

Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 12/31/2024

- A This return/report is for: [X] a single-employer plan [ ] a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
B This return/report is [ ] the first return/report [X] the final return/report [ ] an amended return/report [X] a short plan year return/report (less than 12 months)
C Check box if filing under: [ ] Form 5558 [ ] automatic extension [ ] DFVC program [ ] special extension (enter description)
D If the plan is a collectively-bargained plan, check here [ ]
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: PREFERRED COMPOUNDING CORP. UNION PENSION PLAN
1b Three-digit plan number (PN): 003
1c Effective date of plan: 10/01/1970
2a Plan sponsor's name (employer, if for a single-employer plan): HEXPOL COMPOUNDING
2b Employer Identification Number (EIN): 27-0013235
2c Sponsor's telephone number: 330-798-4790
2d Business code (see instructions): 326200
3a Plan administrator's name and address: [X] 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.
4b EIN
4d PN
5a Total number of participants at the beginning of the plan year: 30
5b Total number of participants at the end of the plan year: 0
5c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)
5c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)
5d(1) Total number of active participants at the beginning of the plan year: 0
5d(2) Total number of active participants at the end of the plan year: 0
5e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested: 0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Row 1: Filed with authorized/valid electronic signature, 02/01/2025, VELDA CASH. Row 2: Signature of employer/plan sponsor, Date, Enter name of individual signing as employer or plan sponsor.

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) .....  Yes  No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) .....  Yes  No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? .....  Yes  No  Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year: 565187. (See instructions.)

<b>Part III Financial Information</b>			
<b>7</b> Plan Assets and Liabilities		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total plan assets .....	<b>7a</b>	901319	0
<b>b</b> Total plan liabilities .....	<b>7b</b>	0	0
<b>c</b> Net plan assets (subtract line 7b from line 7a) .....	<b>7c</b>	901319	0
<b>8</b> Income, Expenses, and Transfers for this Plan Year		<b>(a) Amount</b>	<b>(b) Total</b>
<b>a</b> Contributions received or receivable from:			
<b>(1)</b> Employers .....	<b>8a(1)</b>	0	
<b>(2)</b> Participants .....	<b>8a(2)</b>	0	
<b>(3)</b> Others (including rollovers) .....	<b>8a(3)</b>	0	
<b>b</b> Other income (loss) .....	<b>8b</b>	-3347	
<b>c</b> Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) .....	<b>8c</b>		-3347
<b>d</b> Benefits paid (including direct rollovers and insurance premiums to provide benefits) .....	<b>8d</b>	894394	
<b>e</b> Certain deemed and/or corrective distributions (see instructions) .	<b>8e</b>	0	
<b>f</b> Administrative service providers (salaries, fees, commissions) .....	<b>8f</b>	3578	
<b>g</b> Other expenses .....	<b>8g</b>	0	
<b>h</b> Total expenses (add lines 8d, 8e, 8f, and 8g) .....	<b>8h</b>		897972
<b>i</b> Net income (loss) (subtract line 8h from line 8c) .....	<b>8i</b>		-901319
<b>j</b> Transfers to (from) the plan (see instructions) .....	<b>8j</b>		

<b>Part IV Plan Characteristics</b>	
<b>9a</b>	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: <b>1B</b>
<b>b</b>	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

<b>Part V Compliance Questions</b>				
<b>10</b> During the plan year:		<b>Yes</b>	<b>No</b>	<b>Amount</b>
<b>a</b> 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>10a</b>		X	
<b>b</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.) .....	<b>10b</b>		X	
<b>c</b> Was the plan covered by a fidelity bond? .....	<b>10c</b>	X		1000000
<b>d</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>10d</b>		X	
<b>e</b> Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.) .....	<b>10e</b>		X	
<b>f</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>10f</b>		X	
<b>g</b> Did the plan have any participant loans? (If "Yes," enter amount as of year-end.) .....	<b>10g</b>		X	
<b>h</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>10h</b>			
<b>i</b> If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 .....	<b>10i</b>			

**Part VI Pension Funding Compliance**

**11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below.  Yes  No

**a** Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 ..... **11a** 0

**b PBGC missed contribution reporting requirements.** If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 \_\_\_\_\_

**12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .....  Yes  No  
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

**a** 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 letter ruling granting the waiver. .... Month Day Year

**If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.**

**b** Enter the minimum required contribution for this plan year ..... **12b**

**c** Enter the amount contributed by the employer to the plan for this plan year ..... **12c**

**d** Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) ..... **12d**

**e** Will the minimum funding amount reported on line 12d be met by the funding deadline?.....  Yes  No  N/A

**Part VII Plan Terminations and Transfers of Assets**

**13a** Has a resolution to terminate the plan been adopted in any plan year? .....  Yes  No

**a** If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a** 20803

**b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....  Yes  No

**c** 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

**Part VIII IRS Compliance Questions**

**14a** 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

**14b** 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

**15** 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 \_\_\_\_\_.

<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  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).  <b>▶ File as an attachment to Form 5500 or 5500-SF.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 12/31/2024

▶ **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.

<b>A</b> Name of plan <u>PREFERRED COMPOUNDING CORP. UNION PENSION PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>003</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>HEXPOL COMPOUNDING</u>	<b>D</b> Employer Identification Number (EIN) <u>27-0013235</u>	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	<b>F</b> Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

**Part I Basic Information**

<b>1</b>	Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2024</u>		
<b>2</b>	Assets:		
	<b>a</b> Market value .....	<b>2a</b>	<u>901319</u>
	<b>b</b> Actuarial value .....	<b>2b</b>	<u>901319</u>
<b>3</b>	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	<b>a</b> For retired participants and beneficiaries receiving payment .....	<u>23</u>	<u>583893</u>
	<b>b</b> For terminated vested participants .....	<u>7</u>	<u>210758</u>
	<b>c</b> For active participants .....	<u>0</u>	<u>0</u>
	<b>d</b> Total .....	<u>30</u>	<u>794651</u>
<b>4</b>	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>	
	<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor .....	<b>4b</b>	
<b>5</b>	Effective interest rate .....	<b>5</b>	<u>5.35 %</u>
<b>6</b>	Target normal cost		
	<b>a</b> Present value of current plan year accruals .....	<b>6a</b>	<u>0</u>
	<b>b</b> Expected plan-related expenses .....	<b>6b</b>	<u>0</u>
	<b>c</b> Target normal cost .....	<b>6c</b>	<u>0</u>

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

<b>SIGN HERE</b>		
	Signature of actuary	<u>01/31/2025</u> Date
	<u>JAMES W. BUDAI, FSA, EA, MAAA</u> Type or print name of actuary	<u>23-07634</u> Most recent enrollment number
	<u>CBIZ</u> Firm name	<u>614-793-2577</u> Telephone number (including area code)
	<u>5040 FRANTZ ROAD SUITE 300 DUBLIN, OH 43016</u> 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

<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	40531
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	9882
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	30649
<b>10</b>	Interest on line 9 using prior year's actual return of <u>20.36</u> % .....	0	6240
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		1
	<b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.14</u> % .....		0
	<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		1
	<b>d</b> Portion of (c) to be added to prefunding balance .....		1
<b>12</b>	Other reductions in balances due to elections or deemed elections .....	0	36890
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....	0	0

<b>Part III Funding Percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	113.42 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	113.42 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	90.97 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>		<b>18 Contributions made to the plan for the plan year by employer(s) and employees:</b>			
(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
<b>Totals ▶</b>			<b>18(b)</b>	0	<b>18(c)</b> 0

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

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

**20** Quarterly contributions and liquidity shortfalls:

**a** Did the plan have a "funding shortfall" for the prior year? .....  Yes  No

**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....  Yes  No

**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

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

<b>Part V Assumptions Used to Determine Funding Target and Target Normal Cost</b>			
<b>21</b> Discount rate:			
<b>a</b> Segment rates:	1st segment: 5.07 %	2nd segment: 5.33 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code) .....			<b>21b</b> 1
<b>22</b> Weighted average retirement age .....			<b>22</b> 61
<b>23</b> Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute		

<b>Part VI Miscellaneous Items</b>			
<b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>26</b> Demographic and benefit information			
<b>a</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. .... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b> Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....			<b>27</b>

<b>Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years</b>			
<b>28</b> Unpaid minimum required contributions for all prior years .....			<b>28</b> 0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....			<b>29</b> 0
<b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....			<b>30</b> 0

<b>Part VIII Minimum Required Contribution For Current Year</b>			
<b>31</b> Target normal cost and excess assets (see instructions):			
<b>a</b> Target normal cost (line 6c) .....			<b>31a</b> 0
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....			<b>31b</b> 0
<b>32</b> Amortization installments:	Outstanding Balance	Installment	
<b>a</b> Net shortfall amortization installment .....	0	0	
<b>b</b> Waiver amortization installment .....	0	0	
<b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount .....			<b>33</b>
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....			<b>34</b> 0
	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement .....	0	0	0
<b>36</b> Additional cash requirement (line 34 minus line 35) .....			<b>36</b> 0
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....			<b>37</b> 0
<b>38</b> Present value of excess contributions for current year (see instructions)			
<b>a</b> Total (excess, if any, of line 37 over line 36)			<b>38a</b> 0
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....			<b>38b</b> 0
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....			<b>39</b> 0
<b>40</b> Unpaid minimum required contributions for all years .....			<b>40</b> 0

<b>Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)</b>			
<b>41</b> If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021			

## SUMMARY OF ASSUMPTIONS

**Funding Discount Rates**      IRS-Prescribed Three-Segment Rates, for the month prior to the valuation (September).

	<u>Non-Stabilized</u>	<u>Limited to 25- Year Corridor and 5% Floor</u>
Segment 1:	3.62%	4.75%
Segment 2:	4.46%	5.00%
Segment 3:	4.52%	5.74%

The "Limited to 25 Year Corridor" rates are adjusted by the applicable maximum and applicable minimum percentages of the 25-year average segment rates, with a 5% floor, as set forth in the American Rescue Plan Act of 2021 ('ARPA-21') for use in Minimum Required Contribution calculations. The IRS Maximum Deductible Limit Calculations use the rates from the "Non-Stabilized" column above.

The interest rates used to value the Target Liability for determining the minimum and maximum contributions are prescribed by law and based on elections made by the Plan Sponsor.

**Effective Interest Rate**      The Effective Interest Rate (EIR) for the current Plan Year is 5.14%. For the prior Plan Year, the EIR was 5.31%.

The EIR is the single rate of interest which, if used to determine the Funding Target, would equal the Funding Target determined using the Plan Sponsor's above elected discount rates. The EIR is used to discount contributions for minimum funding requirements and to accumulate excess contributions to the end of the year.

**Expected Return on Assets**      Not applicable for funding calculation purposes. A smoothing method is not used to calculate the Actuarial Value of Assets; therefore, the Expected Return on Assets is not used.

**Administrative Expenses**      \$3,546 estimated to be paid from the trust in the current Plan Year and included in the Normal Cost.

Administrative expenses are assumed to equal the prior year's actual administrative expenses.

**Salary Scale**      Not applicable.

Rationale: The Plan is frozen.

**Inflation**

Not applicable.

Rationale: This assumption affects long-term assumed increases in the Social Security Taxable Wage base and the IRS Compensation Limits. Because the Plan is frozen and there are no benefits over the IRS Compensation Limits, this assumption is not applicable.

**Mortality**

Healthy Participants - IRS §430(h) Optional Combined Static Annuitant / Non-Annuitant Mortality Tables for the Current Plan Year. These tables, when used to determine the present value of an annuity, approximate the present value that would be determined using the Society of Actuaries' (SOA) RP-2014 separate employee and healthy annuitant generational mortality tables, adjusted to 2006, then projected forward using generational projection scale MP-2020, for males and females.

Disabled Participants - Same as Healthy Participants.

The mortality assumptions used to value the Target Liability for determining the minimum and maximum contributions are prescribed by law and based on elections made by the Plan Sponsor.

**Withdrawal Rates**

None assumed.

Rationale: All current active participants have met the service requirements for early retirement eligibility (10 Years of Service). Given this fact, and the small plan size, all active participants are assumed to remain employed until their Normal Retirement Age.

**Disability Incidence**

Participants are assumed to become disabled in accordance with the 1987 Commissioner's Group Disability Table, for males, which is a table of annual rates, varying by age. Sample rates are as follows:

Age	Rates
25	0.09%
30	0.10%
35	0.12%
40	0.17%
45	0.28%
50	0.52%
55	0.97%
60	1.48%
65	1.95%

Benefit Commencement Age

Future disabled participants are assumed to commence benefits immediately upon eligibility.

Rationale: An experience analysis with respect to disability was not performed. As a result, the current assumption has been selected based on observations of recent disablements, the actuary's experience with plans of a similar size, plan design, workforce composition, and discussions with the Plan Sponsor.

**Retirement Rates**

Participants are assumed to retire in accordance with annual rates varying by age. Sample rates are as follows:

Age	Rates
55	17.00%
56	6.00%
57	6.00%
58	6.00%
59	6.00%
60	6.00%
61	6.00%
62	28.00%
63	28.00%
64	28.00%
65	100.00%

Benefit Commencement Age

Active retirements are assumed to commence benefits at these ages according to the rates shown.

Rationale: An experience analysis with respect to retirement was not performed. As a result, the current assumption has been selected based on observations of recent retirements, the actuary's experience with plans of a similar size, plan design, workforce composition, and discussions with the Plan Sponsor.

**Spousal Assumptions**

80% of males and 50% of females are assumed to be married.

Females are assumed to be 3 years younger than males.

Rationale: Because the employer does not have enough data to do a fully credible experience analysis with respect to spousal information, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

**Benefit Commencement Age**

Normal Retirement Age, or valuation age, if later.

Rationale: Because the employer does not have enough data to do a fully credible experience analysis with respect to Benefit Commencement Age, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

**Form of Payment**

All benefits are assumed to be paid in the Normal Form defined under the terms of the Plan.

Rationale: Because the employer does not have enough data to do a fully credible experience analysis with respect to Form of Payment, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

**Changes in funding assumptions since the prior valuation**

In accordance with federal law, the discount rates for funding and PBGC purposes were updated from the discount rates disclosed in the 2021 Actuarial Valuation Report to the discount rates shown herein.

The funding mortality table was changed from the IRS 2021 Optional Combined Mortality Table to the IRS 2022 Optional Combined Mortality Table.

## SUMMARY OF METHODS

### **Minimum Funding Cost Method**

The actuarial cost method used to determine the liabilities for minimum funding calculations is the Traditional Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for each participant. The individual accrued liability for a participant is the present value of the accrued benefit as of the valuation date taking into account service and/or pay as of the valuation date. The individual normal cost for a participant is the present value of the benefit expected to accrue in the plan year being valued.

If a plan is frozen, there is no normal cost attributable to benefit accruals.

### **Maximum Deductible Contribution Method**

The actuarial cost method used to determine the liabilities for maximum deductible calculations is the Projected Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for all participant. The individual accrued liability for a participant is the sum of 1) the present value of the accrued benefit earned as of the valuation date taking into account service and/or pay as of the valuation date; plus 2) the present value of the accrued benefit expected to be earned because of any expected future compensation increases.

The individual normal cost for a participant is the sum of the present value of the benefit expected to accrue in the plan year being valued taking into account any expected future compensation increases.

### **Asset Method**

We used financial data submitted by the trustee as of the valuation date without further audit. We have reviewed the information for internal consistency, and we have no reason to doubt its substantial accuracy.

### **Actuarial Value of Assets**

For funding purposes, the Actuarial Value of Assets is equal to the Market Value of Assets.

Receivable contributions are discounted back to the valuation date at the prior year's effective interest rate.

Changes in methods since the prior valuation    None.

<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  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).  <b>▶ File as an attachment to Form 5500 or 5500-SF.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 12/31/2024

▶ **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.

<b>A</b> Name of plan Preferred Compounding Corp. Union Pension Plan	<b>B</b> Three-digit plan number (PN) ▶	003
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HEXPOL Compounding	<b>D</b> Employer Identification Number (EIN) 27-0013235	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	<b>F</b> Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

**Part I Basic Information**

<b>1</b>	Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2024</u>		
<b>2</b>	Assets:		
	<b>a</b> Market value .....	<b>2a</b>	901,319
	<b>b</b> Actuarial value .....	<b>2b</b>	901,319
<b>3</b>	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	<b>a</b> For retired participants and beneficiaries receiving payment .....	23	583,893
	<b>b</b> For terminated vested participants .....	7	210,758
	<b>c</b> For active participants .....	0	0
	<b>d</b> Total .....	30	794,651
<b>4</b>	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>	
	<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor .....	<b>4b</b>	
<b>5</b>	Effective interest rate .....	<b>5</b>	5.35%
<b>6</b>	Target normal cost		
	<b>a</b> Present value of current plan year accruals .....	<b>6a</b>	0
	<b>b</b> Expected plan-related expenses .....	<b>6b</b>	0
	<b>c</b> Target normal cost .....	<b>6c</b>	0

**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.

<b>SIGN HERE</b>	James W. Budai	
	Signature of actuary	01/31/2025
	JAMES W. BUDAI, FSA, EA, MAAA	Date
	Type or print name of actuary	2307634
CBIZ	Firm name	Most recent enrollment number
5040 FRANTZ ROAD SUITE 300 DUBLIN OH 43016	Address of the firm	614-793-2577
		Telephone number (including area code)

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



**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

**21** Discount rate:

**a** Segment rates:

1st segment: 5.07 %	2nd segment: 5.33 %	3rd segment: 5.59 %	<input type="checkbox"/> N/A, full yield curve used
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**b** Applicable month (enter code)..... **21b** 1

**22** Weighted average retirement age ..... **22** 61

**23** Mortality table(s) (see instructions)  Prescribed - combined  Prescribed - separate  Substitute

**Part VI Miscellaneous Items**

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....  Yes  No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....  Yes  No

**26** Demographic and benefit information

**a** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....  Yes  No

**b** Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...  Yes  No

**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

**28** Unpaid minimum required contributions for all prior years ..... **28** 0

**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0

**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) ..... **30** 0

**Part VIII Minimum Required Contribution For Current Year**

**31** Target normal cost and excess assets (see instructions):

**a** Target normal cost (line 6c)..... **31a** 0

**b** Excess assets, if applicable, but not greater than line 31a ..... **31b** 0

32 Amortization installments:	Outstanding Balance	Installment
<b>a</b> Net shortfall amortization installment .....	0	0
<b>b</b> Waiver amortization installment .....	0	0

**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_) and the waived amount ..... **33**

**34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).... **34** 0

	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement .....	0	0	0

**36** Additional cash requirement (line 34 minus line 35)..... **36** 0

**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

**38** Present value of excess contributions for current year (see instructions)

**a** Total (excess, if any, of line 37 over line 36) ..... **38a** 0

**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances ..... **38b** 0

**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0

**40** Unpaid minimum required contributions for all years ..... **40** 0

**Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)**

**41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies.  2019  2020  2021

**SCHEDULE SB ATTACHMENT**  
**Line 22 - Description of Weighted Average Retirement Age**

**Plan Name: Preferred Compounding Corp. Union Pension Plan**

**EIN/PN: 27-0013235/003**

**Valuation Date: October 1, 2024**

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement and then computing the average retirement age for the table, as shown in the following exhibit:

(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
55	17.00%	10,000	1,700	93,500
56	6.00%	8,300	498	27,888
57	6.00%	7,802	468	26,683
58	6.00%	7,334	440	25,522
59	6.00%	6,894	414	24,404
60	6.00%	6,480	389	23,329
61	6.00%	6,091	365	22,294
62	28.00%	5,726	1,603	99,402
63	28.00%	4,123	1,154	72,724
64	28.00%	2,968	831	53,192
65	100.00%	2,137	2,137	138,917
Total			10,000	607,855
Average				60.79

## SUMMARY OF PRINCIPAL PLAN PROVISIONS

The following is a summary of what we understand to be the most relevant plan provisions for purposes of actuarial valuations. This summary should not be used for purposes of determining plan benefits.

<b>Plan Sponsor</b>	Preferred Compounding Corp.
<b>Plan Name</b>	Preferred Compounding Corp. Union Pension Plan
<b>Plan Effective Date</b>	January 1, 1970. The Plan was last restated effective October 1, 2011 and most recently amended January 1, 2014.
<b>Plan Year</b>	October 1 – September 30
<b>Status of the Plan</b>	The plan is currently frozen to new entrants and no further benefit accruals are granted.
<b>Eligibility Requirements</b>	Eligible Employees are hourly paid Employees of the Employer and are employed in the bargaining unit represented by the Union. The Plan was frozen to new Participants as of January 1, 1995. No Eligible Employees will become eligible to participate in the Plan after January 1, 1995.
<b>Credited Service</b>	A twelve month period of time, beginning on the date that the participant commenced participation in the Plan, during which the participant was employed by the Company. No additional service will be credited after December 31, 1994 for benefit purposes.
<b>Vesting Service</b>	A twelve month period of time, beginning on the date that the participant commenced participation in the Plan, during which the participant was employed by the Company.
<b>Vesting</b>	100% vesting upon earning 5 Years of Vesting Service.
<b>Accrued Benefit</b>	<p>The monthly normal retirement benefit is equal to the participant's monthly accrued benefit as of December 31, 1994, which is \$18.50 multiplied by years of service up to December 31, 1994.</p> <p>Accrued benefits were frozen effective December 31, 1994.</p>
<b>Normal Retirement Age</b>	Upon attainment of age 65.
<b>Normal Retirement Benefit</b>	The Accrued Benefit payable at Normal Retirement.

<b>Early Retirement</b>	<p><u>Eligibility:</u> Upon attainment of age 55 and completion of 10 Years of Service.</p> <p><u>Benefit:</u> The accrued benefit is reduced 4/10 of 1% for each month preceding Normal Retirement Date.</p>
<b>Disability Retirement</b>	<p><u>Eligibility:</u> Upon earning 10 Years of Service, and becoming disabled as determined by a physician.</p> <p><u>Benefit:</u> (1) Until the participant is eligible for SSDI, the greater of \$410 or \$20.50 multiplied by years of service up to 12/31/1994; (2) after the participant is eligible for SSDI, a monthly amount equal to the participant's accrued benefit.</p>
<b>Pre-Retirement Death</b>	<p><u>Eligibility:</u> Upon earning 5 Years of Service.</p> <p><u>Benefit:</u> The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.</p>
<b>Normal Form of Payment</b>	Unless otherwise elected, the benefit payable to a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a single life annuity with 5 years certain.
<b>Optional Forms</b>	Benefits may be elected from: <ul style="list-style-type: none"><li>• 50%, 75%, and 100% Joint and Survivor</li><li>• Single Life Annuity</li><li>• 5, 10, 15 and 20 years certain and continuous</li><li>• Lump Sum if the present value of benefit is less than \$5,000</li></ul>
<b>Optional Form Conversion Factors</b>	Optional forms of payment are calculated as actuarially equivalent to the normal form of payment using the following assumptions: <p><u>Annuities:</u></p> <ul style="list-style-type: none"><li>• Interest rate – 7%</li><li>• Mortality - 1971 TPF&amp;C Forecast Mortality</li></ul> <p><u>Lump Sums:</u></p> <ul style="list-style-type: none"><li>• Interest rate – IRC Section 417(e) Applicable Interest Rates in effect for the first month prior to the first day of the Plan Year in which the distribution occurs.</li><li>• Mortality – Applicable Mortality defined by IRC Section 417(e)(3)</li></ul>

**Changes in Plan Benefits  
recognized since the last  
valuation**      None.