

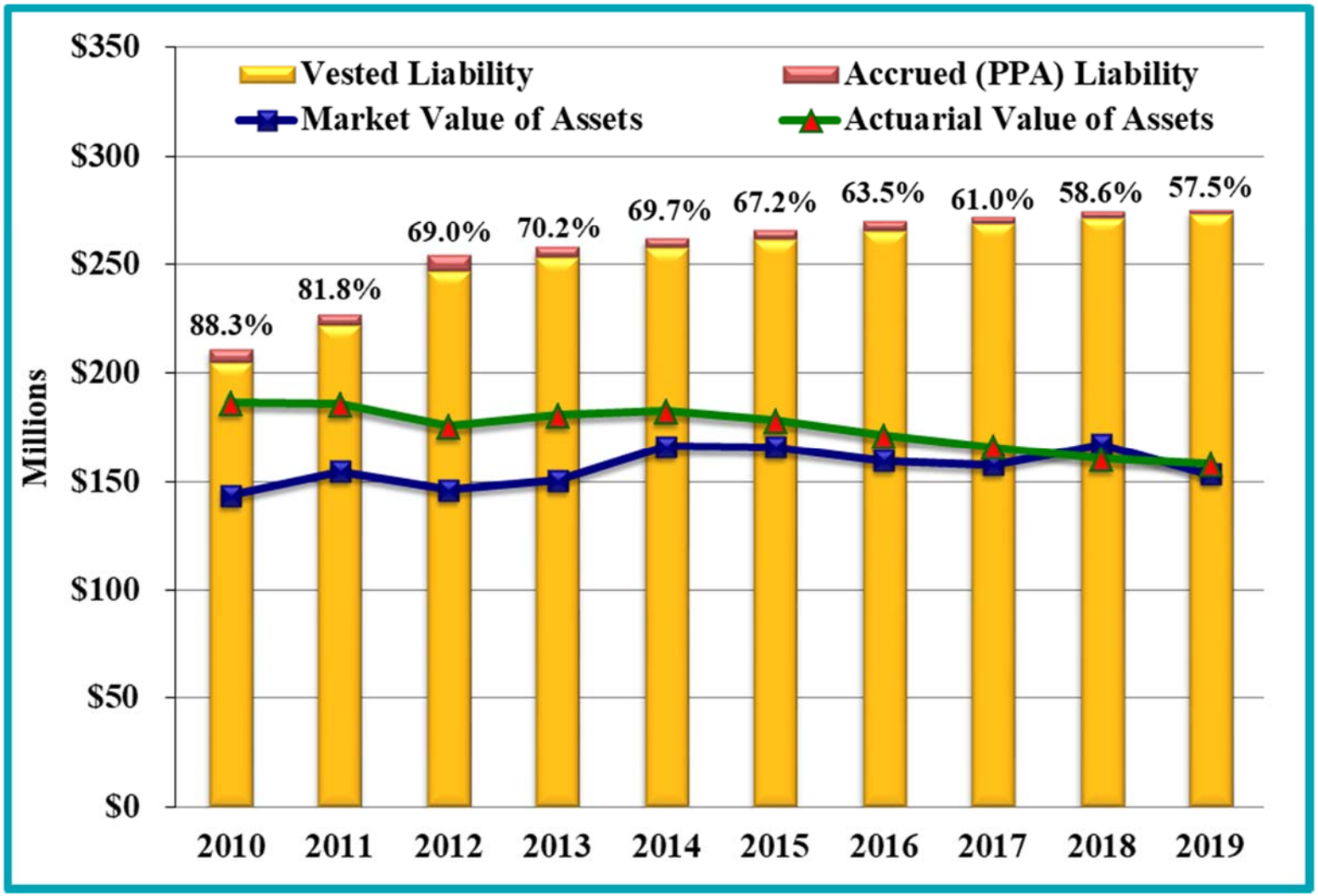
Trend Analysis
Membership



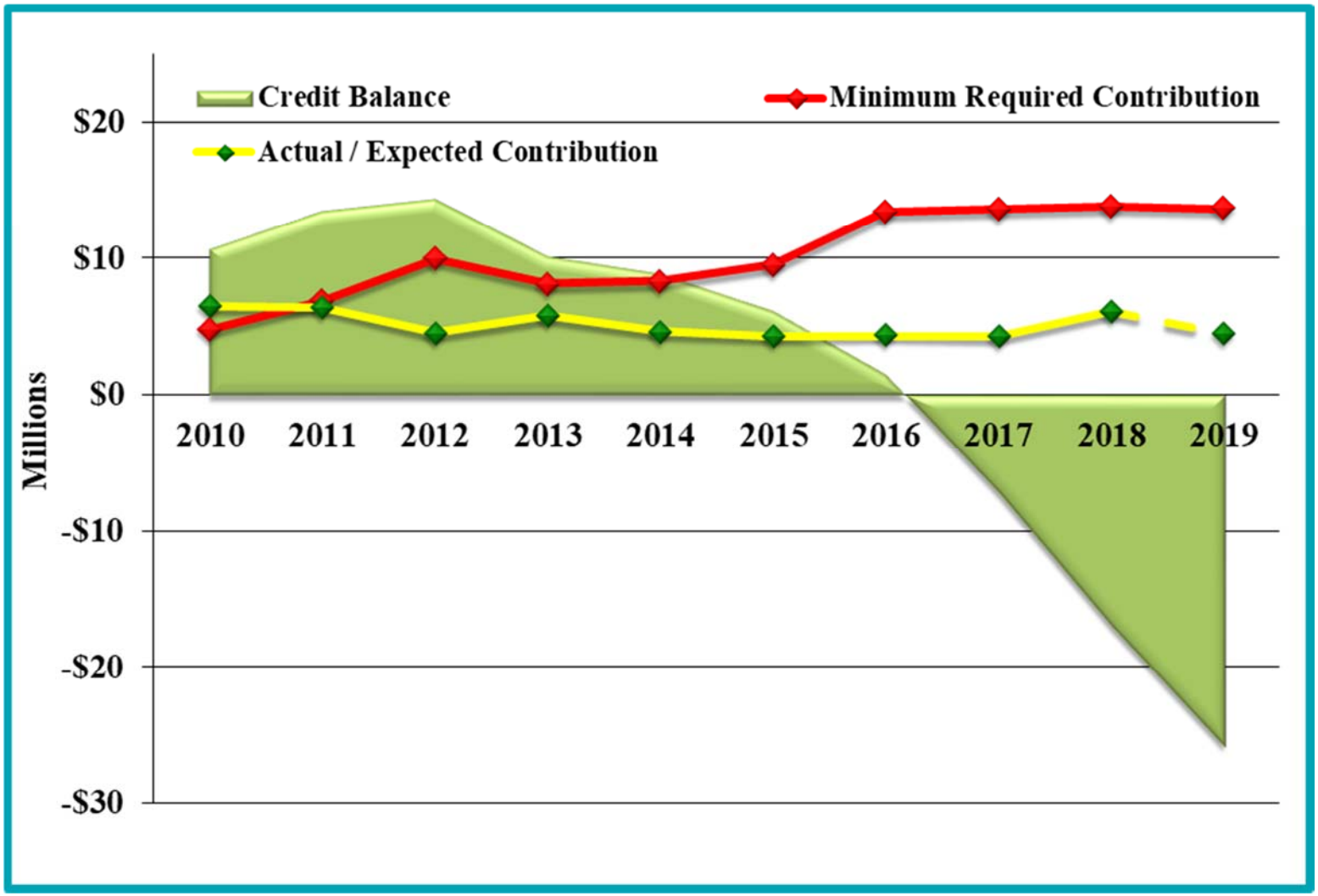
Trend Analysis
Annual Cash Flows



Trend Analysis
Assets and Liabilities



Trend Analysis
Minimum Funding



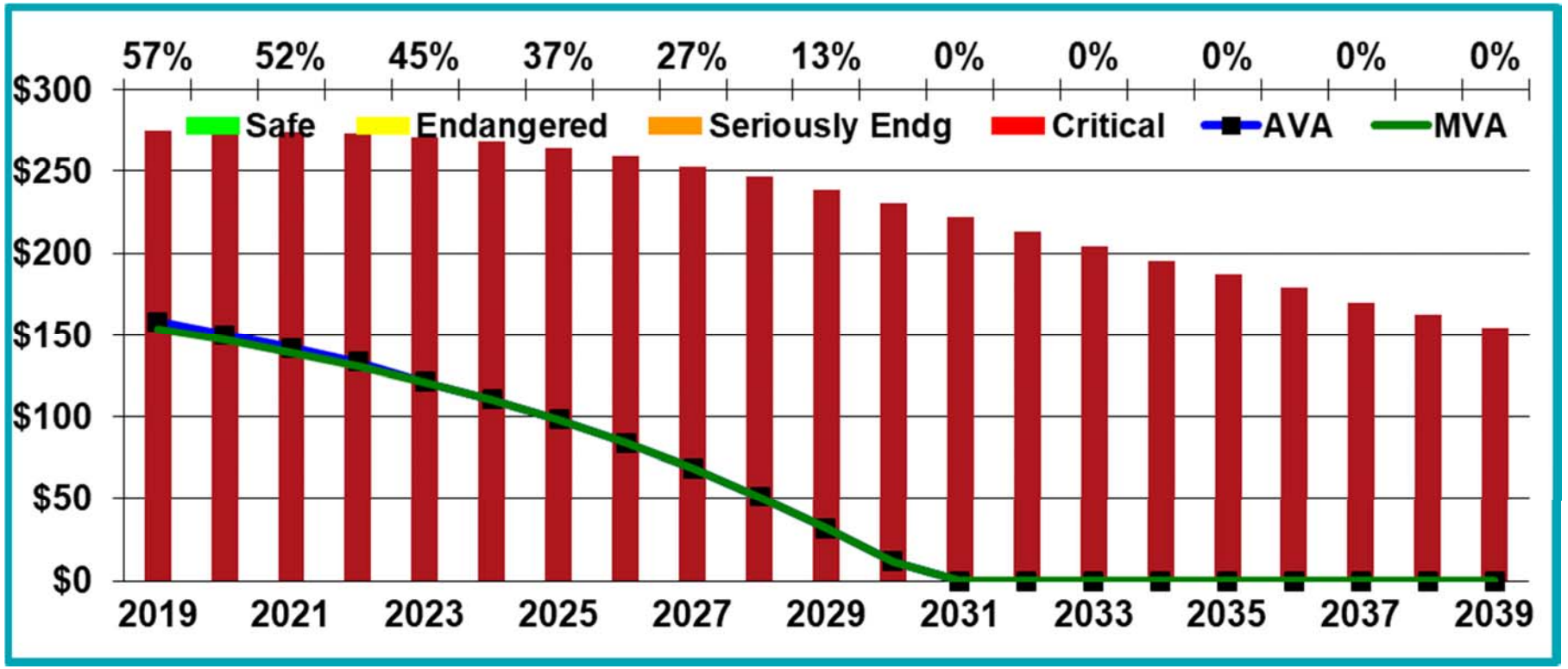
2019 Valuation Results
Summary of Key Results ($ millions)

	2017	2018	2019
Liabilities			
Actuarial (EAN)	276,068,525	278,076,443	279,273,711
Accrued (UC)	272,099,196	274,037,389	275,242,089
Vested (for Withdrawal Liability)	268,691,744	270,920,799	272,863,143
Assets			
Market	$ 157,775,289	$ 167,271,666	$ 153,296,273
Actuarial	166,069,842	160,515,367	158,236,069
Unfunded			
Actuarial (EAN)	$ 109,998,683	$ 117,561,076	$ 121,037,642
Accrued (UC)	$ 106,029,354	$ 113,522,022	$ 117,006,020
Vested based on Market Value	$ 110,916,455	$ 103,649,133	$ 119,566,870
Minimim Funding			
Credit Balance BOY	$ (7,181,407)	$ (16,958,696)	$ (25,845,291)
Net Min Fund. bef CB	13,676,408	13,893,560	13,729,626
Actual / Expected ER contrib.	4,304,754	6,123,435	*4,536,702*
Credit Balance EOY	(16,958,695)	(25,845,290)	*(36,927,862)*
Participants			
Actives	379	368	301
Deferred Vesteds	772	736	738
Retirees	946	978	1,001

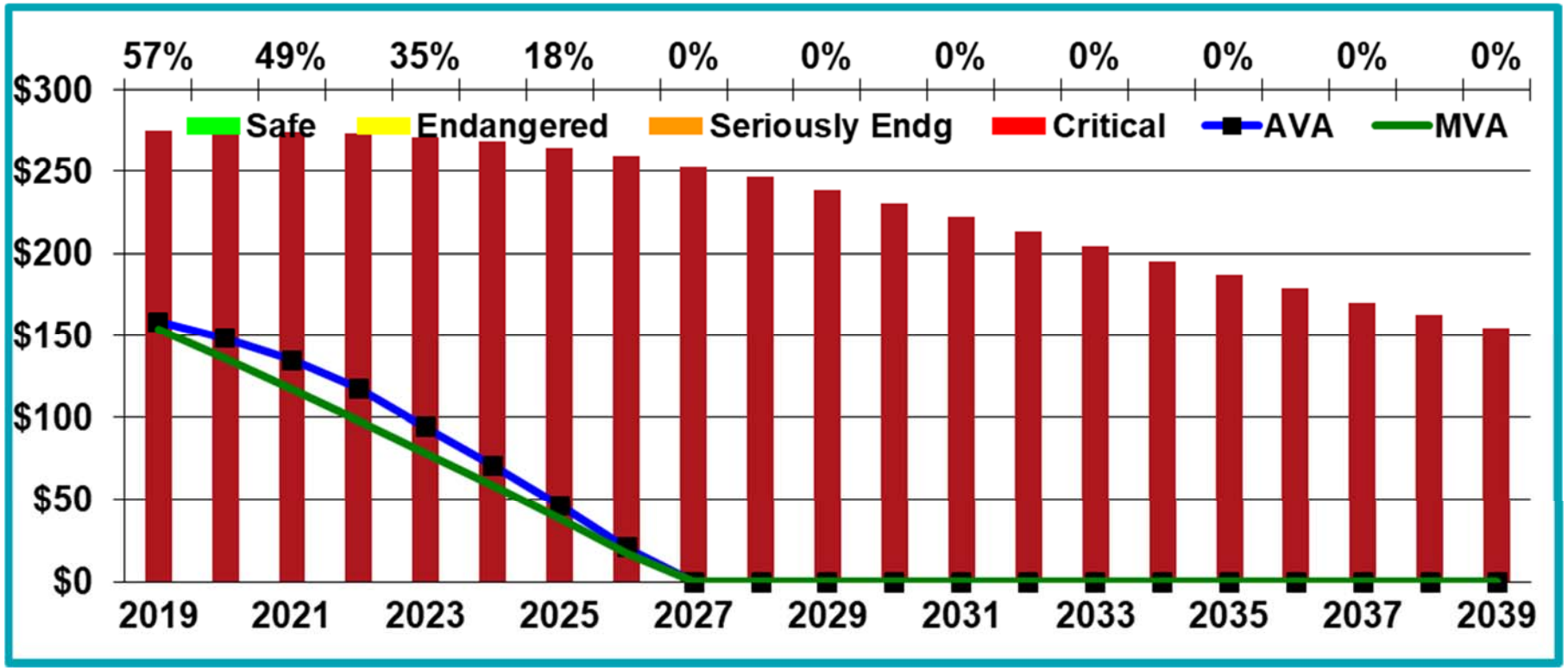
2019 Valuation Results
Comments

- Asset Returns
  - (0.24%) on Market Value
  - 7.38% on Actuarial Value *(compared to 8.0% assumption)*
- Actuarial assets show $0.9m loss
- Liability increase of $1.2m, was $1.7m less than expected
- The fund's Funding Deficiency (negative Credit Balance) continued to grow
- Unfunded vested benefits of $119.8 million for Withdrawal Liability purposes
- Plan projected to be insolvent in 2030

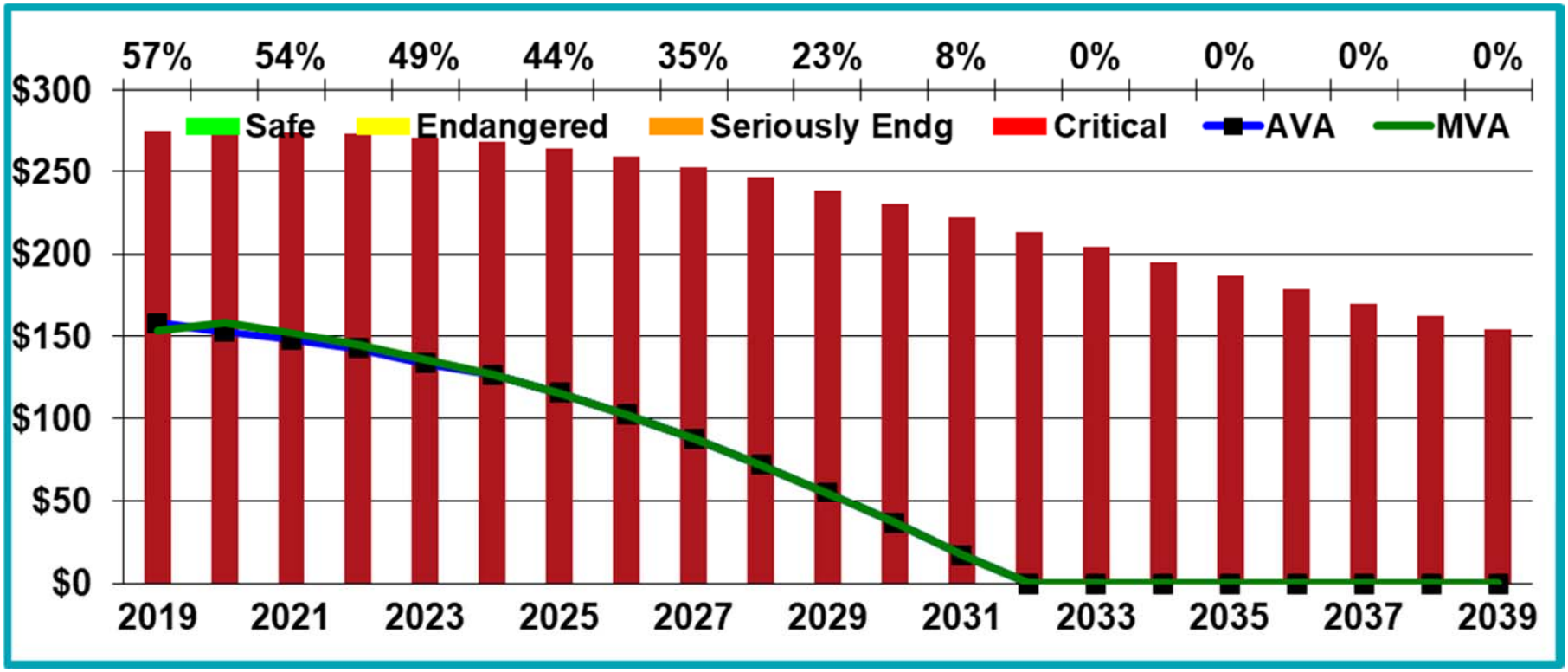
Baseline; 8% return every year



Scenario 1; 0% return every year



Scenario 2; 16% return 2019, 8% thereafter



Reliance

In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office. 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 #23. This analysis was based on the current assumptions and methods, financial data through 12/31/2018, and the 1/1/2019 membership data. Assumptions, methods and participant valuation data are outlined in the 2019 Actuarial Valuation Report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

I hereby certify that, to the best of my knowledge, this presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I 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. I am not an attorney and my firm does not provide any legal services or advice.

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