Plumbers and Steamfitters Local 486 Pension Plan

Actuarial Certification of Plan Status as of January 1, 2017 under IRC Section 432

Segal Consulting
1800 M STREET NW, SUITE 900 S WASHINGTON, DC 20036
T 202.833.6400 www.segalco.com

February 23, 2017

Board of Trustees
Plumbers and Steamfitters Local 486 Pension Plan
℅ Associated Administrators
911 Ridgebrook Road
Sparks, Maryland 21152

Dear Trustees:

As required by ERISA Section 305 and Internal Revenue Code (IRC) Section 432, we have completed the Plan's actuarial status certification as of January 1, 2017 in accordance with the Multiemployer Pension Reform Act of 2014 (MPRA). The attached exhibits outline the projections performed and the results of the various tests required by the statute. These projections have been prepared based on the Actuarial Valuation as of January 1, 2016 and in accordance with generally accepted actuarial principles and practices and a current understanding of the law. The actuarial calculations were completed under my supervision as the Enrolled Actuary.

As of January 1, 2017, the Plan is neither in critical status nor endangered status. In addition, the Plan is not projected to be in critical status for any of the succeeding five plan years.

This certification is being filed with the Internal Revenue Service, pursuant to ERISA section 305(b)(3) and IRC section 432(b)(3).

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.

We look forward to reviewing this certification with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting, a Member of the Segal Group

By: ______________________________

Judith B. Goodstein, FSA, MAAA, EA
Vice President and Actuary

cc: *Kimberly Bradley, Esq.*
Jeffrey Maygers
Dale Troll
David Jensen

Segal Consulting

February 23, 2017

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, 2017 for the following plan:

Name of Plan: Plumbers and Steamfitters Local 486 Pension Plan
Plan number: EIN 52-6124449 / PN 001
Plan sponsor: Board of Trustees, Plumbers and Steamfitters Local 486 Pension Plan
Address: 911 Ridgebrook Road, Sparks, Maryland 21152
Phone number: 888.494.4443

As of January 1, 2017, the Plan is neither in critical status nor endangered status. In addition, the Plan is not projected to be in critical status for any of the succeeding five plan years.

If you have any questions on the attached certification, you may contact me at the following:

Segal Consulting
1800 M Street NW, Suite 900 S
Washington, DC 20036
Phone number: 202.833.6400

Sincerely,

Judith B. Goodstein, FSA, MAAA, EA
Vice President and Actuary
Enrolled Actuary No. 14-06850

EIN 52-6124449 / PN 001

February 23, 2017

ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2017 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 Plumbers and Steamfitters Local 486 Pension Plan as of January 1, 2017 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, 2016 actuarial valuation, dated December 9, 2016. 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 V.

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.

Judith B. Goodstein, FSA, MAAA, EA
Vice President and Actuary
Enrolled Actuary No. 14-06850

EIN 52-6124449 / PN 001

Certificate Contents

EIN 52-6124449 / PN 001

EXHIBIT I
Status Determination as of January 1, 2017

Status	Condition	Component Result	Final Result
Critical Status:			
Determination of critical status			
C1.	A funding deficiency is projected in four years (ignoring any amortization extensions)?	No	No
C2. (a)	A funding deficiency is projected in five years (ignoring any amortization extensions),	No	
(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 (ignoring any amortization extensions),	No	
(b)	AND the funded percentage is less than 65%?	No	No
C4. (a)	The funded percentage is less than 65%,	No	
(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
In Critical Status?			**No**
In Critical Status in any of the five succeeding plan years?			**No**

EXHIBIT I (continued)
Status Determination as of January 1, 2017

Status	Condition	Component Result	Final Result
Endangered Status:			
E1. (a)	Is not in critical status,	Yes	
(b)	AND the funded percentage is less than 80%?	No	No
E2. (a)	Is not in critical status,	Yes	
(b)	AND a funding deficiency is projected in seven years?	No	No
In Endangered Status?			**No**
In Seriously Endangered Status?			**No**
Neither Critical Status Nor Endangered Status:			
Neither Critical nor Endangered Status?			**Yes**

EXHIBIT II
Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2017 (based on projections from the January 1, 2016 valuation certificate):

I. Financial Information			
1. Market value of assets			$220,213,131
2. Actuarial value of assets			230,147,065
3. Reasonably anticipated contributions			
a. Upcoming year			12,753,021
b. Present value for the next five years			53,370,911
c. Present value for the next seven years			69,869,619
4. Reasonably anticipated withdrawal liability payments for the upcoming year			24,678
5. Projected benefit payments for the upcoming year			17,291,428
6. Projected administrative expenses (beginning of year) for the upcoming year			463,500
II. Liabilities			
1. Present value of vested benefits for active participants			86,472,970
2. Present value of vested benefits for non-active participants			163,908,081
3. Total unit credit accrued liability			257,038,344
4. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
a. Next five years	$78,232,255	$2,131,430	$80,363,685
b. Next seven years	105,376,808	2,864,316	108,241,124
5. Unit credit normal cost plus expenses			5,245,262
III. Funded Percentage (I.2)/(II.3)			89.5%
IV. Funding Standard Account			
1. Credit Balance as of the end of prior year			$34,169,905
2. Years to projected funding deficiency			N/A

EXHIBIT III
Funding Standard Account Projections

	Year Beginning January 1,							
	2016	2017	2018	2019	2020	2021	2022	2023
1. Credit balance at beginning of year	$29,686,150	$34,169,905	$35,378,700	$37,390,607	$39,669,265	$42,276,195	$45,272,309	$48,760,673
2. Interest on (1)	2,226,461	2,562,743	2,653,403	2,804,296	2,975,195	3,170,715	3,395,423	3,657,050
3. Normal cost	2,389,820	2,389,820	2,389,820	2,389,820	2,389,820	2,423,874	2,423,874	2,423,874
4. Administrative expenses	450,000	463,500	477,405	491,727	506,479	521,673	537,323	553,443
5. Net amortization charges	8,902,390	10,700,987	10,024,336	9,902,239	9,741,094	9,511,693	9,247,167	9,470,768
6. Interest on (3), (4) and (5)	880,666	1,016,573	966,867	958,784	947,804	934,293	915,627	933,606
7. Expected contributions	14,385,663	12,777,699	12,777,699	12,777,699	12,777,699	12,777,699	12,777,699	12,777,699
8. Interest on (7)	494,507	439,233	439,233	439,233	439,233	439,233	439,233	439,233
9. Credit balance at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	$34,169,905	$35,378,700	$37,390,607	$39,669,265	$42,276,195	$45,272,309	$48,760,673	$52,252,964

EXHIBIT IV
Funding Standard Account – Projected Bases Assumed Established After January 1, 2016

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience Loss	1/ 1/2017	$4,657,978	15	$490,874
Experience Loss	1/ 1/2018	4,715,102	15	496,894
Experience Loss	1/ 1/2019	3,226,401	15	340,009
Experience Loss	1/ 1/2020	2,699,370	15	284,469
Experience Loss	1/ 1/2021	778,575	15	82,049

EXHIBIT V
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the 2016 actuarial valuation certificate, dated December 9, 2016, except as specifically described below. The assumptions were based on historical and current data, adjusted to reflect any prior changes in plan design, and estimated future experience and professional judgment. 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 the ERISA Section 305 and IRC Section 432.

Asset Information:

The market value of assets as of January 1, 2017 was the unaudited amount provided by the Fund Administrator. The expense items were based on information about benefit and expense payments provided by the Fund Administrator.

For projections after that date, the assumed annual administrative expenses ($463,500 as of January 1, 2017, payable at the beginning of the year) were increased by 3% per year and benefit payments were projected based on the January 1, 2016 actuarial valuation.

The projected net investment return was assumed to be 7.5% of the average market value of assets in all future 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, except that losses attributable to the investment loss incurred during 2008 are amortized over an extended period, as elected under the Pension Relief Act of 2010.

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 active participants is projected to remain level at the January 1, 2016 active count of 1,193 and, on the average, contributions will be made for each active participant for 1,750 hours each year.

In addition to projections of industry activity directly linked to the level of ongoing employment, projected contributions include remaining Temp Air withdrawal liability payments of $6,169.56 per quarter for 41 quarters and a final payment of $4,328.92.

EXHIBIT V (continued)

Actuarial Assumptions and Methodology

Future Normal Costs: Based on the assumed industry activity and the assumption that replacement employees will have the same entry age as employees leaving the work force, the Entry Age Normal Cost method used in the valuation results in level Normal Costs per active. Therefore, we have assumed that the normal cost in 2017 through 2020 will be the same as in the 2016 Plan Year. The normal cost in 2021 and each year thereafter has been adjusted for the increase in benefit accrual rates (previously adopted) for a portion of the active participants effective January 1, 2021.

Amortization Extension: This status certification reflects the fact that certain amortization charge bases transferred from the U.A. Local No. 782 Pension Plan as a result of the merger effective January 1, 2016 were extended by five years as permitted under Internal Revenue Code Section 431(d).

Segal Consulting ("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. Due to 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.

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