**I.A.M. National Pension Fund National Pension Plan**

Request for Special Withdrawal Liability Rule

Actuarial Data

As part of its request for approval of a special withdrawal liability rule under section 4203(f) of ERISA, the I.A.M. National Pension Fund National Pension Plan ("Plan") submitted its 2010 actuarial valuation report. Seven years of actuarial valuation information were derived from this report and from Form 5500 filings, as summarized in the table below.

Employer contributions to the Plan are subject to collective bargaining as are benefits payable under the Plan. During the seven year period from 2004 to 2010 both the active and inactive Plan population increased: the number of active participants increased by 69% (from 63,894 to 107,869) while the number of retirees increased by 17% (from 72,010 to 83,925). The number of contribution base units grew strongly (although at a rate somewhat less than the number of active participants) and the dollar amount of contributions doubled (from $166 million to $332 million) during this period. Benefits paid exceeded contributions in every year, but grew only 47% (from $303 million to $446 million) —significantly slower than the growth of contributions.

Plan costs for funding purposes were determined using the individual entry age normal actuarial cost method. The funding valuation assumed interest rate was 7.50% in each of the years 2004 to 2010. Using funding assumptions, contributions exceeded the sum of normal cost and interest on the unfunded actuarial accrued liability in five out of the seven years examined and the Funding Standard Account credit balance grew from $997 million to $1.4 billion. However, using current liability assumptions, contributions were less than normal cost in each year from 2004 to 2010.

Plan benefits for certain participants of employers whose initial contribution occurred before April 1, 2003, were reduced by 40% effective January 1, 2011. This change allowed a zone certification of "Neither Endangered nor Critical" for 2010, which satisfied a key requirement for extending the amortization period for Funding Standard Account charge bases in effect as of January 1, 2009.

The Plan determines the value of unfunded vested benefits for withdrawal liability purposes using the same actuarial methods and assumptions that are used for funding. During the period 2004 to 2010, the total unfunded vested benefits for withdrawal liability was non-zero in only one year – 2009. However, the Plan's actuary expects a non-zero unfunded vested benefit liability to re-emerge for withdrawal liability assessments starting in the 2011 plan year.

A summary of the seven actuarial valuations is set forth below:

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National Pension Plan

**Summary of Actuarial Valuation Results**

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|
| **Participation Data (as of January 1)** | | | | | | | |
| Participant Counts | | | | | | | |
| - Active | 107,869 | 104,210 | 112,842 | 93,672 | 68,276 | 67,181 | 63,894 |
| - Retired | 78,246 | 76,418 | 74,534 | 71,547 | 70,138 | 68,261 | 65,491 |
| - Separated Vested | 83,925 | 81,943 | 79,092 | 76,406 | 72,463 | 73,193 | 72,010 |
| - Total | 270,040 | 262,571 | 266,468 | 241,625 | 210,877 | 208,635 | 201,395 |
| **Contribution Data** | | | | | | | |
| Contribution Base Units | N/A | 212,406,557 | 210,572,334 | 208,129,349 | 182,572,827 | 145,873,219 | 139,636,859 |
| Contributions Received | $331,827,659 | $318,412,576 | $297,403,006 | $269,232,994 | $229,965,014 | $186,198,239 | $166,273,860 |
| **Fund Disbursement Data** | | | | | | | |
| Benefits Paid | $445,754,303 | $418,034,866 | $389,758,999 | $363,962,958 | $342,698,440 | $323,603,306 | $302,687,611 |
| Total Disbursements | $514,294,120 | $482,408,116 | $456,233,117 | $429,698,388 | $401,038,579 | $374,564,146 | $346,893,190 |
| **Funding Valuation Results** | | | | | | | |
| Actuarial Accrued Liability (2) | $10,226,289,591 | $9,518,894,643 | $8,786,060,437 | $8,319,506,519 | $7,177,520,251 | $6,757,777,312 | $6,316,201,092 |
| Actuarial Value of Plan Assets (3), (4) | $9,348,495,105 | $7,324,683,461 | $8,528,445,344 | $7,562,612,176 | $6,910,936,597 | $6,542,310,777 | $6,291,567,994 |
| Unfunded Actuarial Accrued Liability | $877,794,486 | $2,194,211,182 | $257,615,093 | $756,894,343 | $266,583,654 | $215,466,535 | $24,633,098 |
| Normal Cost | $262,972,734 | $247,015,553 | $224,816,950 | $224,796,287 | $175,174,376 | $161,286,365 | $148,360,771 |
| Ratio of Contributions to Normal Cost Plus Interest on Unfunded Actuarial Accrued Liability | 1.01 | 0.77 | 1 22 | 0.96 | 1 18 | 1.05 | 1.12 |
| Funding Valuation Interest Rate | 7.50% | 7.50% | 7.50% | 7 50% | 7 50% | 7.50% | 7.50% |
| IRC Section 432 Plan Status (5) | Neither Endangered nor Critical | Neither Endangered nor Critical | Neither Endangered nor Critical | N/A | N/A | N/A | N/A |
| Funding Standard Account credit balance (at end of year) | $1,441,923,418 | $1,287,537,314 | $1,215,638,933 | $1,115,449,739 | $1,100,832,864 | $1,034,280,096 | $997,208,997 |

**Current Liability Valuation Results**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Current Liability (6) | $12,890,834,839 | $11,616,776,438 | $11,423,640,776 | $8,852,393,063 | $7,728,528,595 | $6,964,467,902 | $6,178,194,421 |
| Market Value of Plan Assets | $7,415,989,310 | $6,103,902,884 | $9,143,330,428 | $8,505,670,319 | $7,440,076,874 | $6,917,117,902 | $6,194,918,670 |
| Unfunded Current Liability | $5,474,845,529 | $5,512,873,554 | $2,280,310,348 | $346,722,744 | $288,451,721 | $47,350,000 | $0 |
| Current Liability Normal Cost (Expected Increase in Current Liability Due To Benefits Accruing During the Plan Year) | $812,708,299 | $724,602,812 | $772,802,865 | $516,502,172 | $373,709,001 | $332,979,085 | $283,365,005 |
| Ratio of Contributions to Increase in Current Liability Due To Benefit Accruals Plus Interest on Unfunded Current Liability | 0.31 | 0.32 | 0.34 | 0 50 | 0.59 | 0 55 | 0.59 |
| Current Liability Interest Rate (7) | 4.58% | 4.82% | 4.33% | 5 78% | 5.77% | 6 10% | 6.55% |

**Withdrawal Liability Valuation Results**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total Unfunded Vested Benefit Liability for Withdrawal Liability Purposes (8) | $0 | $209,374,018 | $0 | $0 | $0 | $0 | $0 |

**Notes**

(1) Efective January 1, 2011, the rate of future benefit accrual was reduced by 40% (except for participants subject to a custom benefit schedule and those whose employers first joined the fund after April 1, 2003). This change facilitated a zone certification of "Neither Endangered nor Critical" for 2010, which satisfied a key requirement for extending the amortization period for funding standard account charge bases in effect as of January 1, 2009 (under Code Section 431(d)).

(2) The actuarial accrued liability was determined using actuarial assumptions selected by the plan actuary which are deemed to be reasonable (taking into account the experience of the plan and reasonable expectations) and which offer the actuary's best estimate of anticipated experience under the plan The actuarial accrued liabiilty was determined under the individual entry age normal actuarial cost method.

(3) The actuarial value of plan assets was based on recognition of the difference between actual investment return and that anticipated under the funding valuation interest rate assumption over a five-year period. The actuarial value is constrained to a 20% corridor around market value.

(4) The plan elected to implement certain funding relief options allowed under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. These relief provisions involve: i) extending the recognition period for investment losses experienced in 2008 to 29 years, ii) extending the upper constraint on the actuarial value of assets to 130% market value and iii) modifying the asset valuation method by smoothing the difference between expected and actual return for the year ending December 31, 2008 over a period of 10 years.

(5) The 2009 plan status of "Neither Endangered nor Critical" is the result of an election by the plan's trustees to freeze the plan status at the 2009 level, as permitted under the Worker, Retiree and Employer Recovery Act of 2008. Without this legislation, the 2009 plan status would have been "Endangered".

(6) The current liability was determined under actuarial methods and assumptions specified by the Internal Revenue Code and implementing regulations. The unit credit actuarial cost method was used to determine current liability.

(7) The current liability assumed interest rate is selected from a range based on the four-year weighted average rate on 30-year Treasury bonds as of the valuation date.

(8) The unfunded vested benefit liability for withdrawal liability purposes was calculated using the unit credit actuarial cost method, the funding valuation interest rate assumption and the funding valuation actuarial value of plan assets.