

FOR PLAN YEAR COMMENCING JANUARY 1, 2013

**ANNUAL CERTIFICATION OF PLAN STATUS UNDER SECTION 432(b) OF
THE INTERNAL REVENUE CODE, (SEC. 305(b) OF THE EMPLOYEE
RETIREMENT INCOME SECURITY ACT OF 1974)**

FOR

**WAREHOUSE EMPLOYEES UNION
LOCAL NO. 730 PENSION TRUST FUND**

**EIN: 52-6124754
PN: 001**

**Plan Year 1/1/2013
Fund Contact
Ryk Tierney
Account Executive
(410) 683-6500**

March 29, 2013



Classic Values, Innovative Advice

Board of Trustees of the Warehouse Employees Union
Local No. 730 Pension Trust Fund
911 Ridgebrook Road
Sparks, Maryland 21152-9451

March 29, 2013
EIN: 52-6124754
PN: 001
Telephone: (410) 683-6500

Re: Annual Certification of Plan Status under Internal Revenue Code §432(b) and Employee Retirement Income Security Act of 1974 §305(b) for the Warehouse Employees Union Local No. 730 Pension Trust Fund ("Plan")

Dear Board of Trustees:

CERTIFICATION

As required by Section 432(b)(3) of the Internal Revenue Code ("Code") and Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), we certify for the plan year beginning January 1, 2013, that the Plan is in **Critical** status, as that term is defined in Section 432 of the Code and Section 305 of ERISA and taking into account the proposed regulations. The rehabilitation period for the Rehabilitation Plan adopted by the Trustees on November 26, 2009, began on January 1, 2012. We also certify that the Fund is making scheduled progress in meeting the requirements of its rehabilitation plan as discussed in Appendix III.

This report only certifies the condition of the Plan under Code Section 432 and ERISA section 305 and should be used only for that purpose. In preparing this report, we have relied on information supplied by the Fund Office staff. This information includes, but is not limited to, Plan provisions, employee data, financial information, and expectations of future industry activity. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice #23.

To the best of our knowledge, this certification and its contents has been prepared in accordance with the requirements of Section 432 of the Code, Section 305 of ERISA, and 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 credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinions contained in this certification. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This certification was prepared exclusively for the Board of Trustees of the Warehouse Employees Union Local 730 Pension Trust Fund for the purpose described herein. It is not to benefit any third party, and Cheiron assumes no duty or liability to any such party.



Board of Trustees of the Warehouse Employees Union
Local No. 730 Pension Trust Fund
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The attached appendices show the results for the statutory tests and describe the methodologies and assumptions used to perform the tests. Please contact the undersigned with any questions.

Thank you.

Sincerely,
Cheiron

P. Hardcastle

Peter Hardcastle, FSA, EA (11-5197)

Anu Patel

Anu Patel, FSA, EA (11-07375)

cc: Secretary of the Treasury

Attachments: Appendix I: Emergence from Critical Status Test
Appendix II: Detail for Actuarial Certification
Appendix III: Scheduled Progress
Appendix IV: Methodology and Assumptions

APPENDIX I
EMERGENCE FROM CRITICAL STATUS TEST

Critical status based on failure to meet Emergence Criteria – The Plan will be certified as Critical if it meets both of the following tests: **Condition Met?**

- 1** The Plan was in critical status for the immediately preceding plan year.

YES

- 2** The Plan is projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall funding method but taking into account any extensions of the amortization periods under section 431(d).

YES

The Plan is certified to be in Critical status for 2013.

This test reflects the provisions of section 432(e)(4)(B) and section 305(e)(4)(B) and the proposed regulations issued in April 2008 by the Internal Revenue Service.

APPENDIX III – SCHEDULED PROGRESS

Pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees has adopted their 2009 rehabilitation plan to forestall insolvency as defined in ERISA Section 4245. The rehabilitation plan removes some adjustable benefits and requires annual contribution increases of 4.9% upon adoption of the Rehabilitation Plan. Currently, all active employers, except one employer who is in bargaining, have adopted these provisions for the duration of their most recent collective bargaining agreement. On this basis, and also considering lack of guidance from the Internal Revenue Service, we are certifying that the Fund is making the scheduled progress in meeting the requirements of its rehabilitation plan as discussed in ERISA Section 305(b)(3)(A)(ii).

APPENDIX IV – METHODOLOGY AND ASSUMPTIONS

A. Actuarial Assumptions

1. Rates of Investment Return

8.00% for funding and disclosure purposes.

All investment returns are net of investment expenses.

2. Administrative Expenses

\$375,616 payable at the beginning of the year.

3. Rates of Mortality

RP 2000 Mortality Table with blue collar adjustment and generational mortality improvements.

4. Rates of Retirement

Age	Less than 30 years service	30 years service	Over 30 years service
51 – 59	0%	50%	10%
60 and over	100%	100%	100%

5. Rates of Turnover

Double the combination of Sarason's Advanced Pension Tables.
Sample rates:

Age	Rate
20	24.77%
22	22.62
24	20.47
25	19.40
26	18.02
28	15.25
30	12.49
35	8.21
40	5.24
45	2.57
50	0.00

APPENDIX IV – METHODOLOGY AND ASSUMPTIONS

6. Rates of Disability

None assumed.

7. Marital Status

- 80% of participants are assumed to be married.
- Wives are assumed to be three years younger than the husband.

8. Active Participants

All non-retired participants who have hours worked during the plan year ending December 31, 2011.

9. Future Hours Worked By Active Participants

Each active participant will work average annual hours worked in the past 3 years, excluding the year of entry. New entrants are assumed to work 1900 hours. No participant is assumed to work less than 870 hours per year.

10. Contribution Rate Used for Determination of Minimum Flat Benefit

The contribution rate in effect on January 1, 2012.

11. Contribution Rate Used for Determination of Percentage of Contributions Benefit

The contribution rate in effect on January 1, 2012.

12. Participant Data

This report is based upon employee data furnished by the Fund Administrator. All non-retired participants who have hours worked during the plan year ending December 31, 2011 are assumed to be active participants as of January 1, 2012 unless identified as having been terminated.

13. Rehabilitation Plan Benefit Schedule

All collective bargaining agreements expiring after December 25, 2009 were valued under the Preferred Schedule starting January 1, 2012.

APPENDIX IV – METHODOLOGY AND ASSUMPTIONS

B. Actuarial Methods

1. Funding Method: Entry Age Normal Cost Method

Under the entry age normal actuarial cost method the individual entry age normal cost is determined for each participant by calculating the level annual contribution required to fund that individual's expected benefits based on the current Plan provisions over the participant's expected active working lifetime with the Fund at entry.

At the valuation date the present value of future normal cost is calculated for each individual participant by multiplying the entry age normal cost by the present value of the participant's expected future active working lifetime with the Fund. The cost for each participant is then summed to yield the present value of future normal costs.

The excess of the present value of future benefits for all individuals at the valuation date over the present value of future normal costs is called the actuarial liability, or past service liability.

The excess, if any, of the actuarial liability over the actuarial value of assets is known as the unfunded accrued liability. If the actuarial value of assets exceeds the actuarial liability, the Fund may have a surplus.

2. Asset Valuation Method

The actuarial value of assets is determined in accordance with Section 3.16 of Revenue Procedure 2000-40 using a five year smoothing period. Specifically, the actuarial value of assets as of January 1, 2006 is set equal to the market value of assets. For each subsequent plan year, the actuarial value shall be the market value minus a decreasing fraction ($4/5$, $3/5$, $2/5$, $1/5$) of each gain or loss for each of the preceding four plan years (with the exception of the 2008 loss which is recognized at a rate of $1/10$ per plan year due to funding relief). Gains or losses prior to January 1, 2006 are ignored.

The resulting actuarial value of assets is then limited to be no greater than 120% (with the exception of the 2009 and 2010 plan years which are 130% due to funding relief) and no less than 80% of the market value of assets on the valuation date.

APPENDIX IV – METHODOLOGY AND ASSUMPTIONS

3. PRA 2010 Funding Relief

The Fund's Board of Trustees elected funding relief under § 431(b)(8) of the Code and § 304(b)(8) of ERISA, specifically:

- The “special amortization rule,” which allows the Plan's investment losses for the plan year ended December 31, 2008 to be separately amortized over 29 years, and
- The “special asset valuation rule” in determining the actuarial value of plan assets which allows the Fund to recognize the 2008 loss over 10 years, at 10% per year.
- The “special asset valuation rule” in determining the actuarial value of plan assets which allows the Fund to use 130% of the market value of assets as the ceiling for the 2009 and 2010 actuarial value of assets.