

Checklist Item #19	Application for Approval of a Suspension of Benefits Under MPRA
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Iron Workers Local 17 Pension Fund	EIN: 51-0161467 Plan No.: 001
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<p>Does the application include the plan information required by section 5.02. See Section 5.02</p>	<p>The application on behalf of the Iron Workers Local 17 Pension Fund includes a detailed year-by-year analysis of the annual changes from 1998 through 2015 along with the series of steps taken by the Board of Trustees to avoid the impending insolvency in 2025 is included as Checklist Item #18. Additional historical information, classified as Plan Factors, which were taken into account are as follows:</p> <p><u>Historical Summary of Contribution Levels 1999 – Present</u></p> <table border="1" data-bbox="776 926 1360 1381"> <thead> <tr> <th>Effective Date of Change</th> <th>Contribution Rate</th> </tr> </thead> <tbody> <tr> <td>October 1, 1999</td> <td>\$4.00</td> </tr> <tr> <td>August 1, 2000</td> <td>\$4.35</td> </tr> <tr> <td>August 1, 2001</td> <td>\$4.75</td> </tr> <tr> <td>August 1, 2002</td> <td>\$5.10</td> </tr> <tr> <td>August 1, 2003</td> <td>\$7.25</td> </tr> <tr> <td>August 1, 2004</td> <td>\$7.75</td> </tr> <tr> <td>August 1, 2005</td> <td>\$8.25</td> </tr> <tr> <td>August 1, 2006</td> <td>\$9.00</td> </tr> <tr> <td>August 1, 2008</td> <td>\$9.50</td> </tr> <tr> <td>May 1, 2013</td> <td>\$10.00</td> </tr> </tbody> </table> <p><u>Historical Summary of Benefit Accrual Levels 1998 – Present</u></p> <table border="1" data-bbox="768 1564 1349 1896"> <thead> <tr> <th>Date of Work in Covered Employment</th> <th>Benefit Credit Rate</th> </tr> </thead> <tbody> <tr> <td>May 1, 1997 to April 30, 1998</td> <td>\$75.00</td> </tr> <tr> <td>May 1, 1998 to April 30, 2000</td> <td>\$85.50</td> </tr> <tr> <td>May 1, 2000 to April 30, 2001</td> <td>\$90.00</td> </tr> </tbody> </table>	Effective Date of Change	Contribution Rate	October 1, 1999	\$4.00	August 1, 2000	\$4.35	August 1, 2001	\$4.75	August 1, 2002	\$5.10	August 1, 2003	\$7.25	August 1, 2004	\$7.75	August 1, 2005	\$8.25	August 1, 2006	\$9.00	August 1, 2008	\$9.50	May 1, 2013	\$10.00	Date of Work in Covered Employment	Benefit Credit Rate	May 1, 1997 to April 30, 1998	\$75.00	May 1, 1998 to April 30, 2000	\$85.50	May 1, 2000 to April 30, 2001	\$90.00
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May 1, 2001 to November 1, 2004	\$100.00
November 1, 2004 and after	\$50.00

Historical Summary of Plan Changes to Adjustable Benefits Under the Rehabilitation Plan adopted effective May 1, 2009:

- All early retirement subsidies, except for the 30-Year and Out Service Pension for participants who reach age 62, were eliminated.
- The disability pension benefit was eliminated for participants who did not receive a Social Security Disability Award.
- The Return of Contribution Death Benefit, which was previously suspended, was eliminated.
- The Lump Sum Payment Option, which was previously suspended, was eliminated.
- The Sixty Payment Guarantee Option was eliminated.
- The Hours Bank Restoration Credit which was effective May 1, 2006 was eliminated.

As of May 1, 2009, all adjustable benefits were eliminated with the exception of the subsidy to participants who earned 30 years of Vesting Service who retire between age 62 and 65 and those participants that were determined by Social Security to be totally and permanently disabled. Accordingly, no additional adjustable benefit changes have been made since 2009.

As part of the updated Rehabilitation Plan in 2011, the Board of Trustees struggled with elimination of any further adjustable benefits and determined to leave only the small remaining subsidy for the long time (30+ year) participants who work until age 62. At that time, they eliminated the disability pension under the Default Schedule. However, the bargaining parties elected to add a \$0.50 per hour

contribution to the Pension Fund to retain the subsidy for disability pensioners.

Prior Benefit Suspensions Under MPRA

The Board of Trustees have not applied for or received approval for any prior benefit suspensions under Internal Revenue Code Section 432(e)(9).

Board of Trustees' Efforts to Maintain or Attract New Employers

Since 2007 when the excise tax was assessed for the 2003 funding deficiency, the Board of Trustees has sent representative to industry meetings to keep the contributing employers informed of the various actions that Trustees were undertaking to try to improve the solvency of the Pension Fund as detailed in Checklist Item #18. The retention of the Groom Law Group to negotiate the termination of the Pension Fund under a managed mass withdrawal was the result of employers' requests. The Iron Workers Local Union No. 17 has a strong core group of area employers that are hopeful that the current Suspension Plan will help to stabilize the Pension Fund and ultimately eliminate the withdrawal liability and excise tax obligations which are currently adversely impacting their long term financial solvency. However, recent efforts by the International Iron Workers Union to provide more favorable agreements to large out of area contractors has undermined some of the support the local employers have shown for the recovery efforts.

Impact of Solvency on Plan Subsidies and Ancillary Benefits

The Board of Trustees eliminated almost all early retirement subsidies and only provides a 50% survivorship annuity benefit upon death to surviving spouses and beneficiaries for unmarried participants under its initial Rehabilitation Plan effective May 1, 2009 as explained above. There are no other ancillary benefits provided to the participants and beneficiaries.

Compensation Levels Relative to the Industry

In 2008 when the Iron Workers Local 17 Pension Fund contribution rate was raised to \$9.50 per hour it was at least double if not 3x higher than all other pension fund contributions in Northeast Ohio. Since that time, the rate changes to \$10.00 per hour effective May 1, 2013. This equates to a contribution required of \$19,000 for a \$50.00 Benefit Credit each year the active participant works as an Iron Worker. During the process of evaluating the Suspension Plan, the Board of Trustees was able to obtain rates for some other area pension funds through the State of Ohio Prevailing Wage reports. These rates still support the fact that the \$10.00 per hour contribution rate is higher than most of the area trades including the Carpenter/Millwrights, Glaziers and Operating Engineers which have overlapping jurisdictional claims. This disparity causes contributing employers to seek to use other trades instead of the Iron Workers Local 17 members causing grievances and other disputes.

Union/Craft	Year	Rate
Operating Engineers	2015	\$6.00
Plumbers 219 (Summit County)	2014	\$10.55
Laborers 860	2015	\$3.00
Sheet Metal Workers Local 33	2015	\$11.48
Truck Drivers – Building Heavy/Highway Drivers	2015	\$6.70
Cement Masons 132	2015	\$6.00
Asbestos Workers	2015	\$7.10
Boilermakers	2009	\$6.46
Bricklayers Local 7 (Summit County)	2014	\$7.46

Carpenter Millwrights	2014	\$5.99
Electricians 306 (Summit County)	2015	\$1.01-1.05
Elevator Local 45	2012	\$6.96
Glaziers Local 181 (Cuyahoga County)	2013	\$7.41
Iron Workers 550 (neighboring Pension Fund)	2015	\$8.17
Sprinkler Fitters Local 669	2015	\$5.75

Competitive Factors Facing Contributing Employers

During 2002-2006, the only option for the Board of Trustees to improve the funding of the Pension Fund was to reduce benefits on a prospective basis and increase hourly contributions. Accordingly, during these years future benefits were dramatically reduced and the contribution rate was increased at such a rate as to make it the highest in the Northeast Ohio area. The Board of Trustees designed the initial Rehabilitation Plan in 2008 to bring the liabilities for the pension benefits into line with the \$9.50 per hour contribution rate at the time in order to avoid raising the contribution rate and making the contributing employers even less competitive. At this time, the Iron Workers Local 17 Pension Fund contribution rate is closer to other building trade rates, so the employers that survived those initial years are not placed in such a competitive disadvantage.