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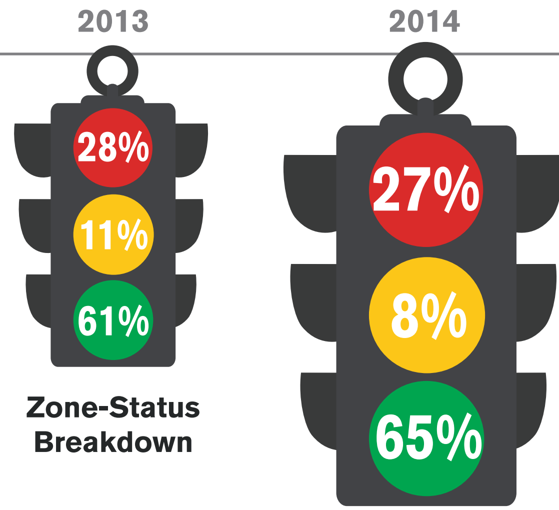

“Zone Status” of Multiemployer Pension Plans Improves

The percentage of calendar-year multiemployer pension plans in the “green zone” in 2014 is **65 percent**, an increase of 4 percentage points from 2013, according to Segal Consulting’s latest zone-status survey. (Plans with a January 1 plan-year start date are referred to as “calendar-year plans.”)

Average Funded Percentage also Improves

Between 2013 and 2014, the surveyed plans’ average Pension Protection Act of 2006 (PPA’06) funded percentage increased by 3 percentage points to reach **88 percent**.

Average PPA’06 Funded Percentage

2013	2014
85% →	88%

Factors Contributing to the Recent Improvement

- Very strong investment performance: For 2013, the return for multiemployer pension funds with a 40 to 70 percent allocation to equities ranged from 11.5 to 21.4 percent.*
- Trustees have taken steps to strengthen their plans, including plan design changes and negotiated contribution rates.
- There are higher levels of employment in many industries.

* Source: Segal Rogerscasey (the SEC-registered investment solutions member of The Segal Group)

Q&As about the Survey

Q: What is the “green zone”?

A: The “green zone” refers to multiemployer pension plans that have an actuarial certification of their projected funding status that is neither “endangered” (the “yellow zone”) nor “critical” (the“red zone”) under the funding provisions of PPA’06.

Q: How is zone status determined?

A: Zone status is determined by an actuarial certification based on a projection of estimated assets and liabilities. For calendar-year plans, the projection is based on January 1, 2014 assets (reflecting investment performance for 2013) and liabilities.

Q: What is the significance of being in the green zone?

A: Plans in the green zone are not subject to special rules put into place by PPA’06. In contrast, trustees of plans in the yellow and red zones are required to take specific actions to improve their plans’ financial status by adopting a funding improvement plan or rehabilitation plan, respectively.

Q: What is the PPA’06 funded percentage?

A: It is based on a ratio of assets to accrued benefits, measured using the plan actuary’s actuarial assumptions and the actuarial asset valuation method.

Additional Survey Data Coming Soon

This infographic is a preview of results from Segal Consulting’s *Survey of Calendar-Year Plans’ 2014 Zone Status,* which provides data for almost 220 plans. By May, a report showing additional results from that survey, including the zone-status breakdown by industry, as well as historical data will be accessible from this page of Segal Consulting’s website: http://www.segalco.com/publications-and-resources/multiemployer-publications/surveys-studies/

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