

Actuarial Valuation Report as of
January 1, 2019 for the

**Richmond-Santa Rosa-Vallejo
Newspaper Guild Retirement Plan**

April 2019

John H. Miller, F.S.A.-Consulting Actuary

Post Office Box 428

Mill Valley, CA 94942

(415) 381-8146

Contents

Page

Highlights

1

Section 1 Accrued Liability

3

Section 2 Assets

4

Section 3 Participant Information

5

Section 4.1 Actuarial Basis

6

Section 4.2 Plan Provisions

7

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i

Highlights

This report has been prepared by John H. Miller, F.S.A.-Consulting Actuary for the Trustees of the Richmond-Santa Rosa-Vallejo Newspaper Guild Retirement Plan to:

- a) present the results of a valuation of the Plan as of January 1, 2019; and
- b) provide information for financial statements, governmental agencies, and other interested parties.

Mass Withdrawal. On November 7, 2012, the Plan was terminated by mass withdrawal.

The following summarizes the results of the January 1, 2019 actuarial report for the Richmond-Santa Rosa-Vallejo Newspaper Guild Retirement Plan.

1. Assets, excluding withdrawal liability payments receivable, have decreased to \$13.3 million as of Plan year-end 2018 versus \$14.1 million as of December 31, 2017. Over the last three years, Plan assets have changed as follows:

<u>End of Plan Year</u>	<u>Market Value (\$millions)</u>	<u>Total Incl. Receivable</u>
2018	\$13.3	\$17.8
2017	\$14.1	\$19.0
2016	\$13.0	\$18.3

2. The fund yield on market value was -4.1% for 2018. For the last three Plan years the yield has been:

<u>Plan Year</u>	<u>Fund Yield</u>
2018	(4.1%)
2017	9.9%
2016	6.3%

3. Plan withdrawal liability contributions and other additions were \$541,100. Plan benefits paid increased to \$676,600 this year from \$624,200, last year.
4. The ratio of Plan assets to liabilities increased from 1.127 last year to 1.140 this year.

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1

This report is based on data supplied by the Press Democrat, the Pacific Media Guild Office, and the draft financial statements of the Plan Auditor. All costs and liabilities were determined in accordance with generally accepted actuarial principles.

John H. Miller FSA,EA#17-1342

Date

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2

Section 1

Accrued Liability

The Accrued Liability is the present value of projected plan benefits. The January 1, 2019 and 2018 liabilities are based upon PBGC mass withdrawal assumptions as of December of the preceding year.

	January 1, 2019	January 1, 2018
1. Accrued Liability		
a. Active Participants	\$2,789,292	\$3,246,021
b. Vested Terminations	4,195,547	4,754,728
c. Retirees no Guarantee	5,682,998	5,465,008

d. Retirees with Guarantee*	2,921,483	3,375,588
e. Total Liabilities	\$15,589,320	\$16,842,345
2. Assets in Hand	13,295,520	14,097,629
3. Withdrawal Payments Receivable	4,477,606	4,879,272
4. Total Assets	\$17,773,126	\$18,978,979

*These employees retired prior to March 29, 2009 and have their annuities guaranteed under a contract with Principal Financial Group.

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3

Section 2

Assets

A. Receipts and Disbursements.

Shown below is a summary of Plan receipts and disbursements..

1. Beginning of Year Assets (Market Value)	\$14,097,629
2. Withdrawal Liability Contributions	534,149
3. Investment Return	(568,406)
4. Total Additions=2.+3.	(\$34,527)
5. Benefit Payments	676,630
6. Expenses and Miscellaneous	91,436
7. Total Deductions=5.+6.	768,066
8. Assets End of Year=1.+4.-7.	\$13,295,306
9. Value of Future Withdrawal Payments	4,477,606
10. Prepaid Expense	5,689
11. Accounts Payable	5,475
12. Total Assets at 1-1-19=8.+9.+10.-11.	17,773,126

B. Composition of Assets.

1. Stocks and Equities	\$3,996,668
2. Bonds and Mortgages	6,831,224
3. International Investments	1,286,769
4. Real Estate	1,180,645
5. Prepaid Expense	5,689
6. Accounts Payable	5,475
7. Net Assets at Market Value=1.+2.+3.+4.+5.-6.	13,295,520
8. Withdrawal Payments Receivable	4,477,606
9. Total Assets at 1-1-18=7.+8.	\$17,731,126

The above numbers are based on a preliminary draft of the Plan audit report.

Section 3

Participant Information

Category	January 1, 2019	January 1, 2018
<i>Active Participants</i>		
Number	18	20
Average Age	57.2	56.5
Average Credited Service	18.7	17.8
Average Monthly Benefit*	\$911	\$937
<i>Vested Terminations</i>		
Number	66	71
Average Monthly Benefit*	\$412	\$401
Average Age	53.7	57.9
<i>Retirees</i>		
Number	97(46)	95(50)
Average Monthly Benefit	\$567	\$599
Average Age	73.4	73.2

*Basic Benefit at age 65 life only basis.

Number in parentheses equals retirees with guaranteed benefit.

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5

Section 4.1

Actuarial Basis

General:	Benefits, assets and assumptions determined in accordance with PBGC regulations Part 4281, Subpart B.		
		<u>December</u>	
		<u>2017</u>	<u>2018</u>
Interest:	Years 1-20:	2.34%	2.84%
	Years 21+	2.63%	2.76%
Mortality:	UP 1994 for Males and Females projected to calendar year of valuation by Scale AA.		
Retirement:	Earliest date, not preceding the valuation date that could be elected.		
Payment Form:	If married, 100% joint and survivor annuity. If single, life only annuity.		

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6

Section 4.2

Plan Provisions

- Eligibility: Participant is eligible if covered under the collective bargaining agreement during employment and has at least five years of service.
- Retirement Benefits: Basic Benefit is monthly pension equal to \$54.45 per year of service (maximum 35 years). The Plan reduced the accrual rate to \$39.20 effective January 1, 2011 for accruals after that date.
- Supplemental Benefit is a scheduled amount, depending on job grade, multiplied by the number of six month periods of service up to a maximum of 40. Scheduled amounts range from \$468.11 to \$1,031.90. No future credit is provided toward the supplemental benefit beginning January 1, 2011. Benefit is payable only in the form of an annuity.
- Retirement Benefit Eligibility: Basic Benefit requires five years of service. Benefit may begin as early as age 55, but is actuarially reduced for ages under 65.
- Supplemental Benefit requires five years of service and is payable as an annuity upon cessation of membership, due to retirement, disability, or termination of employment at age 55 or later.
- Death Benefit: Age 55 and over, the Basic and Supplemental benefits are payable to survivor or estate of member. Basic Benefit for married member is determined as if member retired on date of death and elected 50% joint and survivor form of payment.
- Under Age 55, the Basic Benefit is paid to surviving spouse, under 50% joint and survivor form, at date member would have attained age 55.

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7

Plan Provisions (continued)

Vesting:	Five years of service.
Early Retirement Date:	First day of the month coinciding with or following attainment of age 55 and at least 10 years of service.
Normal Form of Benefit:	Life annuity, if single. Joint and survivor 100%, if married.
Funding:	Flexible pension investment (FPI) contract with Principal Financial Group.

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8