

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☒ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☐ 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 PENSION FUND 1040 AVENUE OF THE AMERICAS 24TH FLOOR NEW YORK, NY 10018-3726
2b	Employer Identification Number (EIN) 06-6157817
2c	Plan Sponsor's telephone number 212-505-5050
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	Filed with authorized/valid electronic signature.	10/15/2024	JOHN NIMMONS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2024	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

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	5 984
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(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) 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) 286 6a(2) 300 6b 363 6c 206 6d 869 6e 114 6f 983 6g(1) 6g(2) 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7 30

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
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

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 2023	
b Assets	
(1) Current value of assets	1b(1) 47310760
(2) Actuarial value of assets for funding standard account	1b(2) 52156491
c (1) Accrued liability for plan using immediate gain methods	1c(1) 126197827
(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) 126197827
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) 222966037
(b) Expected increase in current liability due to benefits accruing during the plan year	1d(2)(b) 3089286
(c) Expected release from "RPA '94" current liability for the plan year	1d(2)(c) 9863682
(3) Expected plan disbursements for the plan year	1d(3) 10263682

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	10/11/2024
Signature of actuary KATHLEEN A. RILEY	Date 23-04134
Type or print name of actuary SEGAL	Most recent enrollment number 617-424-7300
Firm name 116 HUNTIGNTON AVENUE, BOSTON, MA 02116-5744	Telephone number (including area code)
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 ☐

2 Operational information as of beginning of this plan year:

a Current value of assets (see instructions)	2a	47310760
b "RPA '94" current liability/participant count breakdown:	(1) Number of participants	(2) Current liability
(1) For retired participants and beneficiaries receiving payment	478	110631326
(2) For terminated vested participants	220	36282408
(3) For active participants:		
(a) Non-vested benefits		3711830
(b) Vested benefits		72340473
(c) Total active	283	76052303
(4) Total	981	222966037
c If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage	2c	21.22 %

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
07/15/2023	7608274				
			Totals ▶	3(b)	7608274
(d) Total withdrawal liability amounts included in line 3(b) total					3(c)
					3(d)

4 Information on plan status:

a Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3))	4a	41.3 %
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, does line 1(c) reflect any benefit reductions for the first time (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 plan is in critical status or critical and declining status, and is:	4f	2044
• Projected to emerge from critical status within 30 years, enter the plan year in which it is projected to emerge;		
• Projected to become insolvent within 30 years, enter the plan year in which insolvency is expected and check here. ☒		
• Neither projected to emerge from critical status nor become insolvent within 30 years, enter "9999."		

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		2.55 %
	Pre-retirement		Post-retirement
b Rates specified in insurance or annuity contracts	☐ Yes ☐ No ☒ N/A		☐ 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 Salary scale	6e	% ☒ N/A	
f Withdrawal liability interest rate:			
(1) Type of interest rate	6f(1)	☒ Single rate ☐ ERISA 4044 ☐ Other ☐ N/A	
(2) If "Single rate" is checked in (1), enter applicable single rate	6f(2)	7.25 %	
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	5.3 %	
h Estimated investment return on current value of assets for year ending on the valuation date	6h	-13.6 %	
i Expense load included in normal cost reported in line 9b	6i	☐ N/A	
(1) If expense load is described as a percentage of normal cost, enter the assumed percentage	6i(1)	%	
(2) If expense load is a dollar amount that varies from year to year, enter the dollar amount included in line 9b	6i(2)	400000	
(3) If neither (1) nor (2) describes the expense load, check the box	6i(3)	☐	

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	351464	0
2	393188	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 Demographic, benefit, and contribution information		
(1) Is the plan required to provide a projection of expected benefit payments? (See instructions) If "Yes," see instructions for required attachment.	☐ Yes ☒ No	
(2) Is the plan required to provide a Schedule of Active Participant Data? (See instructions).	☒ Yes ☐ No	
(3) Is the plan required to provide a projection of employer contributions and withdrawal liability payments? (See 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	-2243961

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

a Prior year funding deficiency, if any	9a	32938686
b Employer's normal cost for plan year as of valuation date	9b	1769299

c Amortization charges as of valuation date:**(1)** All bases except funding waivers and certain bases for which the amortization period has been extended**(2)** Funding waivers**(3)** Certain bases for which the amortization period has been extended

	Outstanding balance	
9c(1)	58728751	9261959
9c(2)		
9c(3)		

d Interest as applicable on lines 9a, 9b, and 9c**9d** 3187821**e** Total charges. Add lines 9a through 9d**9e** 47157765**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** 7608274**h** Amortization credits as of valuation date

	Outstanding balance	
9h	17626101	2669993

i Interest as applicable to end of plan year on lines 9f, 9g, and 9h**9i** 446391**j** Full funding limitation (FFL) and credits:**(1)** ERISA FFL (accrued liability FFL)**(2)** "RPA '94" override (90% current liability FFL)**(3)** FFL credit

9j(1)	86486312	
9j(2)	154605363	
9j(3)		0

k (1) Waived funding deficiency**(2)** Other credits**9k(1)****9k(2)****l** Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)**9l** 10724658**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** 36433107**o** Current year's accumulated reconciliation account:**(1)** Due to waived funding deficiency accumulated prior to the current 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)** 0**(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** 36433107**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
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
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 MANGAMENT CORPORATIO

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	178645	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	106937	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	45025	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	39698	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

NOVAK FRANCELLA LLC

61-1436956

(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?
50	NONE	11315	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 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan SHEET METAL WORKERS' LOCAL NO. 40 PENSION FUND		B Three-digit plan number (PN) ▶ 001
C Plan or DFE 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	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: SEI CORE PROPERTY COLLECTIVE INVES			
b Name of sponsor of entity listed in (a): SEI TRUST COMPANY			
c EIN-PN 27-3224429-045	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3499458	
a Name of MTIA, CCT, PSA, or 103-12 IE: SEI STRUCTURED CREDIT COLLECT TRUST			
b Name of sponsor of entity listed in (a): SEI TRUST COMPANY			
c EIN-PN 75-3251893-024	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4144918	
a Name of MTIA, CCT, PSA, or 103-12 IE: SEI GLOBAL PRIVATE ASSET IV COLLECT			
b Name of sponsor of entity listed in (a): SEI TRUST COMPANY			
c EIN-PN 81-5067490-103	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2245608	
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)**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, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

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 2023 This Form is Open to Public Inspection
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
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		
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	1465107	1193922
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	821488	814197
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	8448	11893
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	48572	91949
(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)	9536159	9889984
(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)	35471911	39728917
(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	23355	22391
f Total assets (add all amounts in lines 1a through 1e)	1f	47375040	51753253
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	64280	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	64280	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	47310760	51753253

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)	7608274	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B), (C), and line 2a(2)	2a(3)		7608274
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	10532	
(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)	1192	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11724
(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)	1824314	
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		1824314
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	2141775	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1362245	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		779530
(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)		258558
(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)		3686557
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		14168957

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	9226808	
(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)		9226808
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	101928	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)	14265	
(5) Investment advisory and investment management fees	2i(5)	178645	
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)	45025	
(8) Legal fees	2i(8)	43589	
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	116204	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		499656
j Total expenses. Add all expense amounts in column (b) and enter total	2j		9726464

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4442493
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: **NOVAK FRANCELLO LLC**

(2) EIN: **61-1436956**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		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?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)	☒		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.		☒	

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 5266551.

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 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
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	
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): 06-6157817		
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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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 1656845
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 2024		
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 784826
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 2024		
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 483609
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 2024		
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 764581
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 2024		
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 1096539
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 2024		
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 04-3165907	c	Dollar amount contributed by employer 430287
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 2024		
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): _____		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer **ENVIRONMENTAL TESTING & BAL. INC**

b EIN **06-1391276**

c Dollar amount contributed by employer **293027**

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 **2024**

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 **BHI ENERGY SPECIALTY SERVICES**

b EIN **61-1717549**

c Dollar amount contributed by employer **246840**

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 **2024**

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 **TRUEFLOW TESTING & BAL LLC**

b EIN **46-4398736**

c Dollar amount contributed by employer **183534**

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 **2024**

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 **THE HILLERY COMPANY**

b EIN **06-0719459**

c Dollar amount contributed by employer **190933**

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 **2024**

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

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

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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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) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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. _____

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☐ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2023

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Sheet Metal Workers' Local No. 40 Pension Fund (the Plan), an employee benefit plan subject to Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2022 and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the years then ended, and the accumulated plan benefits as of December 31, 2022 and the changes in accumulated plan benefits the year 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 (GAAS). 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 the Plan 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

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 GAAS 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 GAAS, 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 the Plan'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 the Plan'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.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Reportable Transactions and Schedule of Assets Held at End of Year, together referred to as “Supplemental Information”, are presented for the purpose of additional analysis and are not a required part of the financial statements. The Schedule of Assets Held at End of Year and the Schedule of Reportable Transactions are supplemental information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Supplemental 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental information, we evaluated whether the supplemental information, 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.

Norak Francella LLC

Killingworth, CT
October 10, 2024

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2023 AND 2022

ASSETS	<u>2023</u>	<u>2022</u>
INVESTMENTS - at fair value		
Money market fund	\$ 91,949	\$ 48,572
Mutual funds	39,728,917	35,471,911
Common and collective trust	<u>9,889,984</u>	<u>9,536,159</u>
Total investments	<u>49,710,850</u>	<u>45,056,642</u>
RECEIVABLES		
Employer	814,197	821,488
Other receivables	<u>11,893</u>	<u>8,448</u>
Total receivables	<u>826,090</u>	<u>829,936</u>
OTHER ASSETS		
Cash	1,193,922	1,465,107
Prepaid expenses	<u>22,391</u>	<u>23,355</u>
Total other assets	<u>1,216,313</u>	<u>1,488,462</u>
Total assets	<u>51,753,253</u>	<u>47,375,040</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	<u>-</u>	<u>64,280</u>
Total liabilities	<u>-</u>	<u>64,280</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 51,753,253</u></u>	<u><u>\$ 47,310,760</u></u>

See accompanying notes to financial statements.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 4,724,645	\$ (9,381,445)
Interest	10,532	3,261
Dividends	1,824,314	2,007,154
	<u>6,559,491</u>	<u>(7,371,030)</u>
Less: investment fees	178,645	242,694
Net investment income (loss)	<u>6,380,846</u>	<u>(7,613,724)</u>
 Contributions		
Employer	7,608,274	7,212,678
Miscellaneous income	1,192	-
Total contributions	<u>7,609,466</u>	<u>7,212,678</u>
 Total additions	<u>13,990,312</u>	<u>(401,046)</u>
 DEDUCTIONS		
Benefits paid to participants	<u>9,226,808</u>	<u>9,375,276</u>
 Administrative expenses		
Professional services	102,879	113,203
Contract administrator fees	101,928	101,938
Insurance and pension benefit guaranty corporation premium	101,530	80,269
Personnel transition fee	5,009	5,131
Meetings	6,368	1,457
Office	3,297	1,869
Total administrative fees	<u>321,011</u>	<u>303,867</u>
 Total deductions	<u>9,547,819</u>	<u>9,679,143</u>
 NET INCREASE (DECREASE)	4,442,493	(10,080,189)
 NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>47,310,760</u>	<u>57,390,949</u>
 End of year	<u><u>\$ 51,753,253</u></u>	<u><u>\$ 47,310,760</u></u>

See accompanying notes to financial statements.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

STATEMENT OF ACCUMULATED PLAN BENEFITS AND
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

DECEMBER 31, 2022 AND YEAR ENDED DECEMBER 31, 2022

	December 31, 2022
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
Vested benefits	
Participants currently receiving payments	\$ 75,956,446
Other vested participants	48,373,828
	124,330,274
Nonvested benefits	1,867,553
Total actuarial present value of accumulated plan benefits	<u>\$ 126,197,827</u>
	Year Ended December 31, 2022
CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
Actuarial present value of accumulated plan benefits at beginning of year	\$ 125,891,550
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	922,591
Interest/passage of time	8,758,962
Benefits paid	(9,375,276)
Net change	306,277
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 126,197,827</u>

See accompanying notes to financial statements.

**SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1. DESCRIPTION OF THE PLAN

The following brief description of the Sheet Metal Workers' International Local No. 40 Pension Fund (the Plan) is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

General - The 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 Plan is a defined benefit plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

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.

	<u>January 1, 2022</u>	<u>January 1, 2023</u>
Stated rate - total	\$ 15.77	\$ 15.77
Stated rate Cola	<u>0.21</u>	<u>0.21</u>
Stated rate - net	<u><u>\$ 15.56</u></u>	<u><u>\$ 15.56</u></u>

Pension 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 increase, including a minimum amount of covered employment each year and in a specified period before the effective date of the increase.

NOTE 1. DESCRIPTION OF THE PLAN (continued)

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.

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

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in United States of America,

Benefit Payments - Benefit payments to participants are recorded upon distribution.

Valuation of Investments - These investments are stated at fair value, based on quoted active market prices 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. Principal Custody Solutions. serves as investment custodian for the investments.

See Note 8 for discussion of fair value measurements.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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 \$106,934 and \$107,069 for the years ended December 31, 2023 and 2022, respectively.

Subsequent to December 31, 2023, the contract with Zenith American Solutions, Inc. was terminated and the Plan hired Cook & Associates effective January 1, 2024.

NOTE 4. PLAN TERMINATION

Although they have not expressed intent to do so, the Trustees have the right to terminate the Plan subject to the Provisions of ERISA.

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

1. Pensioners and those eligible to receive pensions.
2. Other vested participants and vested former participants.
3. Other participants.

Under no circumstances shall any portion of the Plan, directly or indirectly, revert or accrue to the benefit of any contributing employer or the union.

NOTE 5. PENSION BENEFIT GUARANTY CORPORATION

The Plan is a defined benefit plan and certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor's pensions.

NOTE 5. PENSION BENEFIT GUARANTY CORPORATION (continued)

However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

If plan benefits have been increased within the five year period before plan termination, the entire amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a statutory ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

Whether participants will receive all 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 PBGC.

NOTE 6. ACTUARIAL INFORMATION

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and date of payment.

Significant assumptions underlying the actuarial computations were as follows:

Actuarial Cost Method:	Entry age normal actuarial cost method.
Net Investment Return:	7.25%
Mortality Rates:	Healthy: The RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using the MP-2017 scale. Disabled: The RP-2006 Blue Collar Healthy Annuitant Mortality Table projected generationally using the MP-2017 scale.
Weighted Average Retirement Age:	Age 61.
Annual Administrative Expenses:	\$400,000, payable at the beginning of the year.

NOTE 6. ACTUARIAL INFORMATION (continued)

Current Liability Assumptions:

Interest: 2.55% within the permissible range prescribed under IRC Section 431 (c)(6)(E). (previously, 2.22%)

Actuarial Value of Assets: Market value of assets less unrecognized returns in each of the last five years.

Future Benefit Accruals: One Pension credit per year.

Justification for Change in Actuarial Assumptions:

For purposes of determining current liability, the current liability interest rate was changed from 2.22% to 2.55% 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). In addition, the mortality tables and mortality improvement scales were changed in accordance with the IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

The actuaries of the Plan have certified that the Plan is in “Critical Status” at January 1, 2023 and 2022.

The above actuarial assumptions and actuarial cost methods are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results. Pension benefits in excess of the present assets of the Plan are dependent upon contributions received under collective bargaining agreements with employers and income from investments.

Since the information on the actuarial present value of accumulated plan benefits as of December 31, 2023, and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2023, and the changes in its financial status for the year then ended, only a presentation of the net assets available for benefits and changes therein as of and for the year ended December 31, 2023. The complete financial status is presented as of December 31, 2022.

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, 2023 and 2022, and the Plan has adopted a “Rehabilitation Plan”.

NOTE 8. 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 hierarchy gives the highest priority to unadjusted quoted prices 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:

Basis of Fair Value Measurement:

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 substantially the full term of the asset or liability.

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

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

NOTE 8. FAIR VALUE MEASUREMENTS (continued)

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value, as well, as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Money market funds: Values are determined based on the daily closing price as reported at fair value.

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

The following table presents our assets and liabilities measured at fair value on a recurring basis at December 31, 2023:

	Fair Value Measurements at December 31, 2023			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 91,949	\$ 91,949	\$ -	\$ -
Mutual funds	39,728,917	39,728,917	-	-
Total assets in the fair value hierarchy	39,820,866	<u>\$ 39,820,866</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measure at NAV	<u>9,889,984</u>			
	<u>\$ 49,710,850</u>			

The following table presents our assets and liabilities measured at fair value on a recurring basis at December 31, 2022:

	Fair Value Measurements at December 31, 2022			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 48,572	\$ 48,572	\$ -	\$ -
Mutual funds	35,471,911	35,471,911	-	-
Total assets in the fair value hierarchy	35,520,483	<u>\$ 35,520,483</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measure at NAV	<u>9,536,159</u>			
	<u>\$ 45,056,642</u>			

NOTE 8. FAIR VALUE MEASUREMENTS (continued)**Fair Value of Investments in Entities that are NAV**

The following table summarizes investments for which fair value is measured using the net asset value per share as of December 31, 2023 and 2022:

Investment	Fair Value at December 31, 2023	Fair Value at December 31, 2022	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
SEI Structured Credit Fund CIT	\$ 4,144,918	\$ 3,427,070	N/A	Quarterly	90 Days
SEI Core Property Fund CIT	3,499,458	3,858,524	N/A	Quarterly	65 Days
SEI Global Private Assets IV CIT	2,245,608	2,250,565	\$669,361	None	None
	<u>\$ 9,889,984</u>	<u>\$ 9,536,159</u>			

NOTE 9. TAX STATUS

The Plan is qualified under Section 401(a) of the Internal Revenue Code and the related trust is exempt from federal income tax under Section 501(a).

The Plan obtained its latest determination letter on November 6, 2015, in which the Internal Revenue Service (IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan's legal counsel believes that the Plan is currently designed and currently being operated in compliance with applicable requirements of the code. Therefore, they believe that the Plan is qualified, and the related Trust is tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 10. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and sector risks. Due to the level of risks associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10. RISKS AND UNCERTAINTIES (continued)

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to investment returns and participant 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 could be material to the financial statements.

NOTE 11. RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party in interest transactions under ERISA.

NOTE 12. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 10, 2024, which is the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

SUPPLEMENTAL INFORMATION

**SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND**

SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2023

Form 5500, Schedule H, Item 4i

EIN: 06-6157817
Plan No. 001

(a)	(b)	(c)			(d)	(e)
	Issuer, Borrower	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value			Cost	Current Value
		Shares/ Type	Interest Principal	Maturity Rate		
				Date		
		<u>Money market fund:</u>				
	Allspring Govt MM FD-INSTL #1751		91,949		\$ 91,949	\$ 91,949
		<u>Common collective trusts:</u>				
*	SEI Core Property CIT		1,086		2,200,000	3,499,458
*	SEI Global Private Asset IV CIT		2,220,674		1,156,756	2,245,608
*	SEI Structured Credit Fund CIT		954		2,200,000	4,144,918
	Total common collective trusts				5,556,756	9,889,984
		<u>Mutual funds:</u>				
*	SEI Emerging Markets EQ-A #282		153,173		1,487,539	1,387,745
*	SEI Extended MKT Index-A		57,791		858,130	981,395
*	SEI Inst Inv L/C Dis Eqty		234,079		2,722,051	2,401,653
*	SEI Inst Inv S&P 500		284,791		4,319,372	5,718,612
*	SEI Inst Inv World Eq		831,422		10,225,848	9,752,582
*	SEI Inst Sm Cap Eqty		144,550		1,654,688	1,406,473
*	STIT US Eqty FCTR		382,774		4,744,758	4,773,185
*	SEI Inst Inv Cor Fix Inc		349,393		3,612,991	3,123,576
*	SEI Inst Inv Emg Mkt		272,888		2,674,791	2,346,834
*	SEI Inst Inv H/Y		328,547		2,810,783	2,342,537
*	SEI Limited Duration		328,232		3,124,108	3,137,898
*	SEI Inst Inv DYN		122,475		2,383,595	2,356,427
	Total mutual funds				40,618,654	39,728,917
	Total investments				\$ 46,267,359	\$ 49,710,850

*A party-in-interest as defined by ERISA.

SHEET METAL WORKERS' LOCAL NO. 40
PENSION FUND

SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2023

Form 5500, Schedule, Item 4j

EIN: 06-6157817

Plan No. 001

(a)	(b)	(c)	(d)	(g)	(h)	(i)
	Description	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
	<u>Single Transactions</u>					
	SEI Inst Inv Core Fixed Income #285	N/A	\$ 2,886,850	\$ 3,367,082	\$ 2,886,850	\$ (480,232)
	SEI Limited Duration Bond	\$ 3,037,138	N/A	3,037,138	3,037,138	N/A
	<u>Series of Transactions</u>					
*	All Spring Govt. MM Fund	2,185,153	N/A	2,185,153	2,185,153	N/A
*	All Spring Govt. MM Fund	N/A	2,141,775	2,141,775	2,141,775	\$-
	SEI Inst Inv Core Fixed Income #285	188,727	N/A	188,727	188,727	N/A
	SEI Limited Duration Bond	N/A	5,953	5,965	5,953	(12)
	SEI Limited Duration Bond	92,935	N/A	92,935	92,935	N/A
	STIT US EQTY Fctr All #325	2,245,344	N/A	2,245,344	2,245,344	N/A
	STIT US EQTY Fctr All #325	N/A	271,160	292,111	271,160	(20,951)

Section 3: Certificate of Actuarial Valuation

Exhibit J: 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	- Age and Service Requirements: 62 years with 5 years of participation - Amount: \$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: <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>\$80 per Credit</td></tr><tr><td>Between 549,999 and 500,000</td><td>\$75 per Credit</td></tr><tr><td>Between 499,999 and 450,000</td><td>\$70 per Credit</td></tr><tr><td>Between 449,999 and 400,000</td><td>\$65 per Credit</td></tr><tr><td>399,999 or lower</td><td>\$60 per Credit</td></tr></table> Accrual rates for 2017 and later 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 1 st through June 30 th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1 st) 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	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 1 st through June 30 th) prior to the start of the Plan Year:	Benefit accrual rate for the Plan Year (starting January 1 st) 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																									
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																									

Section 3: Certificate of Actuarial Valuation

The accrual rates for the 2014-2024 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
2022	\$80 per Credit
2023	\$85 per Credit
2024	\$90 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.

Section 3: Certificate of Actuarial Valuation

Disability	• <i>Age Requirement:</i> None • <i>Service Requirement:</i> Ten pension credits, including 0.1 credit in the six months immediately preceding disability. • <i>Total Disability Requirement:</i> Those who collect a Total Disability Benefit must provide a Social Security Disability letter. • <i>Total Disability Pension Amount:</i> 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. • <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.

Section 3: Certificate of Actuarial Valuation

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.
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	The contribution rate is unchanged at \$15.56 per hour, plus the Reserve Fund contribution of \$0.21 per hour. Apprentice hours and reciprocal hours are worked at a lower rate. The average contribution rate is estimated to be \$14.67 plus the Reserve Fund contribution for 2023 and thereafter.
Changes in Plan Provisions	There were no changes in plan provisions reflected in this actuarial valuation.

THE FINANCIAL STATEMENTS WILL BE PLACED IN THE
ATTACHMENT FOR THE ACCOUNTANT'S OPINION

SEE ACCOUNTANT'S OPINION FOR SCHEDULE
OF ASSETS HELD

Section 3: Certificate of Actuarial Valuation

Schedule MB, line 8b(2) - Schedule of Active Participant Data

Exhibit E: Schedule of Active Participant Data

(Schedule MB, Line 8b(2))

The participant data is for the year ended December 31, 2022.

Age	Pension Credits									
	Total	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	10	10	—	—	—	—	—	—	—	—
25 - 29	15	10	5	—	—	—	—	—	—	—
30 - 34	26	9	9	7	1	—	—	—	—	—
35 - 39	26	2	11	8	5	—	—	—	—	—
40 - 44	32	3	5	3	7	3	10	1	—	—
45 - 49	38	5	2	4	7	10	6	3	1	—
50 - 54	58	—	4	7	6	5	15	9	12	—
55 - 59	49	—	—	2	7	5	7	13	6	9
60 - 64	29	1	2	1	2	4	3	6	3	7
Total	283	40	38	32	35	27	41	32	22	16

Notes:

Excludes 25 employees who were either not participants as of December 31, 2022 (participation is granted after working 1,000 hours in a 12-month period) or had less than 100 hours worked in 2022.

Pension credit shown includes credit from banked hours.



116 Huntington Ave., Suite 901
Boston, MA 02116-5749
segalco.com T:617.424.7300

March 31, 2023

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, 2023 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., 8 Fairfield Blvd, Suite 105, P.O. Box 5817, Wallingford, CT 06492
Phone number: 860.529.2616

As of January 1, 2023, the Plan is in critical status.

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance and employment in 2022 and using the same employment assumption as the January 1, 2022 zone certification. As noted in the rehabilitation plan updated on December 14, 2022, the Plan was not expected to emerge from Critical Status nor was the Plan expected to become insolvent. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

March 31, 2023

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,

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

Actuarial Status Certification as of January 1, 2023 under IRC Section 432
March 31, 2023

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, 2023 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, 2022 actuarial valuation, dated March 13, 2023. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA) and the American Rescue Plan Act of 2021 (ARPA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit 6.

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.

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. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that offer my best estimate of anticipated experience under the Plan. Furthermore, as required by IRC Section 432(b)(3)(B)(iii), the projected industry activity takes into account information provided by the plan sponsor.

Kathleen A. Riley, FSA, MAAA, EA	
EA#	20-04134
Title	Senior Vice President and Chief Actuary
Email	kriley@segalco.com

Certificate Contents

Exhibit 1	Status Determination as of January 1, 2023
Exhibit 2	Summary of Actuarial Valuation Projections
Exhibit 3	Funding Standard Account Projections
Exhibit 4	Funding Standard Account — Projected Bases Assumed Established After January 1, 2022
Exhibit 5	Solvency Projection
Exhibit 6	Actuarial Assumptions and Methodology

Actuarial Status Certification under IRC Section 432

Exhibit 1: Status Determination as of January 1, 2023

Status	Condition	Component Result	Final Result
Critical Status:			
	1. 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
	2. 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?	Yes	
	Plan did NOT emerge?		Yes
	3. In Critical Status? (If C1-C6 is Yes)		Yes

4. 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		
1)	The ratio of inactives to actives is at least 2 to 1,	Yes	
2)	and insolvency is projected within 20 years?	No	No
d.	or		
1)	The funded percentage is less than 80%,	Yes	
2)	and insolvency is projected within 20 years	No	No
In Critical and Declining Status?			No

Status	Condition	Component Result	Final Result
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 also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance and employment in 2022 and using the same employment assumption as the January 1, 2022 zone certification. As noted in the rehabilitation plan updated on December 14, 2022, the Plan was not expected to emerge from Critical Status nor was the Plan expected to become insolvent. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

Exhibit 2: Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2023 (based on projections from the January 1, 2022 valuation certificate):

1. Financial Information			
a.	Market value of assets		\$46,707,322
b.	Actuarial value of assets		51,879,887
c.	Reasonably anticipated contributions		
1)	Upcoming year		7,480,000
2)	Present value for the next five years		30,933,721
3)	Present value for the next seven years		40,247,244
d.	Projected benefit payments		9,981,847
e.	Projected administrative expenses (beginning of year)		420,250
2. Liabilities			
a.	Present value of vested benefits for active participants		30,327,431
b.	Present value of vested benefits for non-active participants		94,468,750
c.	Total unit credit accrued liability		126,687,417
d.	Present value of payments	Benefit Payments	Administrative Expenses
1)	Next five years	\$43,573,168	\$1,923,187
2)	Next seven years	57,718,046	2,578,494
e.	Unit credit normal cost plus expenses		1,819,731
f.	Ratio of inactive participants to active participants		2.1889
3. Funded Percentage (1.b)/(2.c)			40.9%
4. Funding Standard Account			
a.	Credit balance as of the end of prior year		(\$33,072,859)
b.	Years to projected funding deficiency		0
5. Projected Year of Emergence			Not projected to emerge
6. Years to Projected Insolvency			22

Exhibit 3: Funding Standard Account Projections

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

	Year Beginning January 1,									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1. Credit balance (BOY)	(\$29,521,229)	(\$33,072,859)	(\$36,697,909)	(\$39,762,148)	(\$43,763,346)	(\$47,876,577)	(\$51,991,787)	(\$56,635,609)	(\$60,620,762)	(\$64,421,960)
2. Interest on (1)	(2,140,289)	(2,397,782)	(2,660,598)	(2,882,756)	(3,172,843)	(3,471,052)	(3,769,405)	(4,106,082)	(4,395,005)	(4,670,592)
3. Normal cost	1,226,305	1,399,481	1,315,542	1,290,989	1,307,808	1,294,033	1,296,128	1,285,247	1,294,158	1,288,949
4. Administrative expenses	389,523	420,250	430,756	441,525	452,563	463,877	475,474	487,361	499,545	512,034
5. Net amortization charges	6,465,367	6,530,686	5,769,238	6,382,574	6,121,770	5,781,096	5,915,168	4,919,171	4,390,232	4,073,205
6. Interest on (3), (4) and (5)	585,887	605,405	544,876	588,344	571,455	546,578	557,291	485,154	448,335	425,879
7. Expected contributions	7,022,393	7,480,000	7,410,526	7,341,053	7,271,579	7,202,105	7,132,632	7,063,158	6,993,684	6,924,211
8. Interest on (7)	233,348	248,554	246,246	243,937	241,629	239,320	237,011	234,703	232,394	230,086
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)	(\$33,072,859)	(\$36,697,909)	(\$39,762,148)	(\$43,763,346)	(\$47,876,577)	(\$51,991,787)	(\$56,635,609)	(\$60,620,762)	(\$64,421,960)	(\$68,238,321)

	2032	2033	2034	2035	2036	2037	2038	2039	2040
1. Credit balance (BOY)	(\$68,238,321)	(\$72,077,348)	(\$75,028,200)	(\$78,022,532)	(\$81,102,558)	(\$84,272,057)	(\$88,165,329)	(\$90,437,963)	(\$93,222,080)
2. Interest on (1)	(4,947,278)	(5,225,608)	(5,439,544)	(5,656,634)	(5,879,935)	(6,109,724)	(6,391,986)	(6,556,752)	(6,758,601)
3. Normal cost	1,296,583	1,264,021	1,282,036	1,294,970	1,220,681	1,225,171	1,208,082	1,239,069	1,221,026
4. Administrative expenses	524,835	537,956	551,405	565,190	579,320	593,803	608,648	623,864	639,461
5. Net amortization charges	3,748,990	2,613,852	2,356,523	2,140,363	2,008,809	2,383,497	544,546	754,692	538,705
6. Interest on (3), (4) and (5)	403,855	320,148	303,772	290,038	276,139	304,679	171,193	189,778	173,941
7. Expected contributions	6,854,737	6,785,263	6,715,789	6,646,316	6,576,842	6,507,368	6,437,895	6,368,421	6,298,947
8. Interest on (7)	227,777	225,469	223,160	220,852	218,543	216,234	213,926	211,617	209,309
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)	(\$72,077,348)	(\$75,028,200)	(\$78,022,532)	(\$81,102,558)	(\$84,272,057)	(\$88,165,329)	(\$90,437,963)	(\$93,222,080)	(\$96,045,558)

Exhibit 4: Funding Standard Account — Projected Bases Assumed Established after January 1, 2022

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Shortfall loss	1/1/2023	\$455,624	15	Deferred to 2024
Experience loss	1/1/2023	921,051	15	Deferred to 2024
Experience loss	1/1/2024	485,524	15	Deferred to 2028
Experience loss	1/1/2025	1,471,764	15	Deferred to 2028
Experience loss	1/1/2026	1,832,011	15	Deferred to 2028
Experience loss	1/1/2027	2,587,064	15	Deferred to 2028

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2022 through 2052.

	Year Beginning January 1,							
	2022	2023	2024	2025	2026	2027	2028	2029
1. Market Value at beginning of year	\$57,390,949	\$46,707,322	\$47,027,750	\$46,993,430	\$46,797,416	\$46,349,902	\$45,613,745	\$44,655,063
2. Contributions	7,022,393	7,480,000	7,410,526	7,341,053	7,271,579	7,202,105	7,132,632	7,063,158
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,375,752	9,981,847	10,266,459	10,339,679	10,487,971	10,654,226	10,736,189	10,765,467
5. Administrative expenses	301,812	420,250	430,756	441,525	452,563	463,877	475,474	487,361
6. Interest earnings	(8,028,456)	3,242,525	3,252,369	3,244,137	3,221,441	3,179,841	3,120,349	3,046,613
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$46,707,322	\$47,027,750	\$46,993,430	\$46,797,416	\$46,349,902	\$45,613,745	\$44,655,063	\$43,512,006
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$56,083,074	\$57,009,597	\$57,259,889	\$57,137,095	\$56,837,873	\$56,267,971	\$55,391,252	\$54,277,473
	Year Beginning January 1,							
	2030	2031	2032	2033	2034	2035	2036	2037
1. Market Value at beginning of year	\$43,512,006	\$42,191,075	\$40,550,242	\$38,623,373	\$36,395,094	\$33,978,604	\$31,345,735	\$28,535,434
2. Contributions	6,993,684	6,924,211	6,854,737	6,785,263	6,715,789	6,646,316	6,576,842	6,507,368
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,775,264	10,909,362	10,988,073	11,061,276	11,003,813	10,960,018	10,863,142	10,710,211
5. Administrative expenses	499,545	512,034	524,835	537,956	551,405	565,190	579,320	593,803
6. Interest earnings	2,960,194	2,856,352	2,731,302	2,585,690	2,422,939	2,246,023	2,055,319	1,853,758
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$42,191,075	\$40,550,242	\$38,623,373	\$36,395,094	\$33,978,604	\$31,345,735	\$28,535,434	\$25,592,546
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$52,966,339	\$51,459,604	\$49,611,446	\$47,456,370	\$44,982,417	\$42,305,753	\$39,398,576	\$36,302,757

	Year Beginning January 1,							
	2038	2039	2040	2041	2042	2043	2044	2045
1. Market Value at beginning of year	\$25,592,546	\$22,398,449	\$18,952,749	\$15,246,149	\$11,308,499	\$7,166,724	\$2,736,860	(\$1,875,989)
2. Contributions	6,437,895	6,368,421	6,298,947	6,229,474	6,160,000	6,090,526	6,044,211	5,997,895
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,662,101	10,596,412	10,521,697	10,399,519	10,234,780	10,136,362	9,939,017	9,738,229
5. Administrative expenses	608,648	623,864	639,461	655,448	671,834	688,630	705,846	723,492
6. Interest earnings	1,638,757	1,406,155	1,155,611	887,843	604,839	304,602	(12,197)	(342,168)
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$22,398,449	\$18,952,749	\$15,246,149	\$11,308,499	\$7,166,724	\$2,736,860	(\$1,875,989)	(\$6,681,983)
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$33,060,550	\$29,549,161	\$25,767,846	\$21,708,018	\$17,401,504	\$12,873,222	\$8,063,028	\$3,056,246

	2046	2047	2048	2049	2050	2051	2052
1. Market Value at beginning of year	(\$6,681,983)	(\$11,692,385)	(\$16,900,237)	(\$22,400,920)	(\$28,217,081)	(\$34,362,482)	(\$40,892,811)
2. Contributions	5,951,579	5,905,263	5,858,947	5,812,632	5,766,316	5,720,000	5,673,684
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	9,534,340	9,308,967	9,161,345	9,014,599	8,858,556	8,732,702	8,579,880
5. Administrative expenses	741,579	760,118	779,121	798,599	818,564	839,028	860,004
6. Interest earnings	(686,062)	(1,044,030)	(1,419,164)	(1,815,595)	(2,234,597)	(2,678,599)	(3,149,568)
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	(\$11,692,385)	(\$16,900,237)	(\$22,400,920)	(\$28,217,081)	(\$34,362,482)	(\$40,892,811)	(\$47,808,579)
8. Available resources: (1)+(2)+(3)-(5)+(6)	(\$2,158,045)	(\$7,591,270)	(\$13,239,575)	(\$19,202,482)	(\$25,503,926)	(\$32,160,109)	(\$39,228,699)

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2022 actuarial valuation certificate, dated March 13, 2023, 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 2023 is \$85. Accrual rates for 2024 and future years are based on the following table:												
	<table> <tr> <th data-bbox="447 380 1031 548"> 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 data-bbox="1037 380 1608 548"> Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in "Life Pension" form: </th></tr> <tr> <td data-bbox="447 548 1031 602">550,000 or more</td><td data-bbox="1037 548 1608 602">\$95 per Credit</td></tr> <tr> <td data-bbox="447 602 1031 656">Between 549,999 and 500,000</td><td data-bbox="1037 602 1608 656">\$90 per Credit</td></tr> <tr> <td data-bbox="447 656 1031 709">Between 499,999 and 450,000</td><td data-bbox="1037 656 1608 709">\$85 per Credit</td></tr> <tr> <td data-bbox="447 709 1031 763">Between 449,999 and 400,000</td><td data-bbox="1037 709 1608 763">\$80 per Credit</td></tr> <tr> <td data-bbox="447 763 1031 792">399,999 or lower</td><td data-bbox="1037 763 1608 792">\$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 \$14.75 plus the Reserve Fund contribution for 2023 and thereafter.												
Asset Information:	The financial information as of January 1, 2023 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 expense payments provided by the Fund Administrator. For projections after that date, the 2023 administrative expense assumption was set equal to the 2022 administrative expense assumption of \$410,000 increased by 2.5% and increasing 2.5% per year thereafter and the benefit payments were projected based on the January 1, 2022 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2023–2052 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:	The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2023 and decline by 0.94% per year beginning in 2024. In addition, the number of actives is assumed to be 323 in 2023, declining 0.94% per year beginning in 2024.												
Future Normal Costs:	We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to decline 0.94% per year beginning in 2024 and the new entrants to have the same demographic mix as those hired within the last five years.												

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.

Technical issues

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 MB - Lines 9c and 9h
Schedule of Funding Standard Account Bases

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

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Plan amendment	01/01/1995	\$251,445	2	\$130,121
Plan amendment	01/01/1997	168,584	4	46,668
Plan amendment	01/01/1998	348,917	5	79,877
Assumption change	01/01/1999	1,236,501	6	243,747
Plan amendment	01/01/1999	3,733,997	6	736,068
Plan amendment	01/01/2000	623,585	7	108,829
Plan amendment (2001)	01/01/2002	1,863,079	9	269,470
Plan amendment (2002)	01/01/2003	2,518,974	10	338,276
Shortfall loss	01/01/2004	159,582	1	159,582
Plan amendment	01/01/2005	1,005,047	12	119,560
Shortfall loss	01/01/2006	118,770	3	42,391
Shortfall loss	01/01/2007	192,537	4	53,299
Actuarial loss	01/01/2009	382,248	1	382,248
Assumption change	01/01/2009	444,406	1	444,406
Base due to Dec. 31, 2008 investment loss	01/01/2009	8,655,515	15	900,130
Assumption change	01/01/2010	185,615	2	96,054
Base due to Dec. 31, 2008 investment loss	01/01/2010	1,218,067	15	126,673
Assumption change	01/01/2011	799,415	3	285,325
Shortfall loss	01/01/2011	864,042	3	308,391
Base due to Dec. 31, 2008 investment loss	01/01/2011	2,096,098	15	217,984
Assumption change	01/01/2012	135,138	4	37,410
Actuarial loss	01/01/2012	358,884	4	99,348
Shortfall loss	01/01/2012	375,539	4	103,959

Section 3: Certificate of Actuarial Valuation

Schedule MB - Lines 9c and 9h
Schedule of Funding Standard Account Bases

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Base due to Dec. 31, 2008 investment loss	01/01/2012	1,668,879	15	173,555
Shortfall loss	01/01/2013	1,010,358	5	231,299
Base due to Dec. 31, 2008 investment loss	01/01/2013	1,399,053	15	145,495
Assumption change	01/01/2013	2,511,576	5	574,971
Shortfall loss	01/01/2014	103,375	6	20,378
Base due to Dec. 31, 2008 investment loss	01/01/2014	1,108,986	15	115,329
Assumption change	01/01/2015	165,654	7	28,910
Actuarial loss	01/01/2015	3,378,591	7	589,635
Assumption change	01/01/2016	415	8	65
Actuarial loss	01/01/2016	3,673,714	8	579,210
Actuarial loss	01/01/2017	2,068,310	9	299,153
Shortfall loss	01/01/2018	911,635	10	122,425
Actuarial loss	01/01/2018	1,846,708	10	247,997
Assumption change	01/01/2018	3,175,514	10	426,444
Actuarial loss	01/01/2019	2,312,852	11	291,176
Actuarial loss	01/01/2020	1,076,263	12	Deferred to 2024
Shortfall loss	01/01/2021	2,457,296	13	Deferred to 2024
Shortfall loss	01/01/2022	1,378,934	14	Deferred to 2024
Actuarial loss	01/01/2023	351,465	15	Deferred to 2024
Shortfall loss	01/01/2023	<u>393,188</u>	15	<u>Deferred to 2024</u>
Total		\$58,728,751		\$9,175,858

Section 3: Certificate of Actuarial Valuation

Schedule MB - Lines 9c and 9h
Schedule of Funding Standard Account Bases

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

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Shortfall gain	01/01/2005	\$168,638	2	\$87,269
Plan amendment	01/01/2007	1,586,625	14	171,703
Shortfall gain	01/01/2009	39,838	1	39,838
Change in asset method	01/01/2009	2,900,259	16	291,021
Shortfall gain	01/01/2010	86,826	2	44,932
Plan amendment	01/01/2010	239,574	2	123,977
Actuarial gain	01/01/2010	1,127,213	2	583,323
Actuarial gain	01/01/2011	1,051,552	3	375,317
Actuarial gain	01/01/2013	806,643	5	184,663
Actuarial gain	01/01/2014	21,212	6	4,181
Shortfall gain	01/01/2015	1,137,088	7	198,446
Shortfall gain	01/01/2016	1,663,308	8	262,243
Shortfall gain	01/01/2017	1,689,817	9	244,409
Shortfall gain	01/01/2019	268,874	11	33,850
Shortfall gain	01/01/2020	360,827	12	Deferred to 2024
Actuarial gain	01/01/2021	1,426,201	13	Deferred to 2024
Actuarial gain	01/01/2022	<u>3,051,606</u>	14	<u>Deferred to 2024</u>
Total		\$17,626,101		\$2,645,172

Section 3: Certificate of Actuarial Valuation

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 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 Exhibit J.
Current Liability Assumptions	<i>Interest:</i> 2.55%, 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-2021 (previously, the MP-2020 scale was used).
Estimated Rate of Investment Return	<i>On actuarial value of assets (Schedule MB, line 6g):</i> 5.3%, for the Plan Year ending December 31, 2022 <i>On current (market) value of assets (Schedule MB, line 6h):</i> -13.6%, for the Plan Year ending December 31, 2022
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.
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 2.22% to 2.55% 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 lowered from \$410,000 to \$400,000 for the plan year beginning January 1, 2023.

Section 3: Certificate of Actuarial Valuation

Exhibit I: Statement of Actuarial Assumptions, Methods and Models

(Schedule MB, Line 6)

Mortality Rates	<i>Healthy:</i> RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017 <i>Disabled:</i> 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.
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Section 3: Certificate of Actuarial Valuation

Termination Rates before Retirement	Rate (%)				
	Mortality ¹			Disability ²	Withdrawal
	Age	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.					
Retirement Rates	Annual Retirement Rates				
	Age ³				
	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.					

¹ Mortality rates shown for base table.

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

³ If eligible

Section 3: Certificate of Actuarial Valuation

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, 2023 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.
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	\$400,000, payable at the beginning of the year, for the year beginning January 1, 2023 (previously, \$410,000 for the plan year beginning January 1, 2022). 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.

Section 3: Certificate of Actuarial Valuation

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 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 Exhibit J.
Current Liability Assumptions	<i>Interest:</i> 2.55%, 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-2021 (previously, the MP-2020 scale was used).
Estimated Rate of Investment Return	<i>On actuarial value of assets (Schedule MB, line 6g):</i> 5.3%, for the Plan Year ending December 31, 2022 <i>On current (market) value of assets (Schedule MB, line 6h):</i> -13.6%, for the Plan Year ending December 31, 2022
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.
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 2.22% to 2.55% 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 lowered from \$410,000 to \$400,000 for the plan year beginning January 1, 2023.

Sheet Metal Workers' Local No. 40 Pension Plan

Rehabilitation Plan

Updated for Plan Year Beginning January 1, 2023

Originally Adopted October 28, 2009

Previously Updated for Plan Years Beginning January 1, 2013 through 2022

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, 2023.

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, 2023;
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.

Plan Year Beginning January 1, 2022 Update

The January 1, 2022 Actuarial Valuation reflected a return on a market value basis of 15.25% and a return on the actuarial basis of 11.11%. Contributions during 2021 were \$6.5 million compared to the assumption of \$7.5 million.

The contribution rate remains unchanged at \$15.56 per hour, plus the Reserve Fund contribution of \$0.21 per hour. Based on the hours and contributions reported by the Plan Administrator for 2021 and the first 9 months of 2022, the estimate of the average contribution rate was lowered to \$14.88 (including the Reserve Fund contribution) for 2022 and thereafter.

Contributions through October 31, 2022 were \$5.5 million and will likely fall short of the assumption of \$7.4 million for 2022. The investment advisor has reported a return of -10.21% through November 2022. Based on this information, and using the long-term assumed investment return of 7.25%, the Plan is not expected to emerge from Critical Status. However, if all assumptions are met in 2023 and later years, including the investment return assumption of 7.25%, the Plan is not projected to become insolvent.

Based on this review, the Trustees are revising the Annual Standards to remove the expected date of emergence and to include monitoring of the Plan's solvency.

The Plan is eligible to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 on March 12, 2023. Preliminary analysis indicates the Plan may receive SFA using the interest rate assumption in the guidance issued by the Pension Benefit Guaranty Corporation (PBGC). The Trustees will continue to monitor experience and apply for SFA if supported under the PBGC rules.

Plan Year Beginning January 1, 2023 Update

The employment assumption was lowered from 550,000 hours to 500,000 hours per year in 2021. With the January 1, 2023 zone certification, total hours are assumed to decline 0.94%

beginning in 2024. The change in the employment assumption, combined with the investment loss and contribution shortfall, resulted in a projected insolvency in 2044.

The January 1, 2023 Actuarial Valuation reflected a return on a market value basis of -13.67% and a return on the actuarial basis of 5.35%. Contributions during 2022 were \$7.2 million compared to the assumption of \$7.4 million.

The contribution rate remains unchanged at \$15.56 per hour, plus the Reserve Fund contribution of \$0.21 per hour. Based on the hours and contributions reported by the Plan Administrator for 2022 and the first 9 months of 2023, the estimate of the average contribution rate remains unchanged at \$14.88 (including the Reserve Fund contribution) for 2023 and thereafter. Contributions for 2023 are assumed to be \$7.4 million.

Contributions through September 30, 2023 were \$5.5 million and are expected to be close to the assumption of \$7.4 million for 2023. The investment advisor has reported an account balance of \$49,466,999 through November 30, 2023. Based on this information, and using the long-term assumed investment return of 7.25%, the Plan is not expected to emerge from Critical Status. In addition, the Plan is now projected to become insolvent in 2047.

The Plan filed a lock-in application for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 on March 31, 2023 and is waiting to apply for SFA (#52 on the PBGC waitlist).

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, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2021, the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2022, and the Updated Rehabilitation Plan adopted for the Plan Year beginning January 1, 2023.

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 expected to emerge from Critical Status and (b) whether or not the Plan is projected to remain solvent. 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 fact that it is impossible to predict the future with any certainty.

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.

Date: December 28, 2023

1-10-2024 
Michael Thompson

1-10-2024 
John Nimmons

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.

2023 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, 2023 in December 2023.

2023 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 not making scheduled progress as of January 1, 2024.



March 29, 2024

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, 2024 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: Daniel H. Cook Associates, Inc., 1040 Avenue of the Americas, Suite 2400, New York, NY 10018
Phone number: 212.505.5050

As of January 1, 2024, the Plan is in critical status.

This certification also notifies the IRS that the Plan is not making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor regarding investment performance in 2023. As noted in the Rehabilitation Plan, updated on December 28, 2023, the Plan is not forestalling insolvency. Please also note that the Plan intends to apply for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 and has submitted a lock-in application to the Pension Benefit Guaranty Corporation (PBGC).

March 29, 2024
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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,

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Chief Actuary
Enrolled Actuary No. 23-04134

2023 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 2023 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.

Exhibit 5: Solvency Projections

The table below presents the projected Market Value of Assets for the Plan Years beginning January 1, 2022 through 2052.

	Year Beginning January 1,							
	2022	2023	2024	2025	2026	2027	2028	2029
1. Market Value at beginning of year	\$57,390,949	\$46,707,322	\$47,027,750	\$46,993,430	\$46,797,416	\$46,349,902	\$45,613,745	\$44,655,063
2. Contributions	7,022,393	7,480,000	7,410,526	7,341,053	7,271,579	7,202,105	7,132,632	7,063,158
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	9,375,752	9,981,847	10,266,459	10,339,679	10,487,971	10,654,226	10,736,189	10,765,467
5. Administrative expenses	301,812	420,250	430,756	441,525	452,563	463,877	475,474	487,361
6. Interest earnings	(8,028,456)	3,242,525	3,252,369	3,244,137	3,221,441	3,179,841	3,120,349	3,046,613
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$46,707,322	\$47,027,750	\$46,993,430	\$46,797,416	\$46,349,902	\$45,613,745	\$44,655,063	\$43,512,006
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$56,083,074	\$57,009,597	\$57,259,889	\$57,137,095	\$56,837,873	\$56,267,971	\$55,391,252	\$54,277,473
	Year Beginning January 1,							
	2030	2031	2032	2033	2034	2035	2036	2037
1. Market Value at beginning of year	\$43,512,006	\$42,191,075	\$40,550,242	\$38,623,373	\$36,395,094	\$33,978,604	\$31,345,735	\$28,535,434
2. Contributions	6,993,684	6,924,211	6,854,737	6,785,263	6,715,789	6,646,316	6,576,842	6,507,368
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,775,264	10,909,362	10,988,073	11,061,276	11,003,813	10,960,018	10,863,142	10,710,211
5. Administrative expenses	499,545	512,034	524,835	537,956	551,405	565,190	579,320	593,803
6. Interest earnings	2,960,194	2,856,352	2,731,302	2,585,690	2,422,939	2,246,023	2,055,319	1,853,758
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$42,191,075	\$40,550,242	\$38,623,373	\$36,395,094	\$33,978,604	\$31,345,735	\$28,535,434	\$25,592,546
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$52,966,339	\$51,459,604	\$49,611,446	\$47,456,370	\$44,982,417	\$42,305,753	\$39,398,576	\$36,302,757

	Year Beginning January 1,							
	2038	2039	2040	2041	2042	2043	2044	2045
1. Market Value at beginning of year	\$25,592,546	\$22,398,449	\$18,952,749	\$15,246,149	\$11,308,499	\$7,166,724	\$2,736,860	(\$1,875,989)
2. Contributions	6,437,895	6,368,421	6,298,947	6,229,474	6,160,000	6,090,526	6,044,211	5,997,895
3. Withdrawal liability payments	0	0	0	0	0	0	0	0
4. Benefit payments	10,662,101	10,596,412	10,521,697	10,399,519	10,234,780	10,136,362	9,939,017	9,738,229
5. Administrative expenses	608,648	623,864	639,461	655,448	671,834	688,630	705,846	723,492
6. Interest earnings	1,638,757	1,406,155	1,155,611	887,843	604,839	304,602	(12,197)	(342,168)
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	\$22,398,449	\$18,952,749	\$15,246,149	\$11,308,499	\$7,166,724	\$2,736,860	(\$1,875,989)	(\$6,681,983)
8. Available resources: (1)+(2)+(3)-(5)+(6)	\$33,060,550	\$29,549,161	\$25,767,846	\$21,708,018	\$17,401,504	\$12,873,222	\$8,063,028	\$3,056,246

	2046	2047	2048	2049	2050	2051	2052
1. Market Value at beginning of year	(\$6,681,983)	(\$11,692,385)	(\$16,900,237)	(\$22,400,920)	(\$28,217,081)	(\$34,362,482)	(\$40,892,811)
2. Contributions	5,951,579	5,905,263	5,858,947	5,812,632	5,766,316	5,720,000	5,673,684
3. Withdrawal liability payments	0	0	0	0	0	0	0
4. Benefit payments	9,534,340	9,308,967	9,161,345	9,014,599	8,858,556	8,732,702	8,579,880
5. Administrative expenses	741,579	760,118	779,121	798,599	818,564	839,028	860,004
6. Interest earnings	(686,062)	(1,044,030)	(1,419,164)	(1,815,595)	(2,234,597)	(2,678,599)	(3,149,568)
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	(\$11,692,385)	(\$16,900,237)	(\$22,400,920)	(\$28,217,081)	(\$34,362,482)	(\$40,892,811)	(\$47,808,579)
8. Available resources: (1)+(2)+(3)-(5)+(6)	(\$2,158,045)	(\$7,591,270)	(\$13,239,575)	(\$19,202,482)	(\$25,503,926)	(\$32,160,109)	(\$39,228,699)

Exhibit 6: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2022 actuarial valuation certificate, dated March 13, 2023, 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 2023 is \$85. Accrual rates for 2024 and future years are based on the following table: <table> <tr> <th data-bbox="447 386 1031 548"> 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 data-bbox="1041 386 1608 548"> Benefit accrual rate for the Plan Year (starting January 1st) immediately after the Measuring Period closes, in “Life Pension” form: </th></tr> <tr> <td data-bbox="447 553 1031 602">550,000 or more</td><td data-bbox="1041 553 1608 602">\$95 per Credit</td></tr> <tr> <td data-bbox="447 607 1031 656">Between 549,999 and 500,000</td><td data-bbox="1041 607 1608 656">\$90 per Credit</td></tr> <tr> <td data-bbox="447 660 1031 709">Between 499,999 and 450,000</td><td data-bbox="1041 660 1608 709">\$85 per Credit</td></tr> <tr> <td data-bbox="447 714 1031 763">Between 449,999 and 400,000</td><td data-bbox="1041 714 1608 763">\$80 per Credit</td></tr> <tr> <td data-bbox="447 768 1031 816">399,999 or lower</td><td data-bbox="1041 768 1608 816">\$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 \$14.75 plus the Reserve Fund contribution for 2023 and thereafter.												
Asset Information:	The financial information as of January 1, 2023 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 expense payments provided by the Fund Administrator. For projections after that date, the 2023 administrative expense assumption was set equal to the 2022 administrative expense assumption of \$410,000 increased by 2.5% and increasing 2.5% per year thereafter and the benefit payments were projected based on the January 1, 2022 actuarial valuation. The projected net investment return was assumed to be 7.25% of the average market value of assets for the 2023–2052 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:	The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels, projections in employment levels and professional judgment. Based on this information, the number of hours worked by active participants is projected to be 500,000 in 2023 and decline by 0.94% per year beginning in 2024. In addition, the number of actives is assumed to be 323 in 2023, declining 0.94% per year beginning in 2024.												
Future Normal Costs:	We have determined the Normal Cost based on an open group forecast with the number of active participants assumed to decline 0.94% per year beginning in 2024 and the new entrants to have the same demographic mix as those hired within the last five years.												

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.

Technical issues

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.

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

Shortfall Method for Plan Year Ending December 31, 2023

A. Ratio of actual to estimated base units

1. Estimated base units	500,000
2. Actual base units	504,692
3. Ratio of actual to estimated base units: (2) / (1)	1.009383

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	\$32,938,686	\$32,938,686
b. Employer's normal cost	1,752,851	1,769,299
c. Amortization charges	9,175,858	9,261,959
d. Interest on (a), (b) and (c)	<u>3,180,386</u>	<u>3,187,821</u>
e. Total charges	\$47,047,781	\$47,157,765

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	7,608,274	7,608,274
c. Amortization credits	2,645,172	2,669,993
d. Interest on (a), (b) and (c)	<u>444,591</u>	<u>446,391</u>
e. Total credits	\$10,698,037	\$10,724,658

3. Credit balance (funding deficiency):

2(e) (Column 3) – 1(e) (Column 3) (\$36,433,107)

4. Shortfall gain (loss):

1(e) (Column 3) – 1(e) (Column 2)
+ 2(e) (Column 2) – 2(e) (Column 3) \$83,363

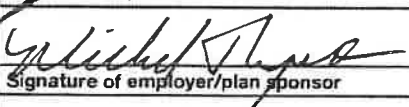
Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the 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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A This return/report is for:	☒ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
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 HEALTH FUND	1b Three-digit plan number (PN) ▶ 501
	1c Effective date of plan 09/08/1949
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 1040 AVENUE OF THE AMERICAS 24TH FLOOR NEW YORK NY 10018-3726	2b Employer Identification Number (EIN) 06-1013879 2c Plan Sponsor's telephone number 212-505-5050 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		10/15/2024	JOHN NIMMONS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/15/2024	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 (2023)
v. 230728

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	984
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	6a(1)	286
a (2) Total number of active participants at the end of the plan year	6a(2)	300
b Retired or separated participants receiving benefits	6b	363
c Other retired or separated participants entitled to future benefits	6c	206
d Subtotal. Add lines 6a(2), 6b, and 6c	6d	869
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	114
f Total. Add lines 6d and 6e	6f	983
g (1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	
(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	30

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)	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	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☒ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
(4) ☐ **DCG** (Individual Plan Information) - Number Attached _____
(5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information - Small Plan)
(3) ☐ **A** (Insurance Information) - Number Attached _____
(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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 _____

SEE ACCOUNTANT'S OPINION FOR SCHEDULE
OF FIVE PERCENT TRANSACTIONS

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 2023 This Form is Open to Public Inspection
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
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 Bd 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 2023		
b Assets		
(1) Current value of assets		1b(1) 47,310,760
(2) Actuarial value of assets for funding standard account		1b(2) 52,156,491
c (1) Accrued liability for plan using immediate gain methods		1c(1) 126,197,827
(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) 126,197,827
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) 222,966,037
(b) Expected increase in current liability due to benefits accruing during the plan year		1d(2)(b) 3,089,286
(c) Expected release from "RPA '94" current liability for the plan year		1d(2)(c) 9,863,682
(3) Expected plan disbursements for the plan year		1d(3) 10,263,682
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 KCR	10/11/2024
Signature of actuary		Date
KATHLEEN A. RILEY, FSA, MAAA, EA		2304134
Type or print name of actuary		Most recent enrollment number
SEGAL		617-424-7300
Firm name		Telephone number (including area code)
116 Huntington Avenue		
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) 2023 v. 230728		

Line 3A: Contributions received continuously throughout the year
 Lines 4C, 4D, 4F: See attachment

- 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	2.55 %
	Pre-retirement	Post-retirement
b Rates specified in insurance or annuity contracts	☐ Yes ☐ No ☒ N/A	☐ 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 Salary scale	6e	% ☒ N/A
f Withdrawal liability interest rate:		
(1) Type of interest rate	6f(1)	☒ Single rate ☐ ERISA 4044 ☐ Other ☐ N/A
(2) If "Single rate" is checked in (1), enter applicable single rate	6f(2)	7.25 %
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	5.3 %
h Estimated investment return on current value of assets for year ending on the valuation date	6h	-13.6 %
i Expense load included in normal cost reported in line 9b	6i	☐ N/A
(1) If expense load is described as a percentage of normal cost, enter the assumed percentage	6i(1)	%
(2) If expense load is a dollar amount that varies from year to year, enter the dollar amount included in line 9b	6i(2)	400,000
(3) If neither (1) nor (2) describes the expense load, check the box	6i(3)	☐

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	351,465	0
2	393,188	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 Demographic, benefit, and contribution information		
(1) Is the plan required to provide a projection of expected benefit payments? (See instructions) If "Yes," see instructions for required attachment.	☐ Yes ☒ No	
(2) Is the plan required to provide a Schedule of Active Participant Data? (See instructions).	☒ Yes ☐ No	
(3) Is the plan required to provide a projection of employer contributions and withdrawal liability payments? (See 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	-2,243,961
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9 Funding standard account statement for this plan year:**Charges to funding standard account:**

a Prior year funding deficiency, if any	9a	32,938,686
b Employer's normal cost for plan year as of valuation date	9b	1,769,299

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)	58,728,751
(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	3,187,821
e Total charges. Add lines 9a through 9d	9e	47,157,765

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	7,608,274

	Outstanding balance	
h Amortization credits as of valuation date	9h	17,626,101

i Interest as applicable to end of plan year on lines 9f, 9g, and 9h	9i	446,391
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j Full funding limitation (FFL) and credits:

(1) ERISA FFL (accrued liability FFL)	9j(1)	86,486,312
(2) "RPA '94" override (90% current liability FFL)	9j(2)	154,605,363
(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	10,724,658
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m Credit balance: If line 9l is greater than line 9e, enter the difference	9m	
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n Funding deficiency: If line 9e is greater than line 9l, enter the difference	9n	36,433,107
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o Current year's accumulated reconciliation account:

(1) Due to waived funding deficiency accumulated prior to the current 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	36,433,107
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11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions	☒ Yes ☐ No
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