

2009 CCA Annual Meeting
Tucson, AZ
Session 43
Workshop on Multiemployer Pension Plans

- I. Introductions
 - a. Ray Lee – The Savitz Organization
 - b. Jay Egelberg – Buck Consultants

- II. Format of the Session
 - a. Controlled Democracy
 - b. List of Possible Topics
 - c. Workshop not Lecture
 - d. Open Dialog

- III. Possible Discussion Topics
 - a. Current market conditions:
 - 1. What kind of forecasting scenarios are currently prudent?
 - 2. A new paradigm ahead? Was March the bottom? Forecasting using 9/30/2009 asset values.
 - b. Individually reasonable assumptions
 - 1. Mortality
 - 2. Interest
 - 3. Assumption changes
 - c. PPA issues
 - 1. 412(e) amortization bases (\$9000 user fee for “automatic” approval)
 - 1. restrictions on benefit improvements
 - 2. Funding-improvement and rehabilitation plans [FIPs and RPs]:
 - 1. What if only benefits are bargained?
 - 2. FIPs and RPs need to disclose “annual standards” for success
 - 3. Update annually [or more frequently if exceptional experience]?
 - a. What time of year?
 - b. With what asset/liability inputs?
 - c. Are CBA expiration dates of concern?
 - 4. When does FIP or RP period begin if, on the date of actuarial certification, CBA has expired and an interim agreement is in place? How does 75% rule work?
 - 5. Contribution rate under default schedule can get stale quickly.
 - 6. Changing assumptions during FIP or RP period
 - 7. Schedule MB attachment.
 - a. 2008 [N/A?]
 - b. First year
 - c. Second year (what if not making progress?)
 - 3. Default benefit schedule to emerge from red zone
 - 4. Emergence from red zone:
 - 1. Separate test per IRC, or fifth test per IRS proposed regs?
 - 2. How often does that door revolve?
 - 5. Lump sums after hitting red zone status
 - 6. Ways to stay green

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7. Projections of contributions in IRS proposed regulations:
 1. elimination of “and contribution levels” from trustee-provided projected industry activity
 2. current-year CBAs *must* be reflected for red-zone cashflow tests
8. Amendments
 1. Not possible between certification [beginning of adoption period] and date of FIP and RP adoption
 2. After adoption date, plan may be amended but when to certify?
 3. Set contribs to target original, or a revised, FIP funding target?
- d. Change to Unit Credit from EAN
 1. Amortize over 10 years per Rev. Proc. 2000-40, right? (IRC 431 is silent, as was IRC 412)
- e. Preserve Benefits & Jobs Act of 2009
- f. Funding Policy
- g. Forecasting
- h. Sister pension-welfare funds with trustee-directed contributions
- i. Asset/Liability modeling
- j. Short-term negative cash flow
- k. Schedule R and the 104(d) Notice
- l. Participant Notification
- m. Multiple multiemployer plans
- n. Employer withdrawals
- o. Mass withdrawals
- p. Partitions and liability/asset transfers
- q. Mergers
- r. Benefit reductions /Asset recovery
- s. Reorganization – It’s not going away.
- t. DC plans
- u. SOP 92-6
- v. Welfare Fund Issues
 1. Demographic assumptions for forecasting
 2. Healthcare trend
 3. Fund solvency concerns
 4. Merging related funds
 5. MOBs
 6. Composite rates across plans or elected coverage
- w. Pension & Health Funds sharing contribution increases
- x. Notice of deferral/ right of deferral