



111 SW Fifth Avenue
Suite 3700
Portland, OR 97204
USA

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

milliman.com

March 27, 2015

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

Board of Trustees
Western Conference of Teamsters Pension Plan
2323 Eastlake Avenue East
Seattle, Washington 98102-3305

**Re: Pension Protection Act (PPA) Actuarial Certification –
Western Conference of Teamsters Pension Plan**

In accordance with IRC Section 432(b)(3)(A), we have prepared the attached actuarial certification for the plan year beginning January 1, 2015 for the Western Conference of Teamsters Pension Plan.

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,

Peter R. Sturdivan, FSA, EA, MAAA
Principal and Consulting Actuary

encl.

cc: Plan Administrator
Plan Counsel
Plan Auditor
Plan Investment Consultant

Western Conference of Teamsters Pension Plan

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2015

Plan Identification

Plan Name: Western Conference of Teamsters Pension Plan
Plan Sponsor: Western Conference of Teamsters Pension Trust Fund Board of Trustees
Plan Year: Plan Year beginning January 1, 2015
EIN/PN: 91-6145047/001
Address: 2323 Eastlake Avenue East
Seattle Washington 98102-3305
Telephone Number: (206) 329-4900

Enrolled Actuary Identification

Name: Peter R. Sturdivan
EA Number: 14-04239
Firm: Milliman, Inc.
Address: 111 SW Fifth Avenue
Suite 3700
Portland, Oregon 97204-3654
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 actuarial report for the plan year ended December 31, 2014, I hereby certify that the Western Conference of Teamsters Pension Plan is not "endangered", "seriously endangered", "critical", or "critical and declining" status for the plan year beginning January 1, 2015 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.

[signed]

Peter R. Sturdivan, FSA, EA, MAAA
Enrolled Actuary #14-04239

3/27/15

Date

Western Conference of Teamsters Pension Plan

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2015

Summary of Assumptions/Methods

- The IRC Section 432(b) funding measurements are based on:
 - Participant data and plan provisions as stated in the January 1, 2014, Actuarial Valuation report, dated September 4, 2014.
 - Implementation of funding relief under the Pension Relief Act of 2010 (PRA 2010) continues to apply and the Trustees do not decide to opt-out of using this relief.
 - The estimated January 1, 2015, unaudited market value of assets of approximately \$36.6 billion as reported by the Plan's investment consultant.
 - The estimated 2014 investment return on the Plan's Discretionary and Non-Discretionary assets of 7.3% and 10.1% respectively, as reported by the Plan's investment consultant.
 - The summary of contributions received and benefit payments for the year ended December 31, 2014, provided by the Plan Administrator.
 - An actuarial value of assets as of January 1, 2015, projected:
 - i. for non-dedicated assets, assuming a market value rate of return during 2014 of 7.4% based on information provided by the Plan's investment consultant, and
 - ii. for dedicated assets, assuming that the internal rates of return would remain constant, therefore, that these dedicated assets would not produce material gains or losses.

Market value rates of return for 2015 and subsequent years were assumed to be 7.0% for non-dedicated assets and, for dedicated assets, the various assumed rates specified in the January 1, 2014, Actuarial Report. No future asset gains or losses other than the gains or losses related to the asset smoothing method are reflected.

- The active population is assumed to remain stable as used in the January 1, 2014, actuarial valuation for each plan year after December 31, 2014.
- Based on input from the Plan Administrator, the projected annual contributions for 2015 and all subsequent years will remain at the 2014 levels. Future annual contributions do not include ERISA 4235 funding only contributions and withdrawal liability payments.
- Annual non-investment expenses beginning in 2015 were increased by \$7.5 million for the increase in PBGC premiums.

Western Conference of Teamsters Pension Plan

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2015

Summary of Assumptions/Methods

- The assumptions and methods used in this analysis are the same as those specified in the January 1, 2014, Actuarial Valuation. We note that the January 1, 2014, Actuarial Valuation was prepared assuming the IRS approves the request for approval of change in funding method submitted in December 2012. If the IRS does not approve part of or this entire request, we determined that the Western Conference of Teamsters Pension Plan still would be certified as not “endangered,” “seriously endangered,” “critical”, or “critical and declining” status, and projected not to be in “critical” status in any of the succeeding five Plan Years.
- 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.

Western Conference of Teamsters Pension Plan

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2015

IRC Section 432(b) Funding Measurements

Projection of Credit Balance (millions)

Plan Year Beginning	Contribution	Credit Balance at End of Year
1/1/2014	\$1,518	\$ 2,687
1/1/2015	1,500	2,912
1/1/2016	1,500	3,131
1/1/2017	1,500	3,351
1/1/2018	1,500	3,541
1/1/2019	1,500	3,747
1/1/2020	1,500	3,966
1/1/2021	1,500	4,200
1/1/2022	1,500	4,115
1/1/2023	1,500	4,022
1/1/2024	1,500	3,986

An accumulated funding deficiency is not projected to occur at the end of the 2015 plan year or at the end of the next-following nine plan years.

Funded Percentage

The funded percentage as of January 1, 2015 is projected to be 91.9%.

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, 2015 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.

Western Conference of Teamsters Pension Plan

Actuarial Certification Under PPA for Plan Year Beginning January 1, 2015

Summary of Zone Status Definitions under PPA as Amended by MEPRA

Critical ("Red Zone") Status - IRC Section 432(b)(2) and 432(b)(4)

Any one of four "solvency" tests under IRC Section 432(b)(2):

- Test 1 Less than 65% funded and market value of assets plus contributions for current year plus next following 6 plan years is less than present value of projected benefit payments and administrative costs over that 7-year period or
- Test 2 Projected funding deficiency in current year or next following 3 plan years (4 plan years if 65% funded or less)¹ or
- Test 3 Present value of vested benefits (actives) is less than present value of benefits (inactives), and present value of projected contributions is less than the unit credit normal cost plus interest on the unfunded present value of accrued benefits and projected funding deficiency in current or next 4 plan years¹ or
- Test 4 Market assets plus projected contributions over current year plus next 4 plan years is less than the present value of benefit payments plus administrative costs over same 5 year period.

Within 30 days after the date of this certification, a plan that is not in critical status but is projected to be in critical status in any of the succeeding 5 plan years *may* elect under IRC Section 432(b)(4) to be in critical status effective for the current plan year.

Critical and Declining ("Deep Red Zone") Status – IRC Section 432(b)(6)

In critical status and either:

- Projected insolvency in current year or any of the 14 following plan years or
- Projected insolvency in current year or any of the 19 following plan years if:
 - Ratio of ratio of inactive participants to active participants exceeds 2 to 1 or
 - Less than 80% funded

Endangered ("Yellow Zone") Status – IRC Section 432(b)(1)

Not in critical status and either:

- Less than 80% funded or
- Projected funding deficiency in current plan year or next following 6 plan years²

Seriously Endangered ("Orange Zone") Status - IRC Section 432(b)(1)

Not in critical status and both:

- Less than 80% funded and
- Projected funding deficiency in current plan year or next following 6 plan years²

¹ Not taking into account an extension of amortization periods under IRC Section 431(d), if any

² Taking into account an extension of amortization periods under IRC Section 431(d), if any