FUNDING ASSURANCE PLAN

An innovative banking proposal for distressed Multiemployer plans

NY | TAKING ACTION *to* PROTECT PENSIONS

AMERICAN FAMILIES FOR PENSION SECURITY

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I. PROPOSAL OVERVIEW

NY-Taking Action to Protect Pensions (NY-TAPP) and American Families for Pension Security (AFPS), two grass-roots organizations comprised of thousands of workers, retirees and their family members that have been affected by, and/or are suffering from devastating cuts as a result of the multi-employer pension crisis, have developed a plan that can serve as an add-on to any proposed legislation by the Joint Select Committee on the Solvency of Multiemployer Pension Plans designed to avoid cuts to pension benefits (the "Funding Assurance Plan" or "FAP").

FAP is designed to grow a Reserve Pool Fund (RPF) that will serve as a master insurance trust for the multiemployer pension plan (MEPP) system. The RPF will (i) provide a back-up guarantee for future U.S. Treasury Department loans to critical and declining plans, and (ii) potentially provide injections of new loans or funding to critical and declining plans that need additional support. One important feature of FAP is its focus on ensuring that workers and their family members play an important role in helping solve the problem we are facing without a need for devastating cuts. It's also a uniquely American approach to helping solve this crisis.

FAP will generate new funding support for troubled MEPPs from banking and credit card fees that affected workers and their family members typically pay to third party financial vendors. Under FAP, a new special-purpose credit union and a credit card affinity program would be established to inject funds into the Reserve Pool Fund. In addition to the worker generated banking and finance revenue, FAP also calls for additional fees and surcharges to be paid by employer and union sponsors of the pension plans and to worker and retiree participants in these plans. These funds would be added to the Reserve Pool Fund, with some portion being transferred to the Pension Benefit Guaranty Corporation to secure its balance sheet. Although FAP can be adopted to work with any type of loan program, the models we have provided in this document are based on a loan program that allows critical and declining MEPP plans to apply for 5 to 10-year operating deficit loans.

Key Features of FAP:

- Establishment of a credit card affinity program with major financial institutions offered to all MEPP participants (including the plans themselves, and employer and union sponsors) and their worker and retiree participant family members. The monetary value of reward points would be injected into the RPF. Employer and union sponsors would coordinate a strong marketing campaign with a special committee of key stakeholders and participating financial institutions.
- Establishment of a Special-Purpose Credit Union (NewCU). A special committee of key stakeholders will determine if the NewCU should be established via a merger of existing plan and local union credit unions or established independently. Members will agree to inject NewCU profits into the RPF for a period of 30 years.
- MEPP Plan New Fees. Employer sponsors, union sponsors and participants will be required to pay additional fees of $2 to $3 to be injected into the RPF and as additional support for the PBGC.

- Critical and Declining Plan Fees. Participants in critical and declining plans will be required to pay an additional fee of $13 to be injected into the RPF. These funds can be restored to the participant if they participate in the credit card affinity program and the NewCU.
- The Reserve Pool Fund would be managed by a team comprised of key stakeholders from employer sponsors, union sponsors, the Treasury Department and the NewCU. Until all Treasury Department loans are repaid in full, the Treasury Department would exercise control of the RPF. Upon full repayment of the Treasury Department loans, any remaining funds will be returned (i) to the NewCU with respect to its RPF contributions, and (ii) to the workers, employer sponsors and union sponsors respectively in the case of the extra fees and surcharges levied and paid into the RPF pursuant to this plan.
- Enabling legislation will ideally include a provision permitting the National Credit Union Administration to authorize NewCU to have access to secondary capital in the event it is necessary to hit FAP targets, similar to rules already in place for low-income credit unions.

II. BACKGROUND

Approximately 10.7 million Americans and their families depend on a retirement benefit from a multiemployer pension plan. Nearly 1.4 million of those families are in plans that may go insolvent and will therefore be unable to pay full or even partial benefits. These plans are described as critical and declining plans by the Department of Labor (DOL). There were several key factors that led to the current crisis, including:

- **<u>Significant underfunding of pension obligations by participating employers</u>** who have either (i) gone bankrupt, (ii) withdrawn from the related plan without paying sufficient amounts to cover their employees, or (iii) remained in the plan but negotiated arrangements with plan administrators to not fully fund their employee pension obligations. The result is that many employees covered in these plans are "**orphans**" without the necessary pension funding or funding commitments to cover their promised benefits.
- **<u>Losses resulting from the two major financial markets recessions in the early 2000s and in 2008/09</u>** and the related financial scandals and fraudulent dealings that helped lead to the market excesses.
- **<u>Systemic underfunding of employer pension obligations</u>** as a result of federal government regulations that, among other things: (i) permitted multiemployer pension plans to overestimate their investment returns and thereby underestimate the future pension contributions required to prudently cover employee pension benefits, and (ii) failed to require that employer sponsors of the plans make adjustments to their contribution levels based on the actual performance of the pension plan investments (as is required in single employer plans).

The Pension Benefit Guaranty Corporation (PBGC), a federal corporation which insures, and backstops distressed and insolvent pension plans, is also underfunded and is projected to go insolvent by 2026. Even if the PBGC had adequate funding to meet its potential liabilities, it was never designed to provide a reasonable level of insurance to retirees in the MEPP system. Unlike workers covered by single-employer pension plans, the PBGC insurance only covers a small fraction of the lost retirement payments a worker would receive in the event a MEPP plan fails. This is not a new problem for Congress. Legislation has been introduced in the past to address the fundamental shortcoming, but no action was taken by Congress to fix this known problem.

The Multiemployer Pension Reform Act ("MPRA"), also known as the Kline-Miller legislation, passed in 2014, has not been proven to provide adequate solutions to fix distressed multiemployer plans. Benefit suspensions under MPRA law appear only to allow plans to, at best, "tread water" and not close most existing plans' operating deficits. Additionally, the economic impact to existing contributing employers and employees remains significant. In many cases, only 20% of contributions made on an active workers behalf will ever be realized in their future benefit; the remaining 80% pays the unfunded liabilities of the plan, and those in pay status and only after devastating cuts to retiree pensions have been instituted.

- As part of the Bipartisan Budget Act of 2018, The Joint Select Committee on the Solvency of Multiemployer Pension Plans has been formed to propose a solution to the continuing and worsening multiemployer pension plan (MEPP) crisis in the U.S.
- To date, two legislative solutions to the MEPP problem have been proposed: Senator Sanders' Keep Our Pension Promises Act (KOPPA, 2016), and Senator Sherrod Brown's Butch Lewis Act (BLA, 2017). The GROW Act (2018), also under review, does not propose solutions to the current problem as much as it transitions away from defined benefit to defined contribution plans for future retirees. Another proposal in circulation, put forward by UPS, involves an across the board reduction in pension benefits in addition to low interest loans to the funds.
- The Butch Lewis Act is currently garnering the most attention. It calls for issuance of special-purpose treasury bonds, which would generate enough money to provide low interest loans to a distressed pension plan. Loan terms would be for 30 years; the first 29 years, interest only is paid, with the principal due in the 30th year. The BLA also provides restrictions on how loan funds are invested. If it were determined that the type of annuity contract and investment class permitted under the BLA would impair a fund's ability to return the full principal within 30-years when it comes due, a new funding source could solve this problem.
- The Funding Assurance Plan (FAP), through the establishment of an innovate new credit union (NewCU) and a credit card affinity program is a win-win add-on to any potential legislation that receives bi-partisan support from the Joint Select Committee. It allows workers and their family members to be part of the solution and delivers much needed new revenue to help fill any gaps.

III. FUNDING ASSURANCE IS NEEDED

Already, people critical of the Butch Lewis Act are questioning whether it is reasonable to assume that troubled plans will be able to repay the loans with increased interest rates being charged and significant restrictions being placed on investments[1]. Setting aside other potential improvements to the Act[2], putting in place a funding assurance mechanism to secure repayment of the loans would be very helpful to ensuring the long-term success of BLA or any proposal that the Joint Select Committee adopts. As proposed herein, our Funding Assurance Plan allows the affected workers and their families to be an important part of the solution.

Every year, families pay hundreds (some thousands) of dollars in fees, interests and charges to their credit card providers and banking institutions. They also receive hundreds of dollars in valuable special rewards from credit card companies. The Funding Assurance Plan proposes to organize a credit card affinity program and a special-purpose credit union to secure new funding to help guarantee repayment of any loans extended by the Butch Lewis Act or any future proposal the Joint Select Committee offers to Congress that does not require cuts to worker pensions. With over 1 million potentially affected workers, their family members, and some anticipated participation from other MEPP participants, the targeted community for participation in either or both FAP programs exceeds 40 million people. Our estimates would only require a small fraction of that group to participate in order to generate sufficient to secure loans to the distressed plans.

Our current modeling estimates that the Funding Assurance Plan (cooperative banking measures together with additional fees) will eventually generate between $556-$850 million in additional funding every year to support the Butch Lewis Act or other potential legislation.

IV. NewCU & AFFINITY PROGRAM ROLL-OUT

i. A Multiemployer Banking Coordinating Committee (MBCC) will be established. The board of such committee will be comprised of key stakeholders. The primary objectives of the committee will be to create a high-performance credit union and credit card program drawing on participants in the MEPP system and their family members, to help repay

[1] Both NY-TAPP and AFPS support measures to increase oversight over MEPP investment activities and operations. We recommend a strong benchmarking and standards oversight system be put in place such that once an individual fund's performance fall below the standard in any measured area, a special team would be sent in for an audit and to ensure corrective actions are instituted. Areas that should be subject to reporting, standardization and benchmarking could include, for example: (i) investment diversification, (ii) investment fees, (iii) investment performance, and (iv) staff and operation costs.

[2] For example, the Joint Select Committee could amend the existing legislative framework's provisions on withdrawal liability to require some pay down of outstanding withdrawal liability by all employer sponsors of the troubled pension plans. Currently, employer sponsors are facing billions of dollars of withdrawal liability if they exit the plans. This is not the case for single employer plans, in large part, because in the single employer plan system, employers are required to adjust contributions on a regular basis according to the plan's actual performance. Despite proposals to require similar adjustments in the multi-employer system, Congress never acted to fix this problem. Prior to cutting the pensions of retirees, it is reasonable for the Joint Select Committee to require a meaningful contribution (some percentage, but not all, of the withdrawal liability they currently face (possibly 35%) from employer sponsors who benefited from not having to make regular adjustments based on the promises made to their workers. The Joint Select Committee could also modify the withdrawal liability provisions and require all employer sponsors who have already formally withdrawn from the pension plans to pay the full amount of their liability immediately, rather than over ten to fifteen years. Before forcing devastating cuts on retirees struggling to pay for their prescription medicine and mortgage payments, it would seem reasonable to ask employer sponsors to take out long term loans to cover the liability they have to pay for their workers' pensions.

treasury loans, fund a risk reserve pool, and close remaining plan deficits.

ii. Develop a field of membership drive in coordination with important stakeholders of the MEPP pool and organize sufficient capitalization to ensure FAP objectives can be met.

iii. The MBCC will determine if existing credit unions which currently serve multiemployer plan participants could be merged to form a large enough national charter, with combined financial capital, net worth and members to serve FAP goals.

iv. The MBCC will also negotiate a credit card affinity program to start generating support and revenue for the Reserve Pool Fund (RPF) while the NewCU is being organized.

v. Creation of a Reserve Pool Fund (RPF), which would be used to help repay and secure Treasury loans. Reserve pool assets would be an accumulation of NewCU retained earnings (profits), in conjunction with a credit card affinity program, membership fees, and surcharges of all stakeholders and participants, which are then conservatively invested with an assumed investment return of 6.75%. The RPF will also provide an added layer of insurance protection for multiemployer pension plans. This master insurance trust will serve all 10 million current members of multiemployer funds. To the extent funds are not ultimately used, there will be a process for returning them to the NewCU and its members. The RPF will be managed by a Board appointed from the Treasury Department, the NewCU and other key stakeholders.

vi. Create Goal Achievement Accounts (GAAs) within the NewCU which would monitor participant's (including local unions and plan sponsors) individual impact and contribution levels towards the credit-union and credit card program.

vii. Assist employers and their active workers, local unions, and plan sponsors to use the NewCU as their primary financial institution. Employees would be directed to use NewCU for payroll deposit accounts, and local unions and plan sponsors would use the credit union for administration and expense related operations.

V. OBJECTIVES AND FEASIBILITY

Is it possible? Yes. The proposal has received nearly unanimous support from workers and their family members who have been polled. Credit Unions were originally developed just for this type of problem and we are entering a new age of financial innovation that makes it much easier to build banking relationships.

Fintech Case Study: In 2013, a Fintech, mobile-only bank, began in Europe. In just five years, this bank has over 800,000 members and continues growing. Within 48 months, the NewCU, with an aggressive new member commitment letter campaign, could achieve similar results via mobile app membership drive.

NewCU Growth: The field of membership for the NewCU would be approximately 40 million members (including the 10 million participants in the MEPP system and their family members). Within 15 to 30 years, the NewCU would have accumulated approximately $10-$20 billion dollars in total assets, and between 750,000 to 1 million total members.

The Funding Assurance Plan requires a shared responsibility among all stakeholders—employers, unions, employees, and plan sponsors. It provides a proactive way for affected workers and their family members to be part of the solution, and while it will cost them time and money, it puts their future clearly in their hands. The NewCU would eventually generate approximately $300 to $400 million dollars annually in profits (with reasonable expectations on profitability) to be invested modestly, with an expected return of 6.75%. In addition to this, union, participant, and employer surcharges would be instituted. These surcharges would provide an additional $556 million dollars annually. The combination of the NewCU banking profits and the stakeholder surcharges will fund a risk reserve pool (or master insurance trust) to secure or repay loans when the principal comes due. Engaging workers and their family members in a positive way via the Funding Assurance Plan should be a central part of any solution proposed by the Joint Select Committee.

VI. NewCU & AFFINITY PROGRAM GROWTH PROJECTIONS

The fastest way to get NewCU off the ground might be through the merger of several already existing multi-employer credit unions. While this process is being organized, the FAP team would move forward in partnership with pension plans, local unions and one key or several banking partners to launch the credit card affinity program. Our goals over the course of 5-7 years would be to have 500,000 to 1 million members participating in either the credit card affinity program and/or the NewCU. The marketing drive would be conducted in close coordination with local participating unions and pension plans directly impacted by potential devastating cuts. Given the nature of the crisis and the NY-TAPP survey results of affected pension plan participants, we have every reason to believe that we can organize one of the fastest membership drives for a credit union in American history.

In order to sustain the growth expectations for NewCU, we will need to ensure the NewCU has adequate capital. NewCU will do this through: (i) merger with already existing well-capitalized credit unions, (ii) higher than normal required member capital contributions (estimated at $500), and (iii) access to secondary capital, hopefully facilitated by enabling legislation from Congress (we are asking the Joint Select Committee to make a minor amendment to the existing Credit Union regulations governing access to secondary capital that would grant the National Credit Union Association (NCUA) authority to approve applications for access to secondary capital submitted by special-purpose credit unions (like NewCU) established or dedicated for the purpose of addressing major U.S. economic crises. Access to secondary capital would be the same as that provided under NCUA regulations for low-income credit unions.

Three (3) Potential Membership Growth Models

MODERATE - (GOAL)				AGGRESSIVE				CONSERVATIVE			
	YEAR	MEMBERS	GROWTH		YEAR	MEMBERS	GROWTH		YEAR	MEMBERS	GROWTH
1	2019	185,000	32.0%	1	2019	185,000	52.0%	1	2019	185,000	34.0%
2	2020	249,750	35.0%	2	2020	288,600	56.0%	2	2020	236,800	28.0%
3	2021	357,143	43.0%	3	2021	435,786	51.0%	3	2021	305,472	29.0%
4	2022	524,999	47.0%	4	2022	684,184	57.0%	4	2022	394,059	29.0%
5	2023	797,999	52.0%	5	2023	1,081,011	58.0%	5	2023	484,692	23.0%
6	2024	949,619	19.0%	6	2024	1,351,263	25.0%	6	2024	572,422	18.1%
7	2025	1,035,085	9.0%	7	2025	1,486,390	10.0%	7	2025	671,451	17.3%
8	2026	1,060,962	2.5%	8	2026	1,568,141	5.5%	8	2026	782,240	16.5%
9	2027	1,129,924	6.5%	9	2027	1,630,867	4.0%	9	2027	905,834	15.8%
10	2028	1,180,771	4.5%	10	2028	1,696,102	4.0%	10	2028	991,888	9.5%
11	2029	1,233,906	4.5%	11	2029	1,763,946	4.0%	11	2029	1,011,726	2.0%
12	2030	1,289,431	4.5%	12	2030	1,834,503	4.0%	12	2030	1,031,961	2.0%
13	2031	1,334,562	3.5%	13	2031	1,907,884	4.0%	13	2031	1,052,600	2.0%
14	2032	1,381,271	3.5%	14	2032	1,984,199	4.0%	14	2032	1,073,652	2.0%
15	2033	1,429,616	3.5%	15	2033	2,063,567	4.0%	15	2033	1,095,125	2.0%
16	2034	1,479,652	3.5%	16	2034	2,146,110	4.0%	16	2034	1,117,027	2.0%
17	2035	1,531,440	3.5%	17	2035	2,231,954	4.0%	17	2035	1,139,368	2.0%
18	2036	1,585,040	3.5%	18	2036	2,321,232	4.0%	18	2036	1,162,155	2.0%
19	2037	1,640,517	3.5%	19	2037	2,414,081	4.0%	19	2037	1,185,398	2.0%
20	2038	1,697,935	3.5%	20	2038	2,510,645	4.0%	20	2038	1,209,106	2.0%
21	2039	1,757,363	3.5%	21	2039	2,611,070	4.0%	21	2039	1,233,288	2.0%
22	2040	1,818,870	3.5%	22	2040	2,715,513	4.0%	22	2040	1,257,954	2.0%
23	2041	1,882,531	3.5%	23	2041	2,824,134	4.0%	23	2041	1,283,113	2.0%
24	2042	1,948,419	3.5%	24	2042	2,937,099	4.0%	24	2042	1,308,775	2.0%
25	2043	2,016,614	3.5%	25	2043	3,054,583	4.0%	25	2043	1,334,951	2.0%
26	2044	2,087,196	3.5%	26	2044	3,176,766	4.0%	26	2044	1,361,650	2.0%
27	2045	2,160,247	3.5%	27	2045	3,303,837	4.0%	27	2045	1,388,883	2.0%
28	2046	2,235,856	3.5%	28	2046	3,435,991	4.0%	28	2046	1,416,661	2.0%
29	2047	2,314,111	3.5%	29	2047	3,573,430	4.0%	29	2047	1,444,994	2.0%
30	2048	2,395,105	3.5%	30	2048	3,716,367	4.0%	30	2048	1,473,894	2.0%

Potential NewCU Asset and Membership Growth Projections

A1:G	Year	NewCU's Total Combined Assets	Growth of All NewCU Asset Classes	Earnings on Only Credit Card Assets (40%)	ROA NewCU Credit Card Assets	Earnings on Non-Credit Card Assets (60%)	ROA NewCU non-Credit Card Assets	Combined Retained Earnings on all NewCU Assets	Risk Pool Contributions (65% of Surplus Earnings)
1	2019	$ 628,571,428.57	32.00%	$ 10,937,142.86	4.35%	$ 4,902,857.14	1.30%	$ 15,840,000.00	$ 10,296,000.00
2	2020	$ 810,857,142.86	29.00%	$ 14,108,914.29	4.35%	$ 6,130,080.00	1.26%	$ 20,238,994.29	$ 13,155,346.29
3	2021	$ 989,245,714.29	22.00%	$ 17,212,875.43	4.35%	$ 7,953,535.54	1.34%	$ 25,166,410.97	$ 16,358,167.13
4	2022	$ 1,216,772,228.57	23.00%	$ 21,171,836.78	4.35%	$ 8,906,772.71	1.22%	$ 30,078,609.49	$ 19,551,096.17
5	2023	$ 1,630,474,786.29	34.00%	$ 28,370,261.28	4.35%	$ 10,858,962.08	1.11%	$ 39,229,223.36	$ 25,498,995.18
6	2024	$ 1,793,522,264.91	10.00%	$ 31,207,287.41	4.35%	$ 13,451,416.99	1.25%	$ 44,658,704.40	$ 29,028,157.86
7	2025	$ 1,985,429,147.26	10.70%	$ 34,546,467.16	4.35%	$ 13,342,083.87	1.12%	$ 47,888,551.03	$ 31,127,558.17
8	2026	$ 2,182,979,347.41	9.95%	$ 37,983,840.64	4.35%	$ 17,551,153.95	1.34%	$ 55,534,994.60	$ 36,097,746.49
9	2027	$ 2,402,587,069.76	10.06%	$ 41,805,015.01	4.35%	$ 18,596,023.92	1.29%	$ 60,401,038.93	$ 39,260,675.31
10	2028	$ 2,643,326,294.15	10.02%	$ 45,993,877.52	4.35%	$ 15,859,957.76	1.00%	$ 61,853,835.28	$ 40,204,992.93
11	2029	$ 2,894,442,292.10	9.50%	$ 50,363,295.88	4.35%	$ 17,540,320.29	1.01%	$ 67,903,616.17	$ 44,137,350.51
12	2030	$ 3,180,992,079.01	9.90%	$ 55,349,262.17	4.35%	$ 24,048,300.12	1.26%	$ 79,397,562.29	$ 51,608,415.49
13	2031	$ 3,538,535,588.70	11.24%	$ 61,570,519.24	4.35%	$ 27,812,889.73	1.31%	$ 89,383,408.97	$ 58,099,215.83
14	2032	$ 3,857,003,791.68	9.00%	$ 67,111,865.98	4.35%	$ 28,233,267.76	1.22%	$ 95,345,133.73	$ 61,974,336.92
15	2033	$ 4,250,418,178.43	10.20%	$ 73,957,276.30	4.35%	$ 30,858,035.98	1.21%	$ 104,815,312.28	$ 68,129,952.98
16	2034	$ 4,637,206,232.67	9.10%	$ 80,687,388.45	4.35%	$ 35,335,511.49	1.27%	$ 116,022,899.94	$ 75,414,884.96
17	2035	$ 5,100,926,855.93	10.00%	$ 88,756,127.29	4.35%	$ 41,011,451.92	1.34%	$ 129,767,579.21	$ 84,348,926.49
18	2036	$ 5,713,038,078.65	12.00%	$ 99,406,862.57	4.35%	$ 45,590,043.87	1.33%	$ 144,996,906.44	$ 94,247,989.18
19	2037	$ 6,312,907,076.90	10.50%	$ 109,844,583.14	4.35%	$ 47,346,803.08	1.25%	$ 157,191,386.21	$ 102,174,401.04
20	2038	$ 7,013,639,762.44	11.10%	$ 122,037,331.87	4.35%	$ 47,384,150.24	1.13%	$ 169,421,482.10	$ 110,123,963.37
21	2039	$ 7,718,510,558.56	10.05%	$ 134,302,083.72	4.35%	$ 56,499,497.29	1.22%	$ 190,801,581.01	$ 124,021,027.66
22	2040	$ 8,413,176,508.84	9.00%	$ 146,389,271.25	4.35%	$ 68,146,729.72	1.35%	$ 214,536,000.98	$ 139,448,400.63
23	2041	$ 9,254,494,159.72	10.00%	$ 161,028,198.38	4.35%	$ 59,413,852.51	1.07%	$ 220,442,050.88	$ 143,287,333.07
24	2042	$ 10,365,033,458.88	12.00%	$ 180,351,582.18	4.35%	$ 68,409,220.83	1.10%	$ 248,760,803.01	$ 161,694,521.96
25	2043	$ 11,323,799,053.83	9.25%	$ 197,034,103.54	4.35%	$ 76,775,357.58	1.13%	$ 273,809,461.12	$ 177,976,149.73
26	2044	$ 12,756,259,634.14	12.65%	$ 221,958,917.63	4.35%	$ 84,956,689.16	1.11%	$ 306,915,606.80	$ 199,495,144.42
27	2045	$ 13,980,860,559.02	9.60%	$ 243,266,973.73	4.35%	$ 100,662,196.02	1.20%	$ 343,929,169.75	$ 223,553,960.34
28	2046	$ 15,426,481,540.82	10.34%	$ 268,420,778.81	4.35%	$ 118,475,378.23	1.28%	$ 386,896,157.04	$ 251,482,502.08
29	2047	$ 16,813,322,231.34	8.99%	$ 292,551,806.83	4.35%	$ 112,985,525.39	1.12%	$ 405,537,332.22	$ 263,599,265.94
30	2048	$ 18,513,149,108.93	10.11%	$ 322,128,794.50	4.35%	$ 143,291,774.10	1.29%	$ 465,420,568.60	$ 302,523,369.59
Accelerated NewCU growth within 5 years through credit union mergers						40% of NewCU assets in credit card lending with 75% member penetration			

Our asset growth and revenue goals will be further supplemented by a focus on developing business from corporate members, including pension plan sponsors and local union organizations. The FAP team will focus on enlisting as many pension plans and local unions in the effort as possible with a goal of converting most of their traditional vendor payment and/or administrative/operational (non-investment) banking operations to the NewCU and/or credit card affinity program.

Example: *Teamsters Local 294, serving approximately 5,500 members, located in upstate N.Y., spends over $90,000 annually through credit card transactions in conducting its normal business in representing its members. These expenditures are not conducted through a dedicated banking program card or financial institution. There are 334 Teamsters locals nationwide with similar spending budgets, and this could potentially serve as a new significant revenue source for an insurance trust fund. Additionally, there are nearly 1,400 multiemployer pension plans which conduct millions of dollars in daily administrative spending through credit card transactions.*

Affinity Program Growth Projection

	YEAR	CONTRIBUTING MEMBERS	AFFINITY PROGRAM GROWTH	REWARD REDEMTION VALUE	PER MEMBER DEPOSIT	RISK POOL TRUST CONTRIBUTION
1	2019	$ 1,000,000.00		$ 156,000,000.00	$ 156.00	$ 156,000,000.00
2	2020	$ 1,070,000.00	7%	$ 166,920,000.00	$ 156.00	$ 166,920,000.00
3	2021	$ 1,166,300.00	9%	$ 181,942,800.00	$ 156.00	$ 181,942,800.00
4	2022	$ 1,294,593.00	11%	$ 201,956,508.00	$ 156.00	$ 201,956,508.00
5	2023	$ 1,462,890.09	13%	$ 228,210,854.04	$ 156.00	$ 228,210,854.04
6	2024	$ 1,594,550.20	9%	$ 248,749,830.90	$ 156.00	$ 248,749,830.90
7	2025	$ 1,642,386.70	3%	$ 256,212,325.83	$ 156.00	$ 256,212,325.83
8	2026	$ 1,691,658.31	3%	$ 263,898,695.61	$ 156.00	$ 263,898,695.61
9	2027	$ 1,742,408.05	3%	$ 271,815,656.47	$ 156.00	$ 271,815,656.47
10	2028	$ 1,794,680.30	3%	$ 279,970,126.17	$ 156.00	$ 279,970,126.17
11	2029	$ 1,848,520.70	3%	$ 288,369,229.95	$ 156.00	$ 288,369,229.95
12	2030	$ 1,903,976.33	3%	$ 297,020,306.85	$ 156.00	$ 297,020,306.85
13	2031	$ 1,961,095.62	3%	$ 305,930,916.06	$ 156.00	$ 305,930,916.06
14	2032	$ 2,019,928.48	3%	$ 315,108,843.54	$ 156.00	$ 315,108,843.54
15	2033	$ 2,080,526.34	3%	$ 324,562,108.85	$ 156.00	$ 324,562,108.85
16	2034	$ 2,142,942.13	3%	$ 334,298,972.11	$ 156.00	$ 334,298,972.11
17	2035	$ 2,207,230.39	3%	$ 344,327,941.27	$ 156.00	$ 344,327,941.27
18	2036	$ 2,273,447.30	3%	$ 354,657,779.51	$ 156.00	$ 354,657,779.51
19	2037	$ 2,341,650.72	3%	$ 365,297,512.90	$ 156.00	$ 365,297,512.90
20	2038	$ 2,411,900.25	3%	$ 376,256,438.28	$ 156.00	$ 376,256,438.28
21	2039	$ 2,484,257.25	3%	$ 387,544,131.43	$ 156.00	$ 387,544,131.43
22	2040	$ 2,558,784.97	3%	$ 399,170,455.38	$ 156.00	$ 399,170,455.38
23	2041	$ 2,635,548.52	3%	$ 411,145,569.04	$ 156.00	$ 411,145,569.04
24	2042	$ 2,714,614.98	3%	$ 423,479,936.11	$ 156.00	$ 423,479,936.11
25	2043	$ 2,796,053.42	3%	$ 436,184,334.19	$ 156.00	$ 436,184,334.19
26	2044	$ 2,879,935.03	3%	$ 449,269,864.22	$ 156.00	$ 449,269,864.22
27	2045	$ 2,966,333.08	3%	$ 462,747,960.14	$ 156.00	$ 462,747,960.14
28	2046	$ 3,055,323.07	3%	$ 476,630,398.95	$ 156.00	$ 476,630,398.95
29	2047	$ 3,146,982.76	3%	$ 490,929,310.92	$ 156.00	$ 490,929,310.92
30	2048	$ 3,241,392.25	3%	$ 505,657,190.24	$ 156.00	$ 505,657,190.24

VII. RESERVE POOL FUND (RPF)

MEPPs which apply for emergency stabilization loans will need to take additional steps to guarantee future repayment of loans and close remaining operating deficits. In addition to developing a special-purpose credit union in conjunction with an affinity credit card program to help repay loans, further steps will be required to adequately meet the FAP's funding objectives.

The following fees and surcharges will help build the RPF and provide adequate guarantees that plans will be able to repay loans. Should a serious market correction happen, the NewCU will use assets within the RPF to provide cash to plans which may not be able to make all principal payments without going insolvent.

Based on the fee schedule below, the RPF, invested conservatively at 6.75%, will be able to earn approximately $45-66 billion within a 30-year period. This will adequately provide protection against serious market losses and corrections, while also helping a distressed plan pay loans and close funding shortfalls.

Reserve Pool & Master Insurance Trust - Surcharges & Fees	Monthly Cost	Yearly (Approximate)
Employer surcharge per active employee	$ 3.00	$ 120,000,000
Employee membership fee per participant	$ 2.00	$ 160,000,000
Participant membership fee for criticial and declining plans	$ 13.00	$ 156,000,000
Union surcharges per active participant	$ 3.00	$ 120,000,000
Total Reserve Pool Fund (RPF) contributions		$ 556,000,000
Extra PBGC annual contributions		$ 70,000,000
Total annual collections		$ 626,000,000

Of the annual surcharges collected, $556 million will be invested with an assumption rate of 6.75%. $70 million will be paid annually in increased premiums to the PBGC to adequately fund the corporation's insurance program. Participant surcharges will be assessed to all 10-million members in the MEPP system, in addition to all union and employer sponsors.

There are approximately 1.4 million participants in plans which are designated as critical and declining (C&D). An additional surcharge of $13.00 per month will be assessed to each participant of a C&D plan, making the total monthly cost for a distressed plan member $15.00. In coordination with a NewCU or banking affinity program, this cost can be reduced or eliminated through the member's participation in a credit card rewards, goal achievement giveback program.

ACCUMULATION PHASE OF RPF

GROWTH PROJECTIONS
OF RESERVE POOL FUND (RPF) WITH
SURCHARGE & AFFINITY PROGRAM DEPOSITS

Year	Return	SURCHARGE CONTRIBUTIONS	AFFINITY/EXTRA PREMIUMS	LIQUIDITY DISBURSEMENTS	EST. INVESTMENT RETURN	TRUST BALANCE
1	6.75%	$ 400,000,000	$ 156,000,000	$ -	$ 18,808,712	$ 574,808,712
2	6.75%	$ 400,000,000	$ 166,920,000	$ -	$ 59,290,245	$ 1,201,018,957
3	6.75%	$ 400,000,000	$ 181,942,800	$ -	$ 103,497,546	$ 1,886,459,303
4	6.75%	$ 400,000,000	$ 201,956,508	$ -	$ 152,006,961	$ 2,640,422,772
5	6.75%	$ 400,000,000	$ 228,210,854	$ -	$ 205,509,268	$ 3,474,142,894
6	6.75%	$ 400,000,000	$ 248,749,831	$ -	$ 264,383,924	$ 4,387,276,650
7	6.75%	$ 400,000,000	$ 256,212,326	$ -	$ 328,357,977	$ 5,371,846,953
8	6.75%	$ 400,000,000	$ 263,898,696	$ -	$ 397,324,691	$ 6,433,070,340
9	6.75%	$ 400,000,000	$ 271,815,656	$ -	$ 471,648,321	$ 7,576,534,317
10	6.75%	$ 400,000,000	$ 279,970,126	$ -	$ 551,719,016	$ 8,808,223,460
11	6.75%	$ 400,000,000	$ 288,369,230	$ -	$ 637,954,641	$ 10,134,547,331
12	6.75%	$ 400,000,000	$ 297,020,307	$ -	$ 730,802,727	$ 11,562,370,364
13	6.75%	$ 400,000,000	$ 305,930,916	$ -	$ 830,742,551	$ 13,099,043,832
14	6.75%	$ 400,000,000	$ 315,108,844	$ -	$ 938,287,376	$ 14,752,440,051
15	6.75%	$ 400,000,000	$ 324,562,109	$ -	$ 1,053,986,829	$ 16,530,988,989
16	6.75%	$ 400,000,000	$ 334,298,972	$ -	$ 1,178,429,462	$ 18,443,717,424
17	6.75%	$ 400,000,000	$ 344,327,941	$ -	$ 1,312,245,483	$ 20,500,290,848
18	6.75%	$ 400,000,000	$ 354,657,780	$ -	$ 1,456,109,678	$ 22,711,058,306
19	6.75%	$ 400,000,000	$ 365,297,513	$ -	$ 1,610,744,546	$ 25,087,100,365
20	6.75%	$ 400,000,000	$ 376,256,438	$ -	$ 1,776,923,640	$ 27,640,280,443
21	6.75%	$ 400,000,000	$ 387,544,131	$ -	$ 1,955,475,155	$ 30,383,299,729
22	6.75%	$ 400,000,000	$ 399,170,455	$ -	$ 2,147,285,757	$ 33,329,755,941
23	6.75%	$ 400,000,000	$ 411,145,569	$ -	$ 2,353,304,684	$ 36,494,206,194
24	6.75%	$ 400,000,000	$ 423,479,936	$ -	$ 2,574,548,137	$ 39,892,234,268
25	6.75%	$ 400,000,000	$ 436,184,334	$ -	$ 2,812,103,970	$ 43,540,522,571
26	6.75%	$ 400,000,000	$ 449,269,864	$ -	$ 3,067,136,713	$ 47,456,929,149
27	6.75%	$ 400,000,000	$ 462,747,960	$ -	$ 3,340,892,950	$ 51,660,570,058
28	6.75%	$ 400,000,000	$ 476,630,399	$ -	$ 3,634,707,062	$ 56,171,907,519
29	6.75%	$ 400,000,000	$ 490,929,311	$ -	$ 3,950,007,384	$ 61,012,844,214
30	6.75%	$ 400,000,000	$ 505,657,190	$ -	$ 4,288,322,784	**$ 66,206,824,188**

** Interest Compounded Weekly*

Within 15-years, the RPF will have accumulated enough assets to provide liquidity disbursements to plans in need of additional capital. If no disbursements are made, the insurance trust fund will grow to approximately $66 billion dollars.

ACCUMULATION PHASE OF RPF

GROWTH PROJECTIONS
OF RESERVE POOL FUND (RPF) WITH
SURCHARGE & NewCU DEPOSITS

Year	Return	SURCHARGE CONTRIBUTIONS	NewCU CONTRIBUTIONS	LIQUIDITY DISBURSEMENTS	EST. INVESTMENT RETURN	TRUST BALANCE
1	6.75%	$ 556,000,000.00	$ 10,296,000.00	0	$ 19,157,011.58	$ 585,453,011.58
2	6.75%	$ 556,000,000.00	$ 13,155,346.29	0	$ 60,108,659.61	$ 1,214,717,017.47
3	6.75%	$ 556,000,000.00	$ 16,358,167.13	0	$ 104,129,208.44	$ 1,891,204,393.04
4	6.75%	$ 556,000,000.00	$ 19,551,096.17	0	$ 151,444,831.44	$ 2,618,200,320.64
5	6.75%	$ 556,000,000.00	$ 25,498,995.18	0	$ 202,378,311.36	$ 3,402,077,627.19
6	6.75%	$ 556,000,000.00	$ 29,028,157.86	0	$ 257,199,346.60	$ 4,244,305,131.65
7	6.75%	$ 556,000,000.00	$ 31,127,558.17	0	$ 316,043,892.01	$ 5,147,476,581.83
8	6.75%	$ 556,000,000.00	$ 36,097,746.49	0	$ 379,238,429.90	$ 6,118,812,758.22
9	6.75%	$ 556,000,000.00	$ 39,260,675.31	0	$ 447,128,599.21	$ 7,161,202,032.73
10	6.75%	$ 556,000,000.00	$ 40,204,992.93	0	$ 519,902,044.99	$ 8,277,309,070.66
11	6.75%	$ 556,000,000.00	$ 44,137,350.51	0	$ 597,920,850.56	$ 9,475,367,271.73
12	6.75%	$ 556,000,000.00	$ 51,608,415.49	0	$ 681,778,199.10	$ 10,764,753,886.32
13	6.75%	$ 556,000,000.00	$ 58,099,215.83	0	$ 771,975,596.77	$ 12,150,828,698.92
14	6.75%	$ 556,000,000.00	$ 61,974,336.92	0	$ 868,831,743.89	$ 13,637,634,779.74
15	6.75%	$ 556,000,000.00	$ 68,129,952.98	0	$ 972,794,410.58	$ 15,234,559,143.30
16	6.75%	$ 556,000,000.00	$ 75,414,884.96	0	$ 1,084,479,712.15	$ 16,950,453,740.41
17	6.75%	$ 556,000,000.00	$ 84,348,926.49	0	$ 1,204,522,951.99	$ 18,795,325,618.89
18	6.75%	$ 556,000,000.00	$ 94,247,989.18	0	$ 1,333,599,314.48	$ 20,779,172,922.55
19	6.75%	$ 556,000,000.00	$ 102,174,401.04	0	$ 1,472,307,127.01	$ 22,909,654,450.60
20	6.75%	$ 556,000,000.00	$ 110,123,963.37	0	$ 1,621,248,362.09	$ 25,197,026,776.05
21	6.75%	$ 556,000,000.00	$ 124,021,027.66	0	$ 1,781,339,171.20	$ 27,658,386,974.91
22	6.75%	$ 556,000,000.00	$ 139,448,400.63	0	$ 1,953,623,219.44	$ 30,307,458,594.99
23	6.75%	$ 556,000,000.00	$ 143,287,333.07	0	$ 2,138,614,393.90	$ 33,145,360,321.96
24	6.75%	$ 556,000,000.00	$ 161,694,521.96	0	$ 2,337,275,605.23	$ 36,200,330,449.15
25	6.75%	$ 556,000,000.00	$ 177,976,149.73	0	$ 2,551,012,689.66	$ 39,485,319,288.53
26	6.75%	$ 556,000,000.00	$ 199,495,144.42	0	$ 2,780,978,442.09	$ 43,021,792,875.04
27	6.75%	$ 556,000,000.00	$ 223,553,960.34	0	$ 3,028,579,581.86	$ 46,829,926,417.24
28	6.75%	$ 556,000,000.00	$ 251,482,502.08	0	$ 3,295,268,993.10	$ 50,932,677,912.42
29	6.75%	$ 556,000,000.00	$ 263,599,265.94	0	$ 3,581,982,965.54	$ 55,334,260,143.90
30	6.75%	$ 556,000,000.00	$ 302,523,369.59	0	$ 3,890,457,227.57	**$ 60,083,240,741.06**

** Interest Compounded Weekly*

Within 15-years, the RPF will have accumulated enough assets to provide liquidity disbursements to plans in need of additional capital. If no disbursements are made, the insurance trust fund will grow to approximately $60 billion dollars.

Approximately 65% of the NewCU's retained earnings will be allocated and paid annually to the RPF.

VIII. PENSION PLAN STABILIZATION & ACTUARIAL MODELING

Multiemployer plans which are in critical and declining status will apply to the U.S. Treasury for a direct loan at an interest rate of 3% or receive loans from the issuance of special-purpose bonds through the Treasury. Plans would apply for a 10-year "loan-deficit amount", or a 5-year loan amount, depending on the severity of the plan's current operating deficit. A one-year, loan-deficit-amount is equal to the current annual operating deficit of the plan applying for the loan.

A plan which requires a greater than 12% investment return each year to "break even", or to not incur an operating deficit, would likely need to apply for a 10-year loan as opposed to a 5-year loan. A one-loan-year deficit amount is equal to the current annual operating deficit of the plan which applies for the loan.

Example 1: A critical and declining pension plan with an assumed rate of investment return of 7.5% (ROR) with an operating deficit of $90,702,171, would apply for a 10-year operating deficit loan. The loan amount would be $90,702,171 x 10, or **$907,021,710.**

PARTICIPANTS		34,526
ASSETS		1,198,000,000.00
EMPLOYER CONTRIBUTIONS		118,647,969.00
BENEFITS		280,144,632.00
ADMINISTRATIONS/FEES		19,055,508.00
TOTAL EXPENSES W/ BENEFITS		299,200,140.00
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$	(180,552,171.00)
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"		15.07%
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$	89,850,000.00
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	$	(90,702,171.00)
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/RATE % ASSUMPTION	$	2,407,362,280.00
FUTURE NEEDED CAPITAL	$	1,209,362,280.00

Pension Plan A, New York State Teamsters Pension Fund – Form 5500 Data 2017

Example 2: A critical and declining pension plan with an assumed 7.5% ROR, with an operating deficit of $1,152,790,364, would apply for a 10-year operating deficit loan. The loan amount would be $1,152,790,364 x 10, or **$11,527,903,640.**

PARTICIPANTS		397,492
ASSETS	$	15,600,000,000.00
EMPLOYER CONTRIBUTIONS	$	586,686,090.00
BENEFITS	$	2,814,338,009.00
ADMINISTRATIONS/FEES	$	95,138,445.00
TOTAL EXPENSES W/ BENEFITS	$	2,909,476,454.00
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$	(2,322,790,364.00)
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"		14.89%
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$	1,170,000,000.00
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	$	(1,152,790,364.00)
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/RATE % ASSUMPTION	$	30,970,538,186.67
FUTURE NEEDED CAPITAL	$	15,370,538,186.67

Pension Plan B, Central States Pension Fund – Form 5500 Data 2017

As loans are made, and Treasury funds are provided to distressed plans, interest only payments will commence immediately. Loans will be amortized over 30-years, with an interest rate fixed at 3%. Interest only payments will be made for the first 29 years. The principal balance will be returned in the 30th year of the date of origination. If a plan is unable to return the full principal in the 30th year, the remaining loan balance will be amortized for an additional 15 years and both principal and interest payments will commence immediately.

If a plan's actuary determines that a plan will emerge from critical status by the end of 15 years, loan principal payments will commence. *Total loans needed to stabilize all critical and declining multiemployer pension plans would be approximately $30-35 billion dollars.*

FUND	BEFORE 10-YEAR LOAN	POST 10-YEAR LOAN
New York State Teamsters Conference Pension & Retirement Fund (EIN)	166063585	
PARTICIPANTS	34,526	34,526
ASSETS	1,198,000,000.00	$ 2,105,021,710.00
EMPLOYER CONTRIBUTIONS	118,647,969.00	$ 118,647,969.00
BENEFITS	280,144,632.00	$ 280,144,632.00
ADMINISTRATIONS/FEES	19,055,508.00	$ 19,055,508.00
TOTAL EXPENSES W/ BENEFITS	299,200,140.00	$ 299,200,140.00
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (180,552,171.00)	$ (180,552,171.00)
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	15.07%	8.58%
7.5% INVESTMENT RATE OF RETURN (ROR) ON CURRENT ASSET BASE	$ 89,850,000.00	$ 157,876,628.25
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	$ (90,702,171.00)	$ (22,675,542.75)
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/7.5% ROR ASSUMPTION	$ 2,407,362,280.00	$ 2,407,362,280.00
FUTURE NEEDED CAPITAL	$ 1,209,362,280.00	$ 302,340,570.00
Central States, Southeast And Southwest Areas Pension Plan (EIN)	366044243	
PARTICIPANTS	397,492	397,492
ASSETS	$ 15,600,000,000.00	$ 27,127,903,640.00
EMPLOYER CONTRIBUTIONS	$ 586,686,090.00	$ 586,686,090.00
BENEFITS	$ 2,814,338,009.00	$ 2,814,338,009.00
ADMINISTRATIONS/FEES	$ 95,138,445.00	$ 95,138,445.00
TOTAL EXPENSES W/ BENEFITS	$ 2,909,476,454.00	$ 2,909,476,454.00
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (2,322,790,364.00)	$ (2,322,790,364.00)
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	14.89%	8.56%
7.5% INVESTMENT RATE OF RETURN ON CURRENT ASSET BASE	$ 1,170,000,000.00	$ 2,034,592,773.00
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	$ (1,152,790,364.00)	$ (288,197,591.00)
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/7.5% ROR ASSUMPTION	$ 30,970,538,186.67	$ 30,970,538,186.67
FUTURE NEEDED CAPITAL	$ 15,370,538,186.67	$ 3,842,634,546.67

PENSION PLAN (A & B) - LOAN INFUSION

Pension Plan A (New York State Teamsters) 10-year deficit loan = $90,702,171 x 10, or $907,021,710.

Pension Plan B (Central States Pension Fund) 10-year deficit loan = $1,152,790,364 x 10, or $11,527,903,640.

Beginning January 1, 2019, Pension Plan A has assets valued at $1.178 billion. The plan is 41% funded. The plan receives a 10-year loan deficit amount totaling $907,021,710. Monthly interest payments of $2,267,554.28 are paid to the Treasury for 29 years. On the 30th year, the final principal of $909,289,264.28 is returned to the Treasury.

Beginning January 1, 2019, Pension Plan B has assets valued at $15.1 billion. The plan is 37% funded. The plan receives a 10-year loan deficit amount totaling $11,527,903,640. Monthly interest payments of $28,819,759 are paid to the Treasury for 29 years. On the 30th year, the final principal of $11,527,903,640 is returned to the Treasury.

ACTUARIAL 30-YEAR PROJECTIONS

WITH LOAN AND INTEREST PAYMENTS (PENSION PLAN A)

Date	Year	Return (ROR)	Beginning Assets	Employer Contributions	Withdrawal Payments	Benefit Payments	Future New Entrants	Est. Inv. Return	Annual Interest Payments	Admin Expenses	Assets/Balance
			$1,178,000,000.00								
		AMOUNT=>	$907,021,710.00								$ -
2019	1	7.37%	$2,085,021,710.00	123,070,258	9,586,913	277,763,262		126,000,000.00	27,210,651.36	9,853,710	2,028,851,257.64
2020	2	7.34%		126,858,857	9,570,693	289,476,009		148,917,682.31	27,210,651.36	7,136,955	1,990,374,874.59
2021	3	7.28%	0	130,719,066	9,497,851	291,778,124		144,899,290.87	27,210,651.36	7,235,993	1,949,266,314.10
2022	4	7.21%	0	134,556,012	9,497,851	294,018,522		140,542,101.25	27,210,651.36	6,815,865	1,905,817,239.99
2023	5	7.14%	0	138,158,433	9,497,851	296,695,501		136,075,350.94	27,210,651.36	6,918,030	1,858,724,692.56
2024	6	7.06%	0	141,466,836	9,497,851	299,108,546		131,225,963.29	27,210,651.36	7,022,280	1,807,573,865.50
2025	7	6.97%	0	144,824,740	9,497,851	301,027,980		125,987,898.43	27,210,651.36	7,127,573	1,752,518,150.56
2026	8	6.90%	0	148,376,864	9,497,851	302,773,895		120,923,752.39	27,210,651.36	7,234,950	1,694,097,121.59
2027	9	6.85%	0	152,024,878	9,497,851	304,199,347		116,045,652.83	27,210,651.36	7,343,370	1,632,912,135.06
2028	10	6.82%	0	155,773,714	9,497,851	305,130,690		111,364,607.61	27,210,651.36	7,453,875	1,569,753,091.31
2029	11	7.77%	0	159,643,163	9,497,851	305,532,541		121,969,815.19	27,210,651.36	7,565,423	1,520,555,305.15
2030	12	7.75%	0	163,658,474	9,497,851	305,235,952		117,843,036.15	27,210,651.36	7,679,055	1,471,429,007.94
2031	13	7.74%	0	167,800,651	9,475,797	304,593,205		113,888,605.21	27,210,651.36	7,793,730	1,422,996,474.79
2032	14	7.72%	0	169,935,486	9,425,111	303,178,782	197,467	109,855,327.85	27,210,651.36	7,910,490	1,373,715,009.28
2033	15	7.71%	0	169,217,536	9,251,903	301,391,848	459,406	105,913,427.22	27,210,651.36	8,029,335	1,321,006,635.14
2034	16	7.71%	0	168,551,422	8,949,319	298,996,289	830,710	101,849,611.57	27,210,651.36	8,150,265	1,265,169,072.35
2035	17	7.70%	0	167,880,805	8,949,319	295,999,925	1,254,262	97,418,018.57	27,210,651.36	8,272,238	1,206,680,138.56
2036	18	7.69%	0	167,210,785	4,474,660	292,243,093	1,738,441	92,793,702.66	27,210,651.36	8,396,295	1,141,570,805.85
2037	19	7.69%	0	166,608,308	0	288,276,718	2,355,872	87,786,794.97	27,210,651.36	8,522,438	1,069,600,229.47
2038	20	7.68%	0	166,038,848	0	283,642,855	3,012,103	82,145,297.62	27,210,651.36	8,650,665	995,268,100.73
2039	21	7.68%	0	165,458,003	0	278,705,033	3,736,673	76,436,590.14	27,210,651.36	8,779,935	918,730,401.50
2040	22	7.68%	0	164,915,115	0	273,411,062	4,514,350	70,558,494.84	27,210,651.36	8,911,290	840,156,657.98
2041	23	7.67%	0	164,399,566	0	267,851,657	5,348,967	64,440,015.67	27,210,651.36	9,044,730	759,540,234.29
2042	24	7.67%	0	163,847,735	0	262,138,625	6,356,844	58,256,735.97	27,210,651.36	9,180,255	676,758,329.90
2043	25	7.67%	0	163,284,176	0	255,924,912	7,400,443	51,907,363.90	27,210,651.36	9,317,865	592,095,998.44
2044	26	7.67%	0	162,741,778	0	250,132,387	8,527,026	45,413,763.08	27,210,651.36	9,457,560	504,923,915.16
2045	27	7.67%	0	162,254,844	0	244,187,019	9,703,477	38,727,664.29	27,210,651.36	9,599,340	415,205,936.09
2046	28	7.66%	0	161,762,831	0	238,000,395	10,939,205	31,804,774.70	27,210,651.36	9,743,205	322,880,085.44
2047	29	7.66%	0	161,273,104	0	232,074,898	12,345,861	24,732,614.54	27,210,651.36	9,889,155	227,365,238.62
2048	30	7.66%	0	160,805,268	0	226,128,534	13,801,646	17,416,177.28	27,210,651.36	10,037,190	128,408,662.54
2049	31	7.66%	0	160,359,940	0	220,907,897	15,917,666	9,836,103.55	27,210,651.36	10,187,310	**24,381,181.73**

Source: Data from Horizon Actuarial NYSTPF certification document provided to U.S. Department of Treasury 2017

With a $907,021,710 loan infusion, Plan A will be able to pay participant benefits for 30 years. After year 15, the Plan will receive secondary funding of $680,266,282 (75% of original loan amount) from assets earned through the Reserve Pool Fund. This infusion of capital will provide liquidity and help the Plan repay loans on year 30. *Note: Projections are based on actuarial assumptions and are estimates only.*

ACTUARIAL 30-YEAR PROJECTIONS

WITH LOAN AND INTEREST PAYMENTS (PENSION PLAN A)

& ADDITIONAL CAPITAL INFUSION (YEAR 15)

Date	Year	Return (ROR)	Beginning Assets	Employer Contributions	Withdrawal Payments	Benefit Payments	Future New Entrants	Est. Inv. Return	Annual Interest Payments	Admin Expenses	Assets/Balance
			$1,178,000,000.00								
		AMOUNT=>	$907,021,710.00								$ -
2019	1	7.37%	$2,085,021,710.00	123,070,258	9,586,913	277,763,262		126,000,000.00	27,210,651.36	9,853,710	2,028,851,257.64
2020	2	7.34%		126,858,857	9,570,693	289,476,009		148,917,682.31	27,210,651.36	7,136,955	1,990,374,874.59
2021	3	7.28%	0	130,719,066	9,497,851	291,778,124		144,899,290.87	27,210,651.36	7,235,993	1,949,266,314.10
2022	4	7.21%	0	134,556,012	9,497,851	294,018,522		140,542,101.25	27,210,651.36	6,815,865	1,905,817,239.99
2023	5	7.14%	0	138,158,433	9,497,851	296,695,501		136,075,350.94	27,210,651.36	6,918,030	1,858,724,692.56
2024	6	7.06%	0	141,466,836	9,497,851	299,108,546		131,225,963.29	27,210,651.36	7,022,280	1,807,573,865.50
2025	7	6.97%	0	144,824,740	9,497,851	301,027,980		125,987,898.43	27,210,651.36	7,127,573	1,752,518,150.56
2026	8	6.90%	0	148,376,864	9,497,851	302,773,895		120,923,752.39	27,210,651.36	7,234,950	1,694,097,121.59
2027	9	6.85%	0	152,024,878	9,497,851	304,199,347		116,045,652.83	27,210,651.36	7,343,370	1,632,912,135.06
2028	10	6.82%	0	155,773,714	9,497,851	305,130,690		111,364,607.61	27,210,651.36	7,453,875	1,569,753,091.31
2029	11	7.77%	0	159,643,163	9,497,851	305,532,541		121,969,815.19	27,210,651.36	7,565,423	1,520,555,305.15
2030	12	7.75%	0	163,658,474	9,497,851	305,235,952		117,843,036.15	27,210,651.36	7,679,055	1,471,429,007.94
2031	13	7.74%	0	167,800,651	9,475,797	304,593,205		113,888,605.21	27,210,651.36	7,793,730	1,422,996,474.79
2032	14	7.72%	0	169,935,486	9,425,111	303,178,782	197,467	109,855,327.85	27,210,651.36	7,910,490	1,373,715,009.28
2033	15	7.71%	$ 680,266,282.00	169,217,536	9,251,903	301,391,848	459,406	105,913,427.22	27,210,651.36	8,029,335	2,001,272,917.14
2034	16	7.71%	0	168,551,422	8,949,319	298,996,289	830,710	154,298,141.91	27,210,651.36	8,150,265	1,997,883,884.69
2035	17	7.70%	0	167,880,805	8,949,319	295,999,925	1,254,262	153,837,059.12	27,210,651.36	8,272,238	1,995,813,991.45
2036	18	7.69%	0	167,210,785	4,474,660	292,243,093	1,738,441	153,478,095.94	27,210,651.36	8,396,295	1,991,389,052.03
2037	19	7.69%	0	166,608,308	0	288,276,718	2,355,872	153,137,818.10	27,210,651.36	8,522,438	1,984,769,498.78
2038	20	7.68%	0	166,038,848	0	283,642,855	3,012,103	152,430,297.51	27,210,651.36	8,650,665	1,980,722,369.92
2039	21	7.68%	0	165,458,003	0	278,705,033	3,736,673	152,119,478.01	27,210,651.36	8,779,935	1,979,867,558.57
2040	22	7.68%	0	164,915,115	0	273,411,062	4,514,350	152,053,828.50	27,210,651.36	8,911,290	1,982,789,148.71
2041	23	7.67%	0	164,399,566	0	267,851,657	5,348,967	152,079,927.71	27,210,651.36	9,044,730	1,989,812,637.06
2042	24	7.67%	0	163,847,735	0	262,138,625	6,356,844	152,618,629.26	27,210,651.36	9,180,255	2,001,392,625.96
2043	25	7.67%	0	163,284,176	0	255,924,912	7,400,443	153,506,814.41	27,210,651.36	9,317,865	2,018,329,745.01
2044	26	7.67%	0	162,741,778	0	250,132,387	8,527,026	154,805,891.44	27,210,651.36	9,457,560	2,040,549,790.09
2045	27	7.67%	0	162,254,844	0	244,187,019	9,703,477	156,510,168.90	27,210,651.36	9,599,340	2,068,614,315.63
2046	28	7.66%	0	161,762,831	0	238,000,395	10,939,205	158,455,856.58	27,210,651.36	9,743,205	2,102,939,546.85
2047	29	7.66%	0	161,273,104	0	232,074,898	12,345,861	161,085,169.29	27,210,651.36	9,889,155	2,143,777,254.78
2048	30	7.66%	0	160,805,268	0	226,128,534	13,801,646	164,213,337.72	27,210,651.36	10,037,190	2,191,617,839.13
2049	31	7.66%	0	160,359,940	0	220,907,897	15,917,666	167,877,926.48	27,210,651.36	10,187,310	**2,245,632,181.25**

Source: Data from Horizon Actuarial NYSTPF certification document provided to U.S. Department of Treasury 2017

After year 15, the Plan will receive a secondary funding injection of $680,266,282 (75% of original loan amount) from assets earned through the Reserve Pool Fund. This infusion of capital will provide liquidity and help the Plan return loan principal in year 30. This plan will be able to return the full principal of $907,021,710 in year 30. *Note: Projections are based on actuarial assumptions and are estimates only.*

IX. THE HISTORY OF BANKING COOPERATIVES

Credit unions were first established in the mid-19th century in Europe. During the devastating crop failure and famine of the 1840s, cooperatives were formed to lower the cost of bread and provide low cost credit to farmers. In 1850, the first financial cooperative was formed.

The first American credit union was established in 1909. In 1917, during World War I, credit unions were given non-profit tax-exempt status. In 1934 President Franklin Delano Roosevelt signed the Federal Credit Union Act into law, creating a national system to charter and to supervise federal credit unions.

—Social welfare causes have helped develop today's modern-day credit unions.

Credit unions continue to grow in America, currently having over 110 million members nationwide, and more than 1 trillion dollars in combined assets. Dozens of unions within the MEPPs group operate their own state-chartered credit unions. The FAP proposal calls for multiemployer state-chartered credit unions to combine capital and merge to form a federal charter or begin a new charter.

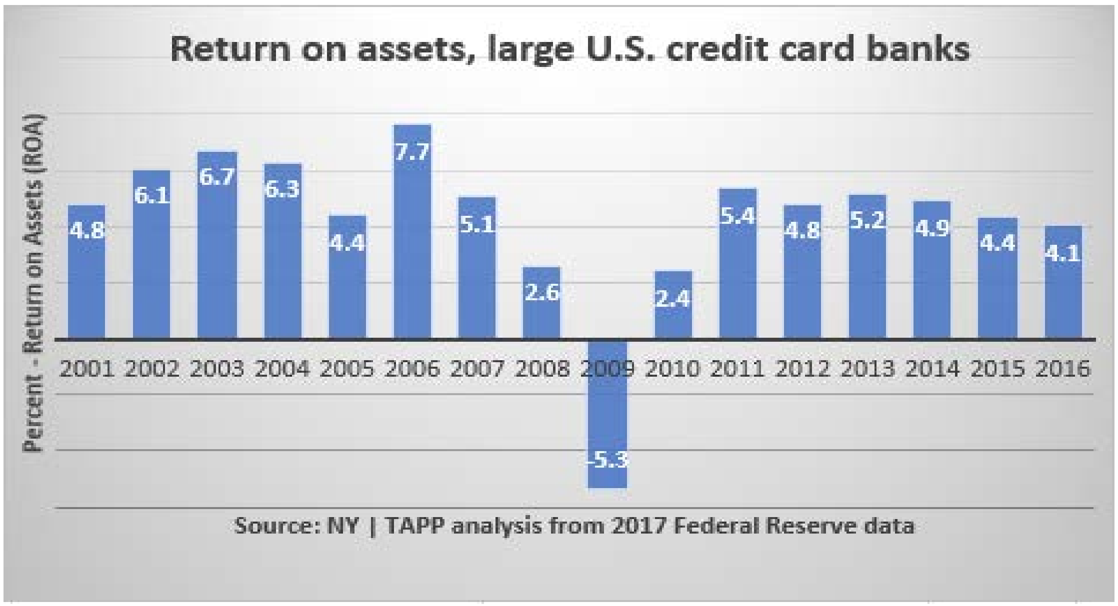
Establishing a new special-purpose credit union ("NewCU"), one with enough capital to offer a high-performance credit card program, would provide the level of profitability necessary to offer enough funding to help strengthen any proposed solution that the Joint Select Committee develops.

In a national survey conducted by NY|TAPP in 2017, 92% of the first 500 respondents said that they would support (and join) such an institution if it were created. Nearly 90% said they would forfeit credit card rewards and all loyalty programs, if these loyalty givebacks allowed the financial institution to help fund their retirement plans.

One example of a goal achievement credit card program is the SallyMae Visa/Mastercard. Members are permitted to divert their earned rewards and cash back incentives to help fund college 529 plans.

X. CREDIT CARD FINANCING BACKGROUND

According to *The Federal Reserve Board's annual Report to Congress on Credit Card Profitability of Depository Institutions,* credit card banking remains one of the most profitable sectors in the banking industry. Return on assets (ROA) remains strong, despite substantial costs incurred through direct mail solicitations, reward, and loyalty program costs.



Based on financial reports and data collected from the Federal Reserve, conventional banking has earned 1.3% on assets over the last 10-years. The NewCU's objective would be to operate a high-performance federal credit union where the institution's return on assets (ROA) would fall between 1.5% to 3%. To accomplish this, the NewCU would have a significant portion of its assets in credit card lending.

Since 2001, the most profitable credit card banking institutions have ROA near 4.35%. Members of the special-purpose credit union would forfeit credit card rewards, cash back incentives, and other perks to allow the institution to reach its target level of profitability. A special-purpose credit union without a costly loyalty program would significantly increase its profitability

XI. FIFTEEN MOST UNDERFUNDED PENSION PLANS

FIFTEEN (15) CRITICAL DECLINING PLANS NEEDING EMMEDIATE FUNDING ASSISTANCE – 2017 DOL FORM 5500 DATA

FUND	PLAN DATA - 2017	DESIRED CAPITAL	10-LOAN DEFICIT AMOUNT
Automotive industries pension fund (EIN)	**941133245**		**$ 233,865,028.00**
PARTICIPANTS	26,028		
ASSETS	$ 1,218,051,896.00		
EMPLOYER CONTRIBUTIONS	$ 26,949,498.00		
BENEFITS	$ 133,827,365.00		
ADMINISTRATIONS/FEES	$ 7,862,528.00		
TOTAL EXPENSES W/ BENEFITS	$ 141,689,893.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (114,740,395.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	9.42%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 91,353,892.20**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (23,386,502.80)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 1,529,871,933.33		
FUTURE NEEDED CAPITAL	$ 311,820,037.33	$ 311,820,037.33	
Bricklayers & Allied Craftsmen Local No 7 Pension Plan (EIN)	**346666798**		**$ 16,448,901.00**
PARTICIPANTS	525		
ASSETS	$ 14,219,652.00		
EMPLOYER CONTRIBUTIONS	$ 772,854.00		
BENEFITS	$ 3,157,388.00		
ADMINISTRATIONS/FEES	$ 326,830.00		
TOTAL EXPENSES W/ BENEFITS	$ 3,484,218.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (2,711,364.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	19.07%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 1,066,473.90**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (1,644,890.10)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 36,151,520.00		
FUTURE NEEDED CAPITAL	$ 21,931,868.00	$ 21,931,868.00	
Bricklayers And Allied Craftworkers Local 5 Pension Plan (EIN)	146016608		**$ 21,214,270.75**
PARTICIPANTS	913		
ASSETS	$ 20,538,639.00		
EMPLOYER CONTRIBUTIONS	$ 2,118,436.00		
BENEFITS	$ 5,352,687.00		
ADMINISTRATIONS/FEES	$ 427,574.00		
TOTAL EXPENSES W/ BENEFITS	$ 5,780,261.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	**$ (3,661,825.00)**		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	17.83%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 1,540,397.93**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (2,121,427.08)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 48,824,333.33		
FUTURE NEEDED CAPITAL	$ 28,285,694.33	$ 28,285,694.33	
Central States, Southeast And Southwest Areas Pension Plan (EIN)	366044243		**$ 11,557,903,640.00**
PARTICIPANTS	397,492		
ASSETS	$ 15,560,000,000.00		
EMPLOYER CONTRIBUTIONS	$ 586,686,090.00		
BENEFITS	$ 2,814,338,009.00		
ADMINISTRATIONS/FEES	$ 95,138,445.00		
TOTAL EXPENSES W/ BENEFITS	$ 2,909,476,454.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (2,322,790,364.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	14.93%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 1,167,000,000.00		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (1,155,790,364.00)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 30,970,538,186.67		
FUTURE NEEDED CAPITAL	$ 15,410,538,186.67	$ 15,410,538,186.67	

C&D PLANS [2]

FUND	PLAN DATA - 2017	DESIRED CAPITAL	10-LOAN DEFICIT AMOUNT
Iron Workers Local 17 Pension Fund (EIN)	510161467		**$ 25,747,344.50**
PARTICIPANTS	2,042		
ASSETS	$ 77,852,434.00		
EMPLOYER CONTRIBUTIONS	$ 11,972,166.00		
BENEFITS	$ 19,107,389.00		
ADMINISTRATIONS/FEES	$ 881,247.00		
TOTAL EXPENSES W/ BENEFITS	$ 20,385,833.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (8,413,667.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	10.81%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 5,838,932.55		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (2,574,734.45)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 112,182,226.67		
FUTURE NEEDED CAPITAL	$ 34,329,792.67	$ 34,329,792.67	
Ironworkers Local 16 Pension Fund (EIN)	526148924		**$ 26,721,613.00**
PARTICIPANTS	1,142		
ASSETS	81,295,236.00		
EMPLOYER CONTRIBUTIONS	3,829,054.00		
BENEFITS	11,662,166.00		
ADMINISTRATIONS/FEES	936,192.00		
TOTAL EXPENSES W/ BENEFITS	12,598,358.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (8,769,304.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	10.79%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 6,097,142.70		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (2,672,161.30)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 116,924,053.33		
FUTURE NEEDED CAPITAL	$ 35,628,817.33	$ 35,628,817.33	
New York State Teamsters Conference Pension & Retirement Fund (EIN)	166063585		**$ 907,021,710.00**
PARTICIPANTS	34,526		
ASSETS	1,198,000,000.00		
EMPLOYER CONTRIBUTIONS	118,647,969.00		
BENEFITS	280,144,632.00		
ADMINISTRATIONS/FEES	19,055,508.00		
TOTAL EXPENSES W/ BENEFITS	299,200,140.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (180,552,171.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	15.07%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 89,850,000.00		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (90,702,171.00)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 2,407,362,280.00		
FUTURE NEEDED CAPITAL	$ 1,209,362,280.00	$ 1,209,362,280.00	
Road Carriers Local 707 Pension Fund (EIN)	516106510		**$ 414,741,699.50**
PARTICIPANTS	4,508		
ASSETS	29,799,694.00		
EMPLOYER CONTRIBUTIONS	6,102,778.00		
BENEFITS	48,170,731.00		
ADMINISTRATIONS/FEES	1,641,194.00		
TOTAL EXPENSES W/ BENEFITS	49,811,925.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (43,709,147.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	146.68%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 2,234,977.05		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (41,474,169.95)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 582,788,626.67		
FUTURE NEEDED CAPITAL	$ 552,988,932.67	$ 552,988,932.67	

C&D PLANS [3]

FUND	PLAN DATA - 2017	DESIRED CAPITAL	10-LOAN DEFICIT AMOUNT
Teamsters Local 469 Pension Plan (EIN)	226172237		**$ 30,064,725.25**
PARTICIPANTS	1,781		
ASSETS	113,946,473.00		
EMPLOYER CONTRIBUTIONS	3,970,391.00		
BENEFITS	14,436,899.00		
ADMINISTRATIONS/FEES	1,085,950.00		
TOTAL EXPENSES W/ BENEFITS	15,522,849.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (11,552,458.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	10.14%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 8,545,985.48**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (3,006,472.53)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 154,032,773.33		
FUTURE NEEDED CAPITAL	$ 40,086,300.33	$ 40,086,300.33	
United Furniture Workers Pension Fund A (EIN)	135511877		**$ 73,121,696.00**
PARTICIPANTS	10,063		
ASSETS	55,798,192.00		
EMPLOYER CONTRIBUTIONS	3,864,739.00		
BENEFITS	13,603,642.00		
ADMINISTRATIONS/FEES	1,758,131.00		
TOTAL EXPENSES W/ BENEFITS	15,361,773.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (11,497,034.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	20.60%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 4,184,864.40**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (7,312,169.60)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 153,293,786.67		
FUTURE NEEDED CAPITAL	$ 97,495,594.67	$ 97,495,594.67	
Western States Office & Professional Employees Pension Fund (EIN)	946076144		**$ 51,833,150.00**
PARTICIPANTS	7,645		
ASSETS	334,210,200.00		
EMPLOYER CONTRIBUTIONS	11,847,576.00		
BENEFITS	39,045,991.00		
ADMINISTRATIONS/FEES	3,050,665.00		
TOTAL EXPENSES W/ BENEFITS	42,096,656.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (30,249,080.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	9.05%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 25,065,765.00		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (5,183,315.00)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 403,321,066.67		
FUTURE NEEDED CAPITAL	$ 69,110,866.67	$ 69,110,866.67	
ALASKA IRON WORKERS PENSION FUND	916123695		**$ 22,148,395.25**
PARTICIPANTS	823		
ASSETS	$ 49,524,313.00		
EMPLOYER CONTRIBUTIONS	$ 2,276,515.00		
BENEFITS	$ 7,451,069.00		
ADMINISTRATIONS/FEES	$ 754,609.00		
TOTAL EXPENSES W/ BENEFITS	$ 8,205,678.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (5,929,163.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	11.97%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 3,714,323.48		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (2,214,839.53)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 79,055,506.67		
FUTURE NEEDED CAPITAL	$ 29,531,193.67	$ 29,531,193.67	

C&D PLANS [4]

FUND	PLAN DATA - 2017	DESIRED CAPITAL	10-LOAN DEFICIT AMOUNT
INTL ASSOC, OF MACHINISTS MOTOR CITY PENSION FUND	386237143		**$ 44,548,800.00**
PARTICIPANTS	1294		
ASSETS	$ 51,181,760.00		
EMPLOYER CONTRIBUTIONS	$ 9,795,745.00		
BENEFITS	$ 8,685,665.00		
ADMINISTRATIONS/FEES	$ 493,832.00		
TOTAL EXPENSES W/ BENEFITS	$ 9,179,497.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ 616,248.00		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	1.20%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 3,838,632.00**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ 4,454,880.00**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 8,216,640.00		
FUTURE NEEDED CAPITAL	$ (42,965,120.00)	$ (42,965,120.00)	
LOCAL 805 IBT PENSION PLAN	131917612		**$ 69,135,014.75**
PARTICIPANTS	2066		
ASSETS	$ 51,672,207.00		
EMPLOYER CONTRIBUTIONS	$ 1,582,883.00		
BENEFITS	$ 11,704,972.00		
ADMINISTRATIONS/FEES	$ 666,828.00		
TOTAL EXPENSES W/ BENEFITS	$ 12,371,800.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	$ (10,788,917.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	20.88%		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	**$ 3,875,415.53**		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**$ (6,913,501.48)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/**RATE %** ASSUMPTION	$ 143,852,226.67		
FUTURE NEEDED CAPITAL	$ 92,180,019.67	$ 92,180,019.67	
UNITED MINE WORKERS OF AMERICA 1974 PLAN (EIN)	521050282		**$ 3,837,994,619.58**
PARTICIPANTS	103323		
ASSETS	$ 3,140,278,373.00		
EMPLOYER CONTRIBUTIONS	$ 55,103,888.00		
BENEFITS	$ 621,737,324.00		
ADMINISTRATIONS/FEES	44836208		
TOTAL EXPENSES W/ BENEFITS	$ 666,573,532.00		
CURRENT OPERATING DEFICIT/SHORTFALL WITH ZERO INVESTMENT RETURN	(611,469,644.00)		
CURRENT NEEDED INVESTMENT RETURN TO "BREAK-EVEN"	**19.47%**		
[RATE OF RETURN] INVESTMENT RETURN ON CURRENT ASSET BASE	$ 227,670,182.04		
OPERATING DEFICIT AFTER ASSUMED RATE OF RETURN	**(383,799,461.96)**		
FUTURE NEEDED FUND ASSET BASE TO NOT INCUR DEFICIT W/RATE % ASSUMPTION	$ 8,434,064,055.17		
FUTURE NEEDED CAPITAL	$ 5,293,785,682.17	$ 5,293,785,682.17	
TOTALS		**$ 23,184,110,146.17**	**$ 17,332,510,607.58**
HOUSEHOLDS/PARTICIPANTS CURRENTLY AFFECTED	**490,848**		
NEEDED CAPITAL IN ORDER TO HAVE NO OPERATING DEFICITS	**$ 23,184,110,146.17**		
ON-GOING CAPITAL EROSION OF ALL FUNDS AFTER ASSUMED **7.5% RATE OF RETURN**	**$ (1,724,341,300.76)**		
ON-GOING CAPITAL EROSION OF ALL FUNDS WITH 0% RATE OF RETURN	**$ (3,366,218,285.00)**		
TOTAL ANNUAL PAID BENEFITS TO BENEFICIARIES	**$ 3,441,775,471.20**		
TOTAL EMPLOYER CONTRIBUTIONS OF ALL PLANS	**$ 1,412,154,018.00**		
TOTAL COMBINED LOANS	**$ 17,332,510,607.58**		

ASSUMED RATE OF RETURN FOR ALL PLANS	**7.5%**
YEARS OF OPERATING DEFICIT LOANS	**10**
LOAN TERM MONTHS (30 YEARS)	**360**

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