

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan <u>NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES</u>
1b	Three-digit plan number (PN) ▶ <u>001</u>
1c	Effective date of plan <u>01/01/1938</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NLV FINANCIAL CORPORATION</u> <u>ONE NATIONAL LIFE DRIVE</u> <u>MONTPELIER, VT 05604</u>
2b	Employer Identification Number (EIN) <u>03-0359222</u>
2c	Plan Sponsor's telephone number <u>802-229-7161</u>
2d	Business code (see instructions) <u>551112</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2022	MICHELE GRANITZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2022	MICHELE GRANITZ
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☐ Same as Plan Sponsor BENEFITS INVESTMENT AND ADMIN COMMITTEE OF NATIONAL LIFE GROUP ONE NATIONAL LIFE DRIVE MONTPELIER, VT 05604	3b Administrator's EIN 32-0574996 3c Administrator's telephone number 802-229-7161
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1687
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1138 6a(2) 951 6b 197 6c 414 6d 1562 6e 3 6f 1565 6g 6h 75
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021	
A Name of plan NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NLV FINANCIAL CORPORATION	D Employer Identification Number (EIN) 03-0359222

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
NATIONAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
03-0144090	66680	NLGPE	1565	01/01/2021	12/31/2021

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	646286

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year	7b	
c	Additions: (1) Contributions deposited during the year	7c(1)	
	(2) Dividends and credits.....	7c(2)	
	(3) Interest credited during the year.....	7c(3)	
	(4) Transferred from separate account.....	7c(4)	
	(5) Other (specify below)	7c(5)	
	▶		
	(6) Total additions	7c(6)	
d	Total of balance and additions (add lines 7b and 7c(6))	7d	
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
	(2) Administration charge made by carrier.....	7e(2)	
	(3) Transferred to separate account.....	7e(3)	
	(4) Other (specify below)	7e(4)	
	▶		
	(5) Total deductions	7e(5)	
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NLV FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>03-0359222</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2021</u>	
2 Assets:	
a Market value	2a <u>410770848</u>
b Actuarial value	2b <u>386731249</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>722</u> (2) Vested Funding Target <u>176200841</u> (3) Total Funding Target <u>176200841</u>
b For terminated vested participants.....	<u>383</u> <u>26335988</u> <u>26335988</u>
c For active participants	<u>1138</u> <u>71174688</u> <u>73108826</u>
d Total.....	<u>2243</u> <u>273711517</u> <u>275645655</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>5.55</u> %
6 Target normal cost.....	
a Present value of current plan year accruals.....	6a <u>7279743</u>
b Expected plan-related expenses	6b <u>350000</u>
c Total (line 6a + line 6b)	6c <u>7629743</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>09/29/2022</u> Date
<u>THOMAS A. HARRIGAN</u> Signature of actuary		<u>20-05657</u> Most recent enrollment number
<u>EMPOWER</u> Type or print name of actuary		<u>860-534-7701</u> Telephone number (including area code)
<u>280 TRUMBULL STREET</u> <u>HARTFORD, CT 06103-2975</u> Firm name		
<u>Address of the firm</u>		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	285924	1615955
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	285924	1615955
10 Interest on line 9 using prior year's actual return of <u>13.31</u> %	38056	215084
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.35</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	323980	1831039

Part III Funding Percentages

14 Funding target attainment percentage	14	139.51 %
15 Adjusted funding target attainment percentage	15	139.51 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	129.41 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.36 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

3

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years..... **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29)..... **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c)..... **31a** 7629743**b** Excess assets, if applicable, but not greater than line 31a **31b** 7629743**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 0 Installment 0**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount..... **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)..... **34** 0**35** Balances elected for use to offset funding requirement Carryover balance 0 Prefunding balance 0 Total balance 0**36** Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances..... **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NLV FINANCIAL CORPORATION	D Employer Identification Number (EIN) 03-0359222

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

☒ Yes

☐ No
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL INSURANCE CO OF AMERICA

22-1211670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	183803	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 NLV FINANCIAL CORPORATION		
D Employer Identification Number (EIN) 03-0359222		

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	8322593	242795
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	2836219
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	369779089	358135305
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	29778406	29092723
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	116386	93494
(15) Other.....	1c(15)	2772522	2990589

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	410768996 393391125
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	-1853 18375
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	-1853 18375
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	410770849 393372750

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers).....	2a(1)(C)	
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	0
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	
	(F) Other	2b(1)(F)	3214
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	3214
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	2494894
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	2494894

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2498108
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	19456106	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		19456106
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	295019	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	145082	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		440101
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		19896207
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-17398099
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MCSOLEY MCCOY & CO

(2) EIN: 03-0327374

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 439093.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NLV FINANCIAL CORPORATION	D Employer Identification Number (EIN) 03-0359222

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	44

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: 92 % High-Yield Debt: _____% Real Estate: _____% Other: 8 %

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Financial Statements and Schedule

(With Independent Auditors' Report)

December 31, 2021 and 2020

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
December 31, 2021 and 2020

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Independent Auditors' Report

To the Benefits Investment and Administration Committee
National Life Group Pension Plan for Employees
Montpelier, Vermont

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying financial statements of National Life Group Pension Plan for Employees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for plan benefits and the statements of accumulated plan benefits as of December 31, 2021, and the related statement of changes in net assets available for plan benefits and statements of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Life Group Pension Plan for Employees and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Life Group Pension Plan for Employees' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Life Group Pension Plan for Employees' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Life Group Pension Plan for Employees' ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed

to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter — Report on the 2020 Financial Statements

We were engaged to audit the statement of net assets available for plan benefits and the statement of accumulated plan benefits of the Plan as of December 31, 2020 and the related statement of changes in net assets available for plan benefits and statements of accumulated plan benefits for the year then ended. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by the qualified institution. Our audit report, dated October 6, 2021, indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the information certified by the qualified institution were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

McSoley McCoy & Co.

South Burlington, Vermont
September 16, 2022
VT Reg. No. 92-349

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Net Assets Available for Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Investments at fair value	\$ 393,372,750	\$ 410,770,848
Net assets available for plan benefits	<u>\$ 393,372,750</u>	<u>\$ 410,770,848</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Changes in Net Assets Available for Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions to net assets attributed to:		
Investment income:		
Net appreciation of the pooled separate account	\$ 2,494,895	\$ 49,389,316
Interest income	3,214	4,886
	<u>2,498,109</u>	<u>49,394,202</u>
Total investment income		
	2,498,109	49,394,202
Total additions		
	2,498,109	49,394,202
Deductions from net assets attributed to:		
Benefit payments to participants and beneficiaries	19,456,106	19,145,411
Professional fees, Pension Benefit Guarantee Corporation (PBGC) premiums, and other expenses	440,101	541,832
	<u>19,896,207</u>	<u>19,687,243</u>
Total deductions		
	19,896,207	19,687,243
(Decrease) increase in net assets available for plan benefits	(17,398,098)	29,706,959
Net assets available for plan benefits:		
Beginning of year	410,770,848	381,063,889
End of year	<u>\$ 393,372,750</u>	<u>\$ 410,770,848</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Accumulated Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Accumulated plan benefits:		
Actuarial present value of vested benefits:		
Retired participants and beneficiaries currently receiving payments	\$ 199,960,232	\$ 187,074,413
Other vested participants	<u>108,355,694</u>	<u>107,359,895</u>
Total actuarial present value of vested benefits	308,315,926	294,434,308
Actuarial present value of nonvested benefits	<u>2,372,566</u>	<u>2,830,295</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 310,688,492</u>	<u>\$ 297,264,603</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Changes in Accumulated Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net increase in actuarial present value of accumulated plan benefits:		
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial experience	\$ 9,852,241	\$ 9,438,263
Increase in liability due to decrease in discount period	14,382,760	14,558,741
Change in assumptions	8,644,994	8,270,661
Benefit payments	<u>(19,456,106)</u>	<u>(19,145,411)</u>
Net increase in actuarial present value of accumulated plan benefits	13,423,889	13,122,254
Actuarial present value of accumulated plan benefits		
Beginning of year	<u>297,264,603</u>	<u>284,142,349</u>
End of year	<u><u>\$ 310,688,492</u></u>	<u><u>\$ 297,264,603</u></u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(1) Description of the Plan

The following brief description of the National Life Group Pension Plan for Employees (the "Plan") is provided for informational purposes only.

The Plan is a noncontributory defined benefit pension plan that was established on January 1, 1938. It provides retirement benefits for eligible employees of the National Life Group companies ("National Life"). The Plan was amended, effective January 1, 2021, to close the plan to new participants. No new participants will be admitted to the Plan after December 31, 2020, however, additional service and contributions will be credited to current active participants.

The Plan is administered by the Benefits Investment and Administration Committee of National Life (the "Plan Administrator"). The same committee is the plan fiduciary responsible for oversight of the investments used to fund the Plan in accordance with the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

- (a) Eligibility - Eligibility is limited to employees of any of the companies of the National Life Group, who were hired prior to January 1, 2021 and have the employment classification of "with benefits".
- (b) Funding Policy - Employer contributions are determined based on actuarial calculations using the method specified by Internal Revenue Code section 430 in order to provide sufficient assets to meet the benefits to be paid to Plan members. The yield on investments of the Plan serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. There were no contributions made for the years ended December 31, 2021 or 2020.
- (c) Pension Benefits - The level of benefits is based primarily on the participant's length of service and level of compensation prior to termination of service, and the participant's age and the present value of the benefits when payments begin. Depending on the participant's employer and start date of employment, the benefit may consist of an account balance benefit, an annuity benefit, or a combination of both.

Employees of National Life whose most recent plan entry date was on or before June 30, 2001 are annuity benefit participants.

Any benefit to which an annuity benefit participant or beneficiary is entitled under this Plan will be based on the annuity benefit participant's vested accrued benefit calculated as of the date of termination/retirement.

Annuity benefit participants earn an annuity benefit equal to the sum of:

- 1.6% of final average salary (up to average compensation limits as defined by the Plan) and 2.25% of final average salary (in excess of average compensation limits as defined by the Plan) for each year of service, subject to a maximum benefit of 60% of final average salary; and
- 0.3% of final average salary for each year of participation prior to 1989, subject to a maximum of 10% of final average salary.

Recognized salary may not exceed the maximums specified by law.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

Retirement benefits are generally paid to an annuity benefit participant after termination from service and between the ages of 55 and 65, as elected by the participant. Benefits must begin to be paid to a participant who works beyond age 65 upon termination from service. If an annuity benefit participant terminates from service prior to age 55, and the value of the participant's vested benefit is not more than \$25,000, the participant may elect to receive the benefit at that time in either the normal form or as a cash lump sum. A pre-retirement death benefit is also provided to beneficiaries of annuity benefit participants who die prior to beginning to receive retirement benefits.

All other employees of the companies of the National Life Group, hired prior to January 1, 2021, participating in the Plan are account balance participants.

Account balance participants receive an account balance benefit equal to the value of the participant's vested account balance at the time benefit payments begin. The notional account balance is credited with annual compensation credits and interest credits. The annual compensation credits range from 2.75% to 6.5% of pay up to 50% of the current social security taxable wage base, plus 5.5% to 13.0% of pay in excess of 50% of the current social security taxable wage base, depending upon the participant's age, service, and compensation levels. Interest credits are based on the yields on 30-Year Treasury bonds, with a minimum interest rate of 2.80%. Except that in the event of the termination of the Plan, (1) after the date of termination the interest crediting rate used to determine the Participant's Accrued Benefit shall be equal to the arithmetic average of the rates used in determining Credited Interest for the 5-year period ending on the date of Plan termination, with each rate adjusted to reflect the length of the interest crediting period, and the average expressed as an annual interest rate; and (2) in determining the amount of any Account Balance Benefit under the Plan payable in the form of an annuity payable at normal retirement age, the interest rate shall be the average interest rate specified in the preceding clause and the mortality table used shall be the mortality table specified in the definition of Actuarial Equivalent above to be used for this purpose.

Retirement benefits are payable to account balance participants at any time after termination from service and until the participant attains age 65, as elected by the participant. Benefits must begin to be paid to a participant who works beyond age 65 upon termination from service. A pre-retirement death benefit is also provided to beneficiaries of account balance participants who die prior to beginning to receive retirement benefits.

- (d) Vesting - After three years of service, upon reaching age 55, or upon death, a participant's benefits are 100% vested. Any nonvested portion of a participant's accrued benefit will be forfeited upon the termination from service of the participant.

(2) Summary of Significant Accounting Policies

- (a) Accrual basis - These financial statements are presented using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
- (b) Use of estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

- (c) Investments - The Plan's investments are stated at fair value. Contributions to the Plan are invested in a group variable annuity contract held in the general account of National Life and in a pooled separate account called National Life Separate Account II ("Separate Account II").

The contributions in the general account are commingled with other assets of National Life and are carried at fair value by the Plan at year-end, which, principally because of the periodic rate reset process, approximates contract value, including accrued interest. The general account has no deposit or withdrawal restrictions/penalties, and National Life can reset the interest rate of the general account at its discretion. Interest on the contributions held in the general account is included in interest income and accumulates from the effective date of the transaction. The interest rate credited to the contributions held in the general account was 3.11% and 2.65% for the years ended December 31, 2021 and 2020, respectively.

Separate Account II is a pooled separate account established as a funding vehicle for corporate retirement programs sponsored by National Life. Separate account funds are segregated into accounts with specific investment objectives. The investment in Separate Account II is presented at fair value as measured by the net unit value. For additional information on the fair values of the general and separate accounts, see Note 8 "Fair Value Measurements".

The Plan's net investment income reflects interest credited according to the terms of the group variable annuity contract and the net appreciation (depreciation) of its investment in Separate Account II.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

- (d) Expenses of the Plan - Certain Plan expenses, such as Pension Benefit Guaranty Corporation ("PBGC") premiums, actuary fees, and similar professional fees, are paid from Plan assets. All other administrative fees of the Plan are from plan assets and by National Life.
- (e) Risks and Uncertainties - The Plan provides for investments in securities in the separate and general accounts. These investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' pension benefits and the amounts reported in the statements of net assets available for plan benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

- (f) Payment of Benefits - Benefits are recorded when paid.

(3) Actuarial Present Value of Accumulated Plan Benefits

Under the Plan's provisions, accumulated plan benefits are those future benefit payments attributable to the service employees have rendered to date and, therefore, do not reflect projected salary increases from the current period to retirement. Accumulated plan benefits include benefits expected to be paid to retired and terminated employees and their beneficiaries, disabled employees and their beneficiaries, beneficiaries of

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

employees who have died, and present employees and their beneficiaries. Retirement benefits for annuity benefit participants under the Plan are based on employees' average monthly compensation for the highest 60 consecutive months during the last 120 months of credited service. The accumulated plan benefits for active employees are based on their average annual compensation during the years ending on the date as of which the benefit information is presented (the valuation date). The accumulated plan benefits for account balance participants are based on the account balance amounts that they have earned during the years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of incidence factors for death, withdrawal, and retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in developing the value of accumulated plan benefits as of December 31, 2021 (January 1, 2022) and December 31, 2020 (January 1, 2021) were:

- life expectancy of participants (the Pri-2012 White Collar Employee/Contingent Survivor Mortality Table with Scale MP-2021 as of 12/31/2021 and the Pri-2012 White Collar Employee/Contingent Survivor Mortality Table with Scale MP-2020 as of 12/31/2020),
- retirement age assumptions (the assumed weighted average retirement age was 63 for Actives and 65 for Term Vesteds in both 2021 and 2020), termination age assumptions, salary scale assumptions,
- and investment return (the valuation included an assumed average rate of return, net of investment expenses, of 4.75% as of 1/1/2022 and 5.00% as of 1/1/2021).

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors could be applicable in determining the actuarial present value of accumulated plan benefits.

(4) Certified Financial Information (unaudited)

The investment balance and related investment information included in the financial statements, accompanying notes, and supplemental schedule are derived from statements which have been certified by the insurance carrier, National Life Insurance Company, as of and for the years ended December 31, 2021 and 2020 as complete and accurate in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, as permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the auditors not to perform any auditing procedures with respect to the information certified by the insurance carrier of the Plan, except for comparing such information to the related information included in the accompanying financial statements and supplemental schedule. The Plan Administrator has obtained a certification from the insurance carrier that the information provided to the Plan Administrator by the insurance carrier is complete and accurate.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(5) Plan Termination

NLV Financial Corporation, the Plan sponsor, expects to maintain the Plan indefinitely but reserves the right to amend or terminate the Plan at any time. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or those employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years.

The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

- (b) Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations (discussed below).
- (c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (d) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2021 and 2020 that ceiling was \$6,034 and \$5,813 per month, respectively. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Should the Plan terminate at some future time, the participants' benefits would depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and on the level of benefits guaranteed by the PBGC.

(6) Tax Status of Plan

The Plan has adopted the Volume Submitter Defined Benefit Plan sponsored by Prudential Retirement, which obtained its latest determination letter on March 30, 2018, in which the Internal Revenue Service stated that the prototype was in compliance with the applicable requirements of the Internal Revenue Code. The Plan varies in certain aspects from the prototype. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*, requires entities to disclose in their financial statements the nature of any uncertainty in their tax positions. For tax exempt entities, tax-exempt

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes the Plan has no uncertain tax positions. The Plan anticipates that it will not have a change in uncertain tax positions during the next twelve months that could have a material impact on the Plan's financial statements. If necessary, the Plan would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2018.

(7) Related Party Transactions

The group variable annuity is a contract entered into with National Life. National Life is the insurance carrier of the Plan and, therefore, these transactions qualify as party-in-interest transactions. There were no fees paid to National Life during 2021 and 2020.

(8) Fair Value Measurements

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

U.S. GAAP requires consideration of three broad valuation techniques (i) the market approach, (ii) the income approach, and (iii) the cost approach. ASC 820 requires that entities determine the most appropriate valuation technique to use, given what is being measured and the availability of sufficient inputs. ASC 820 prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available. The Plan assets and liabilities are categorized into a three-level hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Plan assets and liabilities as of December 31, 2021 and 2020 are categorized as follows:

Level 1 - Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date. The types of assets utilizing Level 1 inputs include cash.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data (market-corroborated inputs). The Company considers the group annuity and corporate bonds Level 2 as market activity is not deemed to be substantial enough to warrant classification as an active market.

Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs. Currently, there are no level 3 assets.

Valuation Techniques

Corporates – Corporate bonds are valued using cash flow models based on appropriate observable inputs such as market quotes, yield curves, interest rates, and spreads. Corporate bonds are categorized as Level 2 in the fair value hierarchy. Bond mutual funds that have a readily determinable NAV are not categorized in the fair value hierarchy.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

Partnerships - Investments in limited partnerships do not have a readily determinable fair value, and, as such, the Company values them at its pro-rata share of the limited partnership's NAV, or its equivalent. Investments in limited partnerships are not categorized in the fair value hierarchy.

Group annuity - This category consists of an investment in a National Life group variable annuity contract. The contract is carried at amortized cost, which approximates fair value. These assets are categorized in Level 2 of the hierarchy.

The valuation of plan assets as of December 31 is as follows:

Fair Value Hierarchy Table
December 31, 2021

	Level 1	Level 2	Level 3	Total
2021 Fair Value				
Assets				
Corporates (1)	\$ —	\$ 361,107,519	\$ —	\$ 361,107,519
Cash	242,795	—	—	242,795
Group annuity	—	93,494	—	93,494
Total plan assets* (1)	<u>\$ 242,795</u>	<u>\$ 361,201,012</u>	<u>\$ —</u>	<u>\$ 361,443,807</u>

*Total plan assets of \$361,443,807 differ from the total investments on the Statements of Net Assets Available for Plan Benefits of \$393,372,750. The difference was attributable to net assets and liabilities that were not carried at fair value and certain assets that were measured at fair value using NAV, which are not categorized within the fair value hierarchy (see note (1) below).

Fair Value Hierarchy Table
December 31, 2020

	Level 1	Level 2	Level 3	Total
2020 Fair Value				
Assets				
Corporates (1)	\$ —	\$ 350,835,507	\$ —	\$ 350,835,507
Cash	8,322,593	—	—	8,322,593
Group annuity	—	116,386	—	116,386
Total plan assets* (1)	<u>\$ 8,322,593</u>	<u>\$ 350,951,893</u>	<u>\$ —</u>	<u>\$ 359,274,487</u>

*Total plan assets of \$359,274,487 differ from the total investments on the Statements of Net Assets Available for Plan Benefits of \$410,770,848. The difference was attributable to net assets and liabilities that were not carried at fair value and certain assets that were measured at fair value using NAV, which are not categorized within the fair value hierarchy (see note (1) below).

1. In accordance with ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, certain investments that are measured at fair value using NAV (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. As of December 31, 2021, the fair value of these investments in short term cash equivalents and partnerships were \$2,836,220 and \$29,092,723, respectively. As of December 31, 2020, the fair value of these investments in corporate stocks and partnerships were \$21,718,147 and \$29,778,406, respectively. The remaining net assets and liabilities that were not carried at fair value were \$0 and \$192 as of December 31, 2021 and 2020, respectively.

(9) Withdrawing Participants

All participants who have withdrawn from the Plan and have requested their benefits have been paid as of December 31, 2021.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(10) Subsequent Events

The Plan evaluated subsequent events through September 16, 2022, the date the Plan's financial statements were made available to be used.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

Plan Sponsor: NLV Financial Corporation
Sponsor's EIN: 03-0359222
Plan number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	National Life Insurance Company			
	group variable annuity contract:			
*	Separate Account II,			
	a pooled separate account	299,135,187.71 units	\$ 338,255,031	\$ 393,279,256
*	General account	3.11%, 93,494 units	93,494	93,494
				<u>\$ 393,372,750</u>
*	Parties in interest			

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NLV FINANCIAL CORPORATION	D Employer Identification Number (EIN) 03-0359222	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information				
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2021</u>				
2 Assets:				
a Market value	2a	410,770,848		
b Actuarial value	2b	386,731,249		
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target	
a For retired participants and beneficiaries receiving payment.....	722	176,200,841	176,200,841	
b For terminated vested participants.....	383	26,335,988	26,335,988	
c For active participants	1,138	71,174,688	73,108,826	
d Total.....	2,243	273,711,517	275,645,655	
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐				
a Funding target disregarding prescribed at-risk assumptions	4a			
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b			
5 Effective interest rate	5	5.55 %		
6 Target normal cost.....				
a Present value of current plan year accruals.....	6a	7,279,743		
b Expected plan-related expenses	6b	350,000		
c Total (line 6a + line 6b)	6c	7,629,743		

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	TAH Thomas A Harrigan _____ Signature of actuary Thomas A. Harrigan _____ Type or print name of actuary Empower _____ Firm name 280 Trumbull Street Hartford _____ Address of the firm	<u>9/29/2022</u> Date 20-05657 Most recent enrollment number (860)534-7701 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2021
v. 210624

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	285,924	1,615,955
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	285,924	1,615,955
10 Interest on line 9 using prior year's actual return of <u>13.31</u> %	38056	215084
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.35</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	323,980	1831039

Part III Funding Percentages

14 Funding target attainment percentage	14	139.51%
15 Adjusted funding target attainment percentage	15	139.51%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	129.41%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.36 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

3

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c) **31a** 7,629,743**b** Excess assets, if applicable, but not greater than line 31a **31b** 7,629,743**32** Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment 0 0**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 0

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement 0 0 0**36** Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

National Life Group Pension Plan for Employees

EIN/PN: 03-0359222/001

1/1/2021

Line 22 – Description of Weighted Average Retirement Age

Cash Balance Active Participants

A	B	C	D	
Retirement Age	Population	Retirement Rate	Number Retiring	A * D
55	100.00	5%	5.00	275.00
56	95.00	5%	4.75	266.00
57	90.25	5%	4.51	257.21
58	85.74	5%	4.29	248.64
59	81.45	5%	4.07	240.28
60	77.38	5%	3.87	232.13
61	73.51	5%	3.68	224.20
62	69.83	5%	3.49	216.48
63	66.34	5%	3.32	208.98
64	63.02	5%	3.15	201.68
65	59.87	50%	29.94	1,945.90
66	29.94	50%	14.97	987.92
67	14.97	100%	14.97	1,002.88
				<u>6,307.31</u>

Average Ret Age	63.1
Count	1,028

Annuity Active Participants

A	B	C	D	
Retirement Age	Population	Retirement Rate	Number Retiring	A * D
55	100.00	10%	10.00	550.00
56	90.00	10%	9.00	504.00
57	81.00	10%	8.10	461.70
58	72.90	10%	7.29	422.82
59	65.61	10%	6.56	387.10
60	59.05	25%	14.76	885.74
61	44.29	25%	11.07	675.37
62	33.22	25%	8.30	514.83
63	24.91	25%	6.23	392.35
64	18.68	25%	4.67	298.94
65	14.01	100%	14.01	910.82
				<u>6,003.67</u>

Average Ret Age	60.0
Count	110

Weighted Average	62.8
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SECTION VII

ACTUARIAL METHODS

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2025	95% - 105%
2026	90% - 110%
2027	85% - 115%
2028	80% - 120%
2029	75% - 125%
2030 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 3-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII

ACTUARIAL METHODS

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 8 quarters prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

SECTION VII

ACTUARIAL ASSUMPTIONS

The actuarial assumptions as of January 1, 2021 used in this report are:

Discount Rate	With Interest Rate <u>Stabilization</u>	Without Interest Rate <u>Stabilization</u>	<u>ASC 960</u>
Effective Rate	5.55%	3.45%	5.00%
First Segment – First 5 Years	4.75%	2.11%	N/A
Second Segment – Next 15 Years	5.36%	3.30%	N/A
Third Segment – After 20 Years	6.11%	3.86%	N/A

Mortality

Funding:

IRS 2021 Static Mortality Table (male)
 IRS 2021 Static Mortality Table (female)

ASC 960:

Pri-2012 White Collar Mortality Table with Scale MP-2020

Termination

(For Cash Balance Actives)

<u>Age</u>	<u>Rate</u>
< 27	20%
27 – 54	10%

Termination

(For Annuity Actives)

50% of Crocker – Sarason – Straight T4

Retirement Age

(For Cash Balance Actives)

<u>Age</u>	<u>Rate</u>
55-64	5%
65-66	50%
>66	100%

Retirement Age

(For Annuity Actives)

<u>Age</u>	<u>Rate</u>
55-59	10%
60-64	25%
>64	100%

Retirement Age

(for Term Vesteds)

65

Salary Scale

(for Cash Balance Actives)

<u>Age</u>	<u>Increase</u>
<37	8.0%
37-41	6.5%
42-59	3.5%
>59	2.0%

Salary Scale

(for Annuity Actives)

4.00%

SECTION VII

ACTUARIAL ASSUMPTIONS

Credited Interest (Pre-2017) 4.88%

Credited Interest (Post-2016)	<u>Year</u>	<u>Rate</u>
	1	2.80%
	2	2.80%
	3	3.00%
	4	3.25%
	5	3.50%
	6	3.75%
	7	4.00%
	8	4.25%
	9+	4.50%

Investment Return 5.00%

Estimated Expenses \$350,000

SECTION VII

PLAN PROVISIONS

Plan Effective Date	January 1, 1938
Plan Year	January 1 through December 31
Participation Eligibility	Classification as Eligible employee. New Participants as of July 1, 2001 and later receive an Account Balance Benefit. Others receive an Annuity Benefit.
Normal Retirement Date	1st of the month coinciding with or following age 65.
Actuarial Equivalence	Based on the Applicable Interest Rate for the September that precedes the Plan year of determination and the Applicable Mortality Table for the Plan year, as specified by the IRS.
Covered Compensation	Average of 35 year of maximum Social Security Taxable Wage bases, based on year of birth.
Pre-Retirement Death Benefit	
<i>Married Participants</i>	100% QPSA
<i>Participants not married, or married and opting out of QPSA with spousal consent</i>	Present value of full accrued benefit payable immediately as a lump sum.
Vesting Schedule	100% after 3 years, or if earlier, attainment of early retirement eligibility.
<u>Annuity Plan Provisions</u>	For “Class ON” participants who, in their current period of employment, were hired before July 1, 2001.
Normal Retirement Benefit	Sum of (a) and (b) (a) Regular: 1.6% of Average Compensation up to Average Covered Compensation plus 2.25% of excess times years of participation. For each year of participation over 35, 1.6% of Participant’s Average Compensation. The maximum Annuity Benefit which a Participant may accrue under this subsection is limited to 60% of Average Compensation. plus (b) Transition: 0.3% of Average Compensation times years of participation prior to 1989, up to a maximum of 10% of Average Compensation.
415 Dollar Limit	\$230,000 in 2021
401(a)(17) Compensation Limit	\$290,000 in 2021

SECTION VII

PLAN PROVISIONS

Average Compensation	Highest consecutive 60 months of compensation during the 10 years prior to the annuity starting date.
Early Retirement	Age 55. Accrued Benefit at normal retirement age is reduced by 1/3% for each of the first 60 months and 1/2% for each of the next 60 months by which retirement precedes the normal retirement date.
Special Early Retirement	Enhancement for those early retirees age 55 or more with at least 20 years of service. The actuarial equivalent of the benefit payment at normal retirement date is compared to their accrued benefit multiplied by a percentage equal to attained age plus completed years of service, not to exceed 100%, and the larger of these is the early retirement benefit amount.
Normal Benefit Payment Form	Life Annuity for single participants and 100% Qualified Joint and Survivor Annuity for married participants.
Deferred Retirement	Benefit equal to Accrued Benefit at deferred retirement date. Accrued Benefit is adjusted for commencement after age 65.
Disability Retirement	The benefit beginning at age 65 is calculated as the normal retirement benefit using the average salary, covered compensation and benefit service at date of disability and all years of service including those disabled for vesting and accrual purposes.
<u>Cash Balance Plan Provisions</u>	For “Class NN” Participants who, in their current period of employment, were hired on or after July 1, 2001.
Accrued Benefit	Current value of participant’s Annual Allocations plus Credited Interest.
Allocation Formula	Applicable Percentage times Compensation, plus Applicable Percentage times Compensation, if any, in excess of 50% of the Social Security Taxable Wage Base (TWB).

SECTION VII

PLAN PROVISIONS

Applicable Percentage

Prior to 1/1/2017:

<u>Points*</u>	<u>Percentage Applied to Compensation Below ½ the TWB</u>	<u>Percentage Applied to Compensation Above ½ the TWB</u>
Less than 30	2.00%	4.00%
30 – 39	2.75%	5.50%
40 – 49	3.50%	7.00%
50 – 59	4.50%	9.00%
60 – 69	5.50%	11.00%
70 or more	6.50%	13.00%

On or After 1/1/2017:

<u>Points*</u>	<u>Percentage Applied to Compensation Below ½ the TWB</u>	<u>Percentage Applied to Compensation Above ½ the TWB</u>
Less than 30	2.75%	5.50%
30 – 39	3.25%	6.50%
40 – 49	3.75%	7.50%
50 – 59	4.50%	9.00%
60 – 69	5.50%	11.00%
70 or more	6.50%	13.00%

*Attained age plus completed years of participation as of determination date.

Determination Date

December 31st of plan year or date of termination, if earlier.

Compensation

Pensionable Compensation

Credited Interest

30 year treasury for the September which precedes the Plan Year, with a minimum rate of 4.88% for balances accrued before 1/1/2017, and a minimum rate of 2.80% for balances accrued on or after 1/1/2017. For 2021, the interest crediting rate is 1.42%.

Normal Form

Life Annuity for single participants and 100% Qualified Joint and Survivor Annuity for married participants.

Disability Retirement

Full Accrued benefit payable as a Lump Sum

Taxable Wage Base

\$142,800 for 2021

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

Effective with this valuation, the interest rate relief provision of the American Rescue Plan Act of 2021 was reflected.

Changes in Actuarial Assumptions

Effective with this valuation, the expense load assumption was updated from \$250,000 to \$350,000.

The projected cash balance interest crediting rate for allocations earned after 2016 was updated to better reflect anticipated experience.

For ASC 960 purposes, the discount rate was updated from 5.3% to 5.0%, and the mortality table was updated from the Pri-2012 White Collar Mortality Table with Scale MP-2019 to the Pri-2012 White Collar Mortality Table with Scale MP-2020.

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

SECTION VII DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Participants as of January 1, 2021 – Distribution by Age and Service

Active participant counts and average compensation are shown below. Compensation reflects the IRS 401(a)(17) limitations. For cells with less than 20 participants, average compensation has been omitted.

Attained Age	Years of Credited Service										Total
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	
Under 25	22	40									62
	27,565	48,834									41,287
25-29	25	120	21								166
	33,200	55,580	67,306								53,693
30-34	10	109	54	7	1						181
		69,760	92,206								74,717
35-39	10	59	36	24	7						136
		92,257	119,335	135,097							103,609
40-44	9	51	29	16	16	1					122
		106,943	128,589								106,918
45-49	7	46	35	15	10	6	4				123
		109,057	128,313								116,273
50-54	6	36	28	14	12	9	6	17			128
		120,839	118,595								113,714
55-59	3	23	21	21	13	12	3	16	14		126
		122,531	121,457	117,756							109,935
60-64	2	8	14	10	19	5	1	3	12		74
											104,866
65-69	1	2	6	4	4	1		1			19
70 +						1					1
Total	95	494	244	111	82	35	14	37	26		1,138
	38,202	81,885	111,796	125,862	102,159	104,905		96,665	88,821		92,169

SECTION VII DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Participants as of January 1, 2021 – Distribution by Age and Service

Active participant counts and average compensation are shown below. Compensation reflects the IRS 401(a)(17) limitations. For cells with less than 20 participants, average compensation has been omitted.

Attained Age	Years of Credited Service										Total
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	
Under 25	22	40									62
	27,565	48,834									41,287
25-29	25	120	21								166
	33,200	55,580	67,306								53,693
30-34	10	109	54	7	1						181
		69,760	92,206								74,717
35-39	10	59	36	24	7						136
		92,257	119,335	135,097							103,609
40-44	9	51	29	16	16	1					122
		106,943	128,589								106,918
45-49	7	46	35	15	10	6	4				123
		109,057	128,313								116,273
50-54	6	36	28	14	12	9	6	17			128
		120,839	118,595								113,714
55-59	3	23	21	21	13	12	3	16	14		126
		122,531	121,457	117,756							109,935
60-64	2	8	14	10	19	5	1	3	12		74
											104,866
65-69	1	2	6	4	4	1		1			19
70 +						1					1
Total	95	494	244	111	82	35	14	37	26		1,138
	38,202	81,885	111,796	125,862	102,159	104,905		96,665	88,821		92,169

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Financial Statements and Schedule

(With Independent Auditors' Report)

December 31, 2021 and 2020

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
December 31, 2021 and 2020

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Independent Auditors' Report

To the Benefits Investment and Administration Committee
National Life Group Pension Plan for Employees
Montpelier, Vermont

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying financial statements of National Life Group Pension Plan for Employees (the “Plan”), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for plan benefits and the statements of accumulated plan benefits as of December 31, 2021, and the related statement of changes in net assets available for plan benefits and statements of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan’s financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors’ Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Life Group Pension Plan for Employees and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Life Group Pension Plan for Employees' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Life Group Pension Plan for Employees' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Life Group Pension Plan for Employees' ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed

to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter — Report on the 2020 Financial Statements

We were engaged to audit the statement of net assets available for plan benefits and the statement of accumulated plan benefits of the Plan as of December 31, 2020 and the related statement of changes in net assets available for plan benefits and statements of accumulated plan benefits for the year then ended. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by the qualified institution. Our audit report, dated October 6, 2021, indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the information certified by the qualified institution were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

McSoley McCoy & Co.

South Burlington, Vermont
September 16, 2022
VT Reg. No. 92-349

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Net Assets Available for Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Investments at fair value	\$ 393,372,750	\$ 410,770,848
Net assets available for plan benefits	<u>\$ 393,372,750</u>	<u>\$ 410,770,848</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Changes in Net Assets Available for Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions to net assets attributed to:		
Investment income:		
Net appreciation of the pooled separate account	\$ 2,494,895	\$ 49,389,316
Interest income	3,214	4,886
	<u>2,498,109</u>	<u>49,394,202</u>
Total investment income		
	2,498,109	49,394,202
Total additions		
	2,498,109	49,394,202
Deductions from net assets attributed to:		
Benefit payments to participants and beneficiaries	19,456,106	19,145,411
Professional fees, Pension Benefit Guarantee Corporation (PBGC) premiums, and other expenses	440,101	541,832
	<u>19,896,207</u>	<u>19,687,243</u>
Total deductions		
	19,896,207	19,687,243
(Decrease) increase in net assets available for plan benefits	(17,398,098)	29,706,959
Net assets available for plan benefits:		
Beginning of year	410,770,848	381,063,889
End of year	<u>\$ 393,372,750</u>	<u>\$ 410,770,848</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Accumulated Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Accumulated plan benefits:		
Actuarial present value of vested benefits:		
Retired participants and beneficiaries currently receiving payments	\$ 199,960,232	\$ 187,074,413
Other vested participants	<u>108,355,694</u>	<u>107,359,895</u>
Total actuarial present value of vested benefits	308,315,926	294,434,308
Actuarial present value of nonvested benefits	<u>2,372,566</u>	<u>2,830,295</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 310,688,492</u>	<u>\$ 297,264,603</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Changes in Accumulated Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net increase in actuarial present value of accumulated plan benefits:		
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial experience	\$ 9,852,241	\$ 9,438,263
Increase in liability due to decrease in discount period	14,382,760	14,558,741
Change in assumptions	8,644,994	8,270,661
Benefit payments	<u>(19,456,106)</u>	<u>(19,145,411)</u>
Net increase in actuarial present value of accumulated plan benefits	13,423,889	13,122,254
Actuarial present value of accumulated plan benefits		
Beginning of year	<u>297,264,603</u>	<u>284,142,349</u>
End of year	<u><u>\$ 310,688,492</u></u>	<u><u>\$ 297,264,603</u></u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(1) Description of the Plan

The following brief description of the National Life Group Pension Plan for Employees (the "Plan") is provided for informational purposes only.

The Plan is a noncontributory defined benefit pension plan that was established on January 1, 1938. It provides retirement benefits for eligible employees of the National Life Group companies ("National Life"). The Plan was amended, effective January 1, 2021, to close the plan to new participants. No new participants will be admitted to the Plan after December 31, 2020, however, additional service and contributions will be credited to current active participants.

The Plan is administered by the Benefits Investment and Administration Committee of National Life (the "Plan Administrator"). The same committee is the plan fiduciary responsible for oversight of the investments used to fund the Plan in accordance with the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

- (a) Eligibility - Eligibility is limited to employees of any of the companies of the National Life Group, who were hired prior to January 1, 2021 and have the employment classification of "with benefits".
- (b) Funding Policy - Employer contributions are determined based on actuarial calculations using the method specified by Internal Revenue Code section 430 in order to provide sufficient assets to meet the benefits to be paid to Plan members. The yield on investments of the Plan serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. There were no contributions made for the years ended December 31, 2021 or 2020.
- (c) Pension Benefits - The level of benefits is based primarily on the participant's length of service and level of compensation prior to termination of service, and the participant's age and the present value of the benefits when payments begin. Depending on the participant's employer and start date of employment, the benefit may consist of an account balance benefit, an annuity benefit, or a combination of both.

Employees of National Life whose most recent plan entry date was on or before June 30, 2001 are annuity benefit participants.

Any benefit to which an annuity benefit participant or beneficiary is entitled under this Plan will be based on the annuity benefit participant's vested accrued benefit calculated as of the date of termination/retirement.

Annuity benefit participants earn an annuity benefit equal to the sum of:

- 1.6% of final average salary (up to average compensation limits as defined by the Plan) and 2.25% of final average salary (in excess of average compensation limits as defined by the Plan) for each year of service, subject to a maximum benefit of 60% of final average salary; and
- 0.3% of final average salary for each year of participation prior to 1989, subject to a maximum of 10% of final average salary.

Recognized salary may not exceed the maximums specified by law.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

Retirement benefits are generally paid to an annuity benefit participant after termination from service and between the ages of 55 and 65, as elected by the participant. Benefits must begin to be paid to a participant who works beyond age 65 upon termination from service. If an annuity benefit participant terminates from service prior to age 55, and the value of the participant's vested benefit is not more than \$25,000, the participant may elect to receive the benefit at that time in either the normal form or as a cash lump sum. A pre-retirement death benefit is also provided to beneficiaries of annuity benefit participants who die prior to beginning to receive retirement benefits.

All other employees of the companies of the National Life Group, hired prior to January 1, 2021, participating in the Plan are account balance participants.

Account balance participants receive an account balance benefit equal to the value of the participant's vested account balance at the time benefit payments begin. The notional account balance is credited with annual compensation credits and interest credits. The annual compensation credits range from 2.75% to 6.5% of pay up to 50% of the current social security taxable wage base, plus 5.5% to 13.0% of pay in excess of 50% of the current social security taxable wage base, depending upon the participant's age, service, and compensation levels. Interest credits are based on the yields on 30-Year Treasury bonds, with a minimum interest rate of 2.80%. Except that in the event of the termination of the Plan, (1) after the date of termination the interest crediting rate used to determine the Participant's Accrued Benefit shall be equal to the arithmetic average of the rates used in determining Credited Interest for the 5-year period ending on the date of Plan termination, with each rate adjusted to reflect the length of the interest crediting period, and the average expressed as an annual interest rate; and (2) in determining the amount of any Account Balance Benefit under the Plan payable in the form of an annuity payable at normal retirement age, the interest rate shall be the average interest rate specified in the preceding clause and the mortality table used shall be the mortality table specified in the definition of Actuarial Equivalent above to be used for this purpose.

Retirement benefits are payable to account balance participants at any time after termination from service and until the participant attains age 65, as elected by the participant. Benefits must begin to be paid to a participant who works beyond age 65 upon termination from service. A pre-retirement death benefit is also provided to beneficiaries of account balance participants who die prior to beginning to receive retirement benefits.

- (d) Vesting - After three years of service, upon reaching age 55, or upon death, a participant's benefits are 100% vested. Any nonvested portion of a participant's accrued benefit will be forfeited upon the termination from service of the participant.

(2) Summary of Significant Accounting Policies

- (a) Accrual basis - These financial statements are presented using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
- (b) Use of estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

- (c) Investments - The Plan's investments are stated at fair value. Contributions to the Plan are invested in a group variable annuity contract held in the general account of National Life and in a pooled separate account called National Life Separate Account II ("Separate Account II").

The contributions in the general account are commingled with other assets of National Life and are carried at fair value by the Plan at year-end, which, principally because of the periodic rate reset process, approximates contract value, including accrued interest. The general account has no deposit or withdrawal restrictions/penalties, and National Life can reset the interest rate of the general account at its discretion. Interest on the contributions held in the general account is included in interest income and accumulates from the effective date of the transaction. The interest rate credited to the contributions held in the general account was 3.11% and 2.65% for the years ended December 31, 2021 and 2020, respectively.

Separate Account II is a pooled separate account established as a funding vehicle for corporate retirement programs sponsored by National Life. Separate account funds are segregated into accounts with specific investment objectives. The investment in Separate Account II is presented at fair value as measured by the net unit value. For additional information on the fair values of the general and separate accounts, see Note 8 "Fair Value Measurements".

The Plan's net investment income reflects interest credited according to the terms of the group variable annuity contract and the net appreciation (depreciation) of its investment in Separate Account II.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

- (d) Expenses of the Plan - Certain Plan expenses, such as Pension Benefit Guaranty Corporation ("PBGC") premiums, actuary fees, and similar professional fees, are paid from Plan assets. All other administrative fees of the Plan are from plan assets and by National Life.
- (e) Risks and Uncertainties - The Plan provides for investments in securities in the separate and general accounts. These investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' pension benefits and the amounts reported in the statements of net assets available for plan benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

- (f) Payment of Benefits - Benefits are recorded when paid.

(3) Actuarial Present Value of Accumulated Plan Benefits

Under the Plan's provisions, accumulated plan benefits are those future benefit payments attributable to the service employees have rendered to date and, therefore, do not reflect projected salary increases from the current period to retirement. Accumulated plan benefits include benefits expected to be paid to retired and terminated employees and their beneficiaries, disabled employees and their beneficiaries, beneficiaries of

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

employees who have died, and present employees and their beneficiaries. Retirement benefits for annuity benefit participants under the Plan are based on employees' average monthly compensation for the highest 60 consecutive months during the last 120 months of credited service. The accumulated plan benefits for active employees are based on their average annual compensation during the years ending on the date as of which the benefit information is presented (the valuation date). The accumulated plan benefits for account balance participants are based on the account balance amounts that they have earned during the years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of incidence factors for death, withdrawal, and retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in developing the value of accumulated plan benefits as of December 31, 2021 (January 1, 2022) and December 31, 2020 (January 1, 2021) were:

- life expectancy of participants (the Pri-2012 White Collar Employee/Contingent Survivor Mortality Table with Scale MP-2021 as of 12/31/2021 and the Pri-2012 White Collar Employee/Contingent Survivor Mortality Table with Scale MP-2020 as of 12/31/2020),
- retirement age assumptions (the assumed weighted average retirement age was 63 for Actives and 65 for Term Vesteds in both 2021 and 2020), termination age assumptions, salary scale assumptions,
- and investment return (the valuation included an assumed average rate of return, net of investment expenses, of 4.75% as of 1/1/2022 and 5.00% as of 1/1/2021).

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors could be applicable in determining the actuarial present value of accumulated plan benefits.

(4) Certified Financial Information (unaudited)

The investment balance and related investment information included in the financial statements, accompanying notes, and supplemental schedule are derived from statements which have been certified by the insurance carrier, National Life Insurance Company, as of and for the years ended December 31, 2021 and 2020 as complete and accurate in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, as permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the auditors not to perform any auditing procedures with respect to the information certified by the insurance carrier of the Plan, except for comparing such information to the related information included in the accompanying financial statements and supplemental schedule. The Plan Administrator has obtained a certification from the insurance carrier that the information provided to the Plan Administrator by the insurance carrier is complete and accurate.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(5) Plan Termination

NLV Financial Corporation, the Plan sponsor, expects to maintain the Plan indefinitely but reserves the right to amend or terminate the Plan at any time. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or those employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years.

The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

- (b) Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations (discussed below).
- (c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (d) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2021 and 2020 that ceiling was \$6,034 and \$5,813 per month, respectively. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Should the Plan terminate at some future time, the participants' benefits would depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and on the level of benefits guaranteed by the PBGC.

(6) Tax Status of Plan

The Plan has adopted the Volume Submitter Defined Benefit Plan sponsored by Prudential Retirement, which obtained its latest determination letter on March 30, 2018, in which the Internal Revenue Service stated that the prototype was in compliance with the applicable requirements of the Internal Revenue Code. The Plan varies in certain aspects from the prototype. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*, requires entities to disclose in their financial statements the nature of any uncertainty in their tax positions. For tax exempt entities, tax-exempt

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes the Plan has no uncertain tax positions. The Plan anticipates that it will not have a change in uncertain tax positions during the next twelve months that could have a material impact on the Plan's financial statements. If necessary, the Plan would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2018.

(7) Related Party Transactions

The group variable annuity is a contract entered into with National Life. National Life is the insurance carrier of the Plan and, therefore, these transactions qualify as party-in-interest transactions. There were no fees paid to National Life during 2021 and 2020.

(8) Fair Value Measurements

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

U.S. GAAP requires consideration of three broad valuation techniques (i) the market approach, (ii) the income approach, and (iii) the cost approach. ASC 820 requires that entities determine the most appropriate valuation technique to use, given what is being measured and the availability of sufficient inputs. ASC 820 prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available. The Plan assets and liabilities are categorized into a three-level hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Plan assets and liabilities as of December 31, 2021 and 2020 are categorized as follows:

Level 1 - Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date. The types of assets utilizing Level 1 inputs include cash.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data (market-corroborated inputs). The Company considers the group annuity and corporate bonds Level 2 as market activity is not deemed to be substantial enough to warrant classification as an active market.

Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs. Currently, there are no level 3 assets.

Valuation Techniques

Corporates – Corporate bonds are valued using cash flow models based on appropriate observable inputs such as market quotes, yield curves, interest rates, and spreads. Corporate bonds are categorized as Level 2 in the fair value hierarchy. Bond mutual funds that have a readily determinable NAV are not categorized in the fair value hierarchy.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

Partnerships - Investments in limited partnerships do not have a readily determinable fair value, and, as such, the Company values them at its pro-rata share of the limited partnership's NAV, or its equivalent. Investments in limited partnerships are not categorized in the fair value hierarchy.

Group annuity - This category consists of an investment in a National Life group variable annuity contract. The contract is carried at amortized cost, which approximates fair value. These assets are categorized in Level 2 of the hierarchy.

The valuation of plan assets as of December 31 is as follows:

Fair Value Hierarchy Table
December 31, 2021

	Level 1	Level 2	Level 3	Total
2021 Fair Value				
Assets				
Corporates (1)	\$ —	\$ 361,107,519	\$ —	\$ 361,107,519
Cash	242,795	—	—	242,795
Group annuity	—	93,494	—	93,494
Total plan assets* (1)	<u>\$ 242,795</u>	<u>\$ 361,201,012</u>	<u>\$ —</u>	<u>\$ 361,443,807</u>

*Total plan assets of \$361,443,807 differ from the total investments on the Statements of Net Assets Available for Plan Benefits of \$393,372,750. The difference was attributable to net assets and liabilities that were not carried at fair value and certain assets that were measured at fair value using NAV, which are not categorized within the fair value hierarchy (see note (1) below).

Fair Value Hierarchy Table
December 31, 2020

	Level 1	Level 2	Level 3	Total
2020 Fair Value				
Assets				
Corporates (1)	\$ —	\$ 350,835,507	\$ —	\$ 350,835,507
Cash	8,322,593	—	—	8,322,593
Group annuity	—	116,386	—	116,386
Total plan assets* (1)	<u>\$ 8,322,593</u>	<u>\$ 350,951,893</u>	<u>\$ —</u>	<u>\$ 359,274,487</u>

*Total plan assets of \$359,274,487 differ from the total investments on the Statements of Net Assets Available for Plan Benefits of \$410,770,848. The difference was attributable to net assets and liabilities that were not carried at fair value and certain assets that were measured at fair value using NAV, which are not categorized within the fair value hierarchy (see note (1) below).

1. In accordance with ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, certain investments that are measured at fair value using NAV (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. As of December 31, 2021, the fair value of these investments in short term cash equivalents and partnerships were \$2,836,220 and \$29,092,723, respectively. As of December 31, 2020, the fair value of these investments in corporate stocks and partnerships were \$21,718,147 and \$29,778,406, respectively. The remaining net assets and liabilities that were not carried at fair value were \$0 and \$192 as of December 31, 2021 and 2020, respectively.

(9) Withdrawing Participants

All participants who have withdrawn from the Plan and have requested their benefits have been paid as of December 31, 2021.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(10) Subsequent Events

The Plan evaluated subsequent events through September 16, 2022, the date the Plan's financial statements were made available to be used.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

Plan Sponsor: NLV Financial Corporation
Sponsor's EIN: 03-0359222
Plan number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	National Life Insurance Company			
	group variable annuity contract:			
*	Separate Account II,			
	a pooled separate account	299,135,187.71 units	\$ 338,255,031	\$ 393,279,256
*	General account	3.11%, 93,494 units	93,494	93,494
				\$ 393,372,750
*	Parties in interest			

SECTION VII

PLAN PROVISIONS

Plan Effective Date	January 1, 1938
Plan Year	January 1 through December 31
Participation Eligibility	Classification as Eligible employee. New Participants as of July 1, 2001 and later receive an Account Balance Benefit. Others receive an Annuity Benefit.
Normal Retirement Date	1st of the month coinciding with or following age 65.
Actuarial Equivalence	Based on the Applicable Interest Rate for the September that precedes the Plan year of determination and the Applicable Mortality Table for the Plan year, as specified by the IRS.
Covered Compensation	Average of 35 year of maximum Social Security Taxable Wage bases, based on year of birth.
Pre-Retirement Death Benefit	
<i>Married Participants</i>	100% QPSA
<i>Participants not married, or married and opting out of QPSA with spousal consent</i>	Present value of full accrued benefit payable immediately as a lump sum.
Vesting Schedule	100% after 3 years, or if earlier, attainment of early retirement eligibility.
<u>Annuity Plan Provisions</u>	For “Class ON” participants who, in their current period of employment, were hired before July 1, 2001.
Normal Retirement Benefit	Sum of (a) and (b) (a) Regular: 1.6% of Average Compensation up to Average Covered Compensation plus 2.25% of excess times years of participation. For each year of participation over 35, 1.6% of Participant’s Average Compensation. The maximum Annuity Benefit which a Participant may accrue under this subsection is limited to 60% of Average Compensation. plus (b) Transition: 0.3% of Average Compensation times years of participation prior to 1989, up to a maximum of 10% of Average Compensation.
415 Dollar Limit	\$230,000 in 2021
401(a)(17) Compensation Limit	\$290,000 in 2021

SECTION VII

PLAN PROVISIONS

Average Compensation	Highest consecutive 60 months of compensation during the 10 years prior to the annuity starting date.
Early Retirement	Age 55. Accrued Benefit at normal retirement age is reduced by 1/3% for each of the first 60 months and 1/2% for each of the next 60 months by which retirement precedes the normal retirement date.
Special Early Retirement	Enhancement for those early retirees age 55 or more with at least 20 years of service. The actuarial equivalent of the benefit payment at normal retirement date is compared to their accrued benefit multiplied by a percentage equal to attained age plus completed years of service, not to exceed 100%, and the larger of these is the early retirement benefit amount.
Normal Benefit Payment Form	Life Annuity for single participants and 100% Qualified Joint and Survivor Annuity for married participants.
Deferred Retirement	Benefit equal to Accrued Benefit at deferred retirement date. Accrued Benefit is adjusted for commencement after age 65.
Disability Retirement	The benefit beginning at age 65 is calculated as the normal retirement benefit using the average salary, covered compensation and benefit service at date of disability and all years of service including those disabled for vesting and accrual purposes.
<u>Cash Balance Plan Provisions</u>	For “Class NN” Participants who, in their current period of employment, were hired on or after July 1, 2001.
Accrued Benefit	Current value of participant’s Annual Allocations plus Credited Interest.
Allocation Formula	Applicable Percentage times Compensation, plus Applicable Percentage times Compensation, if any, in excess of 50% of the Social Security Taxable Wage Base (TWB).

SECTION VII

PLAN PROVISIONS

Applicable Percentage

Prior to 1/1/2017:

<u>Points*</u>	<u>Percentage Applied to Compensation Below ½ the TWB</u>	<u>Percentage Applied to Compensation Above ½ the TWB</u>
Less than 30	2.00%	4.00%
30 – 39	2.75%	5.50%
40 – 49	3.50%	7.00%
50 – 59	4.50%	9.00%
60 – 69	5.50%	11.00%
70 or more	6.50%	13.00%

On or After 1/1/2017:

<u>Points*</u>	<u>Percentage Applied to Compensation Below ½ the TWB</u>	<u>Percentage Applied to Compensation Above ½ the TWB</u>
Less than 30	2.75%	5.50%
30 – 39	3.25%	6.50%
40 – 49	3.75%	7.50%
50 – 59	4.50%	9.00%
60 – 69	5.50%	11.00%
70 or more	6.50%	13.00%

*Attained age plus completed years of participation as of determination date.

Determination Date

December 31st of plan year or date of termination, if earlier.

Compensation

Pensionable Compensation

Credited Interest

30 year treasury for the September which precedes the Plan Year, with a minimum rate of 4.88% for balances accrued before 1/1/2017, and a minimum rate of 2.80% for balances accrued on or after 1/1/2017. For 2021, the interest crediting rate is 1.42%.

Normal Form

Life Annuity for single participants and 100% Qualified Joint and Survivor Annuity for married participants.

Disability Retirement

Full Accrued benefit payable as a Lump Sum

Taxable Wage Base

\$142,800 for 2021

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Financial Statements and Schedule

(With Independent Auditors' Report)

December 31, 2021 and 2020

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
December 31, 2021 and 2020

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Independent Auditors' Report

To the Benefits Investment and Administration Committee
National Life Group Pension Plan for Employees
Montpelier, Vermont

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying financial statements of National Life Group Pension Plan for Employees (the “Plan”), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for plan benefits and the statements of accumulated plan benefits as of December 31, 2021, and the related statement of changes in net assets available for plan benefits and statements of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan’s financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors’ Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Life Group Pension Plan for Employees and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Life Group Pension Plan for Employees' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Life Group Pension Plan for Employees' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Life Group Pension Plan for Employees' ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed

to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter — Report on the 2020 Financial Statements

We were engaged to audit the statement of net assets available for plan benefits and the statement of accumulated plan benefits of the Plan as of December 31, 2020 and the related statement of changes in net assets available for plan benefits and statements of accumulated plan benefits for the year then ended. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by the qualified institution. Our audit report, dated October 6, 2021, indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the information certified by the qualified institution were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

McSoley McCoy & Co.

South Burlington, Vermont
September 16, 2022
VT Reg. No. 92-349

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Net Assets Available for Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Investments at fair value	\$ 393,372,750	\$ 410,770,848
Net assets available for plan benefits	<u>\$ 393,372,750</u>	<u>\$ 410,770,848</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Changes in Net Assets Available for Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions to net assets attributed to:		
Investment income:		
Net appreciation of the pooled separate account	\$ 2,494,895	\$ 49,389,316
Interest income	3,214	4,886
	<u>2,498,109</u>	<u>49,394,202</u>
Total investment income		
	2,498,109	49,394,202
Total additions		
	2,498,109	49,394,202
Deductions from net assets attributed to:		
Benefit payments to participants and beneficiaries	19,456,106	19,145,411
Professional fees, Pension Benefit Guarantee Corporation (PBGC) premiums, and other expenses	440,101	541,832
	<u>19,896,207</u>	<u>19,687,243</u>
Total deductions		
	19,896,207	19,687,243
(Decrease) increase in net assets available for plan benefits	(17,398,098)	29,706,959
Net assets available for plan benefits:		
Beginning of year	410,770,848	381,063,889
End of year	<u>\$ 393,372,750</u>	<u>\$ 410,770,848</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Accumulated Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Accumulated plan benefits:		
Actuarial present value of vested benefits:		
Retired participants and beneficiaries currently receiving payments	\$ 199,960,232	\$ 187,074,413
Other vested participants	<u>108,355,694</u>	<u>107,359,895</u>
Total actuarial present value of vested benefits	308,315,926	294,434,308
Actuarial present value of nonvested benefits	<u>2,372,566</u>	<u>2,830,295</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 310,688,492</u>	<u>\$ 297,264,603</u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Statements of Changes in Accumulated Plan Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net increase in actuarial present value of accumulated plan benefits:		
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial experience	\$ 9,852,241	\$ 9,438,263
Increase in liability due to decrease in discount period	14,382,760	14,558,741
Change in assumptions	8,644,994	8,270,661
Benefit payments	<u>(19,456,106)</u>	<u>(19,145,411)</u>
Net increase in actuarial present value of accumulated plan benefits	13,423,889	13,122,254
Actuarial present value of accumulated plan benefits		
Beginning of year	<u>297,264,603</u>	<u>284,142,349</u>
End of year	<u><u>\$ 310,688,492</u></u>	<u><u>\$ 297,264,603</u></u>

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(1) Description of the Plan

The following brief description of the National Life Group Pension Plan for Employees (the "Plan") is provided for informational purposes only.

The Plan is a noncontributory defined benefit pension plan that was established on January 1, 1938. It provides retirement benefits for eligible employees of the National Life Group companies ("National Life"). The Plan was amended, effective January 1, 2021, to close the plan to new participants. No new participants will be admitted to the Plan after December 31, 2020, however, additional service and contributions will be credited to current active participants.

The Plan is administered by the Benefits Investment and Administration Committee of National Life (the "Plan Administrator"). The same committee is the plan fiduciary responsible for oversight of the investments used to fund the Plan in accordance with the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

- (a) Eligibility - Eligibility is limited to employees of any of the companies of the National Life Group, who were hired prior to January 1, 2021 and have the employment classification of "with benefits".
- (b) Funding Policy - Employer contributions are determined based on actuarial calculations using the method specified by Internal Revenue Code section 430 in order to provide sufficient assets to meet the benefits to be paid to Plan members. The yield on investments of the Plan serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. There were no contributions made for the years ended December 31, 2021 or 2020.
- (c) Pension Benefits - The level of benefits is based primarily on the participant's length of service and level of compensation prior to termination of service, and the participant's age and the present value of the benefits when payments begin. Depending on the participant's employer and start date of employment, the benefit may consist of an account balance benefit, an annuity benefit, or a combination of both.

Employees of National Life whose most recent plan entry date was on or before June 30, 2001 are annuity benefit participants.

Any benefit to which an annuity benefit participant or beneficiary is entitled under this Plan will be based on the annuity benefit participant's vested accrued benefit calculated as of the date of termination/retirement.

Annuity benefit participants earn an annuity benefit equal to the sum of:

- 1.6% of final average salary (up to average compensation limits as defined by the Plan) and 2.25% of final average salary (in excess of average compensation limits as defined by the Plan) for each year of service, subject to a maximum benefit of 60% of final average salary; and
- 0.3% of final average salary for each year of participation prior to 1989, subject to a maximum of 10% of final average salary.

Recognized salary may not exceed the maximums specified by law.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

Retirement benefits are generally paid to an annuity benefit participant after termination from service and between the ages of 55 and 65, as elected by the participant. Benefits must begin to be paid to a participant who works beyond age 65 upon termination from service. If an annuity benefit participant terminates from service prior to age 55, and the value of the participant's vested benefit is not more than \$25,000, the participant may elect to receive the benefit at that time in either the normal form or as a cash lump sum. A pre-retirement death benefit is also provided to beneficiaries of annuity benefit participants who die prior to beginning to receive retirement benefits.

All other employees of the companies of the National Life Group, hired prior to January 1, 2021, participating in the Plan are account balance participants.

Account balance participants receive an account balance benefit equal to the value of the participant's vested account balance at the time benefit payments begin. The notional account balance is credited with annual compensation credits and interest credits. The annual compensation credits range from 2.75% to 6.5% of pay up to 50% of the current social security taxable wage base, plus 5.5% to 13.0% of pay in excess of 50% of the current social security taxable wage base, depending upon the participant's age, service, and compensation levels. Interest credits are based on the yields on 30-Year Treasury bonds, with a minimum interest rate of 2.80%. Except that in the event of the termination of the Plan, (1) after the date of termination the interest crediting rate used to determine the Participant's Accrued Benefit shall be equal to the arithmetic average of the rates used in determining Credited Interest for the 5-year period ending on the date of Plan termination, with each rate adjusted to reflect the length of the interest crediting period, and the average expressed as an annual interest rate; and (2) in determining the amount of any Account Balance Benefit under the Plan payable in the form of an annuity payable at normal retirement age, the interest rate shall be the average interest rate specified in the preceding clause and the mortality table used shall be the mortality table specified in the definition of Actuarial Equivalent above to be used for this purpose.

Retirement benefits are payable to account balance participants at any time after termination from service and until the participant attains age 65, as elected by the participant. Benefits must begin to be paid to a participant who works beyond age 65 upon termination from service. A pre-retirement death benefit is also provided to beneficiaries of account balance participants who die prior to beginning to receive retirement benefits.

- (d) Vesting - After three years of service, upon reaching age 55, or upon death, a participant's benefits are 100% vested. Any nonvested portion of a participant's accrued benefit will be forfeited upon the termination from service of the participant.

(2) Summary of Significant Accounting Policies

- (a) Accrual basis - These financial statements are presented using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
- (b) Use of estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

- (c) Investments - The Plan's investments are stated at fair value. Contributions to the Plan are invested in a group variable annuity contract held in the general account of National Life and in a pooled separate account called National Life Separate Account II ("Separate Account II").

The contributions in the general account are commingled with other assets of National Life and are carried at fair value by the Plan at year-end, which, principally because of the periodic rate reset process, approximates contract value, including accrued interest. The general account has no deposit or withdrawal restrictions/penalties, and National Life can reset the interest rate of the general account at its discretion. Interest on the contributions held in the general account is included in interest income and accumulates from the effective date of the transaction. The interest rate credited to the contributions held in the general account was 3.11% and 2.65% for the years ended December 31, 2021 and 2020, respectively.

Separate Account II is a pooled separate account established as a funding vehicle for corporate retirement programs sponsored by National Life. Separate account funds are segregated into accounts with specific investment objectives. The investment in Separate Account II is presented at fair value as measured by the net unit value. For additional information on the fair values of the general and separate accounts, see Note 8 "Fair Value Measurements".

The Plan's net investment income reflects interest credited according to the terms of the group variable annuity contract and the net appreciation (depreciation) of its investment in Separate Account II.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

- (d) Expenses of the Plan - Certain Plan expenses, such as Pension Benefit Guaranty Corporation ("PBGC") premiums, actuary fees, and similar professional fees, are paid from Plan assets. All other administrative fees of the Plan are from plan assets and by National Life.
- (e) Risks and Uncertainties - The Plan provides for investments in securities in the separate and general accounts. These investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' pension benefits and the amounts reported in the statements of net assets available for plan benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

- (f) Payment of Benefits - Benefits are recorded when paid.

(3) Actuarial Present Value of Accumulated Plan Benefits

Under the Plan's provisions, accumulated plan benefits are those future benefit payments attributable to the service employees have rendered to date and, therefore, do not reflect projected salary increases from the current period to retirement. Accumulated plan benefits include benefits expected to be paid to retired and terminated employees and their beneficiaries, disabled employees and their beneficiaries, beneficiaries of

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

employees who have died, and present employees and their beneficiaries. Retirement benefits for annuity benefit participants under the Plan are based on employees' average monthly compensation for the highest 60 consecutive months during the last 120 months of credited service. The accumulated plan benefits for active employees are based on their average annual compensation during the years ending on the date as of which the benefit information is presented (the valuation date). The accumulated plan benefits for account balance participants are based on the account balance amounts that they have earned during the years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of incidence factors for death, withdrawal, and retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in developing the value of accumulated plan benefits as of December 31, 2021 (January 1, 2022) and December 31, 2020 (January 1, 2021) were:

- life expectancy of participants (the Pri-2012 White Collar Employee/Contingent Survivor Mortality Table with Scale MP-2021 as of 12/31/2021 and the Pri-2012 White Collar Employee/Contingent Survivor Mortality Table with Scale MP-2020 as of 12/31/2020),
- retirement age assumptions (the assumed weighted average retirement age was 63 for Actives and 65 for Term Vesteds in both 2021 and 2020), termination age assumptions, salary scale assumptions,
- and investment return (the valuation included an assumed average rate of return, net of investment expenses, of 4.75% as of 1/1/2022 and 5.00% as of 1/1/2021).

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors could be applicable in determining the actuarial present value of accumulated plan benefits.

(4) Certified Financial Information (unaudited)

The investment balance and related investment information included in the financial statements, accompanying notes, and supplemental schedule are derived from statements which have been certified by the insurance carrier, National Life Insurance Company, as of and for the years ended December 31, 2021 and 2020 as complete and accurate in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, as permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the auditors not to perform any auditing procedures with respect to the information certified by the insurance carrier of the Plan, except for comparing such information to the related information included in the accompanying financial statements and supplemental schedule. The Plan Administrator has obtained a certification from the insurance carrier that the information provided to the Plan Administrator by the insurance carrier is complete and accurate.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(5) Plan Termination

NLV Financial Corporation, the Plan sponsor, expects to maintain the Plan indefinitely but reserves the right to amend or terminate the Plan at any time. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or those employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years.

The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

- (b) Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations (discussed below).
- (c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (d) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2021 and 2020 that ceiling was \$6,034 and \$5,813 per month, respectively. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Should the Plan terminate at some future time, the participants' benefits would depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and on the level of benefits guaranteed by the PBGC.

(6) Tax Status of Plan

The Plan has adopted the Volume Submitter Defined Benefit Plan sponsored by Prudential Retirement, which obtained its latest determination letter on March 30, 2018, in which the Internal Revenue Service stated that the prototype was in compliance with the applicable requirements of the Internal Revenue Code. The Plan varies in certain aspects from the prototype. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*, requires entities to disclose in their financial statements the nature of any uncertainty in their tax positions. For tax exempt entities, tax-exempt

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes the Plan has no uncertain tax positions. The Plan anticipates that it will not have a change in uncertain tax positions during the next twelve months that could have a material impact on the Plan's financial statements. If necessary, the Plan would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2018.

(7) Related Party Transactions

The group variable annuity is a contract entered into with National Life. National Life is the insurance carrier of the Plan and, therefore, these transactions qualify as party-in-interest transactions. There were no fees paid to National Life during 2021 and 2020.

(8) Fair Value Measurements

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

U.S. GAAP requires consideration of three broad valuation techniques (i) the market approach, (ii) the income approach, and (iii) the cost approach. ASC 820 requires that entities determine the most appropriate valuation technique to use, given what is being measured and the availability of sufficient inputs. ASC 820 prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available. The Plan assets and liabilities are categorized into a three-level hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Plan assets and liabilities as of December 31, 2021 and 2020 are categorized as follows:

Level 1 - Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date. The types of assets utilizing Level 1 inputs include cash.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data (market-corroborated inputs). The Company considers the group annuity and corporate bonds Level 2 as market activity is not deemed to be substantial enough to warrant classification as an active market.

Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs. Currently, there are no level 3 assets.

Valuation Techniques

Corporates – Corporate bonds are valued using cash flow models based on appropriate observable inputs such as market quotes, yield curves, interest rates, and spreads. Corporate bonds are categorized as Level 2 in the fair value hierarchy. Bond mutual funds that have a readily determinable NAV are not categorized in the fair value hierarchy.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

Partnerships - Investments in limited partnerships do not have a readily determinable fair value, and, as such, the Company values them at its pro-rata share of the limited partnership's NAV, or its equivalent. Investments in limited partnerships are not categorized in the fair value hierarchy.

Group annuity - This category consists of an investment in a National Life group variable annuity contract. The contract is carried at amortized cost, which approximates fair value. These assets are categorized in Level 2 of the hierarchy.

The valuation of plan assets as of December 31 is as follows:

Fair Value Hierarchy Table
December 31, 2021

	Level 1	Level 2	Level 3	Total
2021 Fair Value				
Assets				
Corporates (1)	\$ —	\$ 361,107,519	\$ —	\$ 361,107,519
Cash	242,795	—	—	242,795
Group annuity	—	93,494	—	93,494
Total plan assets* (1)	<u>\$ 242,795</u>	<u>\$ 361,201,012</u>	<u>\$ —</u>	<u>\$ 361,443,807</u>

*Total plan assets of \$361,443,807 differ from the total investments on the Statements of Net Assets Available for Plan Benefits of \$393,372,750. The difference was attributable to net assets and liabilities that were not carried at fair value and certain assets that were measured at fair value using NAV, which are not categorized within the fair value hierarchy (see note (1) below).

Fair Value Hierarchy Table
December 31, 2020

	Level 1	Level 2	Level 3	Total
2020 Fair Value				
Assets				
Corporates (1)	\$ —	\$ 350,835,507	\$ —	\$ 350,835,507
Cash	8,322,593	—	—	8,322,593
Group annuity	—	116,386	—	116,386
Total plan assets* (1)	<u>\$ 8,322,593</u>	<u>\$ 350,951,893</u>	<u>\$ —</u>	<u>\$ 359,274,487</u>

*Total plan assets of \$359,274,487 differ from the total investments on the Statements of Net Assets Available for Plan Benefits of \$410,770,848. The difference was attributable to net assets and liabilities that were not carried at fair value and certain assets that were measured at fair value using NAV, which are not categorized within the fair value hierarchy (see note (1) below).

1. In accordance with ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, certain investments that are measured at fair value using NAV (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. As of December 31, 2021, the fair value of these investments in short term cash equivalents and partnerships were \$2,836,220 and \$29,092,723, respectively. As of December 31, 2020, the fair value of these investments in corporate stocks and partnerships were \$21,718,147 and \$29,778,406, respectively. The remaining net assets and liabilities that were not carried at fair value were \$0 and \$192 as of December 31, 2021 and 2020, respectively.

(9) Withdrawing Participants

All participants who have withdrawn from the Plan and have requested their benefits have been paid as of December 31, 2021.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Notes to Financial Statements
December 31, 2021 and 2020

(10) Subsequent Events

The Plan evaluated subsequent events through September 16, 2022, the date the Plan's financial statements were made available to be used.

NATIONAL LIFE GROUP PENSION PLAN FOR EMPLOYEES
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

Plan Sponsor: NLV Financial Corporation
Sponsor's EIN: 03-0359222
Plan number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	National Life Insurance Company			
	group variable annuity contract:			
*	Separate Account II,			
	a pooled separate account	299,135,187.71 units	\$ 338,255,031	\$ 393,279,256
*	General account	3.11%, 93,494 units	93,494	93,494
				\$ 393,372,750
*	Parties in interest			

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

Effective with this valuation, the interest rate relief provision of the American Rescue Plan Act of 2021 was reflected.

Changes in Actuarial Assumptions

Effective with this valuation, the expense load assumption was updated from \$250,000 to \$350,000.

The projected cash balance interest crediting rate for allocations earned after 2016 was updated to better reflect anticipated experience.

For ASC 960 purposes, the discount rate was updated from 5.3% to 5.0%, and the mortality table was updated from the Pri-2012 White Collar Mortality Table with Scale MP-2019 to the Pri-2012 White Collar Mortality Table with Scale MP-2020.

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

National Life Group Pension Plan for Employees

EIN/PN: 03-0359222/001

1/1/2021

Line 22 – Description of Weighted Average Retirement Age

Cash Balance Active Participants

A	B	C	D	
Retirement Age	Population	Retirement Rate	Number Retiring	A * D
55	100.00	5%	5.00	275.00
56	95.00	5%	4.75	266.00
57	90.25	5%	4.51	257.21
58	85.74	5%	4.29	248.64
59	81.45	5%	4.07	240.28
60	77.38	5%	3.87	232.13
61	73.51	5%	3.68	224.20
62	69.83	5%	3.49	216.48
63	66.34	5%	3.32	208.98
64	63.02	5%	3.15	201.68
65	59.87	50%	29.94	1,945.90
66	29.94	50%	14.97	987.92
67	14.97	100%	14.97	1,002.88
				<u>6,307.31</u>

Average Ret Age	63.1
Count	1,028

Annuity Active Participants

A	B	C	D	
Retirement Age	Population	Retirement Rate	Number Retiring	A * D
55	100.00	10%	10.00	550.00
56	90.00	10%	9.00	504.00
57	81.00	10%	8.10	461.70
58	72.90	10%	7.29	422.82
59	65.61	10%	6.56	387.10
60	59.05	25%	14.76	885.74
61	44.29	25%	11.07	675.37
62	33.22	25%	8.30	514.83
63	24.91	25%	6.23	392.35
64	18.68	25%	4.67	298.94
65	14.01	100%	14.01	910.82
				<u>6,003.67</u>

Average Ret Age	60.0
Count	110

Weighted Average	62.8
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SECTION VII

ACTUARIAL METHODS

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2025	95% - 105%
2026	90% - 110%
2027	85% - 115%
2028	80% - 120%
2029	75% - 125%
2030 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 3-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII

ACTUARIAL METHODS

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 8 quarters prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

SECTION VII

ACTUARIAL ASSUMPTIONS

The actuarial assumptions as of January 1, 2021 used in this report are:

Discount Rate	<u>With Interest Rate Stabilization</u>	<u>Without Interest Rate Stabilization</u>	<u>ASC 960</u>
Effective Rate	5.55%	3.45%	5.00%
First Segment – First 5 Years	4.75%	2.11%	N/A
Second Segment – Next 15 Years	5.36%	3.30%	N/A
Third Segment – After 20 Years	6.11%	3.86%	N/A

Mortality

Funding:

IRS 2021 Static Mortality Table (male)
 IRS 2021 Static Mortality Table (female)

ASC 960:

Pri-2012 White Collar Mortality Table with Scale MP-2020

Termination

(For Cash Balance Actives)

<u>Age</u>	<u>Rate</u>
< 27	20%
27 – 54	10%

Termination

(For Annuity Actives)

50% of Crocker – Sarason – Straight T4

Retirement Age

(For Cash Balance Actives)

<u>Age</u>	<u>Rate</u>
55-64	5%
65-66	50%
>66	100%

Retirement Age

(For Annuity Actives)

<u>Age</u>	<u>Rate</u>
55-59	10%
60-64	25%
>64	100%

Retirement Age

(for Term Vesteds)

65

Salary Scale

(for Cash Balance Actives)

<u>Age</u>	<u>Increase</u>
<37	8.0%
37-41	6.5%
42-59	3.5%
>59	2.0%

Salary Scale

(for Annuity Actives)

4.00%

SECTION VII

ACTUARIAL ASSUMPTIONS

Credited Interest (Pre-2017) 4.88%

Credited Interest (Post-2016)	<u>Year</u>	<u>Rate</u>
	1	2.80%
	2	2.80%
	3	3.00%
	4	3.25%
	5	3.50%
	6	3.75%
	7	4.00%
	8	4.25%
	9+	4.50%

Investment Return 5.00%

Estimated Expenses \$350,000