

Lessons Learned from Successful Applications

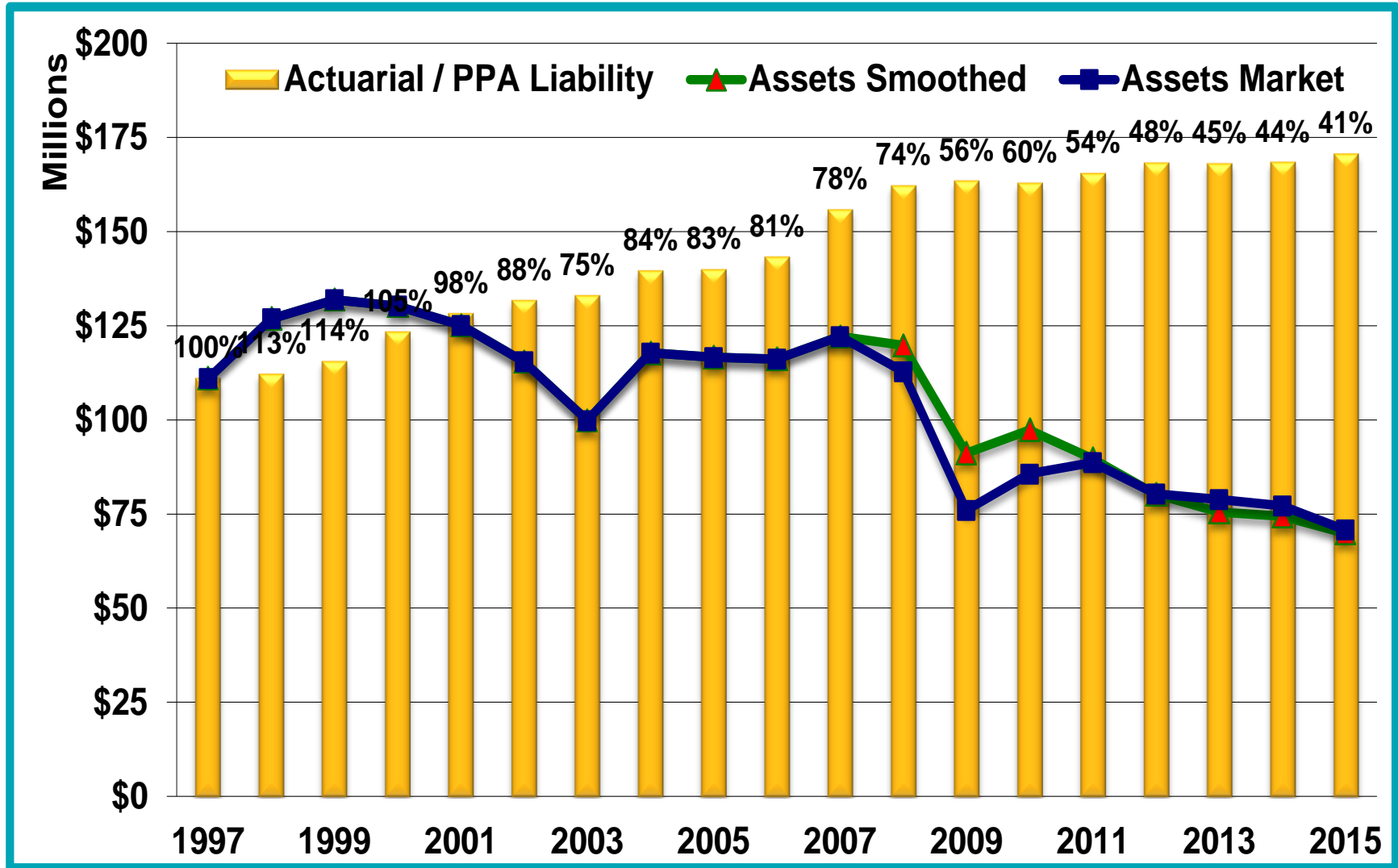


United Furniture Workers Pension Fund A

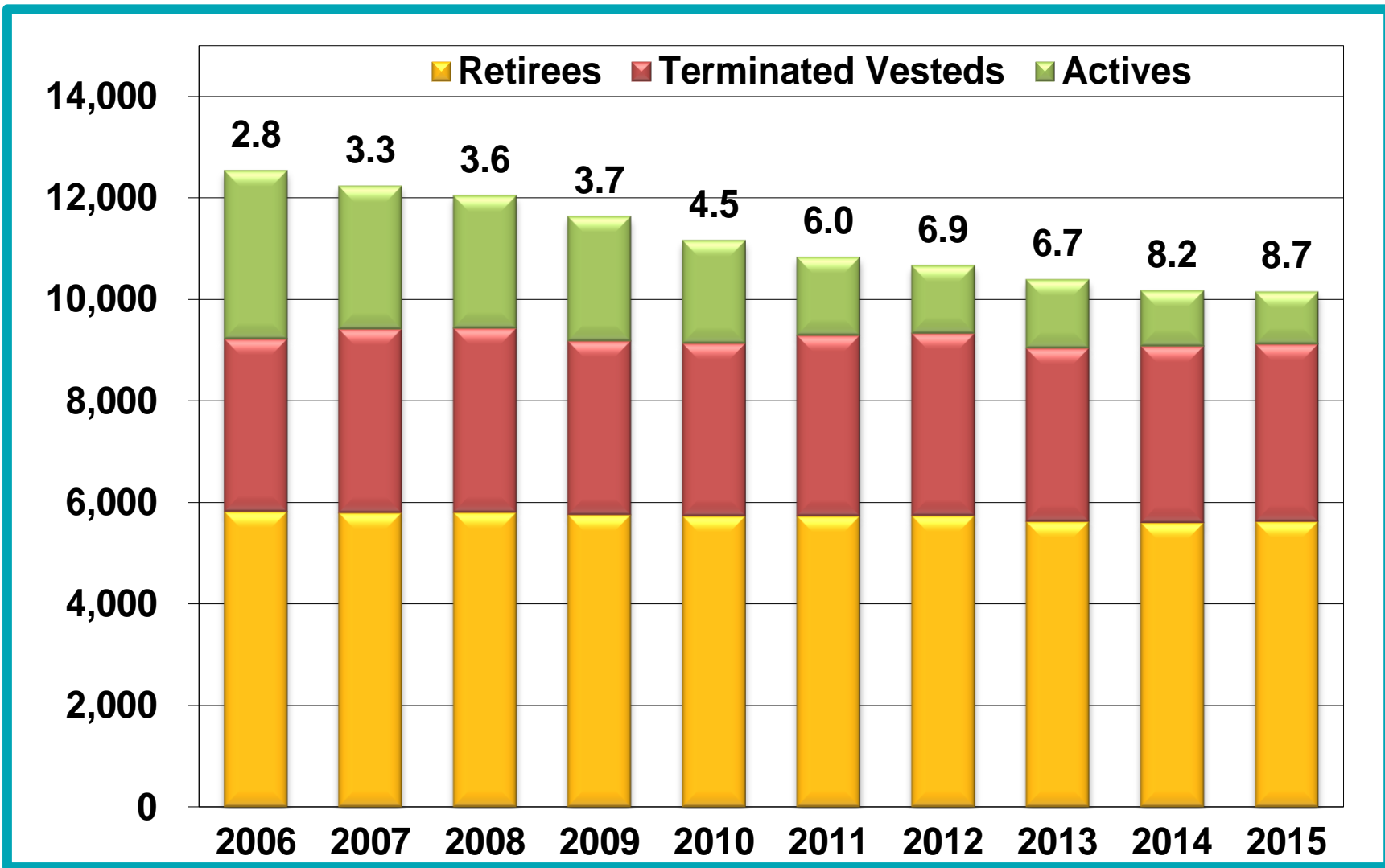
September 26, 2017

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How did they get there?



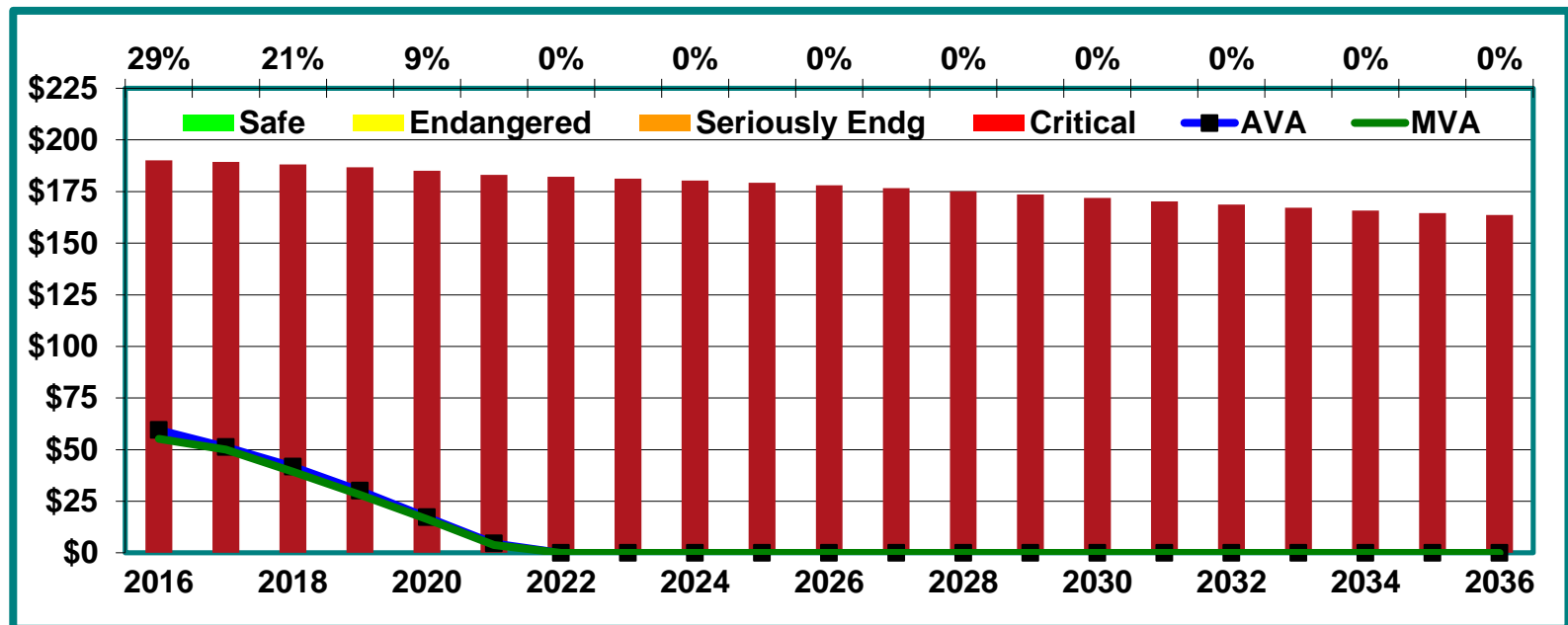
How did they get there?



Baseline Projection



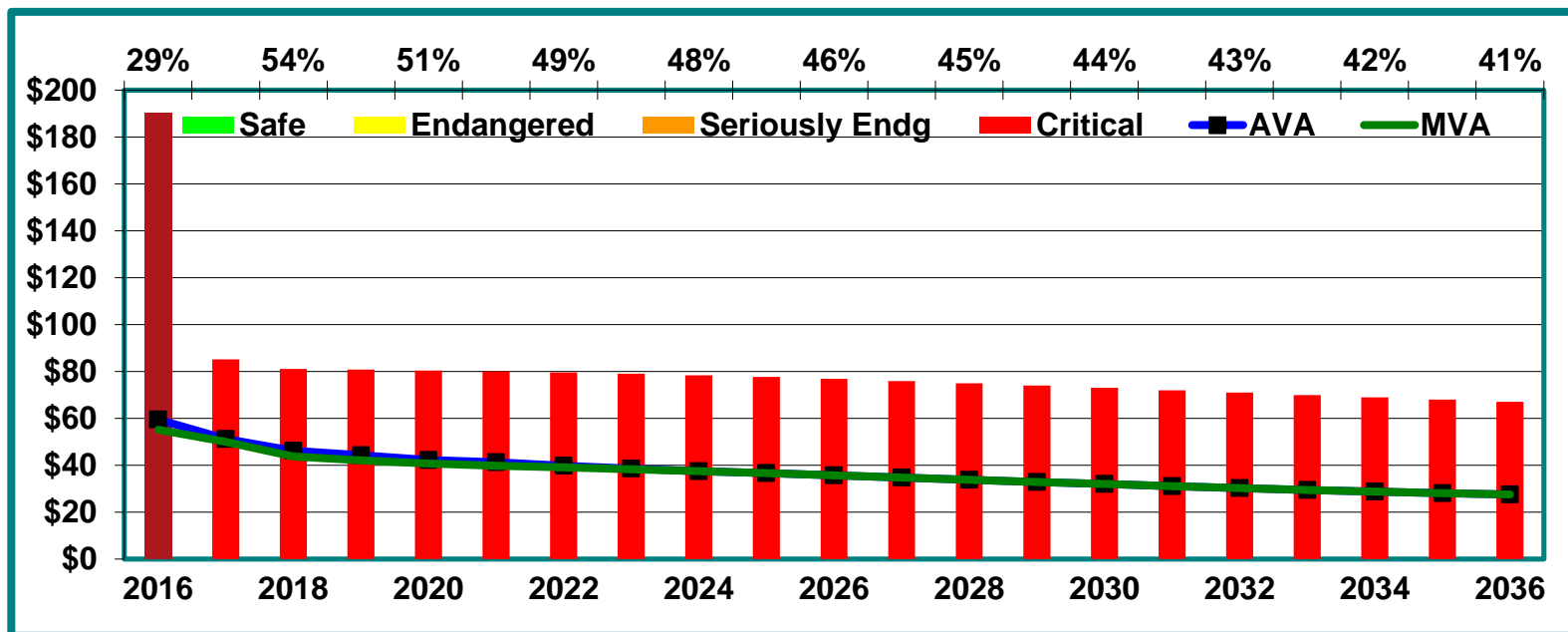
- Returns: 12.53% for the PYE Feb 2017, 3.00% for PYE 2018, increasing 1% per year for three years, 6.75% thereafter
- 5.5% contribution rate increases, 10% membership declines
- No benefit changes until projected insolvency, then PBGC guarantee
- Insolvent projected July 2021
- PBGC Exposure (valued at 2.82%): \$218.4 million



After Suspension and Partition



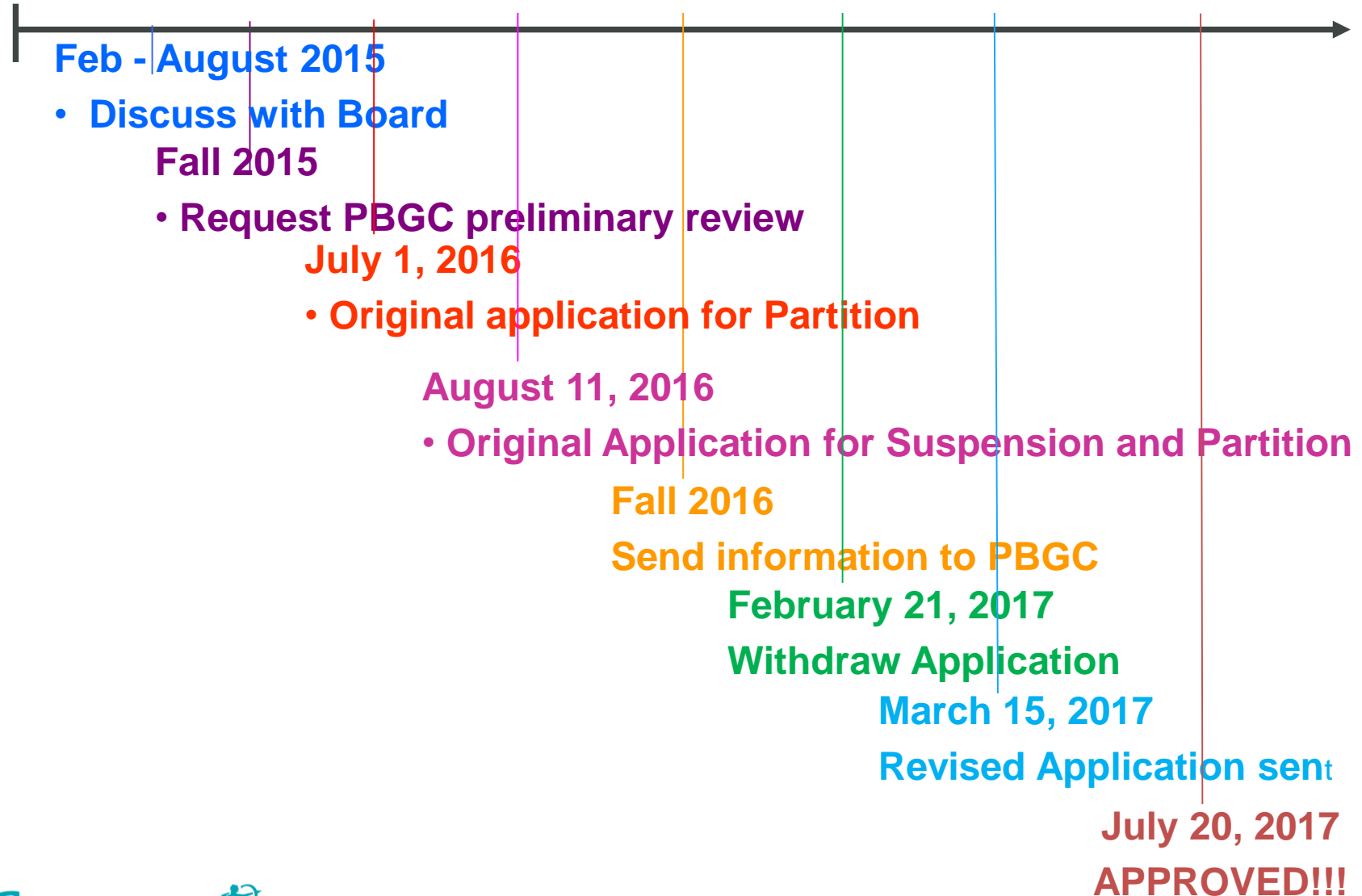
- Returns: same as baseline
- 1.5% contribution rate increases, and stable membership
- MPRA Suspension & Partition Effective September 1, 2017, 56% of the Inactive and 100% of the Terminated Vested Benefit Payments
- PBGC Exposure (valued at 2.82%): \$162.7 million (\$55.7 million savings)



Application Process



December 16, 2014





- Engage PBGC in discussion early for preliminary review
 - No charge for discussing with them
- Projections must demonstrate 3 key items
 - Minimum liability to partition to avoid insolvency
 - Solvency ratio doesn't decrease in last 5 years
 - Available resources do not decrease in last 5 years
- Reasonable assumptions



- PBGC provides technical assistance to Treasury
 - Reviews participant benefit information
 - Form an opinion about the projected benefit payments reflected in proposed suspension application
 - Detailed test lives sent to PBGC – focus is on benefits, not liabilities
- Communicate openly with participants