

TRADITIONAL DEFINED BENEFIT SAMPLE PLAN

SAMPLE REPORT FOR SHORT PLAN YEAR

Actuarial Valuation
Short Plan Year: January 1, 2022 to August 31, 2022
Valuation Date: January 1, 2022

Prepared by
Actuarial Systems Corporation
February 15, 2022

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
SAMPLE REPORT FOR SHORT PLAN YEAR**

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Valuation Date: 1/1/2022

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Determination of Minimum Contribution
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

The Minimum Required Contribution to your pension plan is defined in Section 430 of the Internal Revenue Code. A funding deficiency should not be allowed to develop as it is subject to a penalty tax. To prevent a deficiency, your contribution should be at least equal to the minimum deposit shown below, adjusted by the effective interest rate to the date it is actually deposited. The application of the carryover balance and/or prefunding balance is not available if the prior year funding ratio is less than 80%.

<u>Charges</u>	<u>Valuation Date: 1/1/2022</u>
(a) Target Normal Cost	\$25,807
(b) Shortfall Amortization Payment (outstanding balance \$997,113 as of 1/1/2022)	\$61,430
(c) Waiver Amortization Payment (outstanding balance \$0 as of 1/1/2022)	\$0
Total Charges	\$87,237
 <u>Credits</u>	
(d) Available carryover balance	\$0
(e) Available prefunding balance	\$0
(f) Discounted contributions deposited after valuation date	\$54,280
Total Credits	\$54,280
Minimum Balance of Contribution Due as of the beginning of the year	\$32,957
Interest at effective interest rate of 5.41%	\$1,173
Minimum Balance of Contribution Due as of the end of the year	\$34,130
Interest at effective interest rate to 8 1/2 months past the end of the year	\$1,296
Additional interest for quarterly payments made after the due date	\$777
Minimum Balance of Contrib. Due 8 1/2 months past the end of the year	\$36,203

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Determination of Maximum Deductible Contribution
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

(a)	Minimum contribution due as of the beginning of the year	\$87,237
(b)	Target Normal Cost	\$46,226
(c)	Funding Target	\$5,248,978
(d)	Cushion Amount	
(1)	Liability for HCE Benefit Increases in Prior 2 Years	\$0
(2)	Funding Target (c) - (d1)	\$5,248,978
(3)	50% of Funding Target	\$2,624,489
(4)	Increase in Funding Target due to salary increases	\$0
(5)	Cushion Amount (d3) + (d4)	\$2,624,489
(e)	Target Normal Cost + Funding Target + Cushion Amount (b) + (c) + (d5)	\$7,919,693
(f)	At Risk Target Normal Cost	\$0
(g)	At Risk Funding Target	\$0
(h)	At Risk Limit (f) + (g)	\$0
(i)	Greater of (e) and (h)	\$7,919,693
(j)	Actuarial Value of Assets	\$2,862,788
(k)	Maximum Deductible Contribution - greater of (a) and (i) - (j)	\$5,056,905

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Short Plan Year Bases
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

When a plan has a short plan year, the payments for shortfall bases in effect during the short plan year are prorated, and the difference between the full 12-month payment and the prorated short plan year payment is made in the year following the year in which the base was scheduled to be fully amortized.

<u>Valuation Date</u>	<u>Amortization Period</u>	<u>Number of Future Installments</u>	<u>Final Payment Val Date</u>	<u>Short Plan Year Installment</u>	<u>Final Plan Year Installment</u>	<u>Full Plan Year Installment</u>
Total/2022	15-year	16	09/01/2036	\$61,430	\$30,715	\$92,145

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Quarterly Contributions
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

Installment Payments

(a)	Prior year funding target attainment percentage Quarterly contributions are required for this plan year	71.83%
(b)	90% of current plan year minimum contribution	\$78,513
(c)	100% of prior year minimum contribution adjusted for short plan year	\$142,200
(d)	Lesser of (b) and (c)	\$78,513
(e)	Number of required installment payments	3
(f)	Amount of each installment payment	\$26,171

Installment Due Dates and Amounts

(g)	Installment Payment 1	4/15/2022	\$26,855
(h)	Installment Payment 2	7/15/2022	\$26,855
(i)	Installment Payment 3	9/15/2022	\$26,855

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
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Summary of Actuarial Assumptions and Method

Short Plan Year: 1/1/2022 to 8/31/2022

Valuation Date: 1/1/2022

	For Funding		For 417(e)	For Actuarial Equiv.
	<u>Min</u>	<u>Max</u>		
Interest Rates	Seg 1: 4.75%	0.88%	Seg 1: 1.16%	Pre-Retirement: 6.00%
	Seg 2: 5.18%	2.61%	Seg 2: 2.72%	Post-Retirement: 6.00%
	Seg 3: 5.92%	3.27%	Seg 3: 3.10%	
Applicable Date	01/2022	01/2022	12/2021	
Pre-Retirement				
Turnover	None		None	None
Mortality	None		None	None
Assumed Ret Age	Normal retirement age 65		Normal retirement age 65	Normal retirement age 65
Post-Retirement				
Mortality	Male-2022 Static Table - Combined Male Female-2022 Static Table - Combined Female		2022 Applicable Mortality Table from Notice 2020-85	2021 Applicable Mortality Table from Notice 2019-67
Assumed Benefit Form For Funding	100% Lump Sum / 0% Normal Form			
Assumed Spouse's Age	Spouse assumed to be the same age as participant			Spouse assumed to be the same age as participant
	Participant is assumed to be married to current spouse at retirement if spouse's date of birth is known			Participant is assumed to be married to current spouse at retirement if spouse's date of birth is known
Calculated Effective Interest Rate	5.41%			
Actuarial Cost Method	The Unit Credit funding method was used as prescribed by the Pension Protection Act. This method sets the funding target equal to the present value of accrued benefits, and sets the normal cost equal to the present value of the benefit accrued in the current year.			

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 100.0% of the market value of assets.

TRADITIONAL DEFINED BENEFIT SAMPLE PLAN

SAMPLE REPORT FOR SHORT PLAN YEAR

Summary of Plan Provisions
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

Plan Effective Date	January 1, 2005
Short Plan Year	From January 1, 2022 to August 31, 2022
Eligibility	All employees not excluded by class are eligible to enter on the January 1 nearest the completion of the following requirements: 1 year of service Minimum age 21
Normal Retirement Age	All participants are eligible to retire with their full retirement benefit on attainment of age 65
Normal Retirement Benefit	Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following: 2% of average compensation per credited year of service with a maximum of 30 years. Credited years are plan years from the first day of the plan year containing date of entry excluding years with less than 1,000 hours. The maximum monthly benefit is the lesser of \$20,416.66 and 100% of the highest 3-year average salary, subject to service requirements.
Early Retirement Age	Attainment of age 55 Completion of 10 years of service from hire date
Early Retirement Benefit	Actuarial Equivalence
Normal Form of Benefit	A benefit payable for the life of the participant
Optional Forms of Benefit	The following forms of benefit payment are also available: Life Only - Payable for the life of the participant. Life With 10 Years Certain - Payable for the life of the participant. If the participant dies before receiving payments for 10 full years, payments will continue to his/her surviving beneficiary for the remainder of the 10-year period and then stop. Joint and 100% Survivor - Payable for the life of the participant and his/her beneficiary. Payments cease on the death of both. Joint and 75% Survivor - Payable for the life of the participant. If the participant dies before his/her beneficiary, 75% of the benefit will continue for the life of the beneficiary. Joint and 66.67% Survivor - Payable for the life of the participant. If the participant dies before his/her beneficiary, 66.67% of the benefit will continue for the life of the beneficiary.

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
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Summary of Plan Provisions
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

Joint and 50% Survivor - Payable for the life of the participant. If the participant dies before his/her beneficiary, 50% of the benefit will continue for the life of the beneficiary.

Single Lump Sum - This is a one-time payment of the lump sum equivalent of the plan's normal form of benefit.

Accrued Benefit

The normal retirement benefit described above calculated based on service on the calculation date, and payable on the normal retirement date.

Credited years are plan years from the first day of the plan year containing date of entry excluding the following:

Years with less than 1,000 hours

Termination Benefit

Upon termination for any reason other than death or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

<u>Credited Years</u>	<u>Vested Percent</u>
1	0
2	0
3	0
4	0
5	100

Credited years are 12-month periods from date of hire to the anniversaries of date of hire excluding the following:

Years with less than 1,000 hours

Top-Heavy Minimum Benefit

Each participant will be entitled to a minimum accrued benefit equal to the following:

2% of average compensation times credited years

Credited years are plan years from the first day of the plan year containing date of entry excluding the following:

Years with less than 1,000 hours
Years plan is not top-heavy

with a maximum of 10 years

Benefit is based on average salary during the highest 5 consecutive years of employment

Top-Heavy Normal Form

A benefit payable for the life of the participant

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
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Summary of Plan Provisions
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

Top-Heavy Vesting

In any year the plan is top-heavy the participants will vest in accordance with the following vesting schedule:

<u>Credited Years</u>	<u>Vested Percent</u>
1	0
2	20
3	40
4	60
5	80
6	100

Credited years are plan years from date of hire excluding the following:

Years with less than 1,000 hours

Top-Heavy Status

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently not top-heavy.

Death Benefit

Actuarial Equivalent of the accrued benefit earned to date of death

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
SAMPLE REPORT FOR SHORT PLAN YEAR**

Present Benefits for Actives
Greater of Actuarial Equivalence and 417(e) Rates
417(e) Segment Rates for 12/2021: (1) 1.16% (2) 2.72% (3) 3.10%
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

<u>Name/Vesting</u>	<u>AA</u>	<u>Accrued Benefit</u>	<u>Vested Accrued Benefit</u>	<u>Present Value Accrued Benefit</u>	<u>Present Value Vested Benefit</u>
Terminated 13/100.00%	42	845.33	845.33	76,002	76,002
Employee 22/100.00%	66	3,029.35	3,029.35	554,512	554,512
Employee 23/100.00%	61	1,520.00	1,520.00	252,951	252,951
Employee 25/100.00%	57	1,422.78	1,422.78	208,662	208,662
Employee 28/100.00%	55	2,165.00	2,165.00	298,215	298,215
Employee 27/100.00%	49	2,363.67	2,363.67	267,560	267,560
Employee 26/100.00%	65	5,436.67	5,436.67	1,024,267	1,024,267
Employee 24/100.00%	65	2,930.28	2,930.28	552,064	552,064
Employee 30/100.00%	61	1,554.72	1,554.72	258,730	258,730
Employee 31/100.00%	63	1,408.33	1,408.33	250,035	250,035
Employee 29/100.00%	40	1,088.28	1,088.28	92,049	92,049
Employee 33/0.00%	44	98.53	0.00	9,416	0
Employee 34/0.00%	40	114.73	0.00	9,704	0
Active Subtotal (13)		23,977.67	23,764.41	3,854,167	3,835,047

Present values are determined based on the rates shown in the report heading. Actual present values may be more or less than the amounts illustrated based on statutory requirements.

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
SAMPLE REPORT FOR SHORT PLAN YEAR**

Present Benefits for Term Vested and Inactive
Greater of Actuarial Equivalence and 417(e) Rates
417(e) Segment Rates for 12/2021: (1) 1.16% (2) 2.72% (3) 3.10%
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

<u>Name/Vesting</u>	<u>AA</u>	<u>Status</u>	<u>Termination Date</u>	<u>Accrued Benefit</u>	<u>Vested Accrued Benefit</u>	<u>Present Value Accrued Benefit</u>	<u>Present Value Vested Benefit</u>
Employee 21/100.00%	62	T	11/20/2020	2,663.33	2,663.33	458,115	458,115
Terminated 12/100.00%	70	T	06/29/2001	508.68	508.68	81,897	81,897
Terminated 11/100.00%	64	T	12/31/2009	833.61	833.61	152,554	152,554
Terminated 14/100.00%	57	T	11/11/1994	176.64	176.64	25,906	25,906
Terminated 13/100.00%	67	T	12/15/2009	1,624.43	1,624.43	288,560	288,560
Term Vested Subtotal (5)				5,806.69	5,806.69	1,007,032	1,007,032
Active/Term Subtotal (18)				29,784.36	29,571.10	4,861,199	4,842,079

Unless indicated otherwise, present values are determined based on the rates shown in the report heading. Actual present values may be more or less than the amounts illustrated based on statutory requirements.

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
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Present Benefits for Retired
Greater of Actuarial Equivalence and 417(e) Rates
417(e) Segment Rates for 12/2021: (1) 1.16% (2) 2.72% (3) 3.10%
Short Plan Year: 1/1/2022 to 8/31/2022
Valuation Date: 1/1/2022

<u>Participant Name</u>	<u>AA</u>	<u>SA</u>	<u>Status</u>	<u>Form of Benefit</u>	<u>Commencement Date</u>	<u>Monthly Benefit</u>	<u>Present Value of Monthly Benefit</u>
Retired 11	78	76	R	J&S 100%	06/01/2011	714.97	109,224.00
Beneficiary 11	71	69	D	Life Annuity	02/01/2013	74.43	11,561.00
Retired 12	88	88	R	J&S 50%	04/01/1999	3,547.58	265,599.00
Retired Subtotal (3)						4,336.98	386,384.00
Total Participants (21)							
Total Accrued Benefit/PVAB						34,121.34	5,247,583
Total Vested Accrued Benefit/PVVAB						33,908.08	5,228,463

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PPA Funding Values

Short Plan Year: 1/1/2022 to 8/31/2022

Valuation Date: 1/1/2022

Minimum Funding Segment Rates for 01/2022: 4.75% / 5.18% / 5.92%

Maximum Deductible Segment Rates for 01/2022: 0.88% / 2.61% / 3.27%

<u>Participant Name/Age</u>	<u>(1) BOY Mo. Accrued Benefit</u>	<u>(2) Expected Mo. Accr in Year</u>	<u>Present Value of (1) at BOY</u>	<u>Vested Pres Val of (1) at BOY</u>	<u>Present Value of (2) at BOY</u>	<u>Stat</u>
Terminated 13 / 42	845.33	52.84	31,486	31,486	1,968	A
Employee 22 / 66	3,029.35	0.00	436,319	436,319	0	A
Employee 23 / 61	1,520.00	0.00	179,773	179,773	0	A
Employee 25 / 57	1,422.78	54.72	134,121	134,121	5,158	A
Employee 28 / 55	2,165.00	0.00	181,641	181,641	0	A
Employee 27 / 49	2,363.67	112.55	145,839	145,839	6,944	A
Employee 26 / 65	5,436.67	0.00	800,483	800,483	0	A
Employee 24 / 65	2,930.28	0.00	431,448	431,448	0	A
Employee 30 / 61	1,554.72	53.62	183,879	183,879	6,341	A
Employee 31 / 63	1,408.33	0.00	186,152	186,152	0	A
Employee 29 / 40	1,088.28	57.28	36,130	36,130	1,902	A
Employee 33 / 44	98.53	51.44	4,117	0	2,150	A
Employee 34 / 40	114.73	40.50	3,809	0	1,344	B
Active Subtotal	23,977.67	422.95	2,755,197	2,747,271	25,807	
<u>Retirees & Vested*</u>						
Employee 21 / 62	2,663.33	0.00	333,148	333,148	0	T
Terminated 12 / 70	508.68	0.00	66,214	66,214	0	T
Terminated 11 / 64	833.61	0.00	116,338	116,338	0	T
Retired 11 / 78	714.97	0.00	90,408	90,408	0	R
Beneficiary 11 / 71	74.43	0.00	9,734	9,734	0	D
Terminated 14 / 57	176.64	0.00	16,651	16,651	0	T
Terminated 13 / 67	1,624.43	0.00	228,605	228,605	0	T
Retired 12 / 88	3,547.58	0.00	243,606	243,606	0	R
Vesteds Subtotal	5,806.69	0.00	760,956	760,956	0	
Retirees Subtotal	4,336.98	0.00	343,748	343,748	0	
Total	34,121.34	422.95	3,859,901	3,851,975	25,807	
Total Minimum Funding Values at Valuation Date					3,885,708	

Plan is funded to a lump sum limited by 415. This funding assumption could result in a target normal cost for a participant with no increase in accrued benefit when there is an increase in the IRC 415 benefit.

+ Vested amounts shown in all columns for Terminated Vesteds

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
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PPA Funding Values

Short Plan Year: 1/1/2022 to 8/31/2022

Valuation Date: 1/1/2022

Minimum Funding Segment Rates for 01/2022: 4.75% / 5.18% / 5.92%

Maximum Deductible Segment Rates for 01/2022: 0.88% / 2.61% / 3.27%

<u>Participant Name/Age</u>	<u>(1) BOY Mo. Accrued Benefit</u>	<u>(2) Expected Mo. Accr in Year</u>	<u>Present Value of (1) at BOY</u>	<u>Vested Pres Val of (1) at BOY</u>	<u>Present Value of (2) at BOY</u>	<u>Stat</u>
Terminated 13 / 42	845.33	52.84	71,937	71,937	4,496	A
Employee 22 / 66	3,029.35	0.00	557,046	557,046	0	A
Employee 23 / 61	1,520.00	0.00	253,016	253,016	0	A
Employee 25 / 57	1,422.78	54.72	207,339	207,339	7,974	A
Employee 28 / 55	2,165.00	0.00	295,033	295,033	0	A
Employee 27 / 49	2,363.67	112.55	259,589	259,589	12,360	A
Employee 26 / 65	5,436.67	0.00	1,028,338	1,028,338	0	A
Employee 24 / 65	2,930.28	0.00	554,259	554,259	0	A
Employee 30 / 61	1,554.72	53.62	258,795	258,795	8,925	A
Employee 31 / 63	1,408.33	0.00	250,716	250,716	0	A
Employee 29 / 40	1,088.28	57.28	86,839	86,839	4,571	A
Employee 33 / 44	98.53	51.44	8,942	0	4,669	A
Employee 34 / 40	114.73	40.50	9,155	0	3,231	B
Active Subtotal	23,977.67	422.95	3,841,004	3,822,907	46,226	
<u>Retirees & Vesteds*</u>						
Employee 21 / 62	2,663.33	0.00	458,874	458,874	0	T
Terminated 12 / 70	508.68	0.00	82,437	82,437	0	T
Terminated 11 / 64	833.61	0.00	153,087	153,087	0	T
Retired 11 / 78	714.97	0.00	110,016	110,016	0	R
Beneficiary 11 / 71	74.43	0.00	12,120	12,120	0	D
Terminated 14 / 57	176.64	0.00	25,741	25,741	0	T
Terminated 13 / 67	1,624.43	0.00	290,042	290,042	0	T
Retired 12 / 88	3,547.58	0.00	275,657	275,657	0	R
Vesteds Subtotal	5,806.69	0.00	1,010,181	1,010,181	0	
Retirees Subtotal	4,336.98	0.00	397,793	397,793	0	
Total	34,121.34	422.95	5,248,978	5,230,881	46,226	
Total Maximum Values at Valuation Date					5,295,204	

Plan is funded to a lump sum limited by 415. This funding assumption could result in a target normal cost for a participant with no increase in accrued benefit when there is an increase in the IRC 415 benefit.

+ Vested amounts shown in all columns for Terminated Vesteds

**TRADITIONAL DEFINED BENEFIT SAMPLE PLAN
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PPA Funding Values

Short Plan Year: 1/1/2022 to 8/31/2022

Valuation Date: 1/1/2022

Minimum Funding Segment Rates for 01/2022: 4.75% / 5.18% / 5.92%

Maximum Deductible Segment Rates for 01/2022: 0.88% / 2.61% / 3.27%

(a)	Values as of 1/1/2022	<u>Minimum</u>	<u>Maximum</u>	
	(1) Funding Target	3,859,901	5,248,978	
	(2) Target Normal Cost	25,807	46,226	
(b)	Minimum Funding Target as of 1/1/2022	<u>No. of Persons</u>	<u>Vested Benefits</u>	<u>Total Benefits</u>
	(1) Retirees Receiving Payments	3	343,748	343,748
	(2) Terminated Vesteds	5	760,956	760,956
	(3) Actives	13	2,747,271	2,755,197
	(4) Total	21	3,851,975	3,859,901

Plan is funded to a lump sum limited by 415. This funding assumption could result in a target normal cost for a participant with no increase in accrued benefit when there is an increase in the IRC 415 benefit.