SEIU Affiliates Officers and Employees Pension Plan

Actuarial Certification of Plan Status as of January 1, 2017 under IRC Section 432

Segal Consulting
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March 29, 2017

Board of Trustees
SEIU Affiliates Officers and Employees Pension Plan
1800 Massachusetts Avenue 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, 2017 in accordance with the Multiemployer Pension Reform Act of 2014 (MPRA). 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, 2016 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 Deborah J. Marcotte, FCA, MAAA, Senior Vice President and Enrolled Actuary.

As of January 1, 2017, the Plan is neither in 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).

Segal Consulting ("Segal") does not practice law and, therefore, cannot and does not provide legal advice. However, Segal is advised that Plan Counsel agree 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: 20% of payroll in 2016 and each year thereafter.

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 Consulting, a Member of the Segal Group

By: Kevin Murphy

Kevin Murphy
Vice President and Benefits Consultant

cc: *Eunice Washington, Esq.*
Yolanda Montgomery, Esq.
Paul Green, Esq.
James J. P. Manning, Esq.
Michael E. Warshaw, CPA

Segal Consulting

March 29, 2017

SENT CERTIFIED MAIL / RETURN RECEIPT

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
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, 2017 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 Avenue NW, Suite 301, Washington, DC 20036
Phone number: 202.730.7542

As of January 1, 2017, the Plan is neither in 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.

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

Segal Consulting
1800 M Street NW, Suite 900 S
Washington, DC 20036
Phone number: 202.833.6400

Sincerely,

Deborah Marcotte

Deborah J. Marcotte, FCA, MAAA
Senior Vice President and Actuary
Enrolled Actuary No. 14-5560

EIN 52-0812348 / 001

March 29, 2017

ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2017 UNDER IRC SECTION 432

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("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, 2017 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 Plan 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, 2016 actuarial valuation, dated March 29, 2017. 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 V.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect 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. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Deborah Marcotte

Deborah J. Marcotte, FCA, MAAA
Senior Vice President and Actuary
Enrolled Actuary No. 14-5560

EIN 52-0812348 / 001

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EXHIBIT I
Status Determination as of January 1, 2017

Status	Condition	Component Result	Final Result
Critical Status:			
Determination of critical status			
C1.	A funding deficiency is projected in four years.	No	No
C2. (a)	A funding deficiency is projected in five years,	No	
(b)	AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	N/A	
(c)	AND the normal cost and 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)	AND the funded percentage is less than 65%?	N/A	No
C4. (a)	The funded percentage is less than 65%,	No	
(b)	AND 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
In Critical Status? (if any of (C1) through (C5) is Yes, then Yes)			**No**
In Critical Status in any of the five succeeding, plan years?			**No**

EXHIBIT I (continued)
Status Determination as of January 1, 2017

Status	Condition	Component Result	Final Result
Endangered Status:			
E1. (a)	Is not in critical status,	Yes	
(b)	AND the funded percentage is less than 80%?	No	No
E2. (a)	Is not in critical status,	Yes	
(b)	AND a funding deficiency is projected in seven years?	No	No
In Endangered Status? (Yes when either E1 or E2 is Yes)			**No**
In Seriously Endangered Status? (Yes when both E1 and E2 are Yes)			**No**
Neither Critical Status Nor Endangered Status:			
Neither Critical nor Endangered Status?			**Yes**

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EXHIBIT II
Summary of Actuarial Valuation Projections

The actuarial factors as of January 1, 2017 (based on projections from the January 1, 2016 valuation certificate):

I.	**Financial Information**			
1.	Market value of assets			$883,172,335
2.	Actuarial value of assets			946,652,605
3.	Reasonably anticipated contributions			
a.	Upcoming year			53,409,938
b.	Present value for the next five years			232,942,735
c.	Present value for the next seven years			311,131,622
4.	Projected benefit payments			56,304,880
5.	Projected administrative expenses (beginning of year)			1,875,000
II.	**Liabilities**			
1.	Present value of vested benefits for active participants			250,518,440
2.	Present value of vested benefits for non-active participants			659,873,808
3.	Total unit credit accrued liability			949,116,189
4.	Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
a.	Next five years	$266,163,595	$7,815,066	$273,978,661
b.	Next seven years	366,631,046	10,211,850	376,842,896
5.	Unit credit normal cost plus expenses			36,304,970
6.	Ratio of inactive participants to active participants			1.7676
III.	**Funded Percentage** (I.2)/(II.3)			99.7%
IV.	**Funding Standard Account**			
1.	Credit Balance as of the end of prior year			$137,354,297
2.	Years to projected funding deficiency			N/A

EXHIBIT III
Funding Standard Account Projections

	Year Beginning January 1,							
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
1. Credit balance at beginning of year	$135,993,846	$137,354,297	$135,910,766	$129,522,427	$121,086,312	$112,442,151	$103,553,030	$94,527,546
2. Interest on (1)	10,199,538	10,301,572	10,193,307	9,714,182	9,081,473	8,433,161	7,766,477	7,089,566
3. Normal cost	26,594,121	26,455,371	27,016,675	27,532,342	28,054,107	28,580,598	29,128,602	29,677,909
4. Administrative expenses	1,700,000	1,875,000	1,924,477	1,787,113	1,650,434	1,702,554	1,756,129	1,811,122
5. Net amortization charges	30,482,794	33,986,846	38,990,655	41,240,722	41,684,173	42,010,544	42,228,190	42,396,645
6. Interest on (3), (4) and (5)	4,408,269	4,673,791	5,094,885	5,292,013	5,354,154	5,422,027	5,483,469	5,541,426
7. Expected contributions	52,540,033	53,409,938	54,569,229	55,784,307	57,055,936	58,386,408	59,750,505	61,176,503
8. Interest on (7)	1,806,064	1,835,967	1,875,817	1,917,586	1,961,298	2,007,033	2,053,924	2,102,942
9. Credit balance at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	$137,354,297	$135,910,766	$129,522,427	$121,086,312	$112,442,151	$103,553,030	$94,527,546	$85,469,455

EXHIBIT IV
Funding Standard Account – Projected Bases Assumed Established After January 1, 2016

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Experience Loss	1/1/2017	$32,055,639	15	$3,378,135
Plan Amendment	1/1/2017	1,194,877	15	125,920
Experience Loss	1/1/2018	45,056,562	15	4,748,217
Plan Amendment	1/1/2018	2,425,335	15	255,590
Experience Loss	1/1/2019	20,119,441	15	2,120,257
Plan Amendment	1/1/2019	1,231,858	15	129,817
Experience Loss	1/1/2020	2,834,533	15	298,713
Plan Amendment	1/1/2020	1,373,393	15	144,733
Experience Loss	1/1/2021	1,758,731	15	185,341
Plan Amendment	1/1/2021	1,338,308	15	141,036
Experience Loss	1/1/2022	582,462	15	61,382
Plan Amendment	1/1/2022	1,482,744	15	156,257
Experience Loss	1/1/2023	151,864	15	16,004
Plan Amendment	1/1/2023	1,446,689	15	152,457

EXHIBIT V
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2016 actuarial valuation certificate, dated March 29, 2017, 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 2017. The increase in liability in each future year is reflected as a plan amendment and amortized over 15 years in the Funding Standard Account.

Asset Information: The market value of assets as of January 1, 2017 was estimated using the net investment return provided by the investment consultant. The income and expense items were based on information provided by the Plan Administrator.

The administrative expenses were assumed to be $1,875,000 in 2017. This is the sum of three components:

- PBGC premiums
- Other expenses
- Software implementation add-on amount

For years after 2017, the PBGC premium rate and other expenses were increased by 2.75% per years. The PBGC premiums are equal to the projected Plan headcounts multiplied by the projected PBGC premium rate. The software implementation add-on was assumed to be $375,000 in 2017 and 2018 and $187,500 in 2019.

The benefit payments were projected based on the January 1, 2016 actuarial valuation. The projected net investment return was assumed to be 7.5% 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.

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Projected Industry Activity: As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the Board of Trustees. Based on this information, the number of active participants is assumed to be 3,821 for 2017 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 based on 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 is adjusted by 2.75% per year for assumed cost of living increases.

Future Contributions: Contributions are based on the contribution rates formally adopted by the Trustees on July 10, 2012 excluding the final increase to 21% which has been delayed indefinitely. Therefore, contributions are based on 20% of payroll in 2017 and each year thereafter. Projected payroll is based on an open group forecast, as previously described.

Technical Issues

Employer contributions set by the Board of Trustees are 20% of payroll in 2017 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.

Segal Consulting (“Segal”) does not practice law and, therefore, cannot and does not provide legal advice. 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.

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