

# ACTUARIAL CERTIFICATION OF MULTIEMPLOYER PLAN STATUS

For Plan Year Beginning April 1, 2016

EBSA/PUBLIC DISCLOSURE  
2016 NOV 13 PM 2:13

Plan Name Bricklayers Pension Fund of West Virginia  
Plan Number 001  
Employer ID 55-6029961  
Plan Status Endangered  
Funded percentage: estimated at 79.8% on April 1, 2016.

The Plan's funded percentage is less than 80%. Assuming future contribution increases in accordance with the alternative schedule of the Funding Improvement Plan (FIP) as described below, the Plan is not projected to have an accumulated funding deficiency within the next 6 Plan Years. The projection of the credit balance is shown as an attachment to this certification.

A Notice of Endangered Status must be provided to participants, beneficiaries, bargaining parties, the PBGC, and the DOL within 30 days of this certification.

**Funding Improvement Plan** The Plan was first certified as Endangered as of April 1, 2015. The Collective Bargaining Agreement (CBA) in effect on the due date of the April 1, 2015 Certification expired on June 30, 2015; therefore, the Funding Improvement Period begins April 1, 2016 and continues for 10 years during which time the funded percentage of 86.3% (as certified on April 1, 2015) is to improve by 33% to 90.9%. There should not be a funding deficiency during the Funding Improvement Period.

The trustees adopted a FIP on January 20, 2016. Per the terms of the FIP, supplemental contributions are to increase by at least 15% of the base contribution rate beginning in 2016 and continuing annually through and including the Plan Year beginning April 1, 2021. At that time, total supplemental contributions should be at least 150% of the base contribution rate.

This certification has been completed under the assumption that the contribution increases per the FIP will be made between 2016 and 2021 as agreed at the trustee meeting on January 20, 2016. Under this assumption, the plan is making progress under the terms of the FIP.

**Basis of Certification** Plan provisions and assumptions and methods used in the April 1, 2015 valuation with modifications and additions to assumptions as described on attached pages.

ACTUARIAL CERTIFICATION OF MULTIEMPLOYER PLAN STATUS

For Plan Year Beginning April 1, 2016

Plan Sponsor Board of Trustees of the Bricklayers Pension Fund of West Virginia  
c/o Central Data Services, Inc.  
5 Hot Metal Street, Suite 200  
Pittsburgh, PA 15203  
412-432-1136  
Fax: 412-431-4067

Enrolled Actuary Brandon M. Carangi  
2591 Wexford-Bayne Road, Suite 402  
Sewickley, PA 15143  
724-934-2790

This certification is required under paragraph 432(b)(3) of the Internal Revenue Code. It has been prepared in accordance with generally accepted actuarial principles and practices. To the best of my knowledge, the information used to prepare this certification is complete and accurate. I certify that the actuarial assumptions are reasonably related to the experience of the Plan and to reasonable expectations and represent my best estimate of anticipated experience under the Plan.



Brandon M. Carangi, A.S.A., E.A., M.A.A.A.

14-08085

Enrollment Number

6/21/16

Date

# BRICKLAYERS PENSION FUND OF WEST VIRGINIA

## Summary of Principal Plan Provisions

1. Effective Date April 1, 1965, as restated April 1, 1994
2. Plan Year Ends March 31
3. Eligibility for Participation The first day of the Plan Year for all union employees for whom contributions are made by contributing employers, provided the employee worked at least 435 hours during the Plan Year
4. Normal Retirement Age The later of the participant's 65th birthday or the fifth anniversary of the initial entry date
5. Normal Retirement Pension \$2.00 for each Year of Service from April 1, 1955 to March 31, 1965 reduced by \$2.00 for each Year of Future Service from April 1, 1966 to March 31, 1976 plus
  - 3.25% of employer contributions made on behalf of the participant prior to April 1, 2003,
  - 2.5% of employer contributions made on behalf of the participant from April 1, 2003 through May 31, 2012 and
  - 2% of employer contributions made on behalf of the participant from June 1, 2012.No benefits are provided for Supplemental Contributions  
  
Refer to Actuarial Assumptions for Contribution Rates for Benefits (1c) and Supplemental Contributions (1d)
6. Early Retirement A percentage of the Normal Retirement Pension according to the following schedule for any participant who has attained age 55 and completed ten Years of Service

<u>Age at Early Pension</u>	<u>Percentage of Normal Retirement Pension</u>
55	55%
56	61%
57	67%
58	73%
59	79%
60	85%
61	88%
62	91%
63	94%
64	97%

BRICKLAYERS PENSION FUND OF WEST VIRGINIA

Summary of Principal Plan Provisions (continued)

7. Disability Retirement Any participant who is determined to be totally and permanently disabled shall be entitled to an immediate annuity of \$52.50 per month provided the participant had completed 10 Years of Service
8. Pre-Retirement Death Benefit The following death benefits are available:
- A) the spouse of a vested participant who dies after attaining age 55 is entitled to receive an immediate monthly annuity equal to 50% of the actuarially reduced Joint & 50% Survivor benefit
  - B) the spouse of a vested participant who dies prior to attaining age 55 is entitled to receive a deferred monthly annuity commencing when the participant would have attained age 55 equal to 50% of the actuarially reduced Joint & 50% Survivor benefit
- In lieu of either A or B above, the spouse or beneficiary may elect a lump sum death benefit of 50% of the total employer contributions made on behalf of the participant
9. Post-Retirement Death Benefit 50% of total employer contributions made on behalf of the participant less any benefits which were calculated as a percentage of the employer contributions and paid to the participant
10. Termination Benefit A participant shall be 100% vested in his accrued benefit after 5 years of service
11. Normal Form of Benefit An annuity payable during the lifetime of the participant
12. Optional Forms of Payment Life Annuity, Joint & 50% or 75% Survivor Annuity
13. Year of Service
- a. Past Service One Year of Past Service shall be granted for each calendar year of employment prior to April 1, 1965
  - b. April 1, 1965 to March 31, 1986 One Year of Future Service for each Plan Year of employment and for which Fund received employer contributions
  - c. Post April 1, 1986 One Year of Future Service for each Plan Year of employment during which the employee works at least 435 hours and has had employer contributions made on his behalf

**BRICKLAYERS PENSION FUND OF WEST VIRGINIA**

**Actuarial Assumptions and Funding Methods  
for the April 1, 2016 Certification**

1. Data

- a. Valuation Date April 1, 2015
- b. Employee Data Employee data was supplied by Central Data Services
- c. Contribution Rates (for benefits) Local 1: \$2.00 per hour worked  
Local 9: \$2.55 per hour worked  
Local 11: \$.90 per hour paid
- d. Supplemental Contribution Rates (no benefits)

Local	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
1	\$1.30	\$1.70	\$1.80	\$2.10	\$2.40	\$2.70	\$3.00
9	\$1.64	\$2.18	\$2.29	\$2.67	\$3.05	\$3.43	\$3.81
11	\$0.65	\$0.85	\$0.85	\$0.95	\$1.08	\$1.22	\$1.35

2016-2017 supplemental rate is based on results of member vote as provided by plan administrator; future rate increases assumed in accordance with the terms of the FIP

- e. Inactive Participants Less than 435 hours during the prior Plan Year

2. Rate of Investment Return

- a. Funding 7.50% per year, net of expenses
- b. RPA 94 Current Liability 4.17% per year, net of expenses
- c. Accumulated Benefits 7.50% per year, net of expenses

3. Rates of Withdrawal

- a. Mortality RP-2000 Blue Collar Mortality Table (Unprojected)
- b. Employee Termination Crocker, Sarason and Straight T-8 termination rates

Sample rates are

Age 25	11.6242%
Age 40	9.3957%
Age 55	1.7264%
Age 63	0%

- c. Retirement Annual rates applied at eligibility

Ages 55-61	10%
Age 62	25%
Age 63	15%
Age 64	25%
Age 65	100%

BRICKLAYERS PENSION FUND OF WEST VIRGINIA

Actuarial Assumptions and Funding Methods  
for the April 1, 2016 Certification (continued)

- |  |   |       |
|--|---|-------|
| d. Disability                            | Age 25  | .09%  |
|  | Age 40  | .22%  |
|  | Age 55  | 1.01% |
| 4. <u>Reciprocity Reserves</u>           | None  |       |
| 5. <u>Expenses</u>                       | \$70,000 per year, which is the rounded average of the 3 previous years' actual expenses  |       |
| 6. <u>Marriage Rate and Spouse's Age</u> |   |       |
| a. Participants not receiving benefits   | 85% of the participants will have a surviving spouse. Females are three years younger than males  |       |
| b. Participants receiving benefits       | If data is not available, females are assumed to be three years younger than males  |       |
| 7. <u>Methods</u>                        |   |       |
| a. Asset Valuation Method                | Asset gains and losses are determined each year by calculating the difference between the expected market value (based on the funding rate of interest) and the actual market value of the assets on the valuation date. These gains or losses are then recognized over a 5-year period at 20% per year with the exception that the loss as of March 31, 2009 is recognized at 10% per year over a 10 year period. The actuarial value of assets is subject to a minimum of 80% and a maximum of 120% of the market value |       |
| b. Actuarial Cost Method                 | Unit Credit   |       |

**BRICKLAYERS PENSION FUND OF WEST VIRGINIA**

**Actuarial Assumptions and Funding Methods  
for the April 1, 2016 Certification (continued)**

8. Additional Information for Status  
Certification as of April 1, 2016

For plan year ending March 31, 2016,  
Plan Administrator furnished:

- (a) estimated assets as end of plan year
- (b) estimated contributions, benefits, and expenses

Estimated assets for subsequent Plan Years were projected assuming an investment return of 7.5%, expenses of \$70,000 and future cash flows

An open group projection of plan liabilities, contributions and benefit payments was performed using the participant data as of April 1, 2015. In future years, replacements were assumed to occur so that the number of active participants remains constant

All active participants are assumed to work 1,500 hours per year based on prior historical data and Trustee input

Future contribution increases are based on trustee direction and the terms of the FIP study presented and adopted at the January 20, 2016 trustee meeting, as outlined in section 1(d) of the enclosed assumptions

**BRICKLAYERS PENSION FUND OF WEST VIRGINIA**

**Estimated Funded Percentage and Credit Balance**

The following table is a projection of the estimated funded percentage and credit balance. This projection is based on the April 1, 2015 actuarial valuation and the Additional Information for Status Certification as described under item 8 of the actuarial assumptions.

**Projection Assuming Future Supplemental Rate Increases in Accordance with FIP**

<u>Plan Year Ending</u>	<u>Funded Percentage</u>	<u>Credit Balance</u>
March 31, 2017	80%	280,000
March 31, 2018	76%	220,000
March 31, 2019	73%	158,000
March 31, 2020	72%	136,000
March 31, 2021	72%	91,000
March 31, 2022	74%	62,000
March 31, 2023	77%	69,000
March 31, 2024	80%	74,000
March 31, 2025	84%	94,000
March 31, 2026	87%	233,000
March 31, 2027	91%	303,000