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2014

KANDG
KAUFMANN AND GOBLE

March 28, 2014

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (SE:TEGE:EP)
Room 1700 - 17th Floor
230 S. Dearborn Street
Chicago, IL 60604

Annual Certification of Multiemployer Plan Funding Status under IRC Section 432(b)(3)(A)

Plan name: U.A. Local No. 467 Pension Plan

Plan number: 005— EIN: 94-2353807

Name, address and telephone number of plan sponsor:

U.A. Local No. 467 Pension Trust
170 Great Oaks Blvd.
San Jose, CA 95119-3590
408-288-4550

Plan year for which certification is made: 2014

We have performed actuarial estimates and projections in the determination of the funding status of the above-named multiemployer pension plan.

We understand that under Internal Revenue Code Section 432(b)(1): A multiemployer plan is in endangered status if the plan is not in critical status and, as of the beginning of the plan year, (1) the plan's funded percentage for the plan year is less than 80 percent, or (2) the plan has an accumulated funding deficiency for the plan year or is projected to have an accumulated funding deficiency in any of the six succeeding plan years.

We further understand that under Section 432(b)(2): A multiemployer plan is in critical status if the plan meets any one of four specified tests:

Section 432(b)(2)(A): A plan is in critical status if, as of the beginning of the plan year: (1) the funded percentage of the plan is less than 65 percent and (2) the sum of the market value of plan assets, plus the present value of reasonably anticipated employer contributions for the current plan year and each of the six succeeding plan years is less than the present value of all nonforfeitable benefits projected to be payable under the plan in the current plan year and each of the succeeding six plan years.

Section 432(b)(2)(B): A plan is in critical status if the plan has an accumulated funding deficiency for the current plan year or is projected to have an accumulated funding deficiency for any of the three succeeding plan years.

Section 432(b)(2)(C): A plan is in critical status if (1) the plan's normal cost for the current plan year, plus interest for the current plan year on the amount of unfunded benefit liabilities under the plan as of the last day of the preceding plan year, exceeds the present value of the reasonably expected employer and employee contributions for the current plan year, (2) the present value of nonforfeitable benefits of inactive participants is greater than the present value of nonforfeitable benefits of active participants, and (3) the plan has an accumulated funding deficiency for the current plan year, or is projected to have an accumulated funding deficiency for any of the four succeeding plan years.

Section 432(b)(2)(D): A plan is in critical status for a plan year if the sum of the market value of plan assets, plus the present value of reasonably anticipated employer contributions for the current plan year and each of the succeeding four plan years is less than the present value of all benefits projected to be payable under the plan in the current plan year and each of the four succeeding plan years.

In accordance with that understanding, we have attached a summary of the plan's funding assumptions, and certify that in the determination of our findings:

Actuarial projections are based on reasonable actuarial estimates, assumptions and methods and offer our best estimate of anticipated experience under the plan;

In making the determinations and projections applicable under the foregoing endangered and critical status rules, we have made projections for the current and succeeding plan years of the assets of the plan and the present value of all liabilities to participants and beneficiaries under the plan for the current plan year as of the beginning of such year;

Our projection of activity in the industry covered by the plan, including future covered employment and contribution levels is based on information provided by the plan sponsor; and the projected present value of liabilities as of the beginning of the plan year is based on the actuarial valuation for the preceding plan year;

Our projection of plan assets assumes reasonably anticipated employer contributions for the current and succeeding plans years, assuming that the terms of the collective bargaining agreements pursuant to which the plan is maintained for the current plan year continue in effect for the succeeding plans years, including changes approved by the bargaining parties, and we have determined that there have been no significant demographic changes that would make this assumption unreasonable;

Our determination of whether the plan is projected to have an accumulated funding deficiency in the determination of the plan's funding status is based on the plan's funding method; and

The unit credit funding method is used for purposes of determining the plan's funded percentage and the comparison of contributions with the sum of the plan's normal cost and interest on the amount of unfunded liability.

Internal Revenue Service
Employee Plans Compliance Unit
Plan number: 005— EIN: 94-2353807
March 28, 2014
Page 3

CERTIFICATION

We certify that the plan is in endangered status, as a result of its having an accumulated funding deficiency for the current Plan year, although it has a Funded Ratio in excess of 80%. The Plan has improved its funded position under the Funding Improvement Plan.

Respectfully submitted,

Kaufmann and Goble Associates

Sid Kaufmann

Sidney T. Kaufmann, enrollment number 11-02351

Plan number: 005— EIN: 94-2353807

U.A. Local Union No. 467
Pension Plan

ACTUARIAL COST BASIS

The following assumptions and methods have been used in calculating the amounts set forth in the actuarial valuation summaries.

Actuarial Assumptions

- Interest - 7.00% per annum, compounded annually for Current Liability; 3.75% per annum for RPA 94.
- Mortality - Pre-Retirement: RP-2000 Table* - Employees - Males
Post-Retirement: 1983 Group Annuity Mortality Table
*The RP-2000 Table was adjusted to the beginning of the valuation year for mortality improvement using Scale AA.
- Post-disability retirement: The 1965 Railroad Retirement Board Disabled Annuitant Mortality Table (as was published in an Eleventh Actuarial Valuation of Railroad Retirement System)
- Expenses - \$400,000.
- Retirement - See attached Schedule 2.
- Termination - See attached Schedule 2.
- Disability - 1968 Railroad Retirement Board Table.
See attached Schedule 3.

Actuarial Methods

The unit credit normal cost contribution was calculated on an individual basis and aggregated over the active member base. The unit credit age factors were applied to deferred annuity factors, on the service table, to develop the normal cost. The unfunded supplemental liability was assumed to be funded with level dollar payments from the valuation date. The average contribution rate is based on the prevailing wage sheets for the Plan Year, assuming an even distribution of hours worked throughout the Plan Year. It has been assumed that the active work force will accrue benefits based upon the assumed hours worked in proportion to the previous year's credits. Actuarial assets were equal to the average of the net trust fund balances at cost and market value. The unfunded supplemental liability was assumed to be funded over a period of years based upon the current contribution rate.

Life Expectancy Table
 (1983 GAM-Male Table)
 RP 2000 Table (projected to 2005)

<u>AGE</u>	<u>RP-2005</u>	<u>1983 GAM</u>	<u>AGE</u>	<u>RP-2005</u>	<u>1983 GAM</u>
20	62.3	57.9	45	38.0	33.7
21	61.3	56.9	46	37.1	32.8
22	60.3	55.9	47	36.1	31.9
23	59.4	54.9	48	35.2	31.0
24	58.4	54.0	49	34.2	30.1
25	57.4	53.0	50	33.3	29.2
26	56.4	52.0	51	32.3	28.3
27	55.4	51.0	52	31.4	27.4
28	54.5	50.1	53	30.4	26.5
29	53.5	49.1	54	29.5	25.7
30	52.5	48.1	55	28.6	24.8
31	51.5	47.1	56	27.6	24.0
32	50.5	46.2	57	26.7	23.1
33	49.6	45.2	58	25.8	22.3
34	48.6	44.2	59	24.8	21.5
35	47.6	43.3	60	23.9	20.6
36	46.7	42.3	61	23.0	19.8
37	45.7	41.3	62	22.1	19.0
38	44.7	40.4	63	21.2	18.2
39	43.8	39.4	64	20.3	17.5
40	42.8	38.5	65	19.4	16.7
41	41.9	37.5	66	18.6	15.9
42	40.9	36.6	67	17.7	15.2
43	39.9	35.6	68	16.8	14.5
44	39.0	34.7	69	15.9	13.8

Termination and Retirement Rates
(Annual rates per 1,000 Members)

<u>Age</u>	<u>Termination Rate</u>	<u>Age</u>	<u>Termination Rate</u>	<u>Retirement Rate</u>
20	66.39	50	21.72	0.00
21	62.82	51	19.00	0.00
22	59.75	52	17.02	0.00
23	57.18	53	15.61	0.00
24	55.10	54	14.55	0.00
25	53.46	55	13.78	250.00
26	52.18	56	13.42	150.00
27	51.20	57	13.47	150.00
28	50.43	58	13.84	150.00
29	49.82	59	14.54	150.00
30	49.30	60	15.55	250.00
31	48.81	61	16.87	150.00
32	48.29	62	18.35	400.00
33	47.69	63	20.07	300.00
34	46.97	64	22.07	300.00
35	46.11	65		1000.00
36	45.10			
37	43.96			
38	42.75			
39	41.94			
40	40.41			
41	39.42			
42	38.59			
43	37.82			
44	36.93			
45	35.73			
46	34.03			
47	31.70			
48	28.72			
49	25.19			



Disability Rates
Annual Rates per 1,000 Members

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	6.0	45	22.0
26	6.0	46	25.0
27	6.0	47	28.0
28	6.0	48	33.0
29	6.0	49	38.0
30	6.0	50	46.0
31	6.0	51	57.0
32	6.0	52	69.0
33	6.0	53	80.0
34	7.0	54	91.0
35	7.0	55	102.0
36	8.0	56	113.0
37	8.0	57	125.0
38	9.0	58	137.0
39	10.0	59	149.0
40	11.0	60	320.0
41	13.0	61	355.0
42	15.0	62	400.0
43	17.0		
44	19.0		

