

IUPAT INDUSTRY PENSION PLAN

Actuarial Assumptions and Methods

EMPLOYEE DATA: The active and non-active employee data used in the valuation was obtained from the IUPAT Industry Pension Fund system records. Unknown data fields were completed based on known data.

Active participants included in the valuation are those participants who worked at least 450 hours in covered employment during the year and had accumulated at least 1800 hours of benefit service as of the valuation date.

VALUATION DATE: January 1, 2008

INTEREST RATES: Funding – 7.50% per annum, compounded annually.
 Current Liability – 5.06% per annum, compounded annually.

SALARY SCALE: 5.0% per annum, compounded annually.

DECREMENTS:

- Rates of Mortality:
 - Healthy Lives: 1983 Group Annuity Mortality Table for males and females
 - Disabled Lives: PBGC Mortality Tables for Disabled males receiving Social Security
 - Current Liability: IRS 2008 Static Mortality Table

- *Retirement from Active Service:* Active employees eligible for retirement from active service are assumed to retire at the following rates:

Age	Rate of Retirement		Age	Rate of Retirement	
	Eligible For Unreduced Benefit	Other		Eligible For Unreduced Benefit	Other
45	.025	N/A	55	.150	.05
46	.025	N/A	56	.150	.05
47	.025	N/A	57	.075	.05
48	.025	N/A	58	.075	.05
49	.025	N/A	59	.150	.05
50	.075	N/A	60	.150	.05
51	.075	N/A	61	.150	.05
52	.075	N/A	62	.500	.50
53	.100	N/A	63	.300	.25
54	.100	N/A	64	.250	.25
			65	1.000	1.00

- *Retirement from Vested Status:* Inactive participants eligible for vested benefits are assumed to retire at the earlier of:
 - Age 65, or
 - Age 62 with 45,000 Benefit Hours (including 450 Benefit Hours earned on or after 1990)
 - Inactive participants eligible for vested benefits who are ages 70 and over are assumed not to claim a benefit from the Fund.

- Rates of Disability and Withdrawal Prior to Retirement:

Rate (%)		
Age	Disability	Withdrawal
20	.10	11.94
25	.15	11.62
30	.19	11.21
35	.25	10.55
40	.37	9.40
45	.61	7.54
50	1.03	4.83
55	1.72	--
60	2.77	--

Note: The rates described above are rates of decrement, not probability rates. Probability rates at a given age are calculated by considering all applicable rates of decrement at that age.

EXPENSES: Annual administrative expenses are assumed to be \$6.5 million for 2008.

SPOUSES: The percent married was based on information from US Social Security awards during 1972..

VALUATION OF ASSETS:

- Actuarial Values of Assets for Funding purposes are equal to the market value of assets as of January 1, 2007 to restart the smoothing period. Actuarial value of assets going forward are equal to the market value of assets less the sum of: (1) 80% of the prior year's gains or (losses), (2) 60% of the next prior year's gains or (losses), (3) 40% of the third prior year's gains or (losses), and (4) 20% of the fourth prior year's gains or (losses).
- Actuarial Value of Assets for Withdrawal Liability purposes are equal to the market value of assets.

Note: Gains or (losses) are determined by taking the difference between the expected market value and the actual market value of assets at the end of the Plan Year. The expected market value of assets at the end of the Plan Year is determined by projecting the market value of assets at the beginning of the Plan Year to year-end, reflecting benefit disbursements, contributions and the 7.50% assumed rate of investment return.

ACTUARIAL COST METHOD: Unit Credit Cost Method

The costs of the Plan are derived in accordance with actuarial procedure for the Unit Credit Cost Method. Under this method, the benefits of each individual included in the valuation are allocated to valuation years. The Actuarial Present Value of the benefits expected to be earned by each member during the valuation year is called the Normal Cost. The Actuarial Present Value of benefits allocated to all periods prior to a valuation year is called the Actuarial Accrued Liability.

Under this method the actuarial gains (losses), as they occur, reduce (increase) the unfunded Actuarial Accrued Liability.

De minimis mergers are reflected in the valuation following the year of the merger. De minimis mergers are treated as experience gains (losses), with no transfer of amortization bases or credit balance. In the event of a non-de minimis merger, the valuation results are redetermined for the balance of the plan year following the merger. In this event, the outstanding balances of all bases that exist on the day before the merger are added to the remaining bases in the FSA. The assets taken from the start of the merging plan's plan year are added in and incorporated into the Actuarial Value of Assets formula for the ongoing plan and projected to the merger date. A normal cost (rate) for the merged total plan is determined and applied for the balance of the year. In the event that the plan is overfunded after the merger, all bases will be eliminated and no new base set up.

BENEFIT ACCRUALS

- *Prior employment credit:* Units of pension credit for a participant's prior service, i.e., service prior to a group's Plan participation date, is taken directly from the information posted on the participant's Fund records.
- *Future employment credit:* The number of hours an active participant is assumed to work each year in the future is equal to the average number of hours the participant worked over the three years immediately preceding the valuation year (or the average over the actual years if the participant first worked for less than the three year period). For this purpose years with no hours are excluded from the average.