

2017 Year-End Report

The Converge Retirement Plan had an investment return of 15.76 % in 2017, another solid return for our balanced investment portfolio. We added 116 new participants; our second highest total ever. We have 802 retirees drawing an average pension of \$877 each month from the Defined Benefit Plan. We paid out over \$8 million in pension benefits in 2017. The plan has 889 active participants contributing into the plan, and 742 inactive participants (not yet retired, but not currently contributing). Many of our inactive participants have employers who reinstated their contributions to the Plan after the Great Recession.

The Defined Benefit Plan again made good progress in 2017 toward our goal of being fully funded. The most dramatic change in our DB Plan this year was the move from the 2000 actuarial mortality table to the 2014 table. Under the 2000 table, because of the strong investment return, we increased our funded status to about 91% as of the end of 2017. This is good news, and a strong step forward for the Plan. But the move to the 2014 table set us back due to the longer expected lifetimes built into that new table. While we have not received the actuarial report yet, I am estimating that our funded status will be in the low to mid 80's when we receive that report.

The gradual but steady increases in our retirees' life expectancies is not a new development. We moved from one actuarial table to another a number of times in my almost 30 years with the Plan. And in the years following each of those changes, we gradually recovered to a more solid funded position. I expect that to happen again in the years ahead.

The reason that we have been able to close the gap in our funded status historically is because the investment returns over time have exceeded our conservative return assumption of 5.5%. That is also how I expect us to eliminate the current underfunded position. While the actual annual returns will vary from year to year and cannot be predicted in advance, we have a long history of seeing our average returns exceed our conservative assumed return over time.

We consider it a privilege to serve as your retirement plan. We are honored to work on your behalf and will continue to do our best to protect your interests and provide a quality plan. Please call us at 877.482.6882 if you have any questions about your benefits. You can also visit us on the web at convergeretirement.org. You can see your personal account information at myconverge.org. Many of you have taken advantage of this convenient way to get the latest information regarding your benefits. If you have questions or difficulty with this site, please let us know.

Better Together,


Stephen Schultz
Plan Administrator