



CENTRAL STATES PENSION FUND
2051 AND BEYOND!

**PETER PRIEDE
SR. DIRECTOR, EMPLOYER SERVICES,
PENSION AND FINANCE**

AGENDA

- WHERE DID 2051 COME FROM
- ARPA LANGUAGE
- RATES MATTER
- NEXT STEPS
- QUESTIONS



AMERICAN RESCUE PLAN ACT OF 2021

PUBLIC LAW 117-2—MAR. 11, 2021

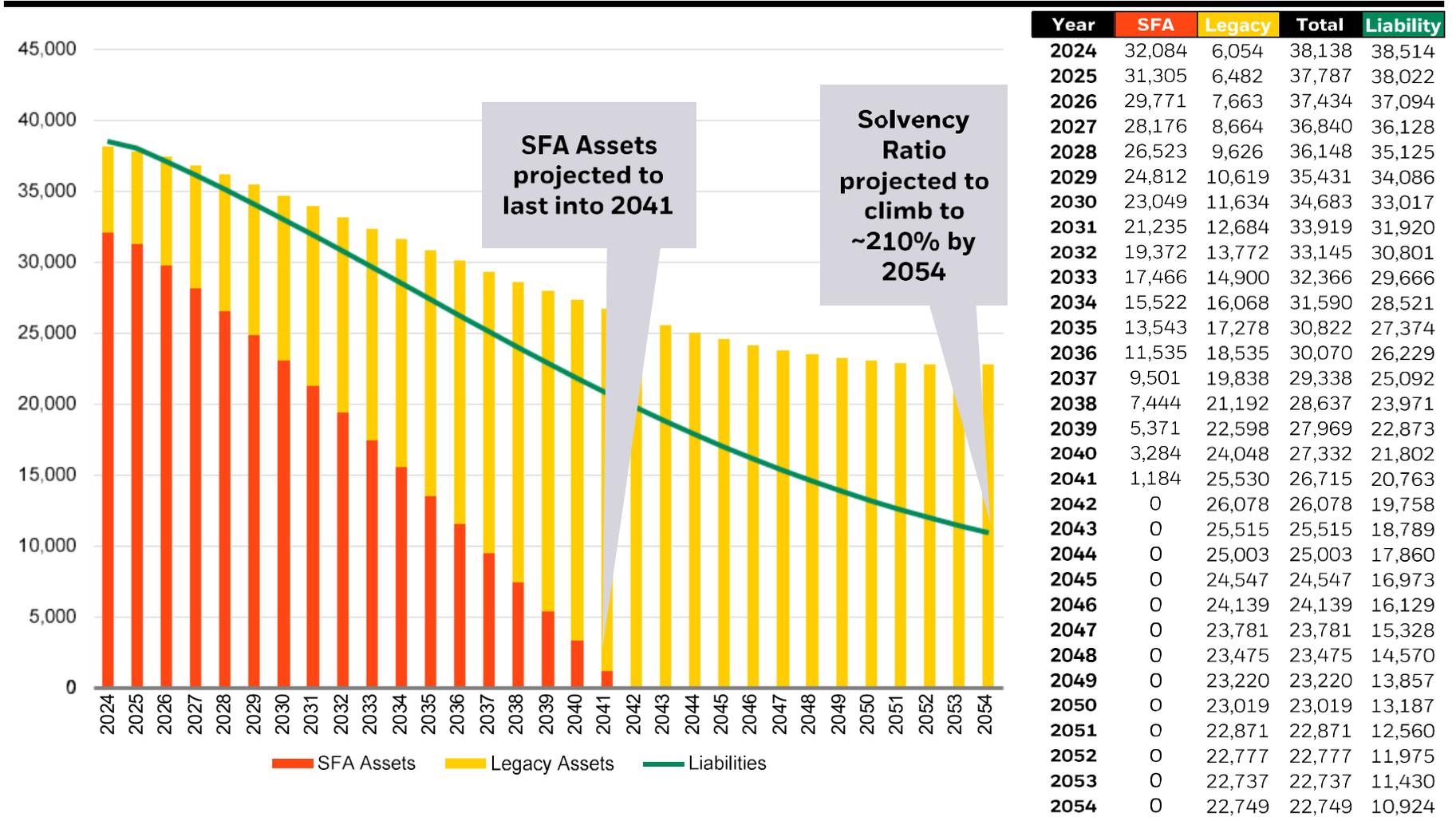
‘SEC. 4262. SPECIAL FINANCIAL ASSISTANCE BY THE CORPORATION....’The amount of financial assistance provided to a multiemployer plan eligible for financial assistance under this section shall be such amount required for the plan to pay all benefits due during the period beginning on the date of payment of the special financial assistance payment under this section and ending on the last day of the plan year ending in 2051, with no reduction in a participant’s or beneficiary’s accrued benefit as of the date of enactment of this section...”

IMPROVING SOLVENCY PROJECTION



210% 30 YEAR SOLVENCY PROJECTION

PROJECTION OF SFA VS LEGACY ASSETS OVER THE NEXT 30 YEARS (NUMBERS ARE IN \$MM)



Source: BlackRock as of June 2024. Initial Asset Value (BOY) is market value of assets as of June 30, 2024; liability interest cost based on the effective rate of BlackRock's Fitted Treasury Curve as of June 30, 2023, which was 4.51%; Portfolio expected return of 4.65% (net of fees, 4.69% gross of fees) assumed for all years and is calculated based on BlackRock's long-term capital market assumptions as of Q2 2024. Expected return estimates are subject to uncertainty and error. Expected risk and returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual risk and returns could be significantly higher or lower than forecasted. Numbers may not add due to rounding.

PUBLIC LAW 117-2—MAR. 11, 2021

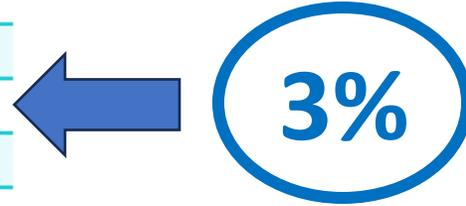
‘SEC. 4262(e) “...(2) AMOUNT OF FINANCIAL ASSISTANCE.—In determining the amount of special financial assistance in its application, an eligible multiemployer plan shall—

“(A) use the interest rate used by the plan in its most recently completed certification of plan status before January 1, 2021...””

JANUARY 1, 2020 ACTUARIAL INTEREST RATE

Gain from Investments

1	Average actuarial value of assets as of January 1, 2019	\$12,093,600,414
2	Assumed rate of return for 2019	3.00%
3	Expected net investment income: 1 x 2	\$362,808,012
4	Net investment income (3.41% actual rate of return)	412,694,822
5	Actuarial gain from investments for 2019: 4 – 3	<u>\$49,886,810</u>

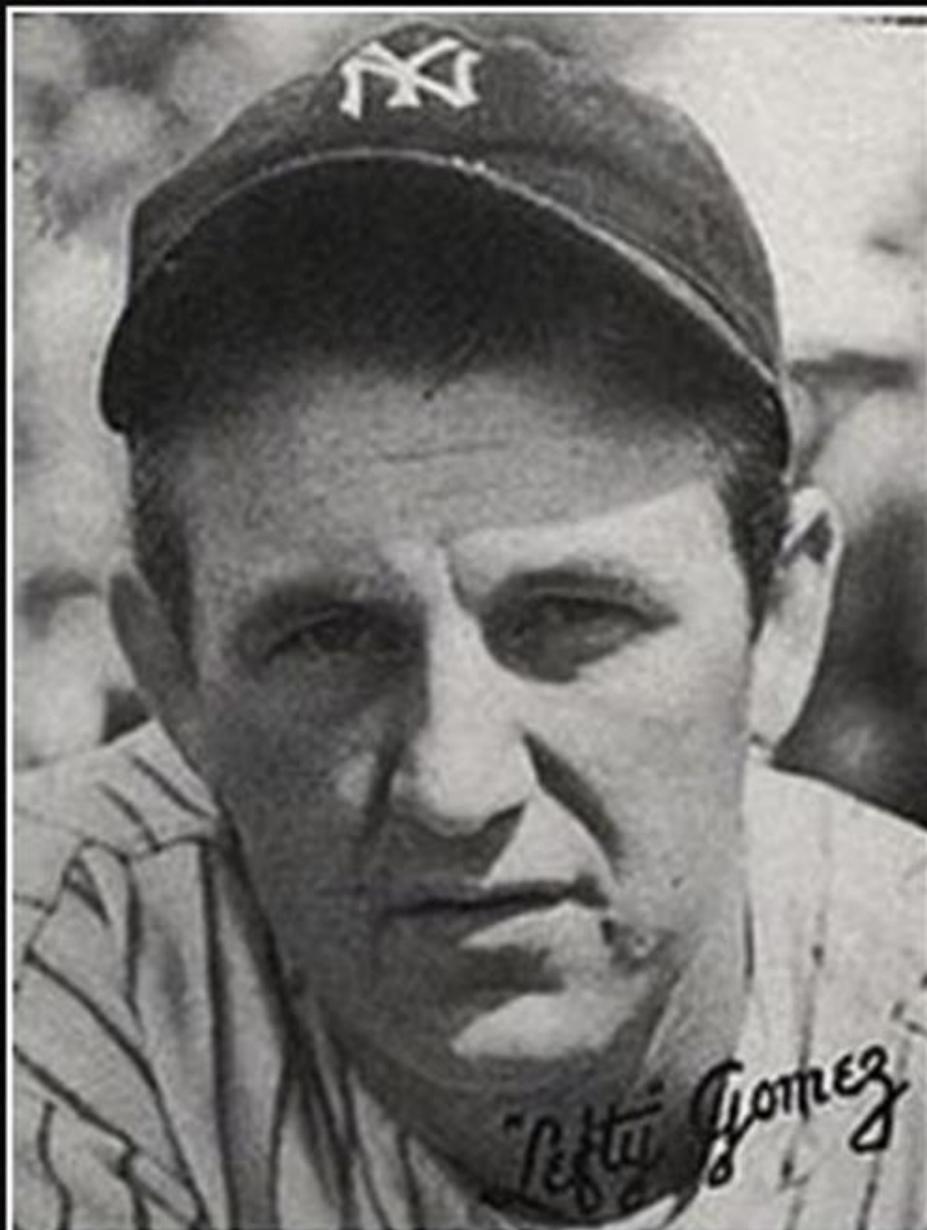


Administrative expenses

- Administrative expenses for the year ended December 31, 2019 totaled \$44,442,369, as compared to the assumption of \$44,600,000.

Other experience

- The net gain from other experience is not considered significant and is mainly due to greater participant mortality than expected. Some difference between projected and actual experience include:
 - Extent of turnover among the participants
 - Retirement experience (earlier or later than projected)
 - Number of disability retirements
- Due to the change in receivable YRCW contributions, an actuarial loss of \$157,236 was reflected in the Funding Standard Account.



It's better to be lucky than good.

— *Lefty Gomez* —

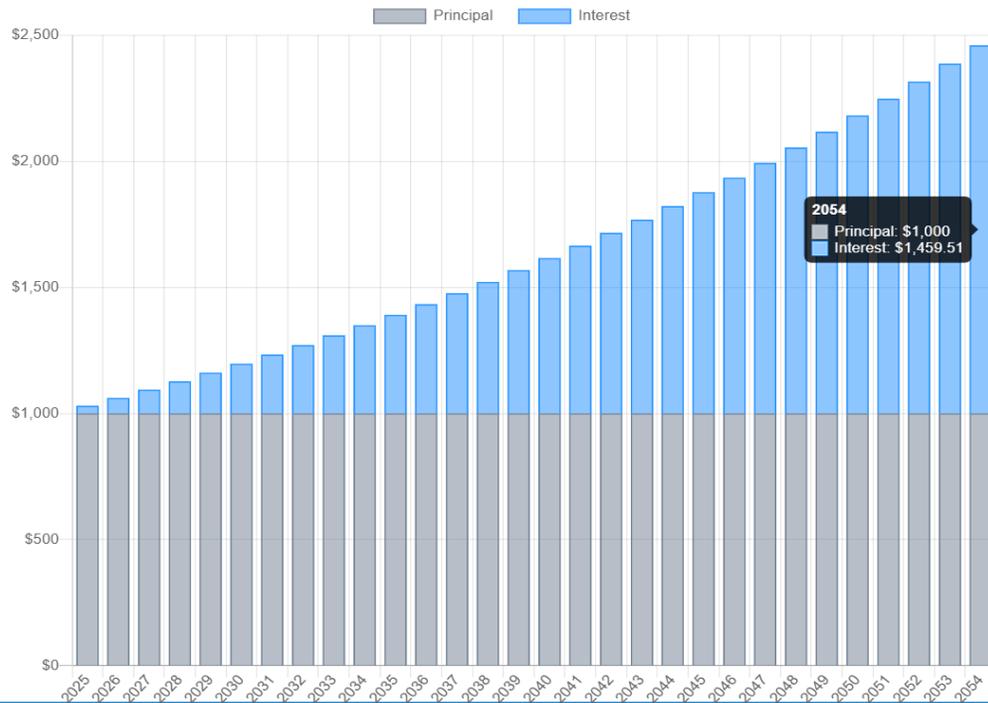
AZ QUOTES

TEN-YEAR TREASURY YIELDS SINCE 2020



3% EARNINGS

VS 4.5% EARNINGS

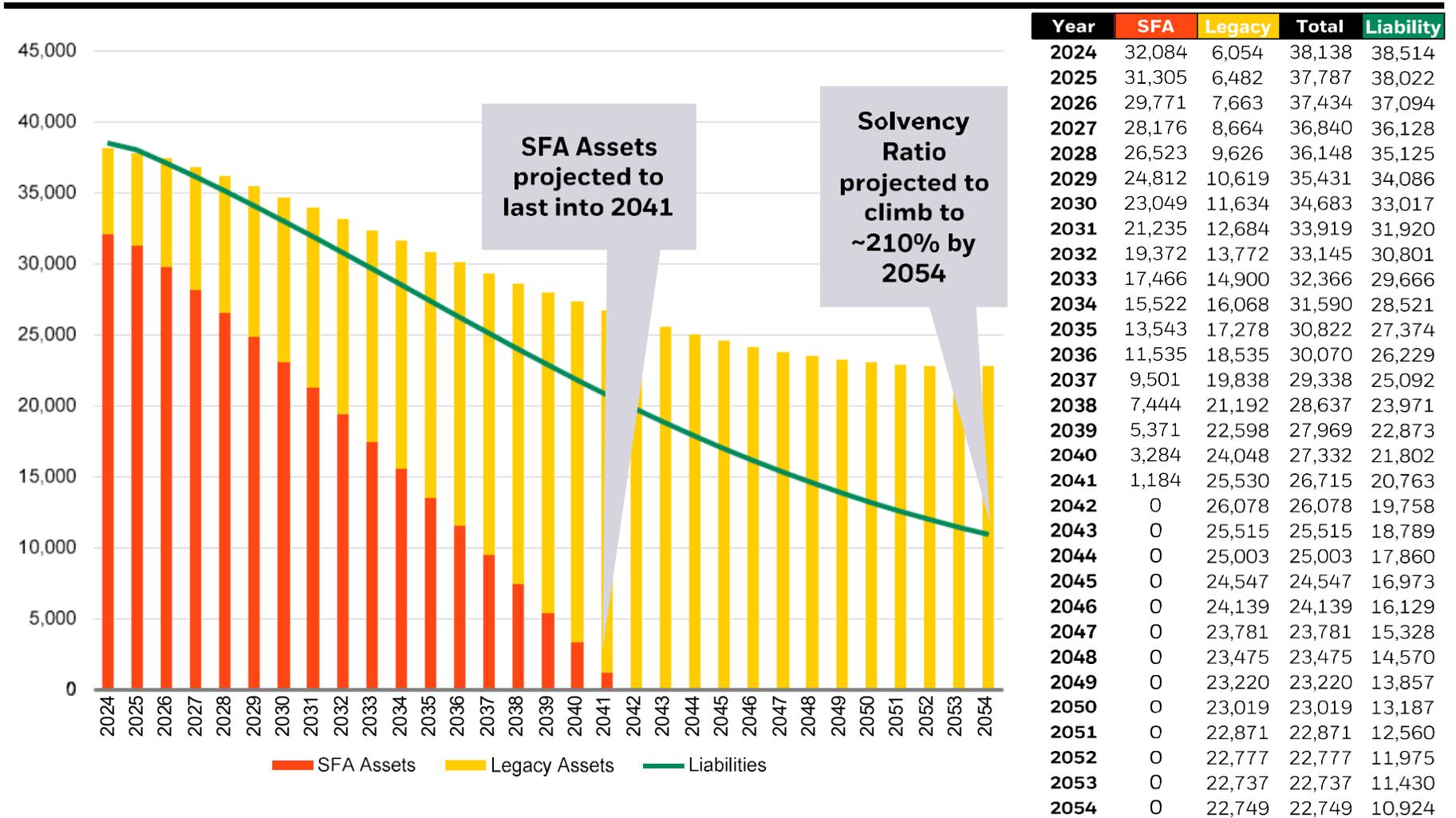


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SOOOOO... WHAT NOW!??

- ✓ **Build Confidence and Trust**
- ✓ **Increase Awareness**
 - ✓ **Members – the value of their lifetime benefit**
 - ✓ **Local Union partners – of how a union sponsored retirement plan can add value for its members *and* the union**
 - ✓ **Employer partners – that Central States is not to be feared**
- ✓ **Increase active participation!**

BUT HOW?????

- *Annual Member Benefit Statement*
- *New Participant Welcome Letter*
- *Newly Vested Participant Letter*
 - *Improved SPD*
 - *Refreshed Website*
- *Focus on Your Funds Newsletter*
 - *New Business Info Pamphlets*
- *Local Union / Employer Member Meetings*
 - *Local Union Training*

RECEIPT OF SFA TO CURRENT

90 NEW BARGAINING UNITS

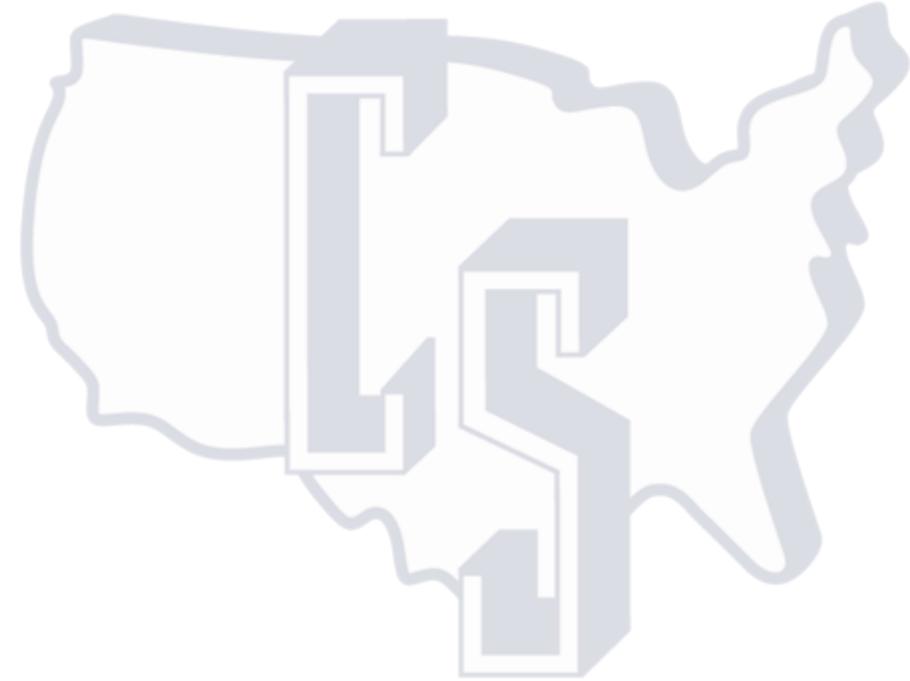
1,600 MEMBERS



NEW GROUPS ARE JOINING THE PENSION FUND!

Employer	Local Union	# of Members	Employer	Local Union	# of Members
Accord Federal Services, LLC	519	5	Kiewit Power & Industrial, LLC	480	3
Allied Power Services Michigan, LLC	406	1	Locoal Union No 245	IBEW 124	2
Ampro Services, Inc	120	1	Mascaro Construction Co., LP	92	2
Ash Management Services, LLC	215	2	MCT Services, LLC	519	2
Aster Oilfield Services, Inc	697	1	MLM Trucking, LLC	215	5
Auto Handling, LLC	604	2	Morrison Construction Co.	100	1
Auto Processing Solutions, Inc.	89	31	National Enviromental Contracting, Inc	519	4
Auto Warehousing Co	299	71	North American Auto Transportaion, Inc	657	3
Auto Warehousing Co	332	19	North American Auto Transportaion, LLC	568	8
Azco, Inc	327	1	North American Auto Transportaion, LLC	174	4
Barton Malow Co	364	1	North American Auto Transportaion, LLC	604	2
Bechtel Construction Co.	637	4	North American Auto Transportaion, LLC	Various	59
Black & Veatch Construction, Inc.	519	1	Northern Alabama Asphalt, Inc	327	1
Blackhawk Industrial Distribution, Inc	299	5	Oak Mountain Industries DBA Glassrock Products, Inc	100	1
Blankenship Construction, Co.	682	1	Performance Contracting, Inc	327	2
Champion Construction Co.	26	2	Precision Vehicle Group, LLC	41/414/745	84
Champion Specialty Services, LLC	406	1	Precision Vehicle Group, LLC	299	124
Church Hill Trucking Inc.	92	1	Precision Vehicle Group, LLC	41	26
Clement Florissant, LLC	618	5	Precision Vehicle Solutions, LLC	299	1
Cleveland Switching Services, Inc	20	13	Precision Vehicle Solutions, LLC	89	26
Cleveland Switching Services, Inc	89	8	Priority Yard & Train, LLC	41	52
Cleveland Switching Services, Inc.	89	44	Priority Yard & Train, LLC	377	16
Contractors Rental Corp	20	2	Priority Yard & Train, LLC	449	11
Contractors Rental Corp	20	1	Priority Yard & Train, LLC	604	5
Contractors Rental Corp	364	1	Priority Yard & Train, LLC	299	52
Contractors Rental Corp.	637	1	Priority Yard & Train, LLC	614	11
Covington Services, Inc	449	1	PRS Auto, LLC	377	25
Day & Zimmerman NPS, Inc	327	34	Qualawash Holding, LLC	988	5
Day & Zimmerman NPS, Inc.	480	2	Qualawash Holding, LLC	988	1
Day & Zimmermann NPS, Inc.	215	2	River City Transport, LLC	682	1
Enerfab Power & Industrial, LLC	697	2	R-Value Foam Insulation, LLC	243	1
ESW Plan Services, LLC	528	24	Specialties Co. LLC	89	2
ESW Plan Services, LLC	519	3	Standard Forwarding Freight, LLC	Various	365
ESW Plan Services, LLC	769	1	Superior Construction Co., Inc.	100	1
Fisher Contracting Co	667	1	Superior Materials, LLC	247	4
Fisher Contracting Co.	402	10	The American Bottling Co.	200	14
Fred Weber Transportaion, LLC	682	5	Traditional Logistics & Cartage, LLC	41	64
Fred Weber Transportaion, LLC	50	2	Transervice Logistics, Inc	528	267
Geiger Brothers, Inc	100	1	USF Holland, LLC	100	3
General Port Services, Inc	449	18	VEC, Inc.	327	1
Glen-Gery Corporation	364	5	Vestis Services, LLC	509	8
GRP Mechanical	525	1	W B Koester Construction, LLC	327	2
Hiland Dairy Foods Co, LLC	554	10	Willaims Plant Services, LLC	5	2
Jack Cooper Transport Co., LLC	327/20	8	Wolfe Productions, LLC	600	9

BIG SHOUT OUT!!



2051 and *BEYOND!*



Questions?