

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>SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND</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>BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND</u> <u>10 TECHNOLOGY DRIVE</u> <u>WALLINGFORD, CT 06492-5817</u> <u>10 TECHNOLOGY DRIVE</u> <u>WALLINGFORD, CT 06492</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1956</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>06-6157817</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>180-044-6864</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>238900</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/1956</u>		2b Employer Identification Number (EIN) <u>06-6157817</u>		2c Plan Sponsor's telephone number <u>180-044-6864</u>		2d Business code (see instructions) <u>238900</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>10/01/1956</u>											
2b Employer Identification Number (EIN) <u>06-6157817</u>											
2c Plan Sponsor's telephone number <u>180-044-6864</u>											
2d Business code (see instructions) <u>238900</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.	10/17/2022	JOHN NIMMONS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	MICHAEL THOMPSON
	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.

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
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 1015
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) 305 6a(2) 288 6b 382 6c 211 6d 881 6e 114 6f 995 6g 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7 33

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B

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
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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)** ☐ **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 MB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Multiemployer Defined Benefit Plan and Certain Money Purchase 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 SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	D Employer Identification Number (EIN) 06-6157817

E Type of plan: (1) ☒ Multiemployer Defined Benefit (2) ☐ Money Purchase (see instructions)

1a Enter the valuation date: Month 01 Day 01 Year 2021

b Assets

(1) Current value of assets.....	1b(1)	52703080
(2) Actuarial value of assets for funding standard account	1b(2)	49886702
c (1) Accrued liability for plan using immediate gain methods	1c(1)	125952595
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	1c(2)(a)	
(b) Accrued liability under entry age normal method	1c(2)(b)	
(c) Normal cost under entry age normal method	1c(2)(c)	
(3) Accrued liability under unit credit cost method	1c(3)	125952595
d Information on current liabilities of the plan:		
(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	1d(1)	
(2) "RPA '94" information:		
(a) Current liability.....	1d(2)(a)	231176321
(b) Expected increase in current liability due to benefits accruing during the plan year.....	1d(2)(b)	3133964
(c) Expected release from "RPA '94" current liability for the plan year.....	1d(2)(c)	9784962
(3) Expected plan disbursements for the plan year.....	1d(3)	10194962

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	10/11/2022
Signature of actuary	Date
KATHLEEN A. RILEY, FSA, MAAA, EA	20-04134
Type or print name of actuary	Most recent enrollment number
SEGAL	617-424-7300
Firm name	Telephone number (including area code)
116 HUNTINGTON AVE, BOSTON, MA 02116-5744	
Address of the firm	

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 MB (Form 5500) 2021
v. 201209

2 Operational information as of beginning of this plan year:

a Current value of assets (see instructions)	2a	53128648
b "RPA '94" current liability/participant count breakdown:	(1) Number of participants	(2) Current liability
(1) For retired participants and beneficiaries receiving payment	503	120975510
(2) For terminated vested participants	207	32173008
(3) For active participants:		
(a) Non-vested benefits.....		4298260
(b) Vested benefits.....		73729543
(c) Total active	298	78027803
(4) Total	1008	231176321
c If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage	2c	22.98 %

3 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
07/15/2021	6515421				
			Totals ▶	3(b)	6515421
				3(c)	
				3(d)	0

(d) Total withdrawal liability amounts included in line 3(b) total

4 Information on plan status:

a Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3))	4a	39.6 %
b Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If entered code is "N," go to line 5	4b	C
c Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan?		☒ Yes ☐ No
d If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)?		☐ Yes ☒ No
e If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date	4e	
f If the rehabilitation plan projects emergence from critical status or critical and declining status, enter the plan year in which it is projected to emerge. If the rehabilitation plan is based on forestalling possible insolvency, enter the plan year in which insolvency is expected and check here	4f	2065

5 Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

- a** ☐ Attained age normal
b ☐ Entry age normal
c ☒ Accrued benefit (unit credit)
d ☐ Aggregate
e ☐ Frozen initial liability
f ☐ Individual level premium
g ☐ Individual aggregate
h ☒ Shortfall
i ☐ Other (specify):

j If box h is checked, enter period of use of shortfall method	5j	76
k Has a change been made in funding method for this plan year?		☐ Yes ☒ No
l If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval?		☐ Yes ☐ No
m If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method	5m	

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability.....			6a	2.43 %
b Rates specified in insurance or annuity contracts.....	Pre-retirement ☐ Yes ☐ No ☒ N/A		Post-retirement ☐ Yes ☐ No ☒ N/A	
c Mortality table code for valuation purposes:				
(1) Males	6c(1)	A	A	
(2) Females	6c(2)	A	A	
d Valuation liability interest rate	6d	7.25 %	7.25 %	
e Expense loading	6e	29.1 %	☐ N/A	☒ N/A
f Salary scale	6f	%	☒ N/A	
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	8.9 %		
h Estimated investment return on current value of assets for year ending on the valuation date	6h	11.7 %		

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	-1239898	
2	2136303	

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval.....	8a	
b(1) Is the plan required to provide a projection of expected benefit payments? (See the instructions.) If "Yes," attach a schedule.....	☒ Yes ☐ No	
b(2) Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach a schedule.....	☒ Yes ☐ No	
c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?	☐ Yes ☒ No	
d If line c is "Yes," provide the following additional information:		
(1) Was an extension granted automatic approval under section 431(d)(1) of the Code?	☐ Yes ☐ No	
(2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended	8d(2)	
(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?	☐ Yes ☐ No	
(4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2)).....	8d(4)	
(5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension	8d(5)	
(6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?	☐ Yes ☐ No	
e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)	8e	-681995

9 Funding standard account statement for this plan year:**Charges to funding standard account:**

a Prior year funding deficiency, if any	9a	26328229
b Employer's normal cost for plan year as of valuation date.....	9b	1569187
c Amortization charges as of valuation date:	Outstanding balance	
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	9c(1)	68045799
(2) Funding waivers	9c(2)	
(3) Certain bases for which the amortization period has been extended	9c(3)	
d Interest as applicable on lines 9a, 9b, and 9c.....	9d	2636923
e Total charges. Add lines 9a through 9d.....	9e	39008273

Credits to funding standard account:

f Prior year credit balance, if any.....	9f	
g Employer contributions. Total from column (b) of line 3.....	9g	6515421
	Outstanding balance	
h Amortization credits as of valuation date.....	9h	18308135
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h	9i	402746
j Full funding limitation (FFL) and credits:		
(1) ERISA FFL (accrued liability FFL)	9j(1)	83533554
(2) "RPA '94" override (90% current liability FFL)	9j(2)	164734217
(3) FFL credit	9j(3)	
k (1) Waived funding deficiency	9k(1)	
(2) Other credits	9k(2)	
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)	9l	9487044
m Credit balance: If line 9l is greater than line 9e, enter the difference	9m	
n Funding deficiency: If line 9e is greater than line 9l, enter the difference	9n	29521229
9o Current year's accumulated reconciliation account:		
(1) Due to waived funding deficiency accumulated prior to the 2021 plan year	9o(1)	
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:		
(a) Reconciliation outstanding balance as of valuation date	9o(2)(a)	
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))	9o(2)(b)	
(3) Total as of valuation date	9o(3)	
10 Contribution necessary to avoid an accumulated funding deficiency. (See instructions.)	10	29521229
11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions.....		☒ Yes ☐ No

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 SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	D Employer Identification Number (EIN) 06-6157817	

Part I	Service Provider Information (see instructions)
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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	
SEI TRUST COMPANY	100 CIDER MILL ROAD COLLEGEVILLE, PA 19426
06-1271230	

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

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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)

SEI INVESTMENT MANAGEMENT CORPORATI

100 CIDER MILL ROAD
COLLEGEVILLE, PA 19426

04-2452803

(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?
28 51 52	NONE	222269	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

ZENITH AMERICAN SOLUTIONS

10 RESEARCH PARKWAY
WALLINGFORD, CT 06492

52-1590516

(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	138981	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE SEGAL COMPANY

30 WATERSIDE DRIVE 300
FARMINGTON, CT 06032

13-1835864

(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?
11	NONE	61500	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)

REID & RIEGE PC

777 MAIN STREET 21ST FLOOR
HARTFORD, CT 06103

06-0867204

(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?
29	NONE	29489	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BEERS, HAMERMAN, COHEN & BURGER

234 CHURCH STREET
NEW HAVEN, CT 06510

47-2517893

(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?
10	NONE	20729	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO BANK NA

211 MAIN STREET
ANSONIA, CT 06401

94-1347393

(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?
15 19 63	NONE	13035	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

ROBERT M CHEVERIE & ASSOC

333 E RIVER DRIVE
EAST HARTFORD, CT 06108

06-1335139

(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?
29	NONE	8511	Yes ☐ No ☐	Yes ☐ No ☐	0	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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan 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.
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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 <u>SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND</u>	D Employer Identification Number (EIN) <u>06-6157817</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)	

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SEI CORE PROPERTY COLLECTIVE INVEST</u>		
b Name of sponsor of entity listed in (a): <u>SEI TRUST COMPANY</u>		
c EIN-PN <u>27-3224429-045</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3483392</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SEI STRUCTURED CREDIT COLLECTIVE TR</u>		
b Name of sponsor of entity listed in (a): <u>SEI TRUST COMPANY</u>		
c EIN-PN <u>75-3251893-024</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3541127</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SEI GLOBAL PRIVATE ASSET IV COLLECT</u>		
b Name of sponsor of entity listed in (a): <u>SEI TRUST COMPANY</u>		
c EIN-PN <u>81-5067490-103</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2340326</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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 SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	D Employer Identification Number (EIN) 06-6157817	

Part I	Asset and Liability Statement
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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	1355407	1341615
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1076110	628102
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)	4339	7970
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	10457	10460
(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)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(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)	6963846	9364845
(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)	43684334	46204280
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation	1e	93073	19845
f Total assets (add all amounts in lines 1a through 1e)	1f	53187566	57577117

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	58918	186168
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	58918	186168

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	53128648	57390949
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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.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6515421	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)	1960	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6517381
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	528	
(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)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		528
(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)	1189376	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1189376
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	15565445	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	10137174	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		5428271
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		2174487
(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)		-971178
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		14338865
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	9430267	
(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)		9430267
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)	154738	
(2) Contract administrator fees.....	2i(2)	99950	
(3) Investment advisory and management fees.....	2i(3)	246975	
(4) Other.....	2i(4)	144634	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		646297
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		10076564
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		4262301
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: **BEERS, HAMERMAN, COHEN & BURGER, P.**

(2) EIN: **47-2517893**

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		500000
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?			
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?			
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.)		X	
4m		X	
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.		X	
4n		X	

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 444428.

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 SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	D Employer Identification Number (EIN) 06-6157817

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): _____ 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	0

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.)
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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.
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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 **YANKEE SHEET METAL COMPANY**

b EIN **06-1224271** **c** Dollar amount contributed by employer **616120**

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 **06** Day **30** Year **2022**

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 **F & F MECHANICAL ENTERPRISES**

b EIN **06-1529369** **c** Dollar amount contributed by employer **497124**

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 **06** Day **30** Year **2022**

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 **ARCHITECTURAL SHEET METAL**

b EIN **06-1392043** **c** Dollar amount contributed by employer **250213**

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 **06** Day **30** Year **2022**

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 **KLEEBOG SHEET METAL**

b EIN **04-2321301** **c** Dollar amount contributed by employer **286837**

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 **06** Day **30** Year **2022**

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 **L.K. SHEET METAL INC.**

b EIN **06-1377331** **c** Dollar amount contributed by employer **370192**

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 **06** Day **30** Year **2022**

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 **GREENWOOD INDUSTRIES INC.**

b EIN **06-6666666** **c** Dollar amount contributed by employer **288970**

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 **06** Day **30** Year **2022**

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: 83.0 % Investment-Grade Debt: 0.0 % High-Yield Debt: 0.0 % Real Estate: 0.0 % Other: 17.0 %

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 _____

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Sheet Metal Workers' Local No. 40 Pension Fund
Wallingford, Connecticut

Opinion

We have audited the accompanying financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, the related statements of changes in net assets available for benefits for the years then ended, and the statements of accumulated plan benefits as of December 31, 2020 and 2019, the related statements of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Sheet Metal Workers' Local No. 40 Pension Fund as of December 31, 2021 and 2020, and the changes in its net assets available for benefits for the years then ended, and the accumulated plan benefits as of December 31, 2020 and 2019, and the changes in its accumulated plan benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sheet Metal Workers' Local No. 40 Pension Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

www.bhcbcpa.com

234 Church Street | New Haven, CT 06510 | P/203.787.6527 | F/203.776.8745
One Post Road | Fairfield, CT 06824 | P/203.333.2228 | F/203.333.3520

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 Sheet Metal Workers' Local No. 40 Pension Fund's 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 Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for a reasonable period of time.

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 Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions are presented for purposes of additional analysis and are not a required part of the financial statements but are 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 has been subjected to the auditing procedures applied in the audits 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.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

New Haven, Connecticut
October 17, 2022

Section 3: Certificate of Actuarial Valuation

Exhibit K: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31	
Pension Credit Year	January 1 through December 31	
Plan Status	Ongoing plan	
Normal Pension	• <i>Age and Service Requirements:</i> 62 years with 5 years of participation • <i>Amount:</i> \$80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, \$40 for each pension credit earned through December 31, 2013.	
	Accrual rates for 2014 through 2016 are based on the following table:	
	Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in “Life Pension” form:
	550,000 or more	\$80 per Credit
	Between 549,999 and 500,000	\$75 per Credit
	Between 499,999 and 450,000	\$70 per Credit
	Between 449,999 and 400,000	\$65 per Credit
	399,999 or lower	\$60 per Credit
	Accrual rates for 2017 and later are based on the following table:	
	Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in “Life Pension” form:
	550,000 or more	\$95 per Credit
	Between 549,999 and 500,000	\$90 per Credit
Between 499,999 and 450,000	\$85 per Credit	
Between 449,999 and 400,000	\$80 per Credit	
399,999 or lower	\$75 per Credit	

9332979v3/10548.002

Sheet Metal Workers' Local 40 Pension Plan Actuarial Valuation as of January 1, 2021
EIN 06-6157817/PN 001

Section 3: Certificate of Actuarial Valuation

The accrual rates for the 2014-2021 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	\$75 per Credit
2016	\$80 per Credit
2017 – 2018	\$95 per Credit
2019	\$85 per Credit
2020	\$95 per Credit
2021	\$85 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.*, “Commercial”) Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability

- *Age Requirement:* None
- *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability.
- *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter.
- *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005.

For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced.

Section 3: Certificate of Actuarial Valuation

	• <i>Occupational Disability Pension Amount:</i> Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.
Vesting	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> 5 vesting credits • <i>Amount:</i> Normal or early pension accrued based on plan in effect when last active. • <i>Normal Retirement Age:</i> 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> Five vesting credits • <i>Amount:</i> 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • <i>Amount:</i> \$10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, \$6,000.
Post-Retirement Death Benefit	• <i>Joint and Survivor:</i> If the participant is married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • <i>Lump Sum:</i> \$4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. \$10,000 for members who retired before July 1, 1982.
Automatic Benefit Forms	• <i>Not Married:</i> Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • <i>Married:</i> Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• <i>Ten-Year Certain and Life:</i> The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • <i>Joint and Survivor Forms:</i> Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (e.g., 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.

9332979v3/10548.002

Sheet Metal Workers' Local 40 Pension Plan Actuarial Valuation as of January 1, 2021
 EIN 06-6157817/PN 001

Section 3: Certificate of Actuarial Valuation

Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	\$15.56 per hour effective July 1, 2020, plus a Reserve Fund contribution of \$0.21. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be \$14.75 plus the Reserve Fund contribution for 2021 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021
SCHEDULE H, LINE 4i - EIN 06-6157817, PLAN: 001

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or <u>Similar Party</u>	Description of Investment Including Maturity Date, Rate of <u>Interest, Collateral, Par, or Maturity Value</u>	<u>Cost</u>	<u>Current Value</u>
*	SEI Institutional Investor Trust	SEI World Equity Ex-US Fund	\$ 13,700,951	\$ 12,140,815
*	SEI Institutional Investor Trust	SEI S&P 500 Index Fund	5,727,551	6,822,443
*	SEI Institutional Investor Trust	SEI Core Fixed Income Fund	7,706,318	7,523,936
*	SEI Institutional Investor Trust	SEI Structured Credit Fund CIT	2,728,993	3,541,127
*	SEI Institutional Investor Trust	SEI Extended Market Index Fund	2,192,479	2,092,151
*	SEI Institutional Investor Trust	SEI Core Property Fund CIT	2,724,688	3,483,392
*	SEI Institutional Investor Trust	SEI Dynamic Asset Allocation Fund	2,592,052	2,834,657
*	SEI Institutional Investor Trust	SEI Large Cap Disciplined Equity Fund	2,897,358	2,862,529
*	SEI Institutional Investor Trust	SEI High Yield Bond Fund	2,654,263	2,749,313
*	SEI Institutional Investor Trust	SEI Emerging Markets Equity Fund	2,273,718	2,109,137
*	SEI Institutional Investor Trust	SEI Emerging Markets Debt Fund	2,811,444	2,580,661
*	SEI Institutional Investor Trust	SEI Small/Mid Cap Equity Fund	1,678,288	1,649,546
*	SEI Institutional Investor Trust	SEI Global Private Assets IV CIT	1,460,641	2,340,326
*	SEI Institutional Investor Trust	SEI US Equity Factor Allocation Fund	2,941,036	2,839,092
*	Wells Fargo Bank	Allspring Government Money Market Fund	10,460	10,460
			<u>\$ 54,100,240</u>	<u>\$ 55,579,585</u>

*Denotes party-in-interest

Section 3: Certificate of Actuarial Valuation

Exhibit F: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2020.

Age	Pension Credits									
	Total	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	8	7	1	—	—	—	—	—	—	—
25 - 29	9	6	3	—	—	—	—	—	—	—
30 - 34	41	12	15	14	—	—	—	—	—	—
35 - 39	18	2	7	3	3	3	—	—	—	—
40 - 44	43	5	6	7	9	10	6	—	—	—
45 - 49	52	3	3	7	4	14	12	8	1	—
50 - 54	56	—	5	7	6	9	6	13	9	1
55 - 59	49	—	2	4	7	3	9	5	12	7
60 - 64	21	—	1	1	2	3	5	3	1	5
65 - 69	1	—	—	1	—	—	—	—	—	—
Total	298	35	43	44	31	42	38	29	23	13

Notes:

Excludes 12 employees who were either not participants as of December 31, 2020 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2020.

Pension credit shown includes credit from banked hours.



March 31, 2021

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

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2021 for the following plan:

Name of Plan: Sheet Metal Workers' Local 40 Pension Plan
Plan number: EIN 06-6157817 / PN 001
Plan sponsor: Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address: Zenith American Solutions, Inc., P.O. Box 5817, Wallingford, CT 06492
Phone number: 860.529.2616

As of January 1, 2021, the Plan is in critical status but not declining status.

This certification does not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA) on March 11. We anticipate clarification of ARPA relief provisions based on regulations to be issued by the IRS and the Pension Benefit Guaranty Corporation. Decisions that the Trustees may make to elect options available to them that might affect the Plan's "zone" status and minimum funding requirements for the current and future years may be reflected in a revised or future actuarial valuation.

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan, updated on December 15, 2020.

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

Segal
116 Huntington Ave., 8th Floor
Boston, MA 02116-5744
Phone number: 617.424.7300

Sincerely,

A handwritten signature in blue ink, appearing to read "Kathleen A. Riley".

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-04134

Actuarial status certification as of January 1, 2021 under IRC Section 432

March 31, 2021

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2021 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2020 actuarial valuation, dated December 15, 2020. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VI.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

Actuarial Status Certification under IRC Section 432

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.



Kathleen A. Riley, FSA, MAAA, EA

EA# 20-04134

Title Senior Vice President and Actuary

Actuarial Status Certification under IRC Section 432

Certificate Contents

Exhibit I	Status Determination as of January 1, 2021
Exhibit II	Summary of Actuarial Valuation Projections
Exhibit III	Funding Standard Account Projections
Exhibit IV	Funding Standard Account – Projected Bases Assumed Established After January 1, 2020
Exhibit V	Solvency Projection
Exhibit VI	Actuarial Assumptions and Methodology

Actuarial Status Certification under IRC Section 432

Exhibit I

Status Determination as of January 1, 2021

Status	Condition	Component Result	Final Result
Critical Status:			
I. Initial critical status tests:			
C1. A funding deficiency is projected in four years?		Yes	Yes
C2. (a) A funding deficiency is projected in five years,		Yes	
(b) AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,		Yes	
(c) AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?		No	No
C3. (a) A funding deficiency is projected in five years,		Yes	
(b) AND the funded percentage is less than 65%?		Yes	Yes
C4. (a) The funded percentage is less than 65%,		Yes	
(b) AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?		No	No
C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?		No	No
II. Emergence test:			
C6. (a) Was in critical status for the immediately preceding plan year,		Yes	
(b) AND EITHER a funding deficiency is projected for the plan year or any of the next nine plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA Section 304(d)(2) or ERISA Section 304 as in effect prior to PPA'06,		Yes	
(c) OR insolvency is projected for the current year or any of the 30 succeeding plan years?		No	
Plan did NOT emerge?			Yes
III. In Critical Status? (If C1-C6 is Yes, then Yes)			Yes

Actuarial Status Certification under IRC Section 432

Status	Condition	Component Result	Final Result
IV. Determination of critical and declining status:			
C7. (a)	Any of (C1) through (C5) are Yes?	Yes	Yes
(b)	AND EITHER Insolvency is projected within 15 years?	No	No
(c)	OR		
(i)	The ratio of inactives to actives is at least 2 to 1,	Yes	
(ii)	AND insolvency is projected within 20 years?	No	No
(d)	OR		
(i)	The funded percentage is less than 80%,	Yes	
(ii)	AND insolvency is projected within 20 years?	No	No
In Critical and Declining Status?			No
Endangered Status:			
E1. (a)	Is not in critical status,	No	
(b)	AND the funded percentage is less than 80%?	N/A	No
E2. (a)	Is not in critical status,	No	
(b)	AND a funding deficiency is projected in seven years?	N/A	No
In Endangered Status? (Yes when either (E1) or (E2) is Yes)			No
In Seriously Endangered Status? (Yes when BOTH (E1) and (E2) are Yes)			No
Neither Critical Status Nor Endangered Status			
Neither Critical nor Endangered Status?			No

This certification notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

Actuarial Status Certification under IRC Section 432

Exhibit II Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2021 (based on projections from the January 1, 2020 valuation certificate):

I. Financial Information			
1.	Market value of assets		\$52,580,476
2.	Actuarial value of assets		49,626,945
3.	Reasonably anticipated contributions		
a.	Upcoming year		7,575,000
b.	Present value for the next five years		31,877,387
c.	Present value for the next seven years		41,815,244
4.	Projected benefit payments		9,786,887
5.	Projected administrative expenses (beginning of year)		410,000
II. Liabilities			
1.	Present value of vested benefits for active participants		31,064,961
2.	Present value of vested benefits for non-active participants		92,697,071
3.	Total unit credit accrued liability		126,230,060
4.	Present value of payments	Benefit Payments	Administrative Expenses
a.	Next five years	\$42,503,435	\$1,876,280
b.	Next seven years	56,488,019	2,515,604
5.	Unit credit normal cost plus expenses		1,758,567
6.	Ratio of inactive participants to active participants		2.2013
III. Funded Percentage (I.2)/(II.3)			39.3%
IV. Funding Standard Account			
1.	Credit balance as of the end of prior year		-\$26,362,934
2.	Years to projected funding deficiency		0
V. Projected Year of Emergence			2055
VI. Years to Projected Insolvency			N/A

Actuarial Status Certification under IRC Section 432

Exhibit III Funding Standard Account Projections

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1.

		Year Beginning January 1,									
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.	Credit balance (BOY)	-\$23,607,561	-\$26,362,934	-\$29,682,564	-\$33,185,000	-\$36,722,429	-\$39,646,820	-\$43,435,078	-\$47,222,328	-\$50,916,080	-\$53,775,031
2.	Interest on (1)	-1,711,548	-1,911,313	-2,151,986	-2,405,912	-2,662,376	-2,874,394	-3,149,043	-3,423,619	-3,691,416	-3,898,690
3.	Normal cost	1,215,417	1,348,568	1,331,297	1,391,217	1,367,327	1,350,745	1,343,205	1,329,093	1,333,478	1,314,192
4.	Administrative expenses	304,533	410,000	420,250	430,756	441,525	452,563	463,877	475,474	487,361	499,545
5.	Net amortization charges	5,579,973	6,852,181	6,805,247	6,530,687	5,733,083	6,346,412	6,085,615	5,744,938	4,700,603	3,704,597
6.	Interest on (3), (4) and (5)	514,744	624,279	620,368	605,568	546,790	590,855	572,221	547,339	472,805	400,079
7.	Expected contributions	6,359,521	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
8.	Interest on (7)	211,322	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711
9.	Full-funding limit credit	0	0	0	0	0	0	0	0	0	0
10.	Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-\$26,362,934	-\$29,682,564	-\$33,185,000	-\$36,722,429	-\$39,646,820	-\$43,435,078	-\$47,222,328	-\$50,916,080	-\$53,775,031	-\$55,765,423
		2030	2031	2032	2033	2034	2035	2036	2037	2038	
1.	Credit balance (BOY)	-\$55,765,423	-\$57,340,403	-\$58,677,649	-\$59,767,601	-\$59,697,597	-\$59,373,535	-\$58,808,021	-\$57,959,184	-\$57,389,448	
2.	Interest on (1)	-4,042,993	-4,157,179	-4,254,130	-4,333,151	-4,328,076	-4,304,581	-4,263,582	-4,202,041	-4,160,735	
3.	Normal cost	1,308,757	1,284,855	1,274,974	1,241,440	1,252,835	1,251,639	1,238,255	1,229,104	1,231,004	
4.	Administrative expenses	512,034	524,835	537,956	551,405	565,190	579,320	593,803	608,648	623,864	
5.	Net amortization charges	3,175,664	2,858,635	2,534,421	1,399,282	1,141,950	925,793	698,751	1,010,672	-633,868	
6.	Interest on (3), (4) and (5)	362,243	338,454	315,183	231,429	214,598	199,865	183,484	206,511	88,522	
7.	Expected contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	
8.	Interest on (7)	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711	251,711	
9.	Full-funding limit credit	0	0	0	0	0	0	0	0	0	
10.	Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	-\$57,340,403	-\$58,677,649	-\$59,767,601	-\$59,697,597	-\$59,373,535	-\$58,808,021	-\$57,959,184	-\$57,389,448	-\$55,032,995	

Actuarial Status Certification under IRC Section 432

Exhibit IV

Funding Standard Account – Projected Bases Assumed Established after January 1, 2020

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience gain	1/ 1/2021	-\$840,003	15	Deferred to 2024
Shortfall loss	1/ 1/2021	2,387,092	15	Deferred to 2024
Experience gain	1/ 1/2022	-1,077,375	15	Deferred to 2024
Experience gain	1/ 1/2023	-298,319	15	Deferred to 2024
Experience gain	1/ 1/2024	-1,609,788	15	Deferred to 2028
Experience gain	1/ 1/2025	-509,041	15	Deferred to 2028

Actuarial Status Certification under IRC Section 432

Exhibit V Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2020 through 2050.

	Year Beginning January 1,							
	2020	2021	2022	2023	2024	2025	2026	2027
1. Market Value at beginning of year	\$50,269,381	\$52,580,476	\$53,637,885	\$54,616,572	\$55,518,455	\$56,241,726	\$56,871,431	\$57,400,702
2. Contributions	6,359,521	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,492,472	9,786,887	9,926,227	10,057,943	10,282,260	10,411,732	10,540,999	10,722,325
5. Administrative expenses	411,053	410,000	420,250	430,756	441,525	452,563	463,877	475,474
6. Interest earnings	<u>5,855,099</u>	<u>3,679,296</u>	<u>3,750,164</u>	<u>3,815,582</u>	<u>3,872,056</u>	<u>3,919,000</u>	<u>3,959,147</u>	<u>3,990,106</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$52,580,476	\$53,637,885	\$54,616,572	\$55,518,455	\$56,241,726	\$56,871,431	\$57,400,702	\$57,768,009
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$62,072,948	\$63,424,772	\$64,542,799	\$65,576,398	\$66,523,986	\$67,283,163	\$67,941,701	\$68,490,334
	2028	2029	2030	2031	2032	2033	2034	2035
1. Market Value at beginning of year	\$57,768,009	\$58,003,564	\$58,183,838	\$58,322,329	\$58,322,676	\$58,188,166	\$57,917,867	\$57,625,682
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,862,863	10,920,080	10,960,089	11,089,841	11,206,424	11,314,133	11,302,075	11,263,169
5. Administrative expenses	487,361	499,545	512,034	524,835	537,956	551,405	565,190	579,320
6. Interest earnings	<u>4,010,779</u>	<u>4,024,899</u>	<u>4,035,614</u>	<u>4,040,023</u>	<u>4,034,870</u>	<u>4,020,239</u>	<u>4,000,080</u>	<u>3,979,282</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$58,003,564	\$58,183,838	\$58,322,329	\$58,322,676	\$58,188,166	\$57,917,867	\$57,625,682	\$57,337,475
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$68,866,427	\$69,103,918	\$69,282,418	\$69,412,517	\$69,394,590	\$69,232,000	\$68,927,757	\$68,600,644

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Exhibit V (continued) Solvency Projections

	Year Beginning January 1,							
	2036	2037	2038	2039	2040	2041	2042	2043
1. Market Value at beginning of year	\$57,337,475	\$57,071,547	\$56,909,124	\$56,803,874	\$56,734,344	\$56,742,109	\$56,861,754	\$57,131,773
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	11,206,516	11,072,662	10,990,377	10,932,400	10,836,398	10,712,016	10,557,890	10,430,476
5. Administrative expenses	593,803	608,648	623,864	639,461	655,448	671,834	688,630	705,846
6. Interest earnings	<u>3,959,391</u>	<u>3,943,887</u>	<u>3,933,991</u>	<u>3,927,331</u>	<u>3,924,611</u>	<u>3,928,495</u>	<u>3,941,539</u>	<u>3,964,486</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$57,071,547	\$56,909,124	\$56,803,874	\$56,734,344	\$56,742,109	\$56,861,754	\$57,131,773	\$57,534,937
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$68,278,063	\$67,981,786	\$67,794,251	\$67,666,744	\$67,578,507	\$67,573,770	\$67,689,663	\$67,965,413
	2044	2045	2046	2047	2048	2049	2050	
1. Market Value at beginning of year	\$57,534,937	\$58,151,133	\$58,983,966	\$60,061,416	\$61,414,485	\$62,992,136	\$64,800,651	
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	
3. Withdrawal liability payments	0	0	0	0	0	0	0	
4. Benefit payments	10,234,840	10,050,173	9,853,194	9,642,931	9,500,712	9,367,639	9,248,213	
5. Administrative expenses	723,492	741,579	760,118	779,121	798,599	818,564	839,028	
6. Interest earnings	<u>3,999,528</u>	<u>4,049,585</u>	<u>4,115,762</u>	<u>4,200,121</u>	<u>4,301,962</u>	<u>4,419,718</u>	<u>4,553,681</u>	
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$58,151,133	\$58,983,966	\$60,061,416	\$61,414,485	\$62,992,136	\$64,800,651	\$66,842,091	
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$68,385,973	\$69,034,139	\$69,914,610	\$71,057,416	\$72,492,848	\$74,168,290	\$76,090,304	

Actuarial Status Certification under IRC Section 432

Exhibit VI

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2020 actuarial valuation certificate, dated December 15, 2020, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits:	The accrual rate for 2021 is \$85. Accrual rates for 2022 and future years are based on the following table:	
	Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
	550,000 or more	\$95 per Credit
	Between 549,999 and 500,000	\$90 per Credit
	Between 499,999 and 450,000	\$85 per Credit
	Between 449,999 and 400,000	\$80 per Credit
	399,999 or lower	\$75 per Credit
Contribution Rates:	\$15.56 plus a Reserve Fund contribution of \$0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be \$14.94 plus the Reserve Fund contribution for 2021 and thereafter.	
Asset Information:	The market value of assets as of January 1, 2021 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expenses provided by the Fund Administrator. For projections after that date, the 2021 administrative expenses were assumed to be \$410,000 and then were increased by 2.5% per year and the benefit payments were projected based on the results of an open group forecast of the January 1, 2020 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2021 - 2050 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.	
Projected Industry Activity:	As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number hours worked by active participants is projected to be 500,000 in 2021 and later years.	

Actuarial Status Certification under IRC Section 432

Future Normal Costs:	We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.
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Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Section 3: Certificate of Actuarial Valuation

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1993	\$145,827	2	\$75,464
Plan amendment	01/01/1994	227,737	2	117,852
Plan amendment	01/01/1995	470,045	4	130,121
Plan amendment	01/01/1997	236,745	6	46,669
Plan amendment	01/01/1998	457,693	7	79,877
Assumption change	01/01/1999	1,545,995	8	243,747
Plan amendment	01/01/1999	4,668,609	8	736,068
Plan amendment	01/01/2000	752,427	9	108,829
Plan amendment (2001)	01/01/2002	2,140,432	11	269,470
Shortfall loss	01/01/2003	115,232	2	59,632
Plan amendment (2002)	01/01/2003	2,843,609	12	338,276
Shortfall loss	01/01/2004	447,111	3	159,581
Plan amendment	01/01/2005	1,104,798	14	119,560
Shortfall loss	01/01/2006	185,171	5	42,391
Actuarial loss	01/01/2007	178,645	1	178,645
Shortfall loss	01/01/2007	270,382	6	53,299
Actuarial loss	01/01/2008	436,011	2	225,632
Actuarial loss	01/01/2009	1,070,971	3	382,248
Assumption change	01/01/2009	1,245,126	3	444,407
Base due to Dec. 31, 2008 investment loss	01/01/2009	9,264,268	17	900,130
Assumption change	01/01/2010	346,986	4	96,055
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,303,736	17	126,673
Assumption change	01/01/2011	1,246,349	5	285,324

Section 3: Certificate of Actuarial Valuation

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall loss	01/01/2011	1,347,110	5	308,391
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,243,521	17	217,984
Assumption change	01/01/2012	189,776	6	37,410
Actuarial loss	01/01/2012	503,986	6	99,349
Shortfall loss	01/01/2012	527,373	6	103,959
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,786,253	17	173,555
Shortfall loss	01/01/2013	1,325,340	7	231,299
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,497,451	17	145,495
Assumption change	01/01/2013	3,294,566	7	574,971
Shortfall loss	01/01/2014	129,250	8	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,186,983	17	115,329
Assumption change	01/01/2015	199,881	9	28,910
Actuarial loss	01/01/2015	4,076,660	9	589,634
Assumption change	01/01/2016	488	10	66
Actuarial loss	01/01/2016	4,313,087	10	579,210
Actuarial loss	01/01/2017	2,376,213	11	299,153
Shortfall loss	01/01/2018	1,029,121	12	122,424
Actuarial loss	01/01/2018	2,084,703	12	247,996
Assumption change	01/01/2018	3,584,760	12	426,443
Actuarial loss	01/01/2019	2,573,396	13	291,176
Actuarial loss	01/01/2020	935,673	14	Deferred to 2024
Shortfall loss	01/01/2021	<u>2,136,303</u>	15	<u>Deferred to 2024</u>
Total		\$68,045,799		\$9,833,082

Section 3: Certificate of Actuarial Valuation

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1992	\$74,694	1	\$74,694
Shortfall gain	01/01/2002	57,026	1	57,026
Shortfall gain	01/01/2005	315,246	4	87,268
Plan amendment	01/01/2007	1,711,167	16	171,704
Shortfall gain	01/01/2008	394,232	2	204,011
Shortfall gain	01/01/2009	111,619	3	39,839
Change in asset method	01/01/2009	3,083,771	18	291,021
Shortfall gain	01/01/2010	162,311	4	44,932
Plan amendment	01/01/2010	447,852	4	123,977
Actuarial gain	01/01/2010	2,107,179	4	583,322
Actuarial gain	01/01/2011	1,639,450	5	375,316
Actuarial gain	01/01/2013	1,058,118	7	184,664
Actuarial gain	01/01/2014	26,522	8	4,182
Shortfall gain	01/01/2015	1,372,029	9	198,446
Shortfall gain	01/01/2016	1,952,790	10	262,242
Shortfall gain	01/01/2017	1,941,376	11	244,409
Shortfall gain	01/01/2019	299,163	13	33,850
Shortfall gain	01/01/2020	313,692	14	Deferred to 2024
Actuarial gain	01/01/2021	<u>1,239,898</u>	15	<u>Deferred to 2024</u>
Total		\$18,308,135		\$2,980,903

Section 3: Certificate of Actuarial Valuation

Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.95% to 2.43% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was increased from \$400,000 to \$410,000 for the plan year beginning January 1, 2021.

Section 3: Certificate of Actuarial Valuation

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates

Healthy: RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

Disabled: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Section 3: Certificate of Actuarial Valuation

Termination Rates before Retirement

Age	Rate (%)			
	Mortality ¹		Disability ²	Withdrawal
	Male	Female		
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

¹ Mortality rates shown for base table.

² 80% of the disability rates shown represent Total Disability.

Section 3: Certificate of Actuarial Valuation

Retirement Rates	Age¹	Annual Retirement Rates
	55 – 59	5%
	60 – 61	15%
	62	60%
	63 – 64	30%
	65	100%
The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years		
Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2021 actuarial valuation.	
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.	
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.	
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.	
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.	
Percent Married	80%	
Age of Spouse	Females 3 years younger than males.	

¹ If eligible

Section 3: Certificate of Actuarial Valuation

Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	\$410,000, payable at the beginning of the year, for the year beginning January 1, 2021 (previously, \$400,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of \$105,000 (previously, \$115,500) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in <i>Exhibit K</i> .
Current Liability Assumptions	<i>Interest</i> : 2.43%, within the permissible range prescribed under IRC Section 431(c)(6)(E) <i>Mortality</i> : Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2019 (previously, the MP-2018 scale was used).
Estimated Rate of Investment Return	<i>On actuarial value of assets (Schedule MB, line 6g)</i> : 8.9%, for the Plan Year ending December 31, 2020 <i>On current (market) value of assets (Schedule MB, line 6h)</i> : 11.7%, for the Plan Year ending December 31, 2020
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Section 3: Certificate of Actuarial Valuation

Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.95% to 2.43% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was increased from \$400,000 to \$410,000 for the plan year beginning January 1, 2021.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Updated for Plan Year Beginning January 1, 2021

Originally Adopted October 28, 2009

**Previously Updated for Plan Years Beginning January 1, 2013, 2014, 2015, 2016,
2018, 2019, and 2020**

Introduction

The Pension Protection Act of 2006 ("PPA"), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), requires the Trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status (also known as "Red Zone" status) to develop a Rehabilitation Plan. A Rehabilitation Plan must prescribe actions, including recommended actions to be taken by the bargaining parties, which are expected to enable a plan to meet stated annual financial benchmarks as well as the emergence criteria by the end of the Rehabilitation Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. On March 31, 2009, the Sheet Metal Workers' Local No. 40 Pension Plan ("Pension Plan" or "Plan") was certified by its actuary to be in Critical Status for the plan year beginning January 1, 2009. It remains in Critical Status for the plan year beginning January 1, 2021.

The Trustees and collective bargaining parties have taken a number of steps including benefit reductions and contribution rate increases to improve the financial position of the Pension Plan. This update to the Rehabilitation Plan adopted by the Trustees is the latest step in the process.

This Rehabilitation Plan:

1. Has been updated based on the results of the Actuarial Valuation and Review as of January 1, 2021;
2. Specifies the rehabilitation period and the expected emergence date;
3. Includes two schedules (one Default and one Preferred Schedule) of benefit and contribution changes that will be provided to the bargaining parties, one of which must be implemented as part of any future collective bargaining agreement(s). (The bargaining parties have agreed to a collective bargaining agreement which is consistent with the Preferred Schedule.);
4. Provides annual standards for meeting the requirements of the Rehabilitation Plan and describes how the Rehabilitation Plan will be updated from time to time; and
5. Describes which Schedule will be automatically implemented if there is no agreement between the bargaining parties in a timely manner.

Rehabilitation Period and Expected Emergence Date

Pursuant to Section 205 of WRERA, the Trustees elected on May 27, 2009 that the rehabilitation period shall be extended by 3 years. As a result, the rehabilitation period was the 13-year period beginning January 1, 2011. The Pension Plan was projected to emerge from Critical Status by December 31, 2023 based on reasonable assumptions.

The Trustees have periodically reviewed the Rehabilitation Plan since then. Due to adverse investment and employment experience since the original adoption of the Rehabilitation Plan, the Pension Plan is no longer projected to meet the requirements to cease to be in Critical Status by the end of the rehabilitation period. The law provides, however, that if the Trustees determine that, based upon the exhaustion of all reasonable measures, the Pension Plan cannot reasonably be expected to emerge by the end of a statutory 13-year rehabilitation period, then the Rehabilitation Plan should be designed to enable the Pension Plan to cease to be in Critical Status at a later date, or if not reasonable, to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions. The following discussion outlines the actions of the Trustees since it was determined that the Pension Plan could not meet the statutory 13-year rehabilitation period.

Deliberations by Trustees

At a meeting of the Trustees held on November 4, 2013, the Pension Plan's actuary reviewed with the Trustees their obligation to update the Rehabilitation Plan setting forth actions by which the Pension Plan could emerge from Critical Status.

The Pension Plan's actuary reviewed at length projections based on the then current 8% investment return assumption and alternative investment return assumptions of 7.75% and 7.50% and based on the current and alternative employment assumptions. The Trustees agreed that the 7.50% investment return assumption, an employment assumption of 500,000 hours in 2013 and 550,000 hours thereafter, and the assumptions used in the preliminary January 1, 2013 actuarial valuation were reasonable and approved their use for the purposes of updating the Rehabilitation Plan for the plan year beginning January 1, 2013.

The Pension Plan's actuary modeled reductions in the accrual rate, changes in the early retirement reduction factors, and the elimination of the additional pension credits for members who retire on a Total Disability Pension. The actuary determined that based on the investment return and employment assumption approved by the Trustees, these changes would not result in the Plan emerging from Critical Status within the 13 years allowed by law.

The Trustees discussed that further significant reductions to benefits provided under the Plan would discourage union sheet metal workers from engaging in covered employment, and further increases to the contribution rate in the Collective Bargaining Agreement were likely to seriously undermine the competitiveness of contributing employers in the marketplace. (Contribution rates had increased 47% in the relevant time frame, from \$9.51 to \$11.01 effective July 1, 2010 to \$12.51 effective July 1, 2011 to \$14.01 effective July 1, 2012.)

On the basis of the foregoing, it was the conclusion of the Trustees that no reasonable measures would enable the Pension Plan to emerge from Critical Status by the end of the statutory 13-year rehabilitation period. The Trustees also determined that it would be reasonable to modify the accrual rate formula. The Trustees discussed a proposal to lower the Plan's current benefit accrual rate of \$80 by \$5 for work during the 2014 Plan Year, and also tying the Plan's benefit accrual rate in future plan years (2015 and beyond) to a schedule based

on the total hours actually worked by Plan participants in a prior measuring period until the Plan emerges from Critical Status. The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund was to be 50% of the accrual rate applicable to non-Residential (i.e., "Commercial") Sheet Metal Work. The Trustees concluded that these additional changes constituted the only reasonable measures available to them to emerge from Critical Status and forestall Plan insolvency, thereby qualifying for the safety valve provision of ERISA and the IRC.

Based on the Plan changes adopted by the Trustees on November 4, 2013, the Pension Plan was projected to emerge from Critical Status at the end of the 2046 Plan Year.

Plan Year Beginning January 1, 2014 Update

On December 16, 2014, the Trustees agreed to, adopted and executed the updated Rehabilitation Plan which reflected anticipated investment experience for 2014. The Pension Plan was projected to emerge from critical status by the end of the 2048 Plan Year.

Plan Year Beginning January 1, 2015 Update

With the January 1, 2015 actuarial valuation, the Pension Plan's actuary projected that if all assumptions were met, the credit balance would remain negative through 2052. A new Collective Bargaining Agreement was effective July 1, 2015. The Trustees requested an additional allocation to the Pension Plan to improve the financial health of the plan and to emerge from Critical Status sooner. The Union membership declined to ratify an increase in the contribution rate to the Pension Plan without a prospective increase in the accrual rate. The Trustees agreed to consider an increase in the accrual rate if there were an increase in the contribution rate that was approximately twice the cost of increasing the accrual. The Trustees noted that it was their view that this proposal of contribution rate increases, limited benefit increases, and improvements to the Pension Plan's funded status was the only possible measure, at the current time, which could allow the Pension Plan to emerge from critical status no later than the current emergence date of December 31, 2048.

The Pension Plan's actuary projected that \$0.30 increases in the contribution rate on July 1, 2016, July 1, 2017 and July 1, 2018 (totaling \$0.90), and \$5 increases in the accrual rate on January 1, 2017, January 1, 2018 and January 1, 2019 (totaling \$15) for service accrued after those dates would accelerate the Plan's emergence date to December 31, 2046.

The Union membership ultimately agreed to a \$0.90 contribution rate increase on July 1, 2016 and a \$15 increase in the accrual rate for service after January 1, 2017.

Legal counsel reminded the Trustees that ERISA provides that a multiemployer pension plan which has adopted a rehabilitation plan may generally not increase the rate of future benefit accruals unless the plan actuary certifies that the increase is paid out of additional contributions not contemplated by the rehabilitation plan, and, after taking into account the increase, the plan is still reasonably expected to emerge from critical status by the end of the rehabilitation period on the schedule contemplated in the rehabilitation plan. It was noted that the benefit improvements considered for the Plan, and noted above, would be paid out of a portion of the additional contributions not contemplated by the Pension Plan's Rehabilitation Plan, and that the other portion would be used to improve the Pension Plan's funded position such that it would emerge from critical status faster than contemplated under the current Rehabilitation Plan. Legal counsel also reminded the Trustees that they have utilized ERISA's "safety valve"

provision, in that they had previously concluded that they had exhausted all reasonable measures to emerge from critical status by December 31, 2023.

The Pension Plan's actuary further noted that the Pension Plan's investment advisor has estimated that the Pension Plan's return through October 31, 2015 was -0.3% and that projected employment for 2015 was 630,000 hours compared to the assumption of 550,000 hours. Given the Pension Plan's investment performance through October 31, 2015 and the volatility in the investment markets in November and the first half of December 2015, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2050 Plan Year.

Plan Year Beginning January 1, 2016 Update

In 2015, the actual investment performance was -3.21% and the January 1, 2016 zone certification reflected the fact that the Pension Plan was not making scheduled progress in meeting the requirements of the Rehabilitation Plan because the projected emergence date from Critical Status was the end of the 2051 Plan Year. Although projected employment for 2016 is greater than the assumption of 550,000 hours, the Investment Advisor has reported a return of 5.1% through November 31, 2016. Based on this information, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2055 Plan Year.

Plan Year Beginning January 1, 2018 Update

With the January 1, 2018 actuarial valuation, the Plan's actuary lowered the investment return assumption from 7.5% to 7.25% and based on information provided by the Trustees, lowered the employment assumption to 500,000 hours in 2018 and 525,000 hours in 2019. The Investment Advisor has reported a return of -1.9% through October 31, 2018. Based on this information and the continued decline in the investment markets through December 2018, the Trustees are updating the Annual Standards to reflect that the Pension Plan is now projected to emerge from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2019 Update

The January 1, 2019 Actuarial Valuation reflected a return on a market value basis of -6.59% and a return on the actuarial basis of 2.87%. The contribution rate increased from \$15.00 to \$15.21 on July 1, 2018 and further increased to \$15.41 on July 1, 2019, plus the \$0.21 Reserve Fund contribution. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2020 Update

The January 1, 2020 Actuarial Valuation reflected a return on a market value basis of 18.69% and a return on the actuarial basis of 5.06%. Contributions during 2019 were \$8.1 million compared to the assumption of \$7.8 million.

Contributions through October 31, 2020 were \$5.2 million. Contributions for 2020 will likely fall short of the assumption of \$8.3 million for 2020. The investment advisor has reported a return of 9.15% through November 30, 2020. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and the available information on contributions and investment performance for 2020. Based on this review, the Trustees determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

Plan Year Beginning January 1, 2021 Update

The January 1, 2021 Actuarial Valuation reflected a return on a market value basis of 11.82% and a return on the actuarial basis of 9.00%. Contributions during 2020 were \$6.6 million compared to the assumption of \$8.3 million. Based on input from the Trustees, the employment assumption was lowered from 550,000 hours to 500,000 hours.

The contribution rate increased to \$15.56 per hour effective July 1, 2020, plus the Reserve Fund contribution of \$0.21 per hour. The average contribution rate is estimated to be \$14.75 plus the Reserve Fund contribution for 2021 and thereafter.

Contributions through October 31, 2021 were \$5.1 million. Contributions for 2021 will likely fall short of the assumption of \$7.5 million for 2021. The investment advisor has reported a return of 13.94% through October 31, 2021. The Trustees have reviewed the Annual Standards in the Rehabilitation Plan and the available information on contributions and investment performance for 2021. Based on this review, the Trustees determined that the Plan is making scheduled progress toward emerging from Critical Status at the end of the 2065 Plan Year.

If the actuary certifies before the end of this period that the Pension Plan is no longer in Critical Status for a plan year, the rehabilitation period will end as of the close of the preceding plan year.

Rehabilitation Plan Remedies and Schedules

Original Default Schedule and Preferred Schedule

Attached to this document are the Original Default Schedule and the Updated Preferred Schedule under the Rehabilitation Plan, which describe supplemental contributions and the benefit revisions that will be made if either Schedule is adopted or goes into effect. Exhibit A is the Original Default Schedule under the Rehabilitation Plan and contains reductions in benefits necessary to meet the requirements of the PPA. Exhibit B is the Preferred Schedule under the Rehabilitation Plan and contains a combination of reductions in benefits and increases in contributions.

Implementation of Remedies and Schedules

The benefits of participants whose annuity starting date is prior to January 1, 2010 are not subject to reduction under this Rehabilitation Plan. Benefits for other participants are determined as follows:

- A Participant who earns at least 100 hours of Service under a collective bargaining agreement that adopts terms consistent with one of the Schedules of this Rehabilitation Plan shall have his or her benefits determined based on that Schedule.
- Beginning on December 31, 2009 a Participant will become a Terminated Vested Participant on any December 31st when (1) he meets the requirements of the Plan to be Vested, and (2) he failed to earn at least 100 Hours of Service under the Plan for the Plan Year that ended on that December 31st. Terminated Vested Participants will be covered under the Default Schedule. A Terminated Vested Participant who returns to Covered Employment will lose that status under the Rehabilitation Plan on the date when he earns at least 100 hours of service in a Plan Year.
- Except as provided below under Special Rules for a Retiree Who Returns to Work, all other participants shall have their benefits determined based on the benefit changes

described in the Default Schedule. These provisions shall take effect on the date specified in the notice of benefit reduction provided by the Pension Plan.

- Non-collectively bargained participants will be treated the same as bargained participants with their participation agreement treated as a collective bargaining agreement.
- Participants who work outside the jurisdiction of the Pension Plan and have monies sent to this Pension Plan on their behalf under a “Money follows the man” reciprocity agreement shall, for such time period, be treated as subject to the benefit provisions of the Preferred Schedule. For benefit accrual purposes, their hours will be converted to equivalent hours determined by dividing the total contributions sent to this Pension Plan by the applicable contribution rate in the Preferred Schedule. For vesting service purposes, their hours will not be adjusted.

Special Rules for a Retiree Who Returns to Work

An individual who has become covered by the Preferred or Default Schedule and then retired after 2009 shall cease to be covered by that Schedule on the earlier of the date when:

- He returns to covered employment and becomes covered under a different Schedule by earning at least 100 Hours of Service under a collective bargaining agreement that corresponds to that different Schedule, or
- The collective bargaining agreement under which he worked when he became subject to the Schedule is modified or expires and a different Schedule is agreed to or imposed with respect to persons covered by the successor agreement.

A retiree who retired before January 1, 2010 and returns to work on or after January 1, 2010 shall be covered by the Preferred or Default Schedule, as appropriate under the rules of this Rehabilitation Plan, but only for accruals earned on or after January 1, 2010.

Benefits of a beneficiary or alternate payee with respect to a Participant or Retiree shall be determined on the same basis as benefits of the Participant or Retiree to whom they relate.

Automatic Implementation of Default Schedule

If a collective bargaining agreement providing for contributions under the Pension Plan that was in effect on January 1, 2009 expires, and after receiving the Default Schedule and Preferred Schedule the bargaining parties fail to adopt either schedule, the Schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires will be imposed, and the benefits adjusted accordingly, 180 days after the date on which the collective bargaining agreement expires, provided that the employer has not withdrawn from the Pension Plan.

Employer Contribution Surcharges

The amount of the surcharge in effect beginning May 30, 2009 was 5% of the amount employers were otherwise required to contribute to the Plan under the applicable collective bargaining agreement. Beginning January 1, 2010, the contribution surcharge increased to 10% of the negotiated contribution rate. These contribution surcharges end on the effective date of a collective bargaining agreement amendment that includes terms consistent with the Rehabilitation Plan. This Rehabilitation Plan was originally adopted by the Board of Trustees of

the Pension Plan on October 28, 2009. A collective bargaining agreement amendment containing terms consistent with the Rehabilitation Plan was adopted effective November 1, 2009 and the surcharge ended then for all employers bound by that amendment. Another collective bargaining agreement amendment and extension, effective July 1, 2010 through June 30, 2014, continued those terms consistent with the Rehabilitation Plan. The surcharge remains in effect for contributing employers who are not bound by both of those collective bargaining agreement amendments. The existing collective bargaining agreement, as amended, contains terms consistent with the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2013, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2014, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2015, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2016, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2018, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2019, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2020, and the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2021.

Annual Standards for Meeting the Rehabilitation Requirements

On an annual basis, in conjunction with the actuarial valuation, the Pension Plan's actuary will perform a projection to certify (a) whether or not the Pension Plan is still expected to emerge from Critical Status by the end of the rehabilitation period and/or by the end of the **2065** plan year, and (b) whether or not the following annual standards as set forth in this Rehabilitation Plan are being achieved. The Trustees will update the Rehabilitation Plan and will update the schedules to reflect the experience of the Pension Plan, as appropriate and as required by law.

The Trustees recognize that actual experience will differ from the reasonable assumptions used to develop this Rehabilitation Plan and the following annual standards reflect the fact that it is impossible to predict the future with any certainty.

Annual Standards

Year Beginning January 1:	Credit Balance (Deficiency) Projected as of December 31:
2021	-\$30.4 million
2022	-33.9 million
2023	-37.3 million
2024	-39.9 million
2025	-44.1 million
2026	-48.3 million
2027	-52.4 million
2028	-56.1 million
2029	-59.0 million
2030	-61.5 million
2031	-63.8 million
2032	-66.0 million
2033	-67.0 million
2034	-67.9 million
2035	-68.4 million
2036	-68.7 million
2037	-69.2 million
2038	-67.8 million
2039	-66.6 million
2040	-65.3 million
2041	-64.0 million
2042	-62.6 million
2043	-61.1 million
2044	-59.5 million
2045	-57.9 million
2046	-56.2 million
2047	-54.4 million
2048	-52.5 million
2049	-50.5 million

2050	-48.4 million
2051	-46.1 million
2052	-43.7 million
2053	-41.2 million
2054	-38.5 million
2055	-35.6 million
2056	-32.6 million
2057	-29.4 million
2058	-26.0 million
2059	-22.4 million
2060	-18.5 million
2061	-14.4 million
2062	-10.0 million
2063	-5.4 million
2064	-0.4 million
2065	0 million

Annual Updating of Rehabilitation Plan

Each year the Pension Plan's actuary will review and certify the status of the Pension Plan under the PPA funding rules and whether, starting with the beginning of the rehabilitation period, the Pension Plan is making the scheduled progress toward the requirements of the Rehabilitation Plan. If the Trustees determine that it is necessary in light of updated information and the requirements of law, they will revise the Rehabilitation Plan and present updated schedules to the bargaining parties, which may prescribe additional benefit reductions or higher contribution rates.

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

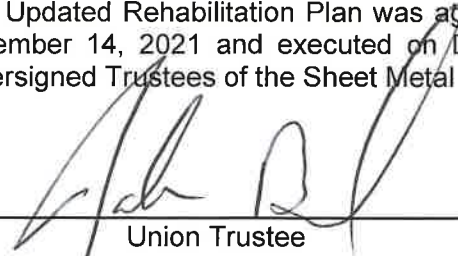
Other Issues

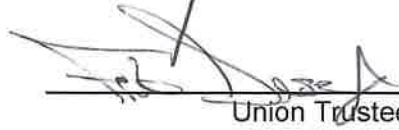
Since collective bargaining agreements are typically negotiated for less than the length of this rehabilitation period, it is expected that future contract renewals will be consistent with the Default Schedule or the Preferred Schedule as applicable. The Board of Trustees may adjust these Schedules at any time during the rehabilitation period.

In the event that the Default Schedule has to be implemented, and then an alternative schedule is bargained as part of subsequent negotiations, the Board of Trustees will develop a revised Rehabilitation Plan.

Benefit changes under both the Default Schedule and the Preferred Schedule will become effective as called for by the Rehabilitation Plan and are expected to be permanent.

This Updated Rehabilitation Plan was agreed to and adopted at the Trustees meeting held on December 14, 2021 and executed on December 14, 2021, and is hereby confirmed by the undersigned Trustees of the Sheet Metal Workers' Local No. 40 Pension Plan.


Union Trustee


Union Trustee


Union Trustee


Union Trustee


Employer Trustee


Employer Trustee


Employer Trustee


Employer Trustee

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Adopted During Plan Year Beginning January 1, 2009

**EXHIBIT A
ORIGINAL DEFAULT SCHEDULE**

The default schedule consists of the following:

1. Three permanent increases to the contribution rate from \$9.51 per hour to \$10.56 per hour effective July 1, 2010, to \$11.61 effective July 1, 2011 and to \$12.66 effective July 1, 2012.
2. The plan of benefits in effect as of the day before the date of certification of Critical Status (March 31, 2009), for all current and future active participants and terminated vested participants and for every year that the Pension Plan is in Critical Status, except for
 - a. An increase in the Normal Retirement Age from age 62 to age 65 for benefit accruals on or after January 1, 2010;
 - b. A change in the early retirement reduction factors to actuarial equivalent factors (based on Plan's definition of actuarial equivalence) for all years of service, effective for retirements on or after January 1, 2010;
 - c. The elimination of the pre-retirement lump sum death benefit for deaths that occur on or after January 1, 2010;
 - d. The elimination of the \$10,000 post retirement death benefit for deaths that occur on or after January 1, 2010;
 - e. The elimination of the current Total Disability Pension and Occupational Disability Pension to be replaced with a disability benefit reflecting full actuarial reduction (additional disability benefits, based on so-called "bonus credits" awarded to participants with 20 or more pension credits, are eliminated);
 - f. Any benefit changes required for the Pension Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law; and
 - g. After commencement of the Rehabilitation Period, specific benefit increases, but only if the Trustees determine, based on a certification of the Plan's actuary, that they will be financed by contributions not factored into the initial Rehabilitation Plan and will not impede the Pension Plan in emerging from Critical Status by the end of the rehabilitation period as contemplated by the initial Rehabilitation Plan.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Adopted During Plan Year Beginning January 1, 2009

Updated for the Plan Year Beginning January 1, 2015

**EXHIBIT B
PREFERRED SCHEDULE**

The Preferred Schedule consists of the following:

1. Permanent increases in the commercial contribution rate from \$9.51 per hour to \$11.01 per hour effective July 1, 2010, to \$12.51 effective July 1, 2011, to \$14.01 effective July 1, 2012, and to \$14.91 effective July 1, 2016 and permanent increases in the contribution rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund from \$4.75 per hour to \$5.50 per hour effective July 1, 2011, to \$6.25 effective July 1, 2012, and to \$7.45 effective July 1, 2016. In addition, the allotment of a temporary eighth hour contribution valued at \$0.29 per hour for hours worked between November 1, 2009 and June 30, 2010.
2. The plan of benefits in effect as of the day before the date of certification of Critical Status (March 31, 2009), except that all Terminated Vested Participants and all other participants who work 100 hours or more under a collective bargaining agreement or a participation agreement with terms consistent with this preferred schedule, shall be subject to the following:
 - a. For participants with 40 or more Pension Credits in force, the early retirement reduction factors will be (i) for Pension Credits earned prior to 2008, 1% for each year retiring before Normal Retirement Age, and (ii) for Pension Credits earned for work after 2007, 3% for each year retiring before Normal Retirement Age, effective for retirements on or after January 1, 2010;
 - b. For participants with 25 or more but fewer than 40 Pension Credits in force, an increase in the early retirement reduction factors to 3% for each year retiring before Normal Retirement Age for all years of service for those who retire early, effective for retirements on or after January 1, 2010;
 - c. For participants with fewer than 25 Pension Credits in force, an increase in the early retirement reduction factors to 6% for each year retiring before Normal Retirement Age for all years of service for those who retire early, effective for retirements on or after January 1, 2010;
 - d. The changes to the early retirement reduction factors outlined above also apply to pre-retirement death benefits and to disability retirements if the member is not eligible for Social Security Disability;
 - e. The elimination of the 40-Pension Credit maximum, due to take effect on January 1, 2012, based on a certification by the Plan's actuary that this

change is financed by additional contributions included in the initial Rehabilitation Plan and will not impede the Pension Plan's emergence from Critical Status during the rehabilitation period;

- f. A reduction from seven to five Pension Credits to the maximum number of additional pension credits (so-called "bonus credits") added to the accrued pension of a participant with 20 pension credits who is eligible for Social Security Disability and who is retiring on a Total Disability Pension, effective for retirements on or after January 1, 2010;
- g. A reduction in the accrual rate from \$80 to \$75 for the 2014 Plan Year and adopt a benefit accrual rate for the 2015 Plan Year and the 2016 Plan Year, based on the following schedule:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	\$80 per Credit
Between 549,999 and 500,000	\$75 per Credit
Between 499,999 and 450,000	\$70 per Credit
Between 449,999 and 400,000	\$65 per Credit
399,999 or lower	\$60 per Credit

For the 2014 Plan Year and later, the accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (i.e., "Commercial") Sheet Metal Work.

- h. A benefit accrual rate increase for the 2017 Plan Year and later, until such time as the Plan emerges from Critical Status (at which point the benefit accrual rate for the immediately following Plan Year would revert back to \$95), based on the following schedule:

Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:
550,000 or more	\$95 per Credit
Between 549,999 and 500,000	\$90 per Credit
Between 499,999 and 450,000	\$85 per Credit
Between 449,999 and 400,000	\$80 per Credit
399,999 or lower	\$75 per Credit

For the 2017 Plan Year and later, the accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.*, "Commercial") Sheet Metal Work.

- i. Any benefit changes required for the Pension Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law; and
- j. After commencement of the Rehabilitation Period, specific benefit increases, but only if the Trustees, based on a certification of the Plan's actuary, determine that they will be financed by contributions not factored into the initial Rehabilitation Plan and will not impede the Pension Plan in emerging from Critical Status by the end of the rehabilitation period as contemplated by the initial Rehabilitation Plan.

Sheet Metal Workers' Local 40 Pension Plan

Actuarial Valuation and Review as of January 1, 2021



This report has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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Segal



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September 15, 2021

Board of Trustees
Sheet Metal Workers' Local 40 Pension Plan
c/o Zenith American Solutions, Inc.
P.O. Box 5817
Wallingford, CT 06492-7617

Dear Trustees:

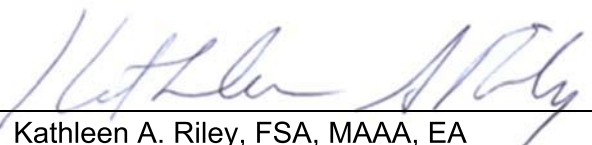
We are pleased to submit the Actuarial Valuation and Review as of January 1, 2021. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

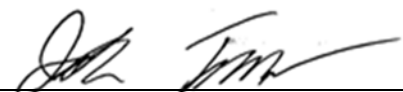
The census information upon which our calculations were based was prepared by Zenith American Solutions, Inc.. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Kathleen A. Riley, FSA, MAAA, EA.

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

Sincerely,

Segal

By: 
Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary


Joshua D. Timm, CEBS
Senior Vice President and Benefits Consultant

cc: Zenith American Solutions, Inc.
Douglas K. Knight, Esq.
Kaitlyn Legassey, Esq.
Peter Graeb, CPA



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Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.



Funding Standard Account

The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.



Zone Information

The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.



Solvency Projections

Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.



Scheduled Cost

The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing Plan.



Withdrawal Liability

ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

	Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
	Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a “perfect” result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
	Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year’s contribution requirement, especially in volatile markets. Plan sponsors often use an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
	Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan’s benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan’s assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.

Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.

ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.

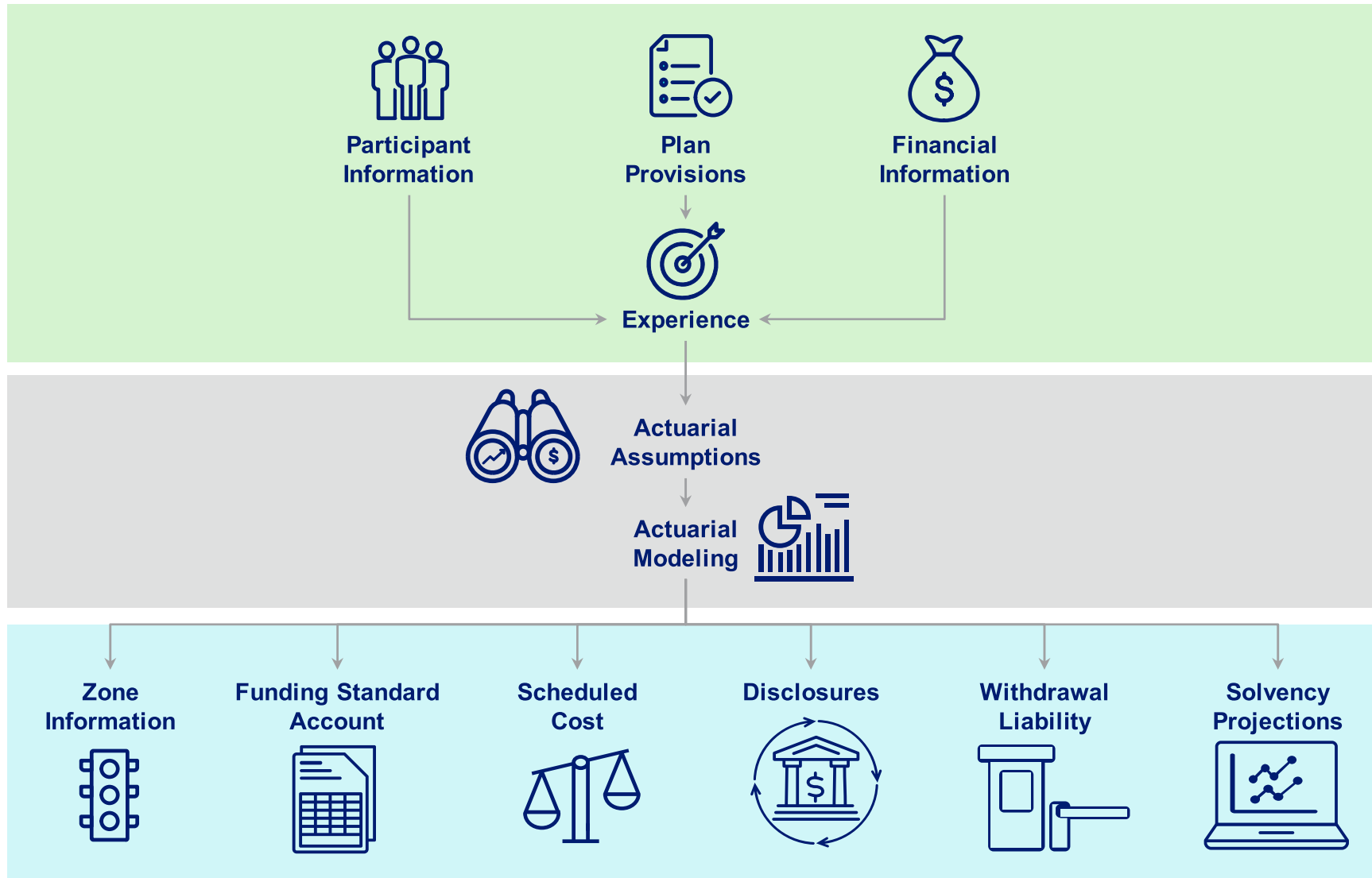
Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.

While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Actuarial valuation overview



Section 1: Trustee Summary

Summary of key valuation results

Plan Year Beginning		January 1, 2020	January 1, 2021
Certified Zone Status		Critical	Critical
Demographic Data:	- Number of active participants - Number of inactive participants with vested rights - Number of retired participants and beneficiaries - Total number of participants - Participant ratio: non-active to actives	318 194 506 1,018 2.20	298 207 503 1,008 2.38
Assets:	- Market value of assets (MVA) - Actuarial value of assets (AVA) - Market value net investment return, prior year - Actuarial value net investment return, prior year	\$50,269,381 48,933,961 18.93% 5.12%	\$52,703,080 49,886,702 11.82% 9.00%
Actuarial Liabilities¹:	- Valuation interest rate - Normal cost, including administrative expenses² - Actuarial accrued liability - Unfunded actuarial accrued liability	7.25% \$1,996,433 125,410,375 76,476,414	7.25% \$1,820,871 125,952,595 76,065,893
Funded Percentages:	- Actuarial accrued liabilities under unit credit method - MVA funded percentage - AVA funded percentage (PPA basis)	\$125,410,375 40.1% 39.0%	\$125,952,595 41.8% 39.6%
Statutory Funding Information:	- Funding deficiency at the end of prior plan year - Minimum required contribution - Maximum deductible contribution	-\$23,607,561 35,320,869 260,418,176	-\$26,328,229 37,538,872 280,083,524

¹ Based on Unit Credit actuarial cost method used for Funding Standard Account.

² An allowance of \$105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was \$115,500.

Section 1: Trustee Summary

This January 1, 2021 actuarial valuation report is based on financial and demographic information as of that date. The Plan's actuarial status does not reflect short-term fluctuations of the financial markets or employment levels, but rather is based on the market values on the last day of the Plan Year. While it is impossible to determine how economic conditions will change in the future, Segal is available to prepare projections of potential outcomes upon request. This report does not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA) on March 11. We continue to monitor the impact, if any, of ARPA on the Plan. The current year's actuarial valuation results follow.

A. Developments since last valuation

The following are developments since the last valuation, from January 1, 2020 to January 1, 2021.

1. *Participant demographics:* The number of active participants decreased 6.3% from 318 to 298. The ratio of non-active to active participants, which is one measure of plan maturity, increased from 2.20 to 2.38.
2. *Plan assets:* The net investment return on the market value of assets was 11.82%. For comparison, the assumed rate of return on plan assets over the long term is 7.25%. The net investment return on the actuarial value of assets, which reflects smoothing of prior year gains and losses, was 9.00%. The calculation of the actuarial value of assets for the current plan year can be found in Section 2 and the change in the market value of assets over the last two plan years can be found in Section 3.
3. *Cash flows:* Cash inflow includes contributions and cash outflow includes benefits paid to participants and administrative expenses. In the plan year ending December 31, 2020, the plan had a net cash outflow of \$3.3 million, or about -6.48% of assets on a market value basis.
4. *Assumption changes:* Since the last valuation, we increased the administrative expense assumption from \$400,000 to \$410,000.
5. *Contribution rates:* Effective July 1, 2020, the contribution rate increased from \$15.41 to \$15.56, plus the Reserve Fund contribution of \$0.21. After a review of the number of hours worked under the bargaining agreement and under reciprocal agreements, we have lowered the average contribution rate used to project total contributions from \$15.00 in 2020 to \$14.96 in 2021. The average contribution rate includes the Reserve Fund contribution of \$0.21.
6. *Rehabilitation plan:* On December 15, 2020, the Trustees reviewed the updated Rehabilitation plan from 2019. After reflecting investment performance for 2019 and 2020 year-to-date, the Trustees determined that the Plan was making scheduled progress toward emerging from critical status by the end of the 2065 Plan Year.



Section 1: Trustee Summary

B. Actuarial valuation results

The following commentary applies to various funding measures for the current plan year.

1. *Zone status:* The Plan was certified to be in critical status under the Pension Protection Act of 2006 (PPA) for the current plan year, in other words, the Plan is in the “Red Zone.” This certification result is due to the fact that the funded percentage was 39.3% and there was a deficiency in the FSA. The projection was based on the Trustees’ revised industry activity assumption that the active population will remain level and, on average, contributions will be made for a total of 500,000 hours in 2021 and later years.
2. *Funded percentages:* During the last plan year, the funded percentage that will be reported on the Plan’s annual funding notice increased from 39.0% to 39.6%. Please note that there are different measurements of funded percentage for different purposes. More information can be found in Section 2.
3. *Funding Standard Account:* During the last plan year, the funding deficiency increased from \$23.6 million to \$26.3 million. The increase in the funding deficiency was due to the fact that the net charges in the FSA exceeded contributions for the plan year. For the current plan year, the minimum required contribution is \$37.54 million, compared with \$7.48 million in expected contributions.
4. *Scheduled Cost:* Scheduled Cost for the plan year is the sum of normal cost (the cost of benefit accruals plus administrative expenses) and an amortization of the unfunded liability. For the current plan year, there is a \$2.6 million deficit between expected contributions and Scheduled Cost, or about \$5.25 per hour. The amortization period adopted by the Trustees to compute the Scheduled Cost is fixed at 15 years.
5. *Withdrawal liability:* The unfunded vested benefits is \$71.2 million as of December 31, 2020, which is used for determining employer withdrawal liability for the plan year beginning January 1, 2021. The unfunded vested benefits decreased from \$72.9 million for the prior year, due mainly to positive investment performance.
6. *Funding concerns:* The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The actions already taken to address this issue include the adoption of a Rehabilitation Plan, which began January 1, 2011. We will continue working with the Trustees to evaluate and monitor all options.



Section 1: Trustee Summary

C. Projections and risk

1. *Importance of projections:* Most of the results included in this valuation report are snapshot measurements, showing the Plan's status as of the valuation date. In addition to understanding the Plan's current status, it is also important to understand where the plan is headed through actuarial projections. Projections may evaluate various metrics, such as funded percentage, Funding Standard Account, zone status, cash flows and solvency.
2. *Baseline projections:* If participants work 500,000 hours in 2021 and beyond and assuming the assets return the 7.25% assumption, the credit balance is expected to become positive at the end of the 2060 Plan Year. This projection is based on an \$85 accrual rate 2021 and 2022 increasing to \$90 thereafter, based on projected hours for the prior year ending June 30,
3. *Understanding risk:* Projections can also help the Trustees understand the sensitivity of future results to various risk factors, such as investment volatility or changes in future contributions. For example, if future investment returns are less than the actuarial assumption, or future contributions are less than projected, the Plan may not meeting its funding objectives or may face eventual insolvency. See Section 2 for a general discussion on the risks facing the Plan, and how they might be better evaluated, understood and addressed.



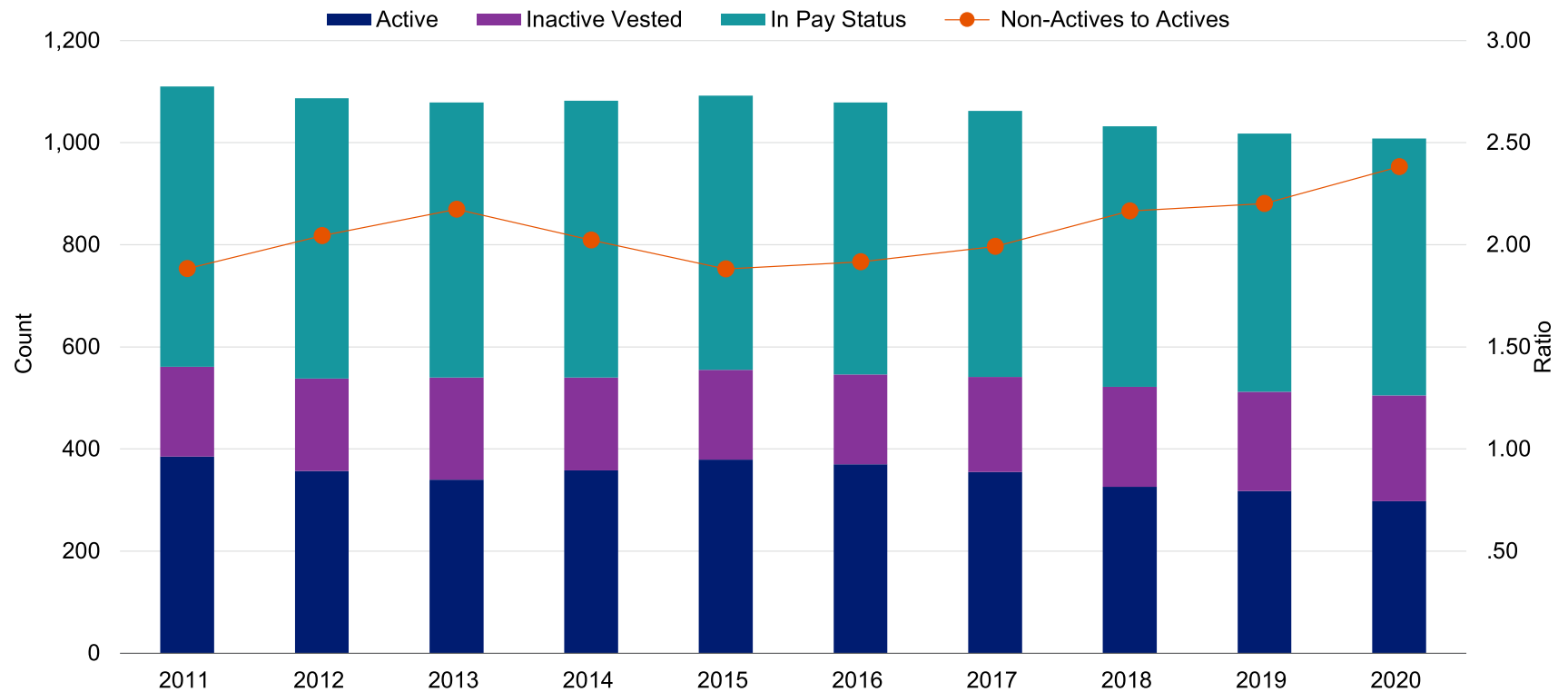
A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling. A detailed risk assessment could be important for your Plan because:

- The outlook for financial markets and future industry activity is uncertain.
- Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
- Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
- The Trustees have not had a detailed risk assessment.

Section 2: Actuarial Valuation Results

Participant information

Population as of December 31



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
In Pay Status	549	549	539	542	537	533	521	510	506	503
Inactive Vested	176	181	200	182	176	176	186	196	194	207
Active	385	357	340	358	379	370	355	326	318	298
Ratio	1.88	2.04	2.17	2.02	1.88	1.92	1.99	2.17	2.20	2.38

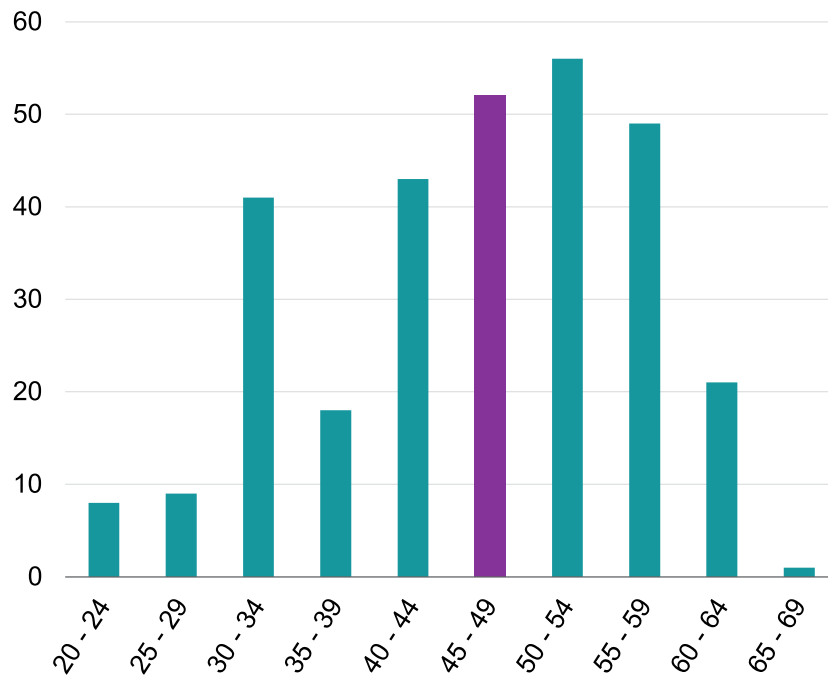
Section 2: Actuarial Valuation Results

Active participants

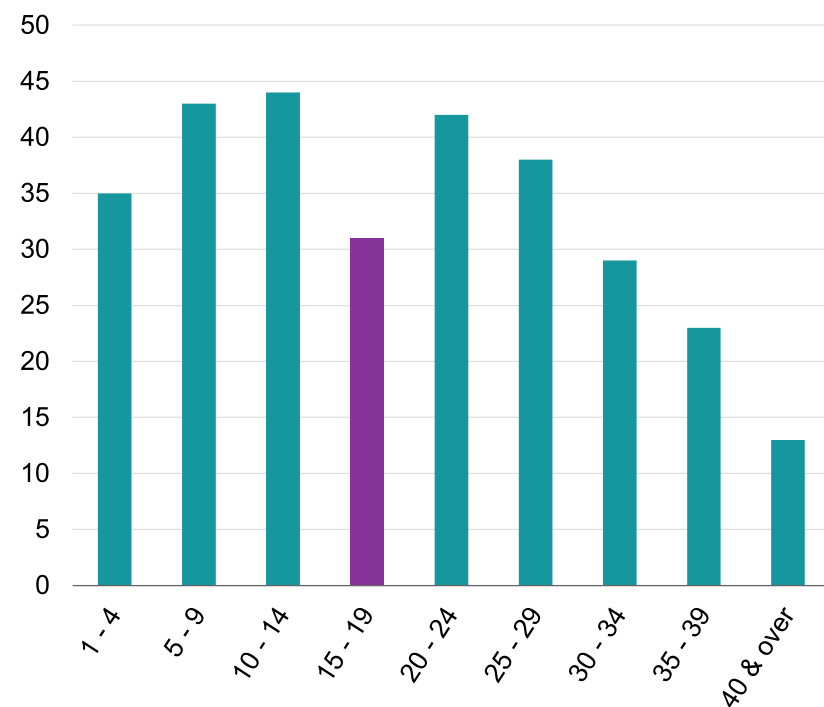
As of December 31,	2019	2020	Change
Active participants	318	298	-6.3%
Average age	46.2	46.5	0.3
Average pension credits	19.1	19.6	0.5

Distribution of Active Participants as of December 31, 2020

by Age



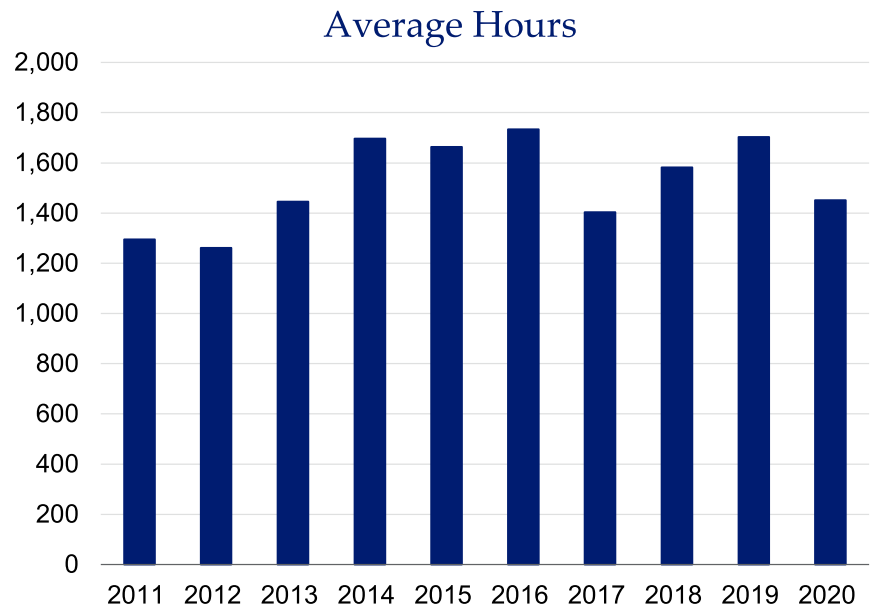
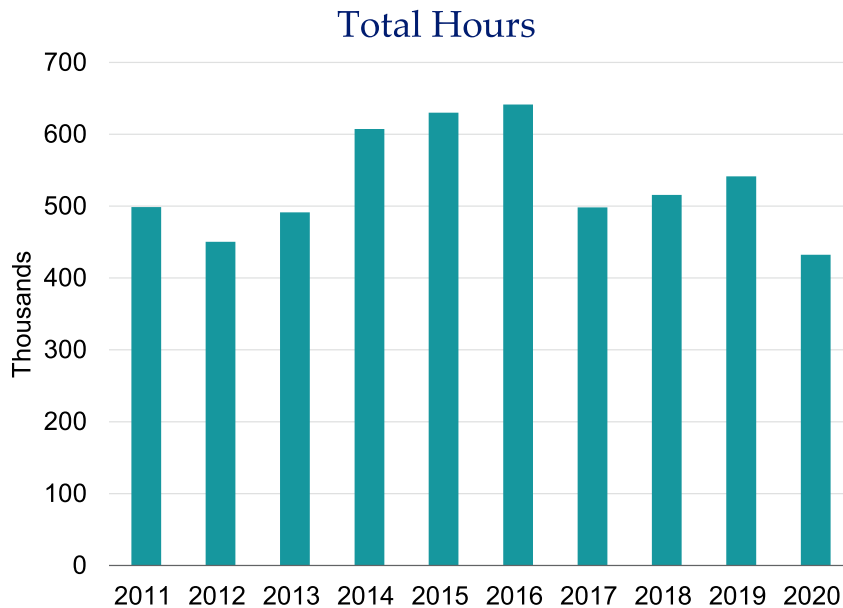
by Pension Credits



Section 2: Actuarial Valuation Results

Historical employment

- The 2021 zone certification was based on an industry activity assumption of 500,000 total hours worked.
- The valuation is based on 298 actives and a long-term employment projection of 500,000 total hours worked.
-



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	5-year average	10-year average
Total Hours ¹	498.78	450.50	491.65	607.36	630.49	641.61	498.40	515.66	541.59	432.52	525.96	530.86
Average Hours	1,296	1,262	1,446	1,697	1,664	1,734	1,404	1,582	1,703	1,451	1,575	1,524

¹ In thousands

Section 2: Actuarial Valuation Results

Pay status information

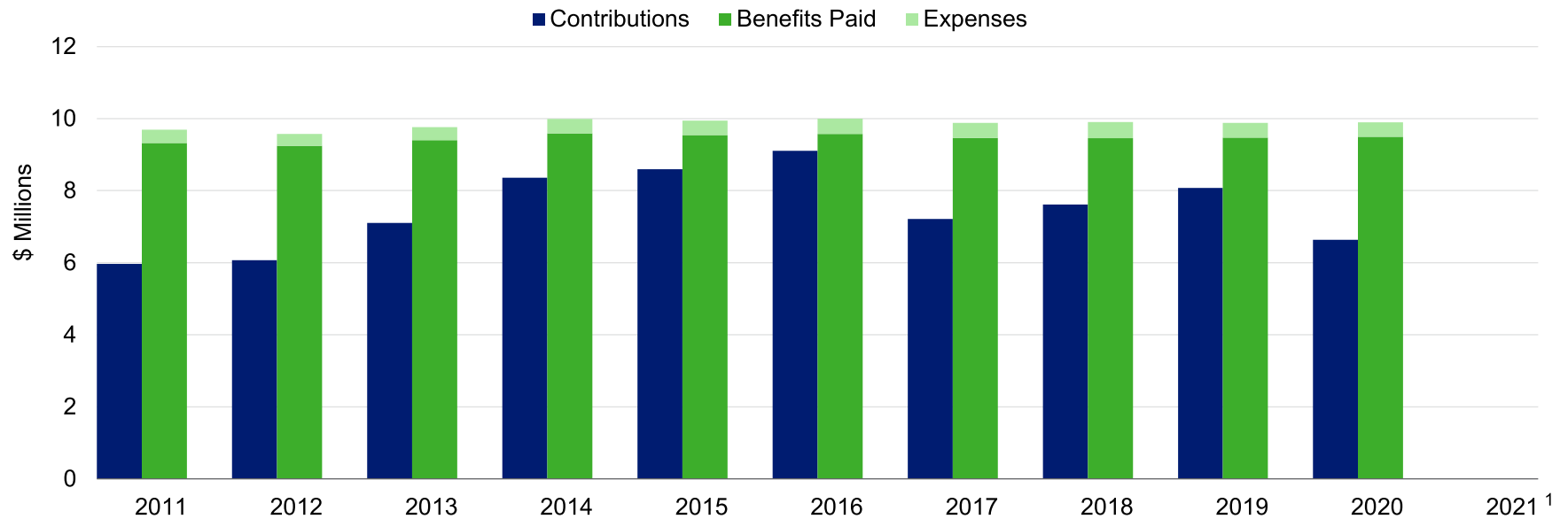
As of December 31,	2019	2020	Change
Pensioners	390	390	0.0%
Average age	73.5	73.8	0.3
Average amount	\$1,856	\$1,855	-0.1%
Beneficiaries	116	113	-2.6%
Total monthly amount	\$786,805	\$784,891	-0.2%

Section 2: Actuarial Valuation Results

Financial information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 1.5 times contributions.

Cash Flow



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ¹
Contributions ²	\$5.97	\$6.07	\$7.10	\$8.36	\$8.59	\$9.11	\$7.22	\$7.62	\$8.08	\$6.64	\$7.48
Benefits Paid ²	9.32	9.24	9.40	9.59	9.54	9.57	9.46	9.46	9.47	9.49	9.77
Expenses ²	0.37	0.33	0.36	0.40	0.40	0.43	0.42	0.45	0.41	0.40	0.41

¹ Projected

² In millions

Section 2: Actuarial Valuation Results

Determination of actuarial value of assets

1	Market value of assets, December 31, 2020			\$52,703,080
2	Calculation of unrecognized return	Original Amount¹	Unrecognized Return²	
(a)	Year ended December 31, 2020	\$2,201,710	\$1,761,367	
(b)	Year ended December 31, 2019	4,971,266	2,982,760	
(c)	Year ended December 31, 2018	-6,610,553	-2,644,221	
(d)	Year ended December 31, 2017	3,582,360	716,472	
(e)	Year ended December 31, 2016	-541,026	<u>0</u>	
(f)	Total unrecognized return			2,816,378
3	Preliminary actuarial value: 1 - 2f			49,886,702
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2020: 3 + 4			49,886,702
6	Actuarial value as a percentage of market value: 5 ÷ 1			94.7%
7	Amount deferred for future recognition: 1 - 5			\$2,816,378

¹ Total return minus expected return on a market value basis.

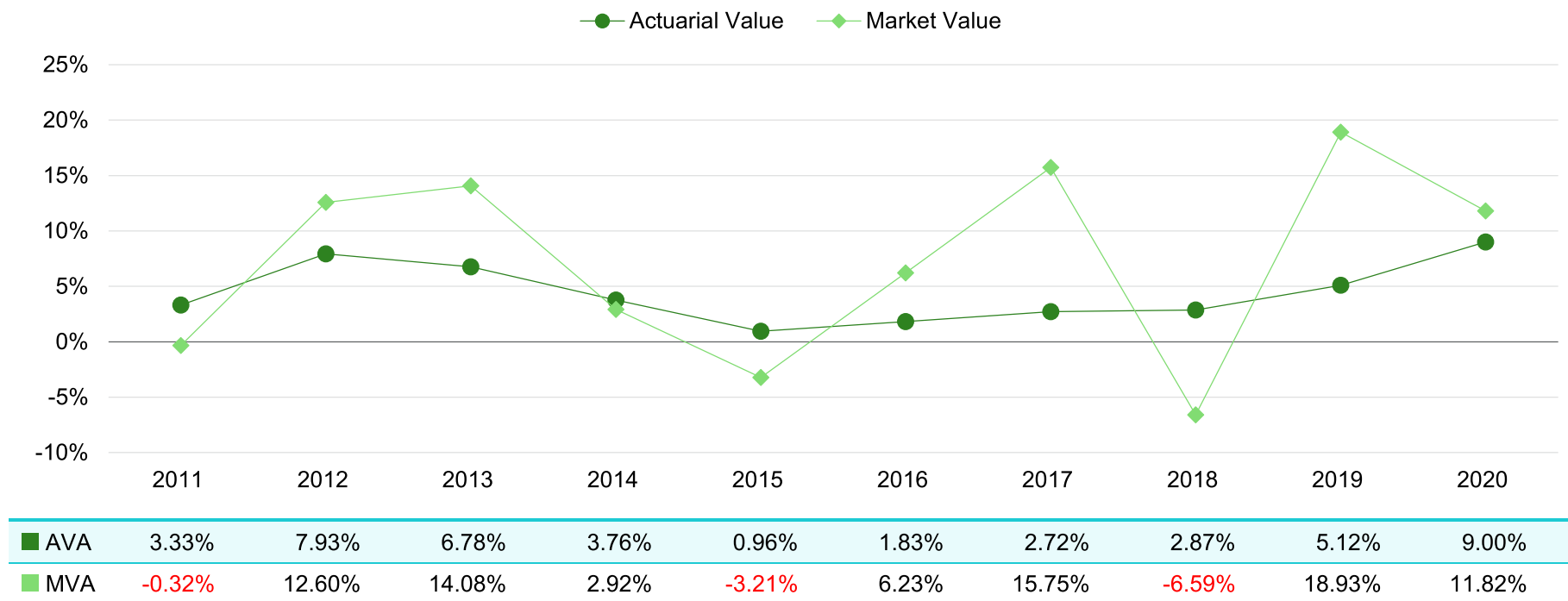
² Recognition at 20% per year over five years.

Section 2: Actuarial Valuation Results

Historical investment returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.25% considers the Trustees' asset allocation policy and future expectations. We will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.

Market Value and Actuarial Rates of Return for Years Ended December 31



Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	4.26%	8.95%
Ten-year average return:	4.39%	6.98%

Section 2: Actuarial Valuation Results

Actuarial experience

- Assumptions should consider experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.
- Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is expected to continue, assumptions are changed.

Experience for the Year Ended December 31, 2020

1	Gain from investments	\$817,570
2	Gain from administrative expenses	12,694
3	Net gain from other experience (0.3% of projected accrued liability)	<u>409,634</u>
4	Net experience gain: 1 + 2 + 3	\$1,239,898

Section 2: Actuarial Valuation Results

Investment experience

Gain from Investments

1	Average actuarial value of assets	\$46,826,068
2	Assumed rate of return	7.25%
3	Expected net investment income: 1 x 2	\$3,394,890
4	Net investment income (9.00% actual rate of return)	<u>4,212,460</u>
5	Actuarial gain from investments: 4 – 3	\$817,570

Administrative expenses

- Administrative expenses for the year ended December 31, 2020 totaled \$403,081, as compared to the assumption of \$400,000.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners and beneficiaries over the past 5 years was 25.6 per year compared to 22.8 projected deaths per year. The average number of deaths for disabled pensioners over the past 5 years was 1.6 per year compared to 0.9 projected deaths per year.

Other experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected) and the number of disability retirements.

Section 2: Actuarial Valuation Results

Actuarial assumptions

- With this valuation, the administrative expense assumption was increased from \$400,000 to \$410,000 for the year beginning January 1, 2021.
- Details on actuarial assumptions and methods are in Section 3.

Plan provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in Section 3.

Contribution rates

- Effective July 1, 2020, the contribution rate increased from \$15.41 to \$15.56, plus the Reserve Fund contribution of \$0.21. After a review of the number of hours worked under the bargaining agreement and under reciprocal agreements, we have lowered the average contribution rate used to project total contributions from \$15.00 in 2020 to \$14.96 in 2021. The average contribution rate includes the Reserve Fund contribution of \$0.21.

Section 2: Actuarial Valuation Results

Plan funding

Comparison of Funded Percentages

Plan Year Beginning	January 1, 2020		January 1, 2021	
Market Value of Assets	\$50,269,381		\$52,703,080	
	Amount	Funded %	Amount	Funded %
• Funding interest rate		7.25%		7.25%
• Present value (PV) of future benefits	\$138,591,438	36.3%	\$136,415,981	38.6%
• Actuarial accrued liability ¹	125,410,375	40.1%	125,952,595	41.8%
• PV of accumulated plan benefits (PVAB)	125,410,375	40.1%	125,952,595	41.8%
• PV of vested benefits for withdrawal liability ²	123,159,034	40.8%	123,952,396	42.5%
• Current liability interest rate		2.95%		2.43%
• Current liability	\$215,622,680	23.3%	\$231,176,321	22.8%
Actuarial Value of Assets	\$48,933,961		\$49,886,702	
	Amount	Funded %	Amount	Funded %
• Funding interest rate		7.25%		7.25%
• PV of future benefits	\$138,591,438	35.3%	\$136,415,981	36.6%
• Actuarial accrued liability ¹	125,410,375	39.0%	125,952,595	39.6%
• PPA'06 liability and annual funding notice	125,410,375	39.0%	125,952,595	39.6%

These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. The funded percentages based on the actuarial value of assets would be different if they were based on the market value of assets.

¹ Based on Unit Credit actuarial cost method used for Scheduled Cost

² The present value of vested benefits for withdrawal liability purposes based on the blended interest rate and other assumptions described later in this section.

Section 2: Actuarial Valuation Results

Pension Protection Act of 2006

2021 Actuarial status certification

- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively.
- As reported in the 2021 certification, this Plan was classified as critical (in the Red Zone) but is not critical and declining because the funded percentage was less than 39.3% and there was a deficiency in the FSA.
- In addition, the Plan is making the scheduled progress in meeting its rehabilitation plan.

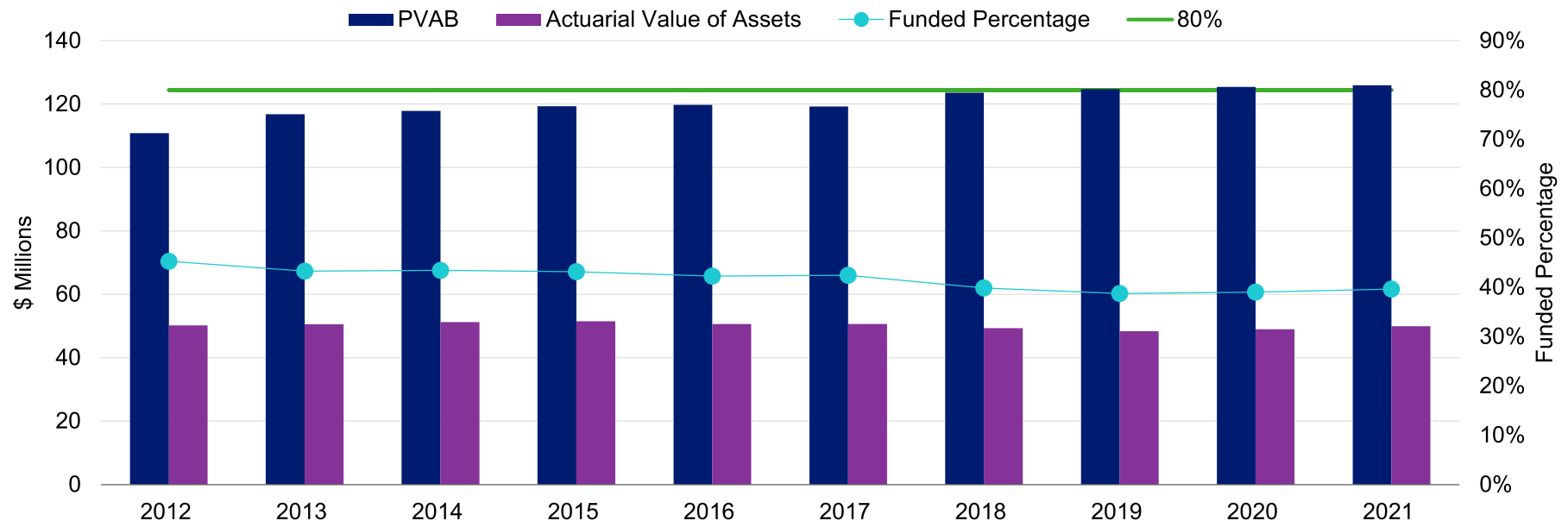
Rehabilitation Plan

- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- The Plan's original Rehabilitation Period began January 1, 2011 and was scheduled to end December 31, 2023. The Rehabilitation Plan was most recently reviewed on December 15, 2020. Based on the current scheduled progress, there was no change to the current benchmark of December 31, 2065 for emergence from the Red Zone.
- Based on this valuation, projections show the Plan is expected to emerge from critical status within the Rehabilitation Period.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress.

Section 2: Actuarial Valuation Results

Pension Protection Act of 2006 historical information

Funded Percentage and Zone



Zone Status	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
PVAB ¹	\$110.81	\$116.79	\$117.83	\$119.31	\$119.75	\$119.26	\$123.57	\$124.72	\$125.41	\$125.95
AVA ¹	50.17	50.50	51.18	51.44	50.58	50.60	49.26	48.34	48.93	49.89
Funded %	45.3%	43.2%	43.4%	43.1%	42.2%	42.4%	39.9%	38.8%	39.0%	39.6%

¹ In millions

9332979v3/10548.002

Sheet Metal Workers' Local 40 Pension Plan Actuarial Valuation as of January 1, 2021

Section 2: Actuarial Valuation Results

Projections

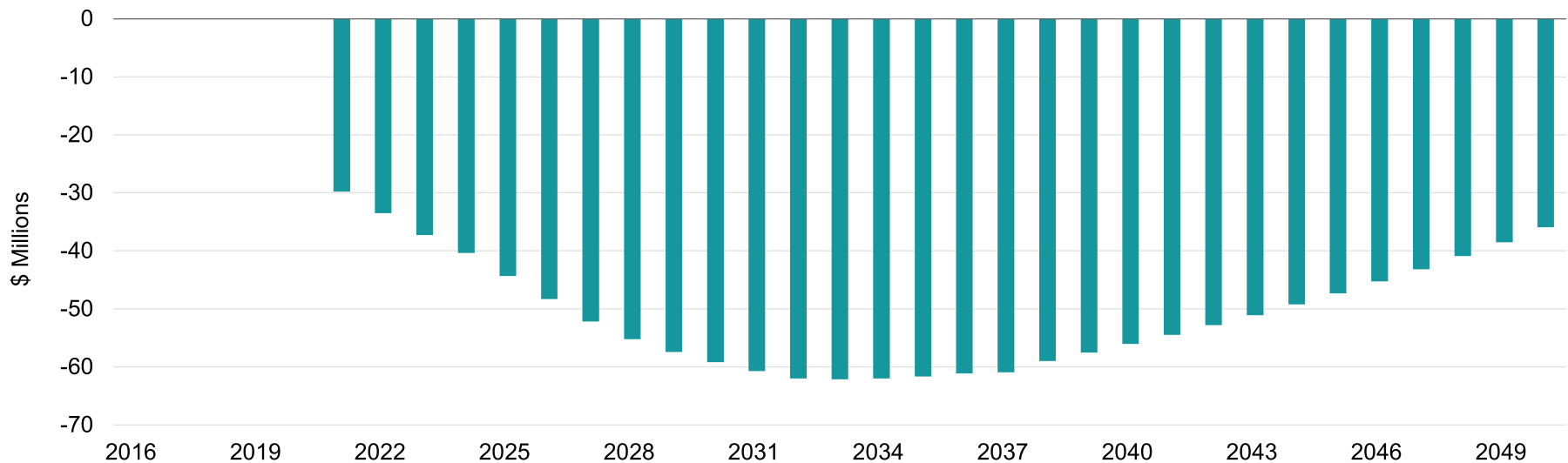
- The projections on the following pages assume the following, unless otherwise noted:
 - The Plan will earn a market rate of return equal to 7.25% each year.
 - Industry activity is based on the Trustees' assumption of 500,000 hours per year and an average contribution rate of \$14.96 for each year.
 - Administrative expenses are projected to increase 2.5% per year.
 - There are no plan amendments or changes in law/regulation.
 - All other experience emerges as assumed and no assumption changes are made.
 - The Normal Cost was determined based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels.
- The projections in this valuation illustrate the potential future impact of one given set of assumptions. Additional scenarios would demonstrate sensitivity to risk from investment return, employment and other factors.

Section 2: Actuarial Valuation Results

Funding Standard Account (FSA)

- The minimum funding requirement for the year beginning January 1, 2021 is \$37,538,872.
- Based on the assumption that participants will work a total of 500,000 hours at a \$14.96 average contribution rate, the contributions projected for the year beginning January 1, 2021 are \$7,480,000. The credit balance is projected to decrease by approximately \$3,459,493 to -\$29,787,722 as of December 31, 2021.
- A 40-year projection indicates the credit balance will become positive by December 31, 2060 based on the assumptions detailed on the prior page.

Credit Balance as of December 31

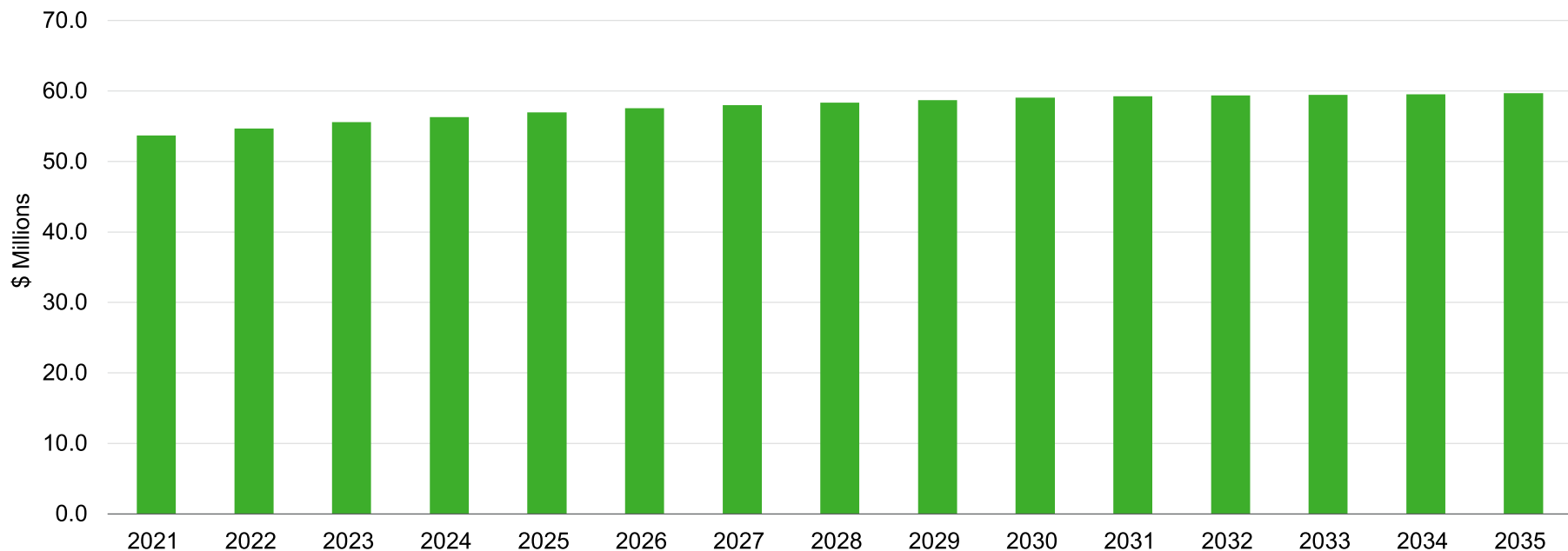


Section 2: Actuarial Valuation Results

Solvency projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due.
- Based on this valuation, the Plan is not projected to become insolvent.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumption.

Projected Assets as of December 31



Section 2: Actuarial Valuation Results

Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets, that is compared to projected contributions to assess the Plan's long-term financial position. Simply avoiding an FSA funding deficiency is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost amortization adopted by the Trustees is held constant at 15 years.

Scheduled Cost

Cost Element	Year Beginning January 1	
	2020	2021
Normal cost ¹	\$1,657,784	\$1,465,091
Administrative expenses ¹	415,372	425,756
Amortization of the unfunded actuarial accrued liability ¹	8,258,804	8,214,472
• Actuarial accrued liability	125,410,375	125,952,595
• Actuarial value of assets	48,933,961	49,886,702
• Unfunded actuarial accrued liability	76,476,414	76,065,893
• Amortization period	15	15
Annual Scheduled Cost, payable monthly	\$10,331,960	\$10,105,319
Projected contributions ²	8,250,000	7,480,000
• Total hours assumption	550,000	500,000
• Ultimate negotiated contribution rate	\$15.00	\$14.96
Margin/(deficit)	-\$2,081,960	-\$2,625,319
Margin/(deficit) as a % of projected contributions	-25.2%	-35.1%

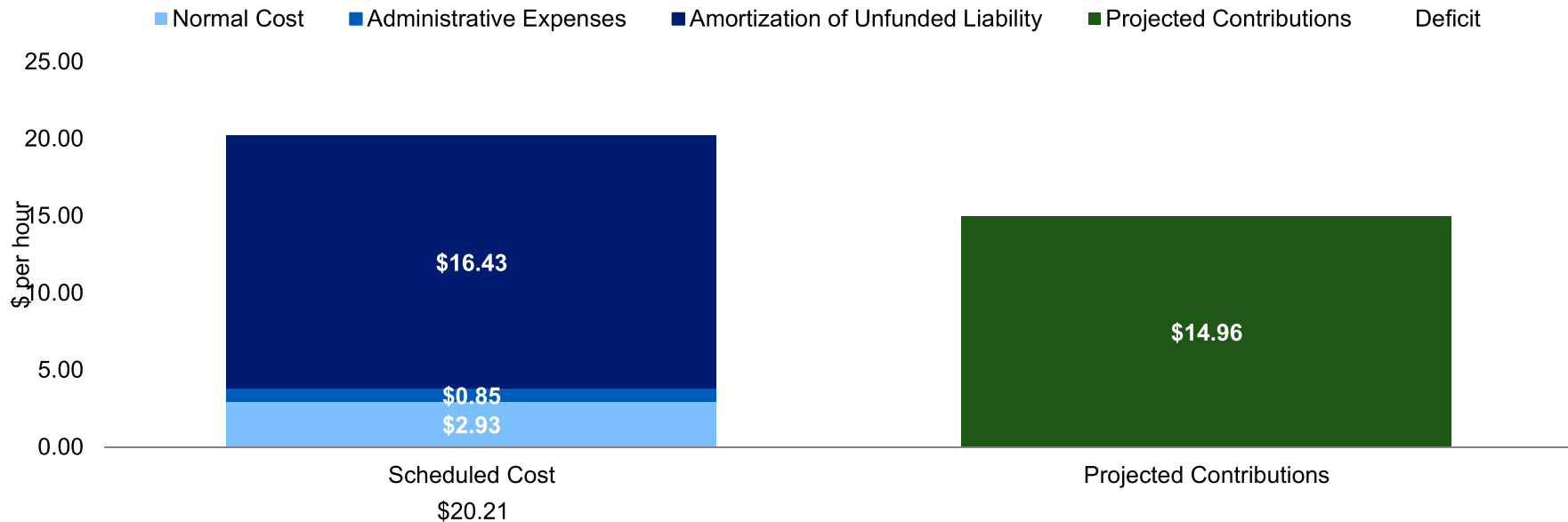
¹ An allowance of \$105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was \$115,500. Includes adjustment for monthly payments

² The contribution rates include the Reserve Fund contribution.

Section 2: Actuarial Valuation Results

Scheduled Cost margin/deficit

- The margin or deficit is represented by the difference between projected contributions at the average negotiated contribution rate and the Scheduled Cost.



- Prior net investment losses/gains are not fully recognized in the actuarial value of assets. Using the current market value of assets, the deficit would be \$2,321,174 (\$4.64 per hour, or 31.0% of projected contributions.)

Section 2: Actuarial Valuation Results

Scheduled Cost reconciliation

Scheduled Cost as of January 1, 2020		\$10,331,960
• Effect of frozen in amortization period	-\$333,674	
• Effect of change in administrative expense assumption	10,384	
• Effect of contributions less than Scheduled Cost	426,426	
• Effect of investment gain	-91,877	
• Effect of other gains and losses on accrued liability	-45,208	
• Effect of net other changes, including composition and number of participants	-192,693	
Total change		<u>-226,642</u>
Scheduled Cost as of January 1, 2021		\$10,105,318

Section 2: Actuarial Valuation Results

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- Economic Shock Risk. Potential implications for the Plan due to the effects of the COVID-19 pandemic (that were not reflected as of the valuation date) include:
 - Volatile financial markets and investment returns lower than assumed.
 - Short-term or long-term employment far different than past experience, including a projected rate of recovery and possible “new normal” long-term state.
 - Changes in future demographic experience, such as retirement, disability, turnover, and mortality patterns.
- Investment Risk (the risk that returns will be different than expected)

As can be seen in Section 2, the market value rate of return over the last 10 years ended December 31, 2020 has ranged from a low of -6.59% to a high of 18.93%.
- Contribution Risk (the risk that actual contributions will be different from projected contributions)

During the past 10 years, hours have ranged from a high of 642,000 hours to a low of 433,000 hours.
- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the required contribution.
- Other Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

 - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply. While it is difficult to quantify the impact of potential experience, earlier retirements would generally result in higher costs for your plan.
 - More or less active participant turnover than assumed. Lower turnover would generally result in higher costs for your Plan.

Section 2: Actuarial Valuation Results

- Return to covered employment of previously inactive participants. More rehires would generally result in higher costs for your Plan.

- Actual Experience over the Last Ten Years

Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years ended December 31, 2020:

- The investment gain (loss) on market value for a year has ranged from a loss of \$6,610,553 to a gain of \$4,971,266.
- The non-investment gain (loss) for a year has ranged from a loss of \$1,190,158 to a gain of \$774,536.
- The funded percentage for PPA purposes has ranged from a low of 38.8% in 2019 to a high of 45.3% in 2012.

- Maturity Measures

The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

- Over the past ten years ended December 31, 2020, the ratio of non-active participants to active participants has increased from a low of 1.88 in 2011 and in 2015 to a high of 2.38 in 2020.
- As of December 31, 2020, the retired life actuarial accrued liability represents 64% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 10% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.
- Benefits and administrative expenses less contributions totaled \$3,259,719 as of December 31, 2020, 6.48% of the market value of assets. The Plan is dependent upon investment returns in order to pay a portion of benefits.
- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan. For example, legislative proposals in 2018 and later showed that Congress continues to consider possible changes to funding requirements for multiemployer plans (such as changes to the zone rules) and increases in PBGC premiums.
- We recommend a more detailed assessment of the risks to provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling.

Section 2: Actuarial Valuation Results

- A detailed risk assessment could be important for your Plan because:
 - The outlook for financial markets and future industry activity is uncertain.
 - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
 - Inactive and retired participants account for most of the Plan's liabilities, leaving limited options for reducing Plan costs in the event of adverse experience.
 - The Trustees have not had a detailed risk assessment.

Section 2: Actuarial Valuation Results

Withdrawal liability

- As of December 31, 2020, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is \$123,823,421.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after December 31, 2009. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of \$123,952,396.

		December 31	
		2019	2020
1	Present value of vested benefits (PVVB) measured as of the valuation date	\$123,003,557	\$123,823,421
2	Unamortized value of Affected Benefits Pools	<u>155,477</u>	<u>128,975</u>
3	Total present value of vested benefits: 1 + 2	\$123,159,034	\$123,952,396
4	Market value of assets	<u>50,269,381</u>	<u>52,703,080</u>
5	Unfunded present value of vested benefits (UVB): 3 - 4 , not less than \$0	\$72,889,653	\$71,249,316

Section 2: Actuarial Valuation Results

Withdrawal liability assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- Based on the procedure approved by the Trustees, the assumptions and methods used for the ongoing funding as of January 1, 2021 of the Plan (IRC Section 431) were used to determine the current year's unfunded present value of vested benefits for purposes of withdrawal liability. These assumptions and methods, which represent the actuary's best estimate for purposes of ongoing plan funding as of January 1, 2021 are described in Section 3 of this report and are reasonable to determine withdrawal liability.

Section 2: Actuarial Valuation Results

Summary of PPA'06 zone status rules

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the “zones” described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary’s best estimate assumptions.

Critical Status (Red Zone)

A plan is classified as being in critical status (the Red Zone) if:

- The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
- There is a projected FSA deficiency within four years, or
- There is a projected inability to pay benefits within five years, or
- The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year’s benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or
- As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status.

A critical status plan is further classified as being in critical and declining status if:

- The ratio of inactive participants to active participants is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or
- The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or
- There is an inability to pay benefits projected within 15 years.

Any amortization extensions are ignored for testing initial entry into the *Red Zone*.

The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency.

Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan’s critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Section 2: Actuarial Valuation Results

Endangered Status (Yellow Zone)

A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if:

- The funded percentage is less than 80%, or
- There is a projected FSA deficiency within seven years.

A plan that has both of the endangered conditions present is classified as seriously endangered.

Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within ten years.

The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.

Green Zone

A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone*.

Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years may elect whether or not to enter the *Red Zone* for the current year.

Section 3: Certificate of Actuarial Valuation

September 15, 2021

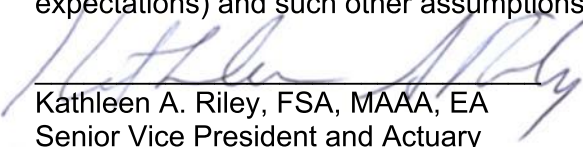
Certificate of Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the Sheet Metal Workers' Local 40 Pension Plan as of January 1, 2021 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit J.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability 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.



Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-4134

Section 3: Certificate of Actuarial Valuation

Exhibit A: Table of Plan Coverage

The valuation was made with respect to the following data supplied to us by the Plan Administrator.

Category	Year Ended December 31		Change from Prior Year
	2019	2020	
Active participants in valuation:			
• Number ¹	318	298	-6.3%
• Average age	46.2	46.5	0.3
• Average pension credits	19.1	19.6	0.5
• Average contribution rate as of the valuation date ²	\$15.00	\$14.96	-0.3%
• Total active vested participants	281	263	-6.4%
Inactive participants with rights to a pension:			
• Number	189	202	6.9%
• Average age	49.1	49.2	0.1
• Average monthly benefit	\$931	\$968	3.9%
• Beneficiaries with rights to deferred payments	5	5	0.0%
Pensioners:			
• Number in pay status	390	390	0.0%
• Average age	73.5	73.8	0.3
• Average monthly benefit	\$1,856	\$1,855	-0.1%
Beneficiaries:			
• Number in pay status	116	113	-2.6%
• Average age	79.5	79.4	-0.1
• Average monthly benefit	\$544	\$545	0.2%
Total participants	1,018	1,008	-1.0%

¹ The active count excludes 12 employees who were either not participants as of December 31, 2020 (participation is granted after working 1,000 hours in a 12 month period) or had less than 100 hours worked in 2020. There were 24 employees were excluded as of December 31, 2019.

² The contribution rates include the Reserve Fund contribution for 2019 and 2020.

Section 3: Certificate of Actuarial Valuation

Exhibit B: Actuarial Factors for Minimum Funding

	2020	2021
Interest rate assumption	7.25%	7.25%
Normal cost, including administrative expenses	\$1,996,433	\$1,820,871
Actuarial accrued liability	\$125,410,375	\$125,952,595
• Pensioners and beneficiaries	\$81,646,156	\$80,358,042
• Inactive participants with vested rights	11,253,673	13,069,001
• Active participants	32,510,546	32,525,552
Actuarial value of assets (AVA)	\$48,933,961	\$49,886,702
Market value as reported in the draft financial statements	50,269,381	52,703,080
Unfunded actuarial accrued liability based on AVA	76,476,414	76,065,893

Note:

An allowance of \$105,000 was added to the normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was \$115,000.

Section 3: Certificate of Actuarial Valuation

Exhibit C: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2019	Year Ended December 31, 2020
Contribution income	\$8,075,076	\$6,635,834
Investment income:		
• Interest and dividends	\$1,058,290	\$815,646
• Capital appreciation/(depreciation)	7,216,702	5,089,796
• Less investment fees	<u>-217,242</u>	<u>-212,024</u>
<i>Net investment income</i>	<i>8,057,750</i>	<i>5,693,418</i>
Total income available for benefits	\$16,132,826	\$12,329,252
Less benefit payments and expenses:		
• Pension benefits	<u>-\$9,469,135</u>	<u>-9,492,472</u>
• Administrative expenses	<u>-410,364</u>	<u>-403,081</u>
<i>Total benefit payments and expenses</i>	<i>-9,879,499</i>	<i>-9,895,553</i>
Market value of assets	\$50,269,381	\$52,703,080

Section 3: Certificate of Actuarial Valuation

Exhibit D: Information on Plan Status as of January 1, 2021

Plan status (as certified on March 31, 2021, for the 2021 zone certification)	Critical
Scheduled progress (as certified on March 31, 2021, for the 2021 zone certification)	Yes
Actuarial value of assets for FSA	\$49,886,702
Accrued liability under unit credit cost method	125,952,595
Funded percentage for monitoring plan's status	39.6%
Year plan projected to emerge	2060

Annual Funding Notice for Plan Year Beginning January 1, 2021 and Ending December 31, 2021

	2021 Plan Year	2020 Plan Year	2019 Plan Year
Actuarial valuation date	January 1, 2021	January 1, 2020	January 1, 2019
Funded percentage	39.6%	39.0%	38.8%
Value of assets	\$49,886,702	\$48,933,961	\$48,337,083
Value of liabilities	125,952,595	125,410,375	124,719,107
Market value of assets as of plan year end	Not available	52,703,080	50,269,381

Critical or Endangered Status

The Plan was in critical status in the plan year because the funding percentage was less than 65% and there is a deficiency in the Funding Standard Account as of December 31, 2020. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on October 28, 2009, with the Rehabilitation period beginning January 1, 2011. The Rehabilitation Plan is reviewed annually and has been updated several times. The update adopted December 18, 2018 extended the emergence from Critical Status to the end of the 2065 Plan Year.

Section 3: Certificate of Actuarial Valuation

Exhibit E: Schedule of Projection of Expected Benefit Payments

(Schedule MB, Line 8b(1))

Plan Year	Expected Annual Benefit Payments
2021	\$9,774,161
2022	9,923,329
2023	10,036,537
2024	10,234,703
2025	10,276,219
2026	10,362,699
2027	10,471,139
2028	10,479,283
2029	10,443,471
2030	10,368,812

This assumes the following:

- No additional benefits will be accrued.
- Experience is in line with valuation assumptions.
- No new entrants are covered by the plan.

Section 3: Certificate of Actuarial Valuation

Exhibit F: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2020.

Age	Pension Credits									
	Total	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	8	7	1	—	—	—	—	—	—	—
25 - 29	9	6	3	—	—	—	—	—	—	—
30 - 34	41	12	15	14	—	—	—	—	—	—
35 - 39	18	2	7	3	3	3	—	—	—	—
40 - 44	43	5	6	7	9	10	6	—	—	—
45 - 49	52	3	3	7	4	14	12	8	1	—
50 - 54	56	—	5	7	6	9	6	13	9	1
55 - 59	49	—	2	4	7	3	9	5	12	7
60 - 64	21	—	1	1	2	3	5	3	1	5
65 - 69	1	—	—	1	—	—	—	—	—	—
Total	298	35	43	44	31	42	38	29	23	13

Notes:

Excludes 12 employees who were either not participants as of December 31, 2020 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2020.

Pension credit shown includes credit from banked hours.

Section 3: Certificate of Actuarial Valuation

Exhibit G: Funding Standard Account

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, changes in actuarial assumptions and funding methods, and shortfall gains or losses. The FSA is credited with employer contributions.
- Employers contributing to plans in critical status will generally not be subject to the excise tax if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.

	December 31, 2020	December 31, 2021 ¹
1 Prior year funding deficiency	\$23,607,561	\$26,328,229
2 Normal cost, including administrative expenses ²	1,570,009	1,820,871
3 Amortization charges	8,139,932	9,833,082
4 Interest on 1, 2 and 3	<u>2,415,519</u>	<u>2,753,708</u>
5 Total charges	\$35,733,021	\$40,735,890
6 Prior year credit balance	\$0	\$0
7 Employer contributions	6,635,834	TBD
8 Amortization credits	2,376,182	2,980,903
9 Interest on 6, 7 and 8	392,776	216,115
10 Full funding limitation credits	<u>0</u>	<u>0</u>
11 Total credits	\$9,404,792	\$3,197,018
12 Credit balance/(Funding deficiency): 11 - 5	-\$26,328,229	TBD
13 Minimum contribution with interest required to avoid a funding deficiency: 5 -11 not less than zero	N/A	\$37,538,872
Full Funding Limitation (FFL) and Credits for Plan Year January 1, 2021		
ERISA FFL (accrued liability FFL)		\$83,533,554
RPA'94 override (90% current liability FFL)		164,734,217
FFL credit		0

¹ Without regard to the shortfall funding method. The actual charges and credits will be adjusted when contributions for 2021 are available.

² An allowance of \$105,000 was added to the 2021 normal cost to reflect benefits expected to be paid from the Reserve Fund in the coming year. The allowance for the prior year was \$115,500.

Section 3: Certificate of Actuarial Valuation

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1993	\$145,827	2	\$75,464
Plan amendment	01/01/1994	227,737	2	117,852
Plan amendment	01/01/1995	470,045	4	130,121
Plan amendment	01/01/1997	236,745	6	46,669
Plan amendment	01/01/1998	457,693	7	79,877
Assumption change	01/01/1999	1,545,995	8	243,747
Plan amendment	01/01/1999	4,668,609	8	736,068
Plan amendment	01/01/2000	752,427	9	108,829
Plan amendment (2001)	01/01/2002	2,140,432	11	269,470
Shortfall loss	01/01/2003	115,232	2	59,632
Plan amendment (2002)	01/01/2003	2,843,609	12	338,276
Shortfall loss	01/01/2004	447,111	3	159,581
Plan amendment	01/01/2005	1,104,798	14	119,560
Shortfall loss	01/01/2006	185,171	5	42,391
Actuarial loss	01/01/2007	178,645	1	178,645
Shortfall loss	01/01/2007	270,382	6	53,299
Actuarial loss	01/01/2008	436,011	2	225,632
Actuarial loss	01/01/2009	1,070,971	3	382,248
Assumption change	01/01/2009	1,245,126	3	444,407
Base due to Dec. 31, 2008 investment loss	01/01/2009	9,264,268	17	900,130
Assumption change	01/01/2010	346,986	4	96,055
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,303,736	17	126,673
Assumption change	01/01/2011	1,246,349	5	285,324

Section 3: Certificate of Actuarial Valuation

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall loss	01/01/2011	1,347,110	5	308,391
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,243,521	17	217,984
Assumption change	01/01/2012	189,776	6	37,410
Actuarial loss	01/01/2012	503,986	6	99,349
Shortfall loss	01/01/2012	527,373	6	103,959
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,786,253	17	173,555
Shortfall loss	01/01/2013	1,325,340	7	231,299
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,497,451	17	145,495
Assumption change	01/01/2013	3,294,566	7	574,971
Shortfall loss	01/01/2014	129,250	8	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,186,983	17	115,329
Assumption change	01/01/2015	199,881	9	28,910
Actuarial loss	01/01/2015	4,076,660	9	589,634
Assumption change	01/01/2016	488	10	66
Actuarial loss	01/01/2016	4,313,087	10	579,210
Actuarial loss	01/01/2017	2,376,213	11	299,153
Shortfall loss	01/01/2018	1,029,121	12	122,424
Actuarial loss	01/01/2018	2,084,703	12	247,996
Assumption change	01/01/2018	3,584,760	12	426,443
Actuarial loss	01/01/2019	2,573,396	13	291,176
Actuarial loss	01/01/2020	935,673	14	Deferred to 2024
Shortfall loss	01/01/2021	<u>2,136,303</u>	15	<u>Deferred to 2024</u>
Total		\$68,045,799		\$9,833,082

Section 3: Certificate of Actuarial Valuation

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Assumption change	01/01/1992	\$74,694	1	\$74,694
Shortfall gain	01/01/2002	57,026	1	57,026
Shortfall gain	01/01/2005	315,246	4	87,268
Plan amendment	01/01/2007	1,711,167	16	171,704
Shortfall gain	01/01/2008	394,232	2	204,011
Shortfall gain	01/01/2009	111,619	3	39,839
Change in asset method	01/01/2009	3,083,771	18	291,021
Shortfall gain	01/01/2010	162,311	4	44,932
Plan amendment	01/01/2010	447,852	4	123,977
Actuarial gain	01/01/2010	2,107,179	4	583,322
Actuarial gain	01/01/2011	1,639,450	5	375,316
Actuarial gain	01/01/2013	1,058,118	7	184,664
Actuarial gain	01/01/2014	26,522	8	4,182
Shortfall gain	01/01/2015	1,372,029	9	198,446
Shortfall gain	01/01/2016	1,952,790	10	262,242
Shortfall gain	01/01/2017	1,941,376	11	244,409
Shortfall gain	01/01/2019	299,163	13	33,850
Shortfall gain	01/01/2020	313,692	14	Deferred to 2024
Actuarial gain	01/01/2021	<u>1,239,898</u>	15	<u>Deferred to 2024</u>
Total		\$18,308,135		\$2,980,903

Section 3: Certificate of Actuarial Valuation

Exhibit H: Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2021.

Item ¹	Number of Participants	Current Liability
Interest rate assumption		2.43%
Retired participants and beneficiaries receiving payments	503	\$120,975,510
Inactive vested participants	207	32,173,008
Active participants		
• Non-vested benefits		\$4,298,260
• Vested benefits		73,729,543
• Total active	<u>298</u>	<u>78,027,803</u>
Total	1,008	\$231,176,321
Expected increase in current liability due to benefits accruing during the plan year		\$3,133,964
Expected release from current liability for the plan year		9,784,962
Expected plan disbursements for the plan year, including administrative expenses of \$410,000		10,194,962
Current value of assets		\$52,703,080
Percentage funded for Schedule MB		22.79%

¹ The actuarial assumptions used to calculate these values are shown in Exhibit J.

Section 3: Certificate of Actuarial Valuation

Exhibit I: Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2020 and as of January 1, 2021. In addition, a reconciliation between the two dates follows.

	Benefit Information Date	
	January 1, 2020	January 1, 2021
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	\$81,646,156	\$80,358,042
• Other vested benefits	<u>41,371,825</u>	<u>43,478,438</u>
• Total vested benefits	\$123,017,981	\$123,836,480
Actuarial present value of non-vested accumulated plan benefits	<u>2,392,394</u>	<u>2,116,115</u>
Total actuarial present value of accumulated plan benefits	\$125,410,375	\$125,952,595

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	\$1,315,217
Benefits paid	-9,492,472
Interest	<u>8,719,475</u>
Total	\$542,220

Section 3: Certificate of Actuarial Valuation

Exhibit J: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates

Healthy: RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

Disabled: RP-2006 Blue Collar Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017

The underlying tables with the generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

The mortality rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgement. As part of the analysis, a comparison was made between the actual number of retiree deaths and the projected number based on the prior years' assumptions over the most recent 5 years.

Section 3: Certificate of Actuarial Valuation

Termination Rates before Retirement

Age	Rate (%)			
	Mortality ¹		Disability ²	Withdrawal
	Male	Female		
20	0.07	0.02	0.26	5.33
25	0.07	0.02	0.27	3.98
30	0.06	0.02	0.28	2.93
35	0.07	0.03	0.29	2.13
40	0.10	0.05	0.33	1.56
45	0.16	0.09	0.42	1.11
50	0.26	0.13	0.59	0.72
55	0.38	0.19	0.87	0.00
60	0.64	0.31	1.36	0.00

The termination rates and disability rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations and disability retirements and the projected number based on the prior years' assumption over the most recent 5 years.

¹ Mortality rates shown for base table.

² 80% of the disability rates shown represent Total Disability.

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Section 3: Certificate of Actuarial Valuation

Retirement Rates	Age¹	Annual Retirement Rates
	55 – 59	5%
	60 – 61	15%
	62	60%
	63 – 64	30%
	65	100%
The retirement rates were based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements and the projected number based on the prior years' assumption over the most recent 5 years		
Description of Weighted Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2021 actuarial valuation.	
Retirement Age for Inactive Vested Participants	Age 62. Inactive vested participants who retire after Normal Retirement Age receive actuarial increases in accordance with the plan provisions. The retirement assumption for inactive vested participants was based on historical and current data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent 5 years.	
Future Benefit Accruals	Annual pension credit equal to credit accrued in the year ended on the valuation date. The future benefit accruals were based on professional judgment.	
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.	
Definition of Active Participants	Active participants (participation is granted after working 1,000 hours in a 12-month period) are defined as those with at least 100 hours in the most recent plan year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.	
Percent Married	80%	
Age of Spouse	Females 3 years younger than males.	

¹ If eligible

Section 3: Certificate of Actuarial Valuation

Benefit Election	All participants are assumed to elect a Life Annuity because the optional forms of payment are actuarially equivalent.
Net Investment Return	7.25% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.
Annual Administrative Expenses	\$410,000, payable at the beginning of the year, for the year beginning January 1, 2021 (previously, \$400,000). The administrative expense assumption was based on information on expenses provided by the Fund Office.
Actuarial Value of Assets	The actuarial value of assets is equal to the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized over a five-year period. The final actuarial value of assets will not be less than 80% nor greater than 120% of the market value of assets.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Under this method, the normal cost equals the actuarial present value of benefits expected to accrue during the year of the valuation. The actuarial accrued liability equals the actuarial present value of all accrued benefits as of the valuation date. The Plan is on the shortfall funding method, as defined by the IRS, where any excess or shortfall of contributions from the anticipated level is treated as a gain or loss to be amortized over future years. An allowance of \$105,000 (previously, \$115,500) was added to the normal cost to reflect the benefits expected to be paid from the Reserve Fund in the coming year.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in <i>Exhibit K</i> .
Current Liability Assumptions	<i>Interest</i> : 2.43%, within the permissible range prescribed under IRC Section 431(c)(6)(E) <i>Mortality</i> : Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2019 (previously, the MP-2018 scale was used).
Estimated Rate of Investment Return	<i>On actuarial value of assets (Schedule MB, line 6g)</i> : 8.9%, for the Plan Year ending December 31, 2020 <i>On current (market) value of assets (Schedule MB, line 6h)</i> : 11.7%, for the Plan Year ending December 31, 2020
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

Section 3: Certificate of Actuarial Valuation

Actuarial Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 2.95% to 2.43% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. Based on past experience and future expectations, the administrative expense assumption was increased from \$400,000 to \$410,000 for the plan year beginning January 1, 2021.

Section 3: Certificate of Actuarial Valuation

Exhibit K: Summary of Plan Provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31	
Pension Credit Year	January 1 through December 31	
Plan Status	Ongoing plan	
Normal Pension	• <i>Age and Service Requirements:</i> 62 years with 5 years of participation • <i>Amount:</i> \$80 for each pension credit earned through December 31, 2013. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, \$40 for each pension credit earned through December 31, 2013.	
	Accrual rates for 2014 through 2016 are based on the following table:	
	Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in “Life Pension” form:
	550,000 or more	\$80 per Credit
	Between 549,999 and 500,000	\$75 per Credit
	Between 499,999 and 450,000	\$70 per Credit
	Between 449,999 and 400,000	\$65 per Credit
	399,999 or lower	\$60 per Credit
	Accrual rates for 2017 and later are based on the following table:	
	Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in “Life Pension” form:
	550,000 or more	\$95 per Credit
	Between 549,999 and 500,000	\$90 per Credit
	Between 499,999 and 450,000	\$85 per Credit
Between 449,999 and 400,000	\$80 per Credit	
399,999 or lower	\$75 per Credit	

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Sheet Metal Workers' Local 40 Pension Plan Actuarial Valuation as of January 1, 2021
EIN 06-6157817/PN 001

Section 3: Certificate of Actuarial Valuation

The accrual rates for the 2014-2021 Plan Years are as follows:

Plan Year	Benefit accrual rate
2014 – 2015	\$75 per Credit
2016	\$80 per Credit
2017 – 2018	\$95 per Credit
2019	\$85 per Credit
2020	\$95 per Credit
2021	\$85 per Credit

The accrual rate for Residential Sheet Metal Work, OPEIU Local #376 members who are employees of the Local Union, and hourly-paid employees of the Health Fund will be 50% of the accrual rate applicable to non-Residential (*i.e.*, “Commercial”) Sheet Metal Work.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* For participants with 40 or more pension credits in force, the early retirement reduction factors will be 1% for each year before Normal Retirement Age for pension credits earned prior to 2008, and 3% for each year before Normal Retirement Age for pension credits earned after 2007.

For participants with more than 25 but less than 40 pension credits in force, the early retirement reduction factor will be 3% for each year before Normal Retirement Age.

For participants with less than 25 pension credits in force, the early retirement reduction factor will be 6% for each year before Normal Retirement Age.

Disability

- *Age Requirement:* None
- *Service Requirement:* Ten pension credits, including 0.1 credit in the six months immediately preceding disability.
- *Total Disability Requirement:* Those who collect a Total Disability Benefit must provide a Social Security Disability letter.
- *Total Disability Pension Amount:* Normal pension accrued plus, if a member has 20 pension credits, additional credits equal to the number of years from the date of disability until Normal Retirement Date (maximum of five years), for those who started receiving a benefit after July 31, 2005.

For those who started receiving a benefit prior to July 31, 2005, twice the amount of the normal pension reduced by one-half the monthly amount of primary disability payments the Participant is entitled to receive under a Social Security Disability award. At Normal Retirement Date the benefit shall be recomputed by multiplying the pension credits by the monthly rate used to compute the benefit when it commenced.

Section 3: Certificate of Actuarial Valuation

	• <i>Occupational Disability Pension Amount:</i> Normal pension accrued reduced by early retirement factors for each month prior to Normal Retirement Date, with a maximum reduction of 60%.
Vesting	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> 5 vesting credits • <i>Amount:</i> Normal or early pension accrued based on plan in effect when last active. • <i>Normal Retirement Age:</i> 62 or 65, depending on plan in effect when last active.
Spouse's Pre-Retirement Death Benefit	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> Five vesting credits • <i>Amount:</i> 50% of the benefit the employee would have received had he or she retired the day before he or she died and elected the 50% joint and survivor option. The spouse's benefit is deferred to the employee's earliest retirement date.
Pre-Retirement Lump-sum Death Benefit	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> 5 vesting credits and earned at least 1/12 pension credit within 18 months of death. • <i>Amount:</i> \$10,000. For Residential Sheet Metal Workers and employees of the local Union and Fund Office, \$6,000.
Post-Retirement Death Benefit	• <i>Joint and Survivor:</i> If the participant is married, pension benefits are paid in the form of a 50% qualified joint and survivor annuity with pop-up unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. • <i>Lump Sum:</i> \$4,000 for Residential Sheet Metal Workers and employees of the local Union and Fund Office. \$10,000 for members who retired before July 1, 1982.
Automatic Benefit Forms	• <i>Not Married:</i> Unless an optional election is made, the accrued pension paid as a lifetime monthly annuity. • <i>Married:</i> Lifetime monthly annuity to the retiree with 50% of such annuity continuing to the retiree's spouse following the retiree's death. The accrued benefit is adjusted such that the value is the actuarial equivalent of the life annuity. • Married participants may, with written consent of their spouse, elect optional form of payment.
Optional Forms of Benefits	• <i>Ten-Year Certain and Life:</i> The retiree may elect the Ten-Year Certain and Life Benefit. The accrued pension is adjusted such that the value is the actuarial equivalent of the life annuity. • <i>Joint and Survivor Forms:</i> Retirees may elect a joint and survivor annuity with pop-up option with any percentage continued (e.g., 50%, 75%, 100%) to the participant's spouse. The benefit under any such election is adjusted such that the value is the actuarial equivalent of the life annuity.
Participation	After completion of 1,000 hours in covered employment during a calendar year.
Pension Credit	One-twelfth (1/12) of a pension credit is granted for each 100 hours provided that no more than one (1) full pension credit shall be given for any one plan year.

Section 3: Certificate of Actuarial Valuation

Vesting Credit	The greater of pension credits or calendar years with 1,000 or more hours worked.
Banking of Hours	Hours earned in excess of 1,200 hours in a plan year could be accumulated to a maximum of 5,000 hours. Banked hours may be applied to any plan year in which the employee earned more than 400 hours and less than 1,200 hours. As of December 31, 2006, the hours bank was frozen.
Contribution Rate	\$15.56 per hour effective July 1, 2020, plus a Reserve Fund contribution of \$0.21. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be \$14.75 plus the Reserve Fund contribution for 2021 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

2021 Form 5500 Schedule R, Part V
Update of Rehabilitation Plan

SHEET METAL WORKERS' LOCAL NO. 40 PENSION PLAN
EIN/PN 06-6157817/001

The Rehabilitation Plan originally adopted in October, 2009 was updated for the Plan Year beginning January 1, 2021 and the restatement was adopted December 14, 2021.

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**SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEARS ENDED DECEMBER 31,
2021 AND 2020**

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Sheet Metal Workers' Local No. 40 Pension Fund
Wallingford, Connecticut

Opinion

We have audited the accompanying financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, the related statements of changes in net assets available for benefits for the years then ended, and the statements of accumulated plan benefits as of December 31, 2020 and 2019, the related statements of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Sheet Metal Workers' Local No. 40 Pension Fund as of December 31, 2021 and 2020, and the changes in its net assets available for benefits for the years then ended, and the accumulated plan benefits as of December 31, 2020 and 2019, and the changes in its accumulated plan benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sheet Metal Workers' Local No. 40 Pension Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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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.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 Sheet Metal Workers' Local No. 40 Pension Fund's 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 Sheet Metal Workers' Local No. 40 Pension Fund's ability to continue as a going concern for a reasonable period of time.

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 Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions are presented for purposes of additional analysis and are not a required part of the financial statements but are 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 has been subjected to the auditing procedures applied in the audits 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.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



New Haven, Connecticut
October 17, 2022

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Investments, at fair value		
Money market funds	\$ 10,460	\$ 10,457
Mutual funds	46,204,280	43,684,334
Common and collective trusts	<u>9,364,845</u>	<u>6,963,846</u>
Total Investments	<u>55,579,585</u>	<u>50,658,637</u>
Receivables		
Employer	628,102	1,076,110
Other receivable	<u>7,970</u>	<u>4,339</u>
Total Receivables	<u>636,072</u>	<u>1,080,449</u>
Other assets		
Cash	1,341,615	1,355,407
Prepaid expenses	<u>19,845</u>	<u>93,073</u>
Total Other Assets	<u>1,361,460</u>	<u>1,448,480</u>
TOTAL ASSETS	<u>57,577,117</u>	<u>53,187,566</u>
LIABILITIES		
Accounts payable	68,580	58,918
Due to Affiliated Funds	<u>117,588</u>	<u>-</u>
Total Liabilities	<u>186,168</u>	<u>58,918</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 57,390,949</u>	<u>\$ 53,128,648</u>

See accompanying notes to the financial statements.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31,	
	<u>2021</u>	<u>2020</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 6,631,580	\$ 5,515,364
Interest	528	1,173
Dividends	<u>1,189,376</u>	<u>817,312</u>
	7,821,484	6,333,849
Less: investment expenses	<u>246,975</u>	<u>212,024</u>
	7,574,509	6,121,825
Employer contributions	6,515,421	6,635,834
Miscellaneous income	<u>1,960</u>	<u>-</u>
Total Additions	<u>14,091,890</u>	<u>12,757,659</u>
Deductions		
Benefits paid to participants	<u>9,430,267</u>	<u>9,502,472</u>
Administrative expenses		
Insurance and pension benefit guaranty corporation premium	128,507	138,117
Professional services	117,907	112,281
Personnel transistion fee	36,831	42,273
Contract administrator fees	99,950	96,442
Office	<u>16,127</u>	<u>3,968</u>
Total Administrative Expenses	<u>399,322</u>	<u>393,081</u>
Total Deductions	<u>9,829,589</u>	<u>9,895,553</u>
Change in Net Assets	4,262,301	2,862,106
Net Assets Available for Benefits, Beginning of Year	<u>53,128,648</u>	<u>50,266,542</u>
Net Assets Available for Benefits, End of Year	<u>\$ 57,390,949</u>	<u>\$ 53,128,648</u>

See accompanying notes to the financial statements.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
STATEMENTS OF ACCUMULATED PLAN BENEFITS

	December 31,	
	<u>2020</u>	<u>2019</u>
Vested Benefits		
Participants currently receiving benefits	\$ 80,358,042	\$ 81,646,156
Other participants	<u>43,478,438</u>	<u>41,371,825</u>
	123,836,480	123,017,981
Non-Vested Benefits	<u>2,116,115</u>	<u>2,392,394</u>
Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 125,952,595</u>	<u>\$ 125,410,375</u>

See accompanying notes to the financial statements.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
Actuarial Present Value of Accumulated Plan Benefits,		
Beginning of Year	\$ 125,410,375	\$ 124,719,107
Increase During the Year Attributable to:		
Benefits accumulated	1,315,217	1,490,129
Increase for Interest Due to the Decrease in the Discount Period	8,719,475	8,670,274
Benefits Paid	<u>(9,492,472)</u>	<u>(9,469,135)</u>
Actuarial Present Value of Accumulated Plan Benefits,		
End of Year	<u>\$ 125,952,595</u>	<u>\$ 125,410,375</u>

See accompanying notes to the financial statements.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - PLAN DESCRIPTION

General

The Sheet Metal Workers' Local No. 40 Pension Fund (Plan) was established in 1956 under a trust agreement, with amendments since that time, and is maintained pursuant to a collective bargaining agreement which provides for the rate of employer contributions to the Plan, the type of work and areas of work for which contributions are payable, and certain other terms governing contributions. The Plan is a non-contributory defined benefit plan and its purpose is to provide for retirement, disability and death benefits to individuals who worked in covered employment in accordance with the provisions of the Plan. The Plan is administered by a Board of Trustees consisting of representatives of the participating employers and the Union.

The Employee Retirement Income Security Act of 1974 (ERISA) requires minimum funding of contributions to the Plan by employers. Employers are not liable for satisfying the ERISA minimum funding standard for any plan year in which the plan is in critical status. The actuaries for the Plan have certified that the Plan is in "Critical Status" at January 1, 2021 and 2020.

The effective dates of the hourly contribution rates to the Plan are detailed below. The contribution rate for apprentices of the Sheet Metal Industry Apprentice and Training Fund is adjusted in accordance with each member's specific wage rate. These prorated amounts range from 50% to 90% of the stated Plan contribution rate.

	January 1, <u>2020</u>	July 1, <u>2020</u>	January 1, <u>2021</u>
Stated rate - total	\$ 15.62	\$ 15.77	\$ 15.77
Stated reserve fund rate	<u>0.21</u>	<u>0.21</u>	<u>0.21</u>
Stated rate - net	<u><u>\$ 15.41</u></u>	<u><u>\$ 15.56</u></u>	<u><u>\$ 15.56</u></u>

Plan Benefits and Vesting

For new retirees on and after January 1, 2014, the monthly benefit rate for each full pension credit will be based upon hours worked in the preceding July through June period and range from \$60 to \$95. The benefit rates prior to 2014 range from \$33.50 to \$80.00. The Plan contains requirements to be eligible for benefit rate increases, including a minimum amount of covered employment each year and in a specified period before the effective date of the increase.

Effective January 1, 2007, one full pension credit is earned when a participant works 1,200 hours in covered employment during the plan year, increased from 1,000 hours. Partial credit is earned when a participant works less than 1,200 hours, but more than 100 hours, in covered employment. During plan years after 1973 and before 2007, hours worked in excess of stated amounts could be "banked" up to a maximum of 5,000 hours. Effective December 31, 2006, participants' banked hours were frozen and no additional hours will be credited to the bank.

Normal retirement date is the later of age 62, or five years of Plan participation. The Plan permits early retirement at age 55, with an actuarially reduced benefit, if the participant has accrued at least 15 pension credits.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - PLAN DESCRIPTION – (CONTINUED)

Plan Benefits and Vesting – (Continued)

The Plan provides for married participants to receive pension benefits in the form of a joint and 50% survivor annuity, and for an unmarried participant to receive pension benefits in the form of a life annuity, at the time of retirement. There are other forms of payment available.

A participant who works at least one hour after 1998 is vested in their benefit when they have earned five years of vesting service or has reached his normal retirement date without a break in service.

Pension and death benefits are paid directly by the Plan. Pension benefits for members who retired prior to February 28, 1981 are paid by Connecticut General Life Insurance Company under a single premium contract. These contracts and benefits paid by the insurance company are not reflected in the statements of net assets available for benefits or the statements of accumulated plan benefits.

If a participant dies prior to receiving any pension benefits under the Plan, and if certain other plan requirements are met, the beneficiary is eligible for a lump-sum death benefit; or in the case of certain married participants, the spouse is eligible to receive a pension benefit equal to 50% of what the participant would have received under a joint and survivor pension. The Plan also provides disability pension benefits for eligible participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Valuation of Investments

Investments are stated at fair value. Fair values may be determined by prices quoted in an active market or the aggregate value of underlying investments. Realized and unrealized gains and losses are included in the statements of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Wells Fargo Bank, N.A. serves as investment custodian for the investments.

Cash

Cash and cash equivalents include investments in highly liquid instruments with a maturity of three months or less. The balances from time to time exceed federally insured limits.

Employer Contributions

Employer contributions are based on reports of hours worked as submitted by employers at rates contractually agreed upon.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Other Affiliated Funds Activity

Contributions by participating employers are initially remitted to a clearing account held by the Sheet Metal Workers' Local No. 40 Health Fund and recorded on the respective fund's accounts on the day of receipt.

For the year ended December 31, 2021, the Plan has a payable to the Sheet Metal Workers' Local No. 40 Health Fund in the amount of \$117,588 related to the processing of retiree insurance benefits.

Estimates

The preparation of the financial statements uses management's estimates, which could vary from actual results.

Reclassifications

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation.

NOTE 3 - PLAN ADMINISTRATION

The Plan has an administrator's service agreement with Zenith American Solutions, Inc. Zenith American Solutions, Inc. is responsible for the daily administration of the Plan, as well as the processing of all participant data and benefit payments. Fees paid to the administrator totaled \$136,781 and \$138,715 for the years ended December 31, 2021 and 2020, respectively.

NOTE 4 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
-

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 - FAIR VALUE MEASUREMENTS – (CONTINUED)

The following is a description of the valuation methodologies used for assets measured at fair value.

Money Market Funds: Values are determined based on the daily closing price as reported by the fund.

Mutual Funds: Values are determined by obtaining quoted prices on nationally recognized securities exchanges.

Common/collective trusts: Valued at net asset value per unit of the underlying investment on the valuation date. The net asset value, or price per unit, of each underlying trust is determined periodically throughout the year.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair values measurements at the reporting date. There have been no changes in the methodologies used at December 31, 2021, and 2020.

The following tables set forth by levels within the fair value hierarchy the Plan's assets at fair value:

	<u>December 31, 2021</u>	
	<u>Level 1</u>	<u>Total</u>
Money market funds	\$ 10,460	\$ 10,460
Mutual funds	46,204,280	46,204,280
Investments measure at net asset value*	<u>-</u>	<u>9,364,845</u>
Investments at fair value	<u>\$ 46,214,740</u>	<u>\$ 55,579,585</u>

	<u>December 31, 2020</u>	
	<u>Level 1</u>	<u>Total</u>
Money market funds	\$ 10,457	\$ 10,457
Mutual funds	43,684,334	43,684,334
Investments measure at net asset value*	<u>-</u>	<u>6,963,846</u>
Investments at fair value	<u>\$ 43,694,791</u>	<u>\$ 50,658,637</u>

*In accordance with Subtopic 810-20, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient:

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 - FAIR VALUE MEASUREMENTS – (CONTINUED)

Investments Measured Using the Net Asset Value per Share Practical Expedient – (Continued)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2021 and 2020. The following discloses the fair value, unfunded commitment, redemption frequency and redemption notice period.

<u>Description</u>	<u>Fair Value</u> <u>December 31, 2021</u>	<u>Fair Value</u> <u>December 31, 2020</u>	<u>Unfunded</u> <u>Commitment</u> <u>December 31, 2021</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
SEI Structured Credit Fund CIT	\$ 3,541,127	\$ 2,849,950	\$ -	Quarterly	90 Days
SEI Core Property Fund CIT	3,483,392	2,776,265	\$ -	Quarterly	65 Days
SEI Global Private Assets IV CIT	<u>2,340,326</u>	<u>1,337,631</u>	\$ 970,860	None	None
	<u>\$ 9,364,845</u>	<u>\$ 6,963,846</u>			

NOTE 5 - EMPLOYER CONTRIBUTIONS

Employer Receivables

Employer receivables represent uncollected contributions for covered employment prior to the Plan's year-end and uncollected late payment interest, if applicable.

These receivables are unsecured, except for any employer bonds (surety or cash) held in accordance with the Trust agreement and bonding policy.

The bonding policy provides that each employer must either: (1) provide a surety bond naming the Plan, as well as other benefit funds and interested parties, in an amount based on the number of sheet metal workers employed; or (2) place a cash deposit equal to one month's contributions based on a 40-hour work week for each worker; or (3) make contributions every two weeks, provided the employer has not been delinquent in remittances; or (4) make contributions weekly. The bond account for employers providing a cash deposit is maintained by the Health Fund on behalf of the Plan and the other benefit funds and interested parties.

Significant Contributing Employers

The Plan receives a significant portion of its contribution income from three employers. During 2021, the Plan received 19% of its contribution income from one employer, 13% of its contributions from a second employer and 8% from a third employer. During 2020, the Plan received 21% of its contribution income from one employer, 10% of its contributions from a second employer and 9% from a third employer. Should any or all of these employers cease operations, there could be a significant negative impact on the Plan's contribution income, together with a corresponding reduction in the Plan's benefit accrual expense. Since the Local Union has collective bargaining agreements with numerous other employers who make up the balance of the Plan's contribution base, the Board of Trustees believes that if any or all of the significant employers were to cease operations, the affected employees and projects could be assumed by one or more contributing employers to the Plan.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 - EMPLOYER CONTRIBUTIONS – (CONTINUED)

Late Payment Interest

The Board of Trustees has a policy for charging interest on delinquent employer contributions. The Plan bills the employers semi-annually for late payment interest at a rate of 12% per annum.

NOTE 6 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the service rendered by the employees through the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary. This amount results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payments between the valuation date and the date of payment.

The actuarial present value of accumulated plan benefits presented in the financial statements are as of the beginning of the year. The following are other significant actuarial assumptions used in the valuations as of 2020 and 2019:

	<u>2020</u>	<u>2019</u>
a. Mortality	RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Table	RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Table
b. Average retirement age	55 - 65 adjusted for probability of leaving	55 - 65 adjusted for probability of leaving
c. Net investment return	7.25%	7.25%
d. Administrative expenses	\$410,000	\$400,000

NOTE 7 - FUNDED STATUS

The Pension Protection Act of 2006 (PPA06) was signed into law on August 17, 2006. Multiemployer pension plans, such as the Plan, are significantly affected by PPA06. The provisions of PPA06 were effective beginning January 1, 2008, for the Plan.

The most significant change in PPA06 for a Multiemployer pension plan is the concept of "Funded Status." If a Multiemployer plan is funded at a level below 65% or meets certain other tests (Critical Status), the Trustees of the pension plan must construct a "Rehabilitation Plan," stating the steps that will be taken to improve the funding over the next ten or 13 years. If a Multiemployer plan is funded at a level below 80% but is not in Critical Status (Endangered Status), the Trustees of the pension plan must construct a "Funding Improvement Plan" stating the steps that will be taken to improve the funding by 1/3 over the next ten years.

The actuaries for the Plan have certified that the Plan is in "Critical Status" at January 1, 2021 and 2020, and the Plan has adopted a "Rehabilitation Plan".

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 - PLAN TERMINATION

The Trustees expect and intend to continue the Plan indefinitely but reserve the right to amend or to terminate it, subject to the provisions of ERISA.

In the event of Plan termination, each participant's rights will be non-forfeitable to the extent funded. Assets remaining in the Plan, after providing for any administrative expenses, will be allocated among the participants and beneficiaries in the following order:

1. Pension benefits payable to all participants receiving benefits or eligible to receive benefits prior to the three-year period ending on the termination date.
2. To all other benefits of the individuals under the plan guaranteed under Title IV of ERISA.
3. To all other vested benefits under the Plan.
4. To all other benefits under the Plan.

NOTE 9 - TAX STATUS

The Plan is qualified under Section 401(a) of the Internal Revenue Code and is exempt from federal income tax.

The Plan obtained its latest determination letter on November 6, 2015 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving this determination letter. However, the Plan's legal counsel believes that the Plan is currently designed and the Plan's administrator believes the Plan is currently 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.

NOTE 10 - PENSION BENEFIT GUARANTY CORPORATION

Under the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), the Plan is required to subscribe to plan termination insurance through the Pension Benefit Guaranty Corporation (PBGC). The PBGC guarantees participants in defined benefit pension plans against the loss of certain pension benefits if the Plan terminates, and it administers terminated plans in certain circumstances. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's 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.

If the Plan benefits have been increased within the five years before Plan termination, the whole amount of the Plan's vested benefits or the benefit increases may not be guaranteed. In addition, there is a ceiling on the amount of the monthly benefit, which the PBGC guarantees. This is adjusted periodically.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency at that time of the Plan's net assets to provide those benefits, and may also depend on the level of benefits guaranteed by the PBGC.

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 11 - RISKS AND UNCERTANTIES

The Plan invests in various investment securities. 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 the amounts reported in the statement of net assets available for 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.

The COVID-19 outbreak has adversely affected, and may continue to adversely affect, economic activity globally, nationally, and locally. The economic and market conditions and other effects of the outbreak may adversely affect the volatility of Plan assets. The extent of any adverse impact of COVID-19 on the Plan's net assets cannot be predicted at this time.

NOTE 12 - SUBSEQUENT EVENTS

The Plan did not have any subsequent events through October 17, 2022, which is the date the financial statements were available to be issued for the year ended December 31, 2021.

SUPPLEMENTAL INFORMATION

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021
SCHEDULE H, LINE 4i - EIN 06-6157817, PLAN: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or <u>Similar Party</u>	(c) Description of Investment Including Maturity Date, Rate of <u>Interest, Collateral, Par, or Maturity Value</u>	(d) <u>Cost</u>	(e) <u>Current Value</u>
*	SEI Institutional Investor Trust	SEI World Equity Ex-US Fund	\$ 13,700,951	\$ 12,140,815
*	SEI Institutional Investor Trust	SEI S&P 500 Index Fund	5,727,551	6,822,443
*	SEI Institutional Investor Trust	SEI Core Fixed Income Fund	7,706,318	7,523,936
*	SEI Institutional Investor Trust	SEI Structured Credit Fund CIT	2,728,993	3,541,127
*	SEI Institutional Investor Trust	SEI Extended Market Index Fund	2,192,479	2,092,151
*	SEI Institutional Investor Trust	SEI Core Property Fund CIT	2,724,688	3,483,392
*	SEI Institutional Investor Trust	SEI Dynamic Asset Allocation Fund	2,592,052	2,834,657
*	SEI Institutional Investor Trust	SEI Large Cap Disciplined Equity Fund	2,897,358	2,862,529
*	SEI Institutional Investor Trust	SEI High Yield Bond Fund	2,654,263	2,749,313
*	SEI Institutional Investor Trust	SEI Emerging Markets Equity Fund	2,273,718	2,109,137
*	SEI Institutional Investor Trust	SEI Emerging Markets Debt Fund	2,811,444	2,580,661
*	SEI Institutional Investor Trust	SEI Small/Mid Cap Equity Fund	1,678,288	1,649,546
*	SEI Institutional Investor Trust	SEI Global Private Assets IV CIT	1,460,641	2,340,326
*	SEI Institutional Investor Trust	SEI US Equity Factor Allocation Fund	2,941,036	2,839,092
*	Wells Fargo Bank	Allspring Government Money Market Fund	10,460	10,460
			<u>\$ 54,100,240</u>	<u>\$ 55,579,585</u>

*Denotes party-in-interest

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2021
SCHEDULE H, LINE 4j - EIN 06-6157817, PLAN: 001

(a)	(b) <u>Description of Asset</u>	Number of <u>Transactions</u>	Type of <u>Transaction</u>	(c) <u>Purchase Price</u>	(d) <u>Selling Price</u>	(f) <u>Expense Incurred with Transaction</u>	(g) <u>Cost of Asset</u>	(h) <u>Current Value of Asset on Transaction Date</u>	(i) <u>Net Gain or (Loss)</u>
	<i>Series of Transactions or by Issue</i>								
*	Allspring Government Money Market Fund	21	Buy	\$ 3,126,524	\$ -	\$ -	\$ 3,126,524	\$ 3,126,524	\$ -
*	Allspring Government Money Market Fund	9	Sell	\$ -	\$ 3,126,522	\$ -	\$ 3,126,522	\$ 3,126,522	\$ -
*	SEI US Equity Factor Allocation Fund	6	Buy	\$ 3,186,682	\$ -	\$ -	\$ 3,186,682	\$ 3,186,682	\$ -
*	SEI US Equity Factor Allocation Fund	7	Sell	\$ -	\$ 266,866	\$ -	\$ 245,645	\$ 266,866	\$ 21,221
*	SEI S&P 500 Index Fund	5	Buy	\$ 431,109	\$ -	\$ -	\$ 431,109	\$ 431,109	\$ -
*	SEI S&P 500 Index Fund	10	Sell	\$ -	\$ 2,802,727	\$ -	\$ 1,823,785	\$ 2,802,727	\$ 978,942
*	SEI World Equity Ex-US Fund	3	Buy	\$ 2,442,158	\$ -	\$ -	\$ 2,442,158	\$ 2,442,158	\$ -
*	SEI World Equity Ex-US Fund	4	Sell	\$ -	\$ 505,714	\$ -	\$ 386,210	\$ 505,714	\$ 119,504

* Denotes party-in-interest

Sheet Metal Workers' Local 40 Pension Plan
Attachment to Schedule MB
EIN 06-6157817 / PN 001

Shortfall Method for Plan Year Ending December 31, 2021

A. Ratio of actual to estimated base units

1. Estimated base units	500,000
2. Actual base units	430,889
3. Ratio of actual to estimated base units: (2) / (1)	0.861778

B. Funding standard account statement

1. Charges to funding standard account

<u>Item</u> (1)	<u>Anticipated Charge</u> (2)	<u>Net Charge</u> (3)
a. Prior year funding deficiency	\$26,328,229	\$26,328,229
b. Employer's normal cost	1,820,871	1,569,187
c. Amortization charges	9,833,082	8,473,934
d. Interest on (a), (b) and (c)	<u>2,753,708</u>	<u>2,636,923</u>
e. Total charges	\$40,735,890	\$39,008,273

2. Credits to funding standard account

<u>Item</u> (1)	<u>Anticipated Credit</u> (2)	<u>Net Credit</u> (3)
a. Prior year credit balance	\$0	\$0
b. Employer contributions	6,515,421	6,515,421
c. Amortization credits	2,980,903	2,568,877
d. Interest on (a), (b) and (c)	<u>432,616</u>	<u>402,746</u>
e. Total credits	\$9,928,940	\$9,487,044

3. Credit balance (funding deficiency):

2(e) (Column 3) – 1(e) (Column 3) (\$29,521,229)

4. Shortfall gain (loss):

1(e) (Column 3) – 1(e) (Column 2)
+ 2(e) (Column 2) – 2(e) (Column 3) (\$1,285,721)

**2021 Form 5500 Schedule MB Line 4d
Documentation Regarding Reductions
to Adjustable Benefits**

**SHEET METAL WORKERS' LOCAL NO. 40 PENSION PLAN
EIN/PN 06-6157817/001**

No adjustable benefits were reduced in the 2021 plan year. As noted on the 2009 Schedule MB, adjustable benefits were reduced in the 2009 plan year and the reduction in liability was \$1,253,436.

9565564v1/10548.002

**2021 Form 5500 Schedule MB Line 4c
Documentation Regarding Progress Under
Funding Improvement or Rehabilitation Plan**

**Sheet Metal Workers' Local No. 40 Pension Plan
EIN/PN 06-6157817/001**

The rehabilitation period began January 1, 2011. Please see attachment indicating that the Plan is making scheduled progress as of January 1, 2022.

9565500v1/10548.002

March 31, 2022

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

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2022 for the following plan:

Name of Plan: Sheet Metal Workers' Local 40 Pension Plan
Plan number: EIN 06-6157817 / PN 001
Plan sponsor: Board of Trustees, Sheet Metal Workers' Local 40 Pension Plan
Address: Zenith American Solutions, Inc., P.O. Box 5817, Wallingford, CT 06492
Phone number: 860.529.2616

As of January 1, 2022, the Plan is in critical status but not declining status.

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan updated on December 14, 2021.

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

Segal
116 Huntington Ave., Suite 901
Boston, MA 02116-5749
Phone number: 617.424.7300

Sincerely,

A handwritten signature in blue ink, appearing to read "Kathleen Riley".

Kathleen A. Riley FSA, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 20-04134

Section 3: Certificate of Actuarial Valuation

Exhibit E: Schedule of Projection of Expected Benefit Payments

(Schedule MB, Line 8b(1))

Plan Year	Expected Annual Benefit Payments
2021	\$9,774,161
2022	9,923,329
2023	10,036,537
2024	10,234,703
2025	10,276,219
2026	10,362,699
2027	10,471,139
2028	10,479,283
2029	10,443,471
2030	10,368,812

This assumes the following:

- No additional benefits will be accrued.
- Experience is in line with valuation assumptions.
- No new entrants are covered by the plan.

Actuarial Status Certification under IRC Section 432

Exhibit V Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2020 through 2050.

	Year Beginning January 1,							
	2020	2021	2022	2023	2024	2025	2026	2027
1. Market Value at beginning of year	\$50,269,381	\$52,580,476	\$53,637,885	\$54,616,572	\$55,518,455	\$56,241,726	\$56,871,431	\$57,400,702
2. Contributions	6,359,521	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,492,472	9,786,887	9,926,227	10,057,943	10,282,260	10,411,732	10,540,999	10,722,325
5. Administrative expenses	411,053	410,000	420,250	430,756	441,525	452,563	463,877	475,474
6. Interest earnings	<u>5,855,099</u>	<u>3,679,296</u>	<u>3,750,164</u>	<u>3,815,582</u>	<u>3,872,056</u>	<u>3,919,000</u>	<u>3,959,147</u>	<u>3,990,106</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$52,580,476	\$53,637,885	\$54,616,572	\$55,518,455	\$56,241,726	\$56,871,431	\$57,400,702	\$57,768,009
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$62,072,948	\$63,424,772	\$64,542,799	\$65,576,398	\$66,523,986	\$67,283,163	\$67,941,701	\$68,490,334
	2028	2029	2030	2031	2032	2033	2034	2035
1. Market Value at beginning of year	\$57,768,009	\$58,003,564	\$58,183,838	\$58,322,329	\$58,322,676	\$58,188,166	\$57,917,867	\$57,625,682
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,862,863	10,920,080	10,960,089	11,089,841	11,206,424	11,314,133	11,302,075	11,263,169
5. Administrative expenses	487,361	499,545	512,034	524,835	537,956	551,405	565,190	579,320
6. Interest earnings	<u>4,010,779</u>	<u>4,024,899</u>	<u>4,035,614</u>	<u>4,040,023</u>	<u>4,034,870</u>	<u>4,020,239</u>	<u>4,000,080</u>	<u>3,979,282</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$58,003,564	\$58,183,838	\$58,322,329	\$58,322,676	\$58,188,166	\$57,917,867	\$57,625,682	\$57,337,475
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$68,866,427	\$69,103,918	\$69,282,418	\$69,412,517	\$69,394,590	\$69,232,000	\$68,927,757	\$68,600,644

Actuarial Status Certification under IRC Section 432

Exhibit V (continued) Solvency Projections

	Year Beginning January 1,							
	2036	2037	2038	2039	2040	2041	2042	2043
1. Market Value at beginning of year	\$57,337,475	\$57,071,547	\$56,909,124	\$56,803,874	\$56,734,344	\$56,742,109	\$56,861,754	\$57,131,773
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	11,206,516	11,072,662	10,990,377	10,932,400	10,836,398	10,712,016	10,557,890	10,430,476
5. Administrative expenses	593,803	608,648	623,864	639,461	655,448	671,834	688,630	705,846
6. Interest earnings	<u>3,959,391</u>	<u>3,943,887</u>	<u>3,933,991</u>	<u>3,927,331</u>	<u>3,924,611</u>	<u>3,928,495</u>	<u>3,941,539</u>	<u>3,964,486</u>
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$57,071,547	\$56,909,124	\$56,803,874	\$56,734,344	\$56,742,109	\$56,861,754	\$57,131,773	\$57,534,937
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$68,278,063	\$67,981,786	\$67,794,251	\$67,666,744	\$67,578,507	\$67,573,770	\$67,689,663	\$67,965,413
	2044	2045	2046	2047	2048	2049	2050	
1. Market Value at beginning of year	\$57,534,937	\$58,151,133	\$58,983,966	\$60,061,416	\$61,414,485	\$62,992,136	\$64,800,651	
2. Contributions	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	
3. Withdrawal liability payments	0	0	0	0	0	0	0	
4. Benefit payments	10,234,840	10,050,173	9,853,194	9,642,931	9,500,712	9,367,639	9,248,213	
5. Administrative expenses	723,492	741,579	760,118	779,121	798,599	818,564	839,028	
6. Interest earnings	<u>3,999,528</u>	<u>4,049,585</u>	<u>4,115,762</u>	<u>4,200,121</u>	<u>4,301,962</u>	<u>4,419,718</u>	<u>4,553,681</u>	
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$58,151,133	\$58,983,966	\$60,061,416	\$61,414,485	\$62,992,136	\$64,800,651	\$66,842,091	
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$68,385,973	\$69,034,139	\$69,914,610	\$71,057,416	\$72,492,848	\$74,168,290	\$76,090,304	

Actuarial Status Certification under IRC Section 432

Exhibit VI

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2020 actuarial valuation certificate, dated December 15, 2020, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Plan of Benefits:	The accrual rate for 2021 is \$85. Accrual rates for 2022 and future years are based on the following table: <table> <tr> <th>Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:</th><th>Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:</th></tr> <tr> <td>550,000 or more</td><td>\$95 per Credit</td></tr> <tr> <td>Between 549,999 and 500,000</td><td>\$90 per Credit</td></tr> <tr> <td>Between 499,999 and 450,000</td><td>\$85 per Credit</td></tr> <tr> <td>Between 449,999 and 400,000</td><td>\$80 per Credit</td></tr> <tr> <td>399,999 or lower</td><td>\$75 per Credit</td></tr> </table>	Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:	550,000 or more	\$95 per Credit	Between 549,999 and 500,000	\$90 per Credit	Between 499,999 and 450,000	\$85 per Credit	Between 449,999 and 400,000	\$80 per Credit	399,999 or lower	\$75 per Credit
Total hours worked in Covered Employment during the Measuring Period (July 1st through June 30th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form:												
550,000 or more	\$95 per Credit												
Between 549,999 and 500,000	\$90 per Credit												
Between 499,999 and 450,000	\$85 per Credit												
Between 449,999 and 400,000	\$80 per Credit												
399,999 or lower	\$75 per Credit												
Contribution Rates:	\$15.56 plus a Reserve Fund contribution of \$0.21. Apprentice hours are worked at a lower rate. The average contribution rate is estimated to be \$14.94 plus the Reserve Fund contribution for 2021 and thereafter.												
Asset Information:	The market value of assets as of January 1, 2021 was based on a draft financial statement provided by the Fund Administrator. The income and expense items were based on information about contributions, benefits and expenses provided by the Fund Administrator. For projections after that date, the 2021 administrative expenses were assumed to be \$410,000 and then were increased by 2.5% per year and the benefit payments were projected based on the results of an open group forecast of the January 1, 2020 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2021 - 2050 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.												
Projected Industry Activity:	As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number hours worked by active participants is projected to be 500,000 in 2021 and later years.												

Actuarial Status Certification under IRC Section 432

Future Normal Costs:

We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to remain level and the new entrants to have the same demographic mix as those hired within the past five years. The resulting Normal Costs are adjusted to reflect the projected employment levels and the corresponding accrual rates.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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****Part I Annual Report Identification Information**For calendar plan year 2021 or fiscal plan year beginning **01/01/2021** and ending **12/31/2021**

- 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 instr.)
- B** This return/report is: ☐ a single-employer plan ☐ a DFE (specify) _____
☐ 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 SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 10/01/1956
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) BOARD OF TRUSTEES SHEET METAL WORKERS' LOCAL NO. 40 10 TECHNOLOGY DRIVE WALLINGFORD CT 06492-5817	2b Employer Identification Number (EIN) 06-6157817 2c Plan Sponsor's telephone number 1-800-446-8646 2d Business code (see instructions) 238900

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		10/17/2022	JOHN NIMMONS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/17/2022	MICHAEL THOMPSON
	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

SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND
SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2021
SCHEDULE H, LINE 4j - EIN 06-6157817, PLAN: 001

(a)	(b) <u>Description of Asset</u>	Number of <u>Transactions</u>	<u>Type of Transaction</u>	(c) <u>Purchase Price</u>	(d) <u>Selling Price</u>	(f) <u>Expense Incurred with Transaction</u>	(g) <u>Cost of Asset</u>	(h) <u>Current Value of Asset on Transaction Date</u>	(i) <u>Net Gain or (Loss)</u>
	<i>Series of Transactions or by Issue</i>								
*	Allspring Government Money Market Fund	21	Buy	\$ 3,126,524	\$ -	\$ -	\$ 3,126,524	\$ 3,126,524	\$ -
*	Allspring Government Money Market Fund	9	Sell	\$ -	\$ 3,126,522	\$ -	\$ 3,126,522	\$ 3,126,522	\$ -
*	SEI US Equity Factor Allocation Fund	6	Buy	\$ 3,186,682	\$ -	\$ -	\$ 3,186,682	\$ 3,186,682	\$ -
*	SEI US Equity Factor Allocation Fund	7	Sell	\$ -	\$ 266,866	\$ -	\$ 245,645	\$ 266,866	\$ 21,221
*	SEI S&P 500 Index Fund	5	Buy	\$ 431,109	\$ -	\$ -	\$ 431,109	\$ 431,109	\$ -
*	SEI S&P 500 Index Fund	10	Sell	\$ -	\$ 2,802,727	\$ -	\$ 1,823,785	\$ 2,802,727	\$ 978,942
*	SEI World Equity Ex-US Fund	3	Buy	\$ 2,442,158	\$ -	\$ -	\$ 2,442,158	\$ 2,442,158	\$ -
*	SEI World Equity Ex-US Fund	4	Sell	\$ -	\$ 505,714	\$ -	\$ 386,210	\$ 505,714	\$ 119,504

* Denotes party-in-interest

SCHEDULE MB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Multiemployer Defined Benefit Plan and Certain Money Purchase 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 Sheet Metal Workers' Local No. 40 Pension Fund	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">B Three-digit plan number (PN) ►</td> <td style="width: 20%; text-align: center;">001</td> </tr> </table>	B Three-digit plan number (PN) ►	001
B Three-digit plan number (PN) ►	001		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Bd Of Trustees Sheet Metal Workers Local No. 40 Pension Fund	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">D Employer Identification Number (EIN)</td> <td style="width: 20%; text-align: center;">06-6157817</td> </tr> </table>	D Employer Identification Number (EIN)	06-6157817
D Employer Identification Number (EIN)	06-6157817		

E Type of plan: (1) ☒ Multiemployer Defined Benefit (2) ☐ Money Purchase (see instructions)

1a Enter the valuation date: Month 01 Day 01 Year 2021

b Assets

(1) Current value of assets.....	1b(1)	52,703,080
(2) Actuarial value of assets for funding standard account	1b(2)	49,886,702
c (1) Accrued liability for plan using immediate gain methods	1c(1)	125,952,595

(2) Information for plans using spread gain methods:

(a) Unfunded liability for methods with bases	1c(2)(a)	
(b) Accrued liability under entry age normal method	1c(2)(b)	
(c) Normal cost under entry age normal method	1c(2)(c)	
(3) Accrued liability under unit credit cost method	1c(3)	125,952,595

d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	1d(1)	
(2) "RPA '94" information:		
(a) Current liability.....	1d(2)(a)	231,176,321
(b) Expected increase in current liability due to benefits accruing during the plan year.....	1d(2)(b)	3,133,964
(c) Expected release from "RPA '94" current liability for the plan year.....	1d(2)(c)	9,784,962
(3) Expected plan disbursements for the plan year.....	1d(3)	10,194,962

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	Kathleen A. Riley <i>KCR</i> Signature of actuary	10/11/2022 Date
------------------	---	---

KATHLEEN A. RILEY, FSA, MAAA, EA

Type or print name of actuary

SEGAL

Firm name

116 Huntington Avenue
BOSTON MA 02116-5744

Address of the firm

10/11/2022

Date

2004134

Most recent enrollment number

617-424-7300

Telephone number (including area code)

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 MB (Form 5500) 2021
v. 201209**

j If box h is checked, enter period of use of shortfall method	5j	76
k Has a change been made in funding method for this plan year?.....	☐ Yes ☒ No	
l If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval?	☐ Yes ☐ No	
m If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method	5m	

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability	6a	2.43 %
b Rates specified in insurance or annuity contracts	☐ Yes ☐ No ☒ N/A	
c Mortality table code for valuation purposes:		
(1) Males	6c(1)	A
(2) Females	6c(2)	A
d Valuation liability interest rate	6d	7.25 %
e Expense loading	6e	29.1 % ☐ N/A ☒ N/A
f Salary scale	6f	☒ N/A
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	8.9 %
h Estimated investment return on current value of assets for year ending on the valuation date	6h	11.7 %

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	-1,239,898	0
2	2,136,303	0

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval	8a	
b(1) Is the plan required to provide a projection of expected benefit payments? (See the instructions.) If "Yes," attach a schedule	☒ Yes ☐ No	
b(2) Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach a schedule	☒ Yes ☐ No	
c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?	☐ Yes ☒ No	
d If line c is "Yes," provide the following additional information:		
(1) Was an extension granted automatic approval under section 431(d)(1) of the Code?	☐ Yes ☐ No	
(2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended	8d(2)	
(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?	☐ Yes ☐ No	
(4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2))	8d(4)	
(5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension	8d(5)	
(6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?	☐ Yes ☐ No	
e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)	8e	-681,995

9 Funding standard account statement for this plan year:**Charges to funding standard account:**

a Prior year funding deficiency, if any	9a	26,328,229
b Employer's normal cost for plan year as of valuation date.....	9b	1,569,187

c Amortization charges as of valuation date:

		Outstanding balance	
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	9c(1)	68,045,799	8,473,934
(2) Funding waivers	9c(2)		
(3) Certain bases for which the amortization period has been extended	9c(3)		

d Interest as applicable on lines 9a, 9b, and 9c.....	9d	2,636,923
e Total charges. Add lines 9a through 9d.....	9e	39,008,273

Credits to funding standard account:

f Prior year credit balance, if any.....	9f	0
g Employer contributions. Total from column (b) of line 3.....	9g	6,515,421

		Outstanding balance	
h Amortization credits as of valuation date.....	9h	18,308,135	2,568,877
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h	9i		402,746

j Full funding limitation (FFL) and credits:

(1) ERISA FFL (accrued liability FFL)	9j(1)	83,533,554	
(2) "RPA '94" override (90% current liability FFL)	9j(2)	164,734,217	
(3) FFL credit	9j(3)		0
k (1) Waived funding deficiency	9k(1)		
(2) Other credits	9k(2)		
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)	9l		9,487,044
m Credit balance: If line 9l is greater than line 9e, enter the difference	9m		
n Funding deficiency: If line 9e is greater than line 9l, enter the difference	9n		29,521,229

9o Current year's accumulated reconciliation account:

(1) Due to waived funding deficiency accumulated prior to the 2021 plan year	9o(1)	
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:		
(a) Reconciliation outstanding balance as of valuation date	9o(2)(a)	
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))	9o(2)(b)	0
(3) Total as of valuation date	9o(3)	0
10 Contribution necessary to avoid an accumulated funding deficiency. (See instructions.)	10	29,521,229

11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions..... ☒ Yes ☐ No