

Actuarial Data

As part of its request for approval of special withdrawal liability rules, the SEIU Local 1 Plan submitted copies of its five most recent actuarial valuation reports. Plan costs for funding purposes are determined on the entry age normal, level dollar method. Benefits are subject to collective bargaining, and contributions are allocated among contributing employers on the basis of the ERISA minimum funding requirements.

The reports show that during the five year period spanned by the reports (7/1/2002-7/1/2006), the active and inactive plan population was relatively stable. During that period the number of retirees increased by 3.1 percent, and the number of active increased by 2.1 percent. Also, during the same period, annual plan contributions nearly tripled, from \$2.4 million to \$7.1 million, and plan assets rose from \$65.2 million to \$83.6 million. The large increase in contributions was due to increases in the negotiated hourly contribution rate, which went for 15 cents per hour to 90 cents per hour.

Despite the increases in the hourly contribution rate, the plan did not increase benefits during the period. The accrual rate is \$21.50 per year of service to a maximum of 30 years of service. The PBGC guarantee under section 4022A(c) for that accrual rate is \$18.88.

Plan assets and contributions increased at a faster rate than accrued liability and benefits during the 2002-2006 period. Assets increased by nearly 30 percent, while accrued liability increased by 11 percent. Contributions nearly tripled, but benefits rose by only 8 percent. Unfunded accrued liability decreased by nearly 40 percent, going from \$22.1 million to \$13.7 million.

A summary of the five actuarial valuations is set forth below.

SUMMARY OF ACTUARIAL VALUATION RESULTS *

Valuation Date

	7/1/2002	7/1/2003	7/1/2004	7/1/2005	7/1/2006
No. of active participants.....	3,978	4,259	4,233	4,157	4,063
No. of retired participants.....	1,708	1,694	1,705	1,749	1,761
Monthly benefit accrual rate....	21.5	21.5	21.5	21.5	21.50
Max. monthly benefit.....	645	645	645	645	645
Contributions (000).....	2,422	4,689	5,864	6,525	7,081
Benefits (000).....	5,360	5,391	5,501	5,606	5,812
Accrued liability (000).....	87,392	90,274	92,923	93,606	97,335
Market value of assets (000).....	65,247	64,582	72,138	77,743	83,630
Net min funding charge w/o credit balance (000)	5,548	6,284	6,026	5,982	6,269
Normal cost (000).....	2,153	2,302	2,279	2,251	2,138
Unfunded accrued Liab (000) **	22,145	25,692	20,785	15,863	13,705
Present value of vested benefits (000)	85,547	92,276	100,736	98,711	103,744
Unfunded liab. _vested benefits (000)**	20,300	27,694	28,598	20,968	20,114
Valuation interest rate	7.5%	7.5%	7.5%	7.5%	7.5%

* Taken from actuarial reports submitted with request.

** Using market value of assets.