

**Local 25 S.E.I.U. and Participating Employers
Pension Plan**

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



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December 29, 2017

*Board of Trustees
Local 25 S.E.I.U. and Participating Employers Pension Plan
111 East Wacker Drive, 17th Floor
Chicago, IL 60601-4205*

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 October 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 October 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 the supervision of Harold S. Cooper, FSA, MAAA, EA.

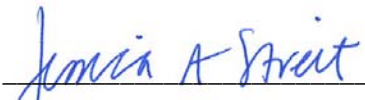
As of October 1, 2017, the Plan is in neither critical status nor endangered status. In addition, the Plan is not projected to be in critical status for any of the succeeding five plan years. This certification is being filed with the Internal Revenue Service, pursuant to ERISA section 305(b)(3) and 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. We are available to assist the Trustees in developing a plan management and funding policy to help guide future planning and oversight.

Sincerely,

Segal Consulting, a Member of the Segal Group

By: 
Jessica A. Streit
Vice President and Benefits Consultant


Harold S. Cooper, FSA, MAAA, EA
Senior Vice President and Actuary

cc: *Mr. Jim McArdle*
Lee Elberts, Esq.



December 29, 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 October 1, 2017 for the following plan:


*Name of Plan: Local 25 S.E.I.U. and Participating Employers Pension Plan
Plan number: EIN 36-6486542 / PN 001
Plan sponsor: Board of Trustees, Local 25, S.E.I.U. and Participating Employers Pension Plan
Address: 111 East Wacker Drive, 17th Floor, Chicago, IL 60601-4205
Phone number: 312.240.1600*

As of October 1, 2017, the Plan is in neither 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
330 N. Brand Blvd., Suite 1100
Glendale, CA 91203
Phone number: (818) 956-6745*

Sincerely,


*Harold S. Cooper, FSA, MAAA
Senior Vice President and Actuary
Enrolled Actuary No. 17-03367*

December 29, 2017

ACTUARIAL STATUS CERTIFICATION AS OF OCTOBER 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 Local 25 S.E.I.U. and Participating Employers Pension Plan as of October 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; differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the October 1, 2016 actuarial valuation, dated June 20, 2017. 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.



Harold S. Cooper, FSA, MAAA
Senior Vice President and Actuary
Enrolled Actuary No. 17-03367

Actuarial Status Certification as of October 1, 2017 under IRC Section 432 for the Local 25 S.E.I.U. and Participating Employers Pension Plan

EIN 36-6486542 / PN 001

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Actuarial Status Certification as of October 1, 2017 under IRC Section 432 for the Local 25 S.E.I.U. and Participating Employers Pension Plan

EIN 36-6486542 / PN 001

EXHIBIT I

Status Determination as of October 1, 2017

Status	Condition	Component Result	Final Result
Critical Status:			
I. Determination of critical status:			
C1.	A funding deficiency is projected in four years?	No	No
C2.	(a) A funding deficiency is projected in five years,	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,	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? (If any of (C1) through (C5) is Yes then Yes).....		No
VII. Determination whether plan is projected to be in critical status in any of the succeeding five plan years:			
C6.	(a) Is not in critical status,	Yes	
	(b) AND is projected to be in critical status in any of the next five years?	No	No
	In Critical Status in any of the five succeeding plan years?		No

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EXHIBIT I (continued)

Status Determination as of October 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? (Yes when either (E1) or (E2) is Yes).....			No
In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)			No
Neither Critical Status Nor Endangered Status:			
Neither Critical nor Endangered Status?			Yes

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**EXHIBIT II
Summary of Actuarial Valuation Projections**

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

I. Financial Information			
1. Market value of assets			\$467,775,501
2. Actuarial value of assets			460,255,314
3. Reasonably anticipated contributions			
a. Upcoming year			21,406,100
b. Present value for the next five years			90,345,291
c. Present value for the next seven years			118,510,665
5. Projected benefit payments			27,462,770
6. Projected administrative expenses (beginning of year)			1,884,576
II. Liabilities			
1. Present value of vested benefits for active participants			167,667,234
2. Present value of vested benefits for non-active participants			280,464,208
3. Total unit credit accrued liability			456,308,187
4. Present value of payments			Total
a. Next five years	Benefit Payments	Administrative Expenses	\$134,907,611
b. Next seven years	\$126,202,523	\$8,705,088	
5. Unit credit normal cost plus expenses	172,496,420	11,723,314	184,219,734
			11,074,784
III. Funded Percentage (I.2)/(II.3)			100.9%
IV. Funding Standard Account			
1. Credit Balance as of the end of prior year			\$89,220,645
2. Years to projected funding deficiency			N/A

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**EXHIBIT III
Funding Standard Account Projections**

The table below present the Funding Standard Account Projections for the following Plan years.

	Year Beginning October 1										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1. Credit balance (BOY)	\$87,977,873	\$89,220,645	\$92,248,587	\$94,056,250	\$97,529,304	\$103,191,452	\$109,706,744	\$117,145,486	\$125,716,806	\$137,254,638	\$152,574,263
2. Interest on (1)	6,378,396	6,468,497	6,688,023	6,819,078	7,070,875	7,481,380	7,953,739	8,493,048	9,114,468	9,950,961	11,061,634
3. Normal cost	9,331,766	9,190,208	9,053,067	8,892,893	8,737,861	8,649,896	8,564,585	8,479,964	8,336,477	7,957,418	7,667,441
4. Administrative expenses	1,829,685	1,884,576	1,941,113	1,999,346	2,059,326	2,121,106	2,184,739	2,250,281	2,317,789	2,387,323	2,458,943
5. Net amortization charges	14,309,593	12,815,776	14,238,856	12,910,181	11,198,895	10,812,363	10,413,443	9,879,358	7,768,772	5,332,095	2,052,398
6. Interest on (3), (4) and (5)	1,846,651	1,732,066	1,829,395	1,725,675	1,594,716	1,564,794	1,534,301	1,494,196	1,335,669	1,136,571	882,962
7. Expected contributions	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100	21,406,100
8. Interest on (7)	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>	<u>775,971</u>
9. Credit balance (EOY): (1) + (2) - (3) - (4) - (5) - (6) + (7) + (8)	\$89,220,645	\$92,248,587	\$94,056,250	\$97,529,304	\$103,191,452	\$109,706,744	\$117,145,486	\$125,716,806	\$137,254,638	\$152,574,263	\$172,756,224

Actuarial Status Certification as of October 1, 2017 under IRC Section 432 for the Local 25 S.E.I.U. and Participating Employers Pension Plan

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EXHIBIT IV

Funding Standard Account – Projected Bases Assumed Established After October 1, 2016

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Actuarial Experience Gain	10/01/2017	(\$2,447,738)	15	(\$254,553)
Actuarial Experience Gain	10/01/2018	(673,527)	15	(70,043)
Actuarial Experience Loss	10/01/2019	815,165	15	84,773
Actuarial Experience Gain	10/01/2020	(5,866,139)	15	(610,049)
Actuarial Experience Gain	10/01/2021	(3,765,202)	15	(391,562)

EXHIBIT VI

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the October 1, 2016 actuarial valuation certificate, dated June 20, 2017, except as specifically described below. 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 ERISA Section 305 and IRC Section 432.

Asset Information:

The market value of assets as of October 1, 2017 was based on the estimated return provided by the Investment Consultant. Contributions, benefit payments, and administrative expenses were based on projections from the October 1, 2016 valuation.

For projections after that date, the assumed administrative expenses were increased by 3% per year and the benefit payments were projected based on the October 1, 2016 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the Plan years ending September 30, 2018 - 2027. 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.

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 assumed to remain level at 9,080 and, on the average, contributions will be made for each active for 2,050 hours each year.

Future Normal Costs:

Based on the assumed industry activity, we have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level at 9,080. New entrants are assumed to have the same demographic mix as actual new hires in the last five years.

Technical Issues:

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.

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