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Via Email

March 30, 2020

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, 2020 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. It is certain that actual experience will differ from these assumptions. Actual values will differ from those projected 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, 2020

**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, 2020  
EIN/PN: 94-2688032/004  
Address: 6800 Santa Teresa Blvd., Suite 100  
San Jose, CA 95119  
Telephone Number: (408) 288-4550

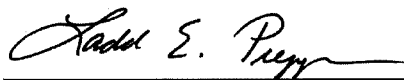
**Enrolled Actuary Identification**

Name: Ladd Preppernau  
EA Number: 17-06705  
Firm: Milliman, Inc.  
Address: 1455 SW Broadway Street  
Suite 1600  
Portland, OR 97201  
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, 2019 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, 2020 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 30, 2020  
Date

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

### Actuarial Certification Under PPA for Plan Year Beginning January 1, 2020

#### 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, 2019, Actuarial Valuation report dated November 5, 2019.
  - Estimated January 1, 2020 unaudited market value of assets of approximately \$652.9 million, and contributions and benefit payments for the year ended December 31, 2019, as reported by the Plan Administrator and Investment Consultant.
  - 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, 2019. No future asset gains or losses are reflected.
  - Plan provisions are identical to those used in the January 1, 2019 actuarial valuation with the exception of the Credit Rate for Plan Year 2020 which was increased to \$3.30 based on Trustee action in December 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, 2019, and the Plan's average contribution rate will remain level in the future at \$11.80 per hour. No future withdrawal liability payments were assumed. Thus, contributions for each plan year after 2019 were assumed to be \$33,040,000.
  - 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, 2020 actuarial valuation by 2.5% each year after 2019.
  - All other actuarial assumptions and methods used in this analysis are the same as those specified in the January 1, 2019 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, 2020**

**IRC Section 432(b) Funding Measurements**

**Projection of Credit Balance**

<u>Plan Year Ending</u>	<u>Projected Credit Balance at End of Year</u>
12/31/2019	89,200,000
12/31/2020	96,700,000
12/31/2021	112,000,000
12/31/2022	128,600,000
12/31/2023	146,400,000
12/31/2024	164,800,000
12/31/2025	182,100,000
12/31/2026	201,900,000
12/31/2027	222,200,000
12/31/2028	245,000,000
12/31/2029	265,900,000

An accumulated funding deficiency is not projected to occur at the end of the 2020 plan year or at the end of the next-following nine plan years.

**Funded Percentage**

The funded percentage as of January 1, 2020 is projected to be 95.0%.

**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, 2020 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.