



111 SW Fifth Avenue
Suite 3700
Portland, OR 97204
USA

Tel +1 503 227 0634
Fax +1 503 227 7956

milliman.com

Via Email

March 27, 2019

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

I.B.E.W. Local No. 332 Pension Trust
6800 Santa Teresa Blvd., Suite 100
San Jose, CA 95119

**Re: Actuarial Certification of Plan Status
I.B.E.W. Local 332 Pension Plan Part A**

In accordance with IRC Section 432(b)(3)(A), we have prepared the attached actuarial certification for the plan year beginning January 1, 2019 for the I.B.E.W. Local 332 Pension Plan Part A.

In my opinion, the assumptions used for the actuarial certification are individually reasonable based on the experience of the plan and on reasonable expectations of anticipated experience under the plan. The projections in this certification are dependent on the assumptions used. Differences between these projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions to be used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience is better or worse than expected.

I am a member of the American Academy of Actuaries (AAA) who meets the Qualification Standards of the AAA to render the actuarial opinion contained herein, I hereby certify that, to the best of my knowledge and belief, this certification is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

Sincerely,

Ladd E. Preppernau, FSA, EA, MAAA
Principal and Consulting Actuary

encl.

cc: Plan Administrator
Plan Counsel
Plan Auditor
Plan Investment Consultant

I.B.E.W. Local 332 Pension Plan Part A

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2019

Plan Identification

Plan Name: I.B.E.W. Local 332 Pension Plan Part A
Plan Sponsor: I.B.E.W. Local No. 332 Pension Trust
Plan Year: Plan Year beginning January 1, 2019
EIN/PN: 94-2688032/004
Address: 6800 Santa Teresa Blvd., Suite 100
San Jose, CA 95119
Telephone Number: (408) 288-4550

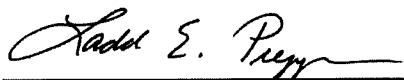
Enrolled Actuary Identification

Name: Ladd Preppernau
EA Number: 17-06705
Firm: Milliman, Inc.
Address: 111 SW Fifth Avenue
Suite 3700
Portland, OR 97204
Telephone Number: (503) 227-0634

Information on Plan Status

Based on the actuarial assumptions and methods, financial and participant data, and Plan provisions, as described in the January 1, 2018 actuarial valuation report, except as noted below, I hereby certify that the I.B.E.W. Local 332 Pension Plan Part A is not "endangered", "seriously endangered", "critical", or "critical and declining" status for the plan year beginning January 1, 2019 as those terms are defined in Internal Revenue Code Section 432. Furthermore, I certify that the Plan is not projected to be in "critical" status in any of the succeeding five plan years. In addition, the Plan is not currently subject to any funding improvement or rehabilitation period or plan as described in IRC Sec. 432(c), (d), (e), and (f).

I hereby certify that to the best of my knowledge and belief, the actuarial assumptions used in preparing this certification are individually reasonable and represent my best estimate of future experience. Supporting information for this certification is provided on the following pages.



Ladd E. Preppernau, FSA, EA, MAAA
Enrolled Actuary #17-06705

March 27, 2019
Date

I.B.E.W. Local 332 Pension Plan Part A

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2019

Summary of Assumptions/Methods

1. The IRC Section 432(b) funding measurements are based on the following:
 - The participant data and actuarial valuation results as stated in the January 1, 2018, Actuarial Valuation report dated February 28, 2019.
 - Estimated January 1, 2019 unaudited market value of assets of approximately \$566.2 million, and contributions and benefit payments for the year ended December 31, 2018, as reported by the Plan Administrator.
 - The projections reflect an assumed rate of return on the market value of assets of 7.0% (net of investment-related expenses) for every year after the plan year ended December 31, 2018. No future asset gains or losses are reflected.
 - Plan provision are identical to those used in the January 1, 2018 actuarial valuation, with the following exception:
 - In December 2018, the Trustees amended the plan to use a credit rate (i.e., accruing contribution rate) of \$3.30 per hour for hours worked in 2019.
 - Based on input from the Plan's Board of Trustees, the projections reflect an assumption that future contributory annual hours will be 2,800,000 for every year after the plan year ended December 31, 2018, and the Plan's average contribution rate will remain level in the future at \$11.40 per hour. No future withdrawal liability payments were assumed. Thus, contributions for each plan year after 2018 were assumed to be \$31,920,000.
 - The number of active participants and the Plan's normal cost under the unit credit cost method are assumed to change in proportion to hours in the future.
 - The Plan's administrative expenses are assumed to increase from the level assumed in the January 1, 2019 actuarial valuation by 2.5% each year after 2018.
 - All other actuarial assumptions and methods used in this analysis are the same as those specified in the January 1, 2018 actuarial valuation report.
2. The actuarial certification is based on: 1) the proposed Multiemployer Plan Funding Guidance provided by the IRS on March 18, 2008, 2) the December 2007 Practice Note issued by the Multiemployer Plans Subcommittee of the Pension Committee of the American Academy of Actuaries, 3) the "Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010" (PRA 2010), and 4) IRS Notice 2010-83, 5) the Multiemployer Pension Reform Act of 2014 (MPRA), and 6) action taken by the Board of Trustees prior to the mailing of this certification.

I.B.E.W. Local 332 Pension Plan Part A

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2019

IRC Section 432(b) Funding Measurements

Projection of Credit Balance

<u>Plan Year Ending</u>	<u>Projected Credit Balance at End of Year</u>
12/31/2018	79,400,000
12/31/2019	91,800,000
12/31/2020	105,000,000
12/31/2021	113,400,000
12/31/2022	122,700,000
12/31/2023	132,600,000
12/31/2024	142,600,000
12/31/2025	150,800,000
12/31/2026	160,900,000
12/31/2027	170,900,000
12/31/2028	182,700,000

An accumulated funding deficiency is not projected to occur at the end of the 2019 plan year or at the end of the next-following nine plan years.

Funded Percentage

The funded percentage as of January 1, 2019 is projected to be 86.0%.

Solvency Tests

The Plan is projected to pass the "solvency tests" to determine whether the Plan is critical as required under IRC Section 432(b)(2) for the current Plan Year and the next following five Plan Years (refer to attached appendix).

Conclusion

The Plan is not in "endangered", "seriously endangered", "critical", or "critical and declining" status for the Plan Year beginning January 1, 2019 as those terms are defined in Internal Revenue Code Section 432. Furthermore, the Plan is not projected to be in "critical" status in any of the succeeding five plan years.