

# SEIU Affiliates Officers and Employees Pension Plan

**Actuarial Certification of Plan Status Under IRC Section 432 as  
of January 1, 2025**



Except as may be required by law, this valuation certification should not otherwise be copied or reproduced in any form and should only be shared with other parties in its entirety as necessary for the proper administration of the Fund and in meeting filing requirements of federal government agencies.



1800 M Street NW, Suite 900 S  
Washington, DC 20036-5880  
segalco.com  
T:202.833.6400

March 25, 2025

Board of Trustees  
SEIU Affiliates Officers and Employees Pension Plan  
1800 Massachusetts Ave NW, Suite 301  
Washington, DC 20036

Dear Trustees:

As required by ERISA Section 305 and Internal Revenue Code (IRC) Section 432, we have completed the Plan's actuarial status certification as of January 1, 2025, in accordance with the Multiemployer Pension Reform Act of 2014 (MPRA). This certification has been prepared for the exclusive use and benefit of the Board, based upon information provided by the Fund Office and the Fund's other service providers. Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. The attached exhibits outline the projections performed and the results of the various tests required by the statute. These projections have been prepared based on the Actuarial Valuation as of January 1, 2024 and in accordance with generally accepted actuarial principles and practices and a current understanding of the law. The actuarial calculations were completed under the supervision of Steven R. Loomis, ASA, FCA, MAAA, Enrolled Actuary.

As of January 1, 2025, the Plan is in neither critical status nor endangered status. In other words, it is in the Green Zone. In addition, the Plan is not projected to be in critical status for any of the succeeding five plan years.

This certification is being filed with the Internal Revenue Service, pursuant to ERISA Section 305(b)(3) and IRC Section 432(b)(3).

This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. However, Segal is advised that Plan Counsel agrees with the statutory interpretations on which this certification is based. Specifically, there is no definitive guidance in the law regarding the treatment of projected contributions for those plans in which the contributions are a percent of covered payroll and the contribution rate is mandated by a means other than collective bargaining agreements. For this certification, we have estimated future contributions using the contribution rate adopted by the Trustees: 21% of payroll in 2025 and each year thereafter.

Board of Trustees  
March 25, 2025

We look forward to reviewing this certification with you at your next meeting and to answering any questions you may have. We are available to assist the Trustees in developing a plan management and funding policy to help guide future planning and oversight.

Sincerely,

Segal



Stacey Hostetler Carter  
Senior Vice President and Benefits Consultant



Alex Giordano, ASA, FCA, MAAA, EA  
Vice President and Consulting Actuary

cc: Eunice Washington, Esq.  
Michael Shelton  
Andrew Lin, Esq.  
Michael E. Warshaw, CPA

## Actuarial Status Certification as of January 1, 2025: Key Results

Item	Description	2025
Certified zone status		Neither critical or endangered
Assets	Actuarial value of assets (AVA)	\$1,655,929,970
Funded percentage	Unit credit accrued liability	1,611,704,798
	Funded percentage	102.7%
Funding Standard Account	Funding credit balance as of the end of the prior year	\$118,387,495
Investment return	Assumed rate of return	7.00%
Solvency projection	Years to projected insolvency	N/A



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March 25, 2025

Department of the Treasury  
Internal Revenue Service  
Employee Plans  
CHI-7602 – 25th Floor  
230 S. Dearborn St.  
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2025, for the following plan:

Name of Plan: SEIU Affiliates Officers and Employees Pension Plan  
Plan number: EIN 52-0812348 / 001  
Plan sponsor: Board of Trustees, SEIU Affiliates Officers and Employees Pension Plan  
Address: 1800 Massachusetts Ave NW, Suite 301, Washington, DC 20036  
Phone number: 202.730.7542

As of January 1, 2025, the Plan is in neither critical status nor endangered status. In addition, the Plan is not projected to be in critical status for any of the succeeding five plan years.

Internal Revenue Service  
March 25, 2025

If you have any questions on the attached certification, you may contact me at the following:

Segal  
1111 Superior Avenue, Suite 2340  
Cleveland, OH 44114  
Phone number: 202.833.6400

Sincerely,



Steven R. Loomis, ASA, FCA, MAAA  
Vice President and Consulting Actuary  
Enrolled Actuary No. 23-06253

## Actuarial Status Certification as of January 1, 2025, Under IRC Section 432 March 25, 2025

This is to certify that Segal has prepared an actuarial status certification under Internal Revenue Code Section 432 for the SEIU Affiliates Officers and Employees Pension Plan as of January 1, 2025, in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2024, actuarial valuation, dated February 11, 2025. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit 5.

Segal does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which this certification is based reflects Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that offer my best estimate of anticipated experience under the Plan. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias. Furthermore, as required by IRC Section 432(b)(3)(B)(iii), the projected industry activity takes into account information provided by the Plan sponsor.



Steven R. Loomis, ASA, FCA, MAAA

**EA#** 23-06253

**Title** Vice President and Consulting Actuary

## Certificate Contents

<b>Exhibit Number</b>	<b>Certification Contents</b>
<b>1</b>	Status Determination as of January 1, 2025
<b>2</b>	Summary of Actuarial Valuation Projections
<b>3</b>	Funding Standard Account Projections
<b>4</b>	Funding Standard Account — Projected Bases Assumed Established After January 1, 2024
<b>5</b>	Actuarial Assumptions and Methodology

# Actuarial Status Certification Under IRC Section 432

## Exhibit 1: Status Determination as of January 1, 2025

Status/Condition	Component Result	Final Result
<b>Critical status:</b>		
<b>1. Initial critical status tests:</b>		
C1. A funding deficiency is projected in four years?	No	No
C2. a. A funding deficiency is projected in five years,	No	
b. <b>and</b> the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	N/A	
c. <b>and</b> the normal cost-plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	N/A	No
C3. a. A funding deficiency is projected in five years,	No	
b. <b>and</b> the funded percentage are less than 65%?	N/A	No
C4. a. The funded percentage is less than 65%,	No	
b. <b>and</b> the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years	N/A	No
C5. The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
<b>2. In critical status?</b>		<b>No</b>
<b>In critical status in any of the five succeeding plan years?</b>		<b>No</b>

Status/Condition	Component Result	Final Result
<b>Endangered status:</b>		
E1. a. Is not in critical status,	Yes	
b. <b>and</b> the funded percentage are less than 80%?	No	No
E2. a. Is not in critical status,	Yes	
b. <b>and</b> a funding deficiency is projected in seven years?	No	No
<b>In endangered status?</b>		<b>No</b>
<b>In seriously endangered status?</b>		<b>No</b>
<b>Neither critical status nor endangered status:</b>		
<b>Neither critical nor endangered status?</b>		<b>Yes</b>

## Exhibit 2: Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2025 (based on projections from the January 1, 2024, valuation certificate):

Description	Value
<b>1. Financial information:</b>	
a. Market value of assets	\$1,637,486,501
b. Actuarial value of assets	1,655,929,970
c. Reasonably anticipated contributions	
1) Upcoming year	82,159,343
2) Present value for the next five years	366,473,906
3) Present value for the next seven years	493,747,299
d. Projected benefit payments	89,986,132
e. Projected administrative expenses (beginning of year)	2,208,000
<b>2. Liabilities:</b>	
a. Present value of vested benefits for active participants	\$432,238,753
b. Present value of vested benefits for non-active participants	1,088,476,674
c. Total unit credit accrued liability	1,611,704,798
d. Present value of payments in the next five years:	
1) Benefit payments	425,039,494
2) Administrative expenses	10,264,344
3) Total	435,303,838
e. Present value of payments in the next seven years:	
1) Benefit payments	585,486,829
2) Administrative expenses	13,917,616
3) Total	599,404,445
f. Unit credit normal cost-plus expenses	67,717,008
g. Ratio of inactive participants to active participants	2.0506

Description	Value
<b>3. Funded percentage (1.b)/(2.c)</b>	<b>102.7%</b>
<b>4. Funding Standard Account:</b>	
a. Credit balance as of the end of prior year	\$118,387,495
b. Years to projected funding deficiency	N/A
c. Year projected to be in critical status, if within next five years	N/A

### Exhibit 3: Funding Standard Account Projections

The table below presents the **Funding Standard Account** projections for the plan years beginning January 1.

Description	2024	2025	2026	2027	2028	2029	2030	2031
1. Credit balance at beginning of year	\$104,667,094	\$118,387,495	\$126,566,720	\$133,065,353	\$142,450,962	\$156,388,549	\$173,335,964	\$183,521,066
2. Interest on (1)	7,326,697	8,287,125	8,859,670	9,314,575	9,971,567	10,947,198	12,133,517	12,846,475
3. Normal cost	55,794,516	57,077,734	58,755,249	60,367,082	62,022,166	63,806,544	65,653,042	67,472,288
4. Administrative expenses	2,075,000	2,208,000	2,277,263	2,347,520	2,419,662	2,493,765	2,569,822	2,732,866
5. Net amortization charges	17,142,143	20,063,040	22,660,843	21,022,217	17,990,855	16,646,582	24,634,481	46,634,965
6. Interest on (3), (4) and (5)	5,250,816	5,554,414	5,858,535	5,861,577	5,770,288	5,806,282	6,500,014	8,178,808
7. Expected contributions	83,962,387	82,159,343	84,480,438	86,881,968	89,303,826	91,807,887	94,380,890	97,032,560
8. Interest on (7)	2,693,793	2,635,946	2,710,414	2,787,463	2,865,164	2,945,503	3,028,054	3,113,128
<b>9. Credit balance at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)</b>	<b>\$118,387,495</b>	<b>\$126,566,720</b>	<b>\$133,065,353</b>	<b>\$142,450,962</b>	<b>\$156,388,549</b>	<b>\$173,335,964</b>	<b>\$183,521,066</b>	<b>\$171,494,302</b>

Description	2032	2033	2034
1. Credit balance at beginning of year	\$171,494,302	\$163,083,935	\$140,803,582
2. Interest on (1)	12,004,601	11,415,875	9,856,251
3. Normal cost	69,319,747	71,039,986	72,828,986
4. Administrative expenses	2,816,088	2,901,281	2,988,742
5. Net amortization charges	43,156,765	56,401,572	48,285,038
6. Interest on (3), (4) and (5)	8,070,482	9,123,999	8,687,194
7. Expected contributions	99,747,870	102,482,626	105,263,344
8. Interest on (7)	3,200,244	3,287,984	3,377,199
<b>9. Credit balance at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)</b>	<b>\$163,083,935</b>	<b>\$140,803,582</b>	<b>\$126,510,417</b>

Exhibit 4: Funding Standard Account — Projected Bases Assumed Established after January 1, 2024  
 Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience Loss	1/1/2025	\$37,894,946	15	\$3,888,469
Plan Amendment	1/1/2025	895,173	15	91,855
Experience Loss	1/1/2026	31,002,935	15	3,181,267
Plan Amendment	1/1/2026	1,942,021	15	199,274
Experience Loss	1/1/2027	28,923,102	15	2,967,852
Plan Amendment	1/1/2027	1,390,972	15	142,730
Experience Gain	1/1/2028	(30,146,425)	15	(3,093,379)
Plan Amendment	1/1/2028	1,488,244	15	152,711
Experience Gain	1/1/2029	(14,661,688)	15	(1,504,462)
Plan Amendment	1/1/2029	2,389,747	15	245,216
Plan Amendment	1/1/2030	2,486,110	15	255,104
Plan Amendment	1/1/2031	1,717,092	15	176,194
Plan Amendment	1/1/2032	2,724,328	15	279,548
Plan Amendment	1/1/2033	1,870,122	15	191,897
Plan Amendment	1/1/2034	2,946,182	15	302,313

## Exhibit 5: Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2024, actuarial valuation certificate, dated February 11, 2025, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

### Plan of benefits

For purposes of this certification, the dollar limit imposed by IRC Section 415 and the salary limit imposed by IRC Section 401(a)(17) are assumed to increase by 2.5% each year beyond 2024. The increase in liability in each future year is reflected as a plan amendment and amortized over 15 years in the Funding Standard Account.

### Projected industry activity

The projected industry activity assumption takes into account information provided by the plan sponsor as required by IRC Section 432, projections in employment levels, and professional judgment. Based on this information, the number of active participants is assumed to be 4,209 for 2025 and each year thereafter.

### Future normal costs

We have determined the normal cost based on an open group forecast with the number of projected active participants adjusted to reflect the projected industry activity. New entrants are assumed to have the same demographic characteristics as those hired in the last three years, except that salary at entry into the Plan for the new entrant cohort is adjusted by 2.75% per year for assumed future increases.

### Future contributions

Contributions are based on 21% of payroll in 2025 and each year thereafter. Projected payroll is based on an open group forecast, as previously described.

### Asset information

The market value of assets as of January 1, 2025, was estimated using the net market return provided by the investment consultant, and the income and expense items provided by the Plan Administrator.

The administrative expenses were assumed to be \$2,208,000 in 2025 based on the budget provided by the Plan Administrator. This is the sum of two components:

- PBGC Premiums
- Other expenses

For years after 2025, the PBGC premium rate and other expenses were increased by 2.75% per year. The PBGC premiums are equal to the projected Plan head counts (as determined in the open group forecast) multiplied by the projected PBGC premium rate. The projected investment return was assumed to be 7.00% of the average market value of assets in each future year. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Future benefit payments were based on an open group forecast, as previously described.

## **Assumption changes**

For purposes of this certification, the administrative expense assumption was increased from \$2,075,000 to \$2,208,000 (payable at the beginning of the year) effective January 1, 2025.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

## Technical issues

Employer contributions set by the Board of Trustees are 21% of payroll in 2025 and each year thereafter. For this certification, pay and liabilities are projected to increase in accordance with an open group forecast, as previously described. Therefore, future contributions equal the applicable percentage of projected payroll in each year.

This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Segal is advised that Plan Counsel concurs in the statutory interpretations on which this certification is based.