

March 27, 2015

Internal Revenue Service  
Employee Plans Compliance Unit  
Group 7602 (SE:TEGE:EP)  
Room 1700 – 17<sup>th</sup> Floor  
230 S. Dearborn Street  
Chicago, IL 60604

**Annual Certification of Multiemployer Plan Funding Status  
under IRC Section 432(b)(3)(A)**

Plan name: I.B.E.W. Local No. 332 Pension Plan – Part A

Plan number: 004— EIN: 94-2688032

Name, address and telephone number of plan sponsor:

I.B.E.W. Local No. 332 Pension Trust  
170 Great Oaks Blvd.  
San Jose, CA 95119  
408-288-4550

Plan year for which certification is made: 2015

We have performed actuarial estimates and projections in the determination of the funding status of the above-named multiemployer pension plan.

We understand that under Internal Revenue Code Section 432(b)(1): A multiemployer plan is in endangered status if the plan is not in critical status and, as of the beginning of the plan year, (1) the plan's funded percentage for the plan year is less than 80 percent, or (2) the plan has an accumulated funding deficiency for the plan year or is projected to have an accumulated funding deficiency in any of the six succeeding plan years.

We further understand that under Section 432(b)(2): A multiemployer plan is in critical status if the plan meets any one of four specified tests:

Section 432(b)(2)(A): A plan is in critical status if, as of the beginning of the plan year: (1) the funded percentage of the plan is less than 65 percent and (2) the sum of the market value of plan assets, plus the present value of reasonably anticipated employer contributions for the current plan year and each of the six succeeding plan years is less than the present value of all nonforfeitable benefits projected to be payable under the plan in the current plan year and each of the succeeding six plan years.

Section 432(b)(2)(B): A plan is in critical status if the plan has an accumulated funding deficiency for the current plan year or is projected to have an accumulated funding deficiency for any of the three succeeding plan years.

Section 432(b)(2)(C): A plan is in critical status if (1) the plan's normal cost for the current plan year, plus interest for the current plan year on the amount of unfunded benefit liabilities under the plan as of the last day of the preceding plan year, exceeds the present value of the reasonably expected employer and employee contributions for the current plan year, (2) the present value of nonforfeitable benefits of inactive participants is greater than the present value of nonforfeitable benefits of active participants, and (3) the plan has an accumulated funding deficiency for the current plan year, or is projected to have an accumulated funding deficiency for any of the four succeeding plan years.

Section 432(b)(2)(D): A plan is in critical status for a plan year if the sum of the market value of plan assets, plus the present value of reasonably anticipated employer contributions for the current plan year and each of the succeeding four plan years is less than the present value of all benefits projected to be payable under the plan in the current plan year and each of the four succeeding plan years.

In accordance with that understanding, we have attached a summary of the plan's funding assumptions, and certify that in the determination of our findings:

Actuarial projections are based on reasonable actuarial estimates, assumptions and methods and offer our best estimate of anticipated experience under the plan;

In making the determinations and projections applicable under the foregoing endangered and critical status rules, we have made projections for the current and succeeding plan years of the assets of the plan and the present value of all liabilities to participants and beneficiaries under the plan for the current plan year as of the beginning of such year;

Our projection of activity in the industry covered by the plan, including future covered employment and contribution levels is based on information provided by the plan sponsor; and the projected present value of liabilities as of the beginning of the plan year is based on the actuarial valuation for the preceding plan year;

Our projection of plan assets assumes reasonably anticipated employer contributions for the current and succeeding plans years, assuming that the terms of the collective bargaining agreements pursuant to which the plan is maintained for the current plan year continue in effect for the succeeding plans years, including changes approved by the bargaining parties, and we have determined that there have been no significant demographic changes that would make this assumption unreasonable;

Our determination of whether the plan is projected to have an accumulated funding deficiency in the determination of the plan's funding status is based on the plan's funding method; and

The unit credit funding method is used for purposes of determining the plan's funded percentage and the comparison of contributions with the sum of the plan's normal cost and interest on the amount of unfunded liability.

Internal Revenue Service  
Employee Plans Compliance Unit  
Plan number: 004— EIN: 94-2688032  
March 27, 2015  
Page 3

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**CERTIFICATION**

We certify that the plan is neither in endangered nor critical status.

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Respectfully submitted,

Kaufmann and Goble Associates



Sidney T. Kaufmann, enrollment number 14-02351

I.B.E.W. Local Union No. 332  
Pension Plan

ACTUARIAL COST BASIS

The following assumptions and methods have been used in calculating the amounts set forth in the actuarial valuation summaries.

**Actuarial Assumptions**

- |             |  |
|-------------|--|
| Interest    | <ul style="list-style-type: none"><li>- 7.00% per annum, pre-retirement, and</li><li>- 7.00% per annum, post-retirement.</li><li>- 3.25% per annum, for RPA 94.</li><li>- See attached Schedule 1.</li></ul>   |
| Mortality   | <ul style="list-style-type: none"><li>- Funding Basis: 1983 GAM Table - Males.</li><li>- FASB-35: 1983 GAM Table - Males.</li><li>- RPA 94: RP-2000 Table*.</li><li>- *The RP-2000 Table was adjusted to the beginning of the valuation year for mortality improvement using Scale AA.</li><li>- Disability retirement: 1965 Railroad Retirement Board Disabled Annuitant Mortality Table (as published in an Eleventh Actuarial Valuation of Railroad Retirement System).</li></ul> |
| Expenses    | <ul style="list-style-type: none"><li>- 4.00% of active liability (expenses about \$600,000 in 2010).</li></ul>  |
| Retirement  | <ul style="list-style-type: none"><li>- Unreduced benefits at age 65 and 10 years of service; or after age 58 with 22 years of service. See attached Schedule 2.</li></ul>   |
| Termination | <ul style="list-style-type: none"><li>- See attached Schedule 2.</li></ul>   |
| Disability  | <ul style="list-style-type: none"><li>- 1968 Railroad Retirement Board Table.</li><li>- See attached Schedule 3.</li></ul>   |

**Actuarial Methods**

The Unit Credit Normal Cost contribution was calculated on an individual basis and summed over the active member base. The individual factors were applied to individual attained age annuity values, on the service table, to develop the supplemental liability. Plan assets were valued at an average of book and market. The unfunded supplemental liability is assumed to be funded with level payment amounts.

<b>The Present Value of 1</b>			
(7.00% per annum)			
<u>Period</u>	<u>Amount</u>	<u>Period</u>	<u>Amount</u>
1	0.9346	36	0.0875
2	0.8734	37	0.0818
3	0.8163	38	0.0765
4	0.7629	39	0.0715
5	0.7130	40	0.0668
6	0.6663	41	0.0624
7	0.6227	42	0.0583
8	0.5820	43	0.0545
9	0.5439	44	0.0509
10	0.5083	45	0.0476
11	0.4571	46	0.0445
12	0.4440	47	0.0416
13	0.4150	48	0.0389
14	0.3878	49	0.0363
15	0.3624	50	0.0339
16	0.3387	51	0.0317
17	0.3166	52	0.0297
18	0.2959	53	0.0277
19	0.2765	54	0.0259
20	0.2584	55	0.0242
21	0.2415	56	0.0226
22	0.2257	57	0.0211
23	0.2109	58	0.0198
24	0.1971	59	0.0185
25	0.1842	60	0.0173
26	0.1722	61	0.0161
27	0.1609	62	0.0151
28	0.1504	63	0.0141
29	0.1406	64	0.0132
30	0.1314	65	0.0123
31	0.1228	66	0.0115
32	0.1147	67	0.0107
33	0.1072	68	0.0100
34	0.1002	69	0.0094
35	0.0937	70	0.0088

**Termination and Retirement Rates**

(Annual rates per 1,000 Members)

<u>Age</u>	<u>Termination Rate</u>	<u>Age</u>	<u>Termination Rate</u>	<u>Retirement Rate</u>
20	66.39	45	35.73	
21	62.82	46	34.03	
22	59.75	47	31.70	
23	57.18	48	28.72	
24	55.10	49	25.19	
25	53.46	50	21.72	
26	52.18	51	19.00	
27	51.20	52	17.02	
28	50.43	53	15.61	
29	49.82	54	14.55	
30	49.30	55	13.78	100.00
31	48.81	56	13.42	100.00
32	48.29	57	13.47	150.00
33	47.69	58	13.84	200.00
34	46.97	59	14.54	200.00
35	46.11	60	15.55	100.00
36	45.10	61	16.87	150.00
37	43.96	62	18.35	350.00
38	42.75	63	20.07	200.00
39	41.94	64	22.07	100.00
40	40.41	65		1000.00
41	39.42			
42	38.59			
43	37.82			
44	36.93			

**Disability Rates**  

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**(Annual rates per 1,000 Members)**

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	0.6	45	2.2
26	0.6	46	2.5
27	0.6	47	2.8
28	0.6	48	3.3
29	0.6	49	3.8
30	0.6	50	4.6
31	0.6	51	5.7
32	0.6	52	6.9
33	0.6	53	8.0
34	0.7	54	9.1
35	0.7	55	10.2
36	0.8	56	11.3
37	0.8	57	12.5
38	0.9	58	13.7
39	1.0	59	14.9
40	1.1	60	32.0
41	1.3	61	35.5
42	1.5	62	40.0
43	1.7		
44	1.9		

Plan number: 004— EIN: 94-2688032

DETERMINATION OF WEIGHTED AVERAGE RETIREMENT AGE

Age	Rate of Decrement				Participants January 1st	Expected Retirements
	Death	Termination	Disability	Retirement		
55	0.00037	0.00000	0.01020	0.15000	1,000.000	150.000
56	0.00038	0.00000	0.01130	0.05000	839.435	41.972
57	0.00039	0.00000	0.01250	0.05000	787.661	39.383
58	0.00041	0.00000	0.01370	0.05000	738.124	36.906
59	0.00042	0.00000	0.01490	0.05000	690.804	34.540
60	0.00044	0.00000	0.00320	0.15000	645.678	96.852
61	0.00046	0.00000	0.00355	0.25000	546.473	136.618
62	0.00049	0.00000	0.00400	0.75000	407.661	305.746
63	0.00051	0.00000	0.00000	0.20000	100.086	20.017
64	0.00054	0.00000	0.00000	0.10000	80.017	8.002
65	0.00057	0.00000	0.00000	1.00000	71.972	71.972
Weighted average retirement age						60.059