



NY-DIGNITY

RETIREMENT SYSTEM — TLC NEW YORK

Structural Framework Document

Version 7.2 — Institutional Working Draft

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| Prepared by | ECONSTART LLC — Structural Systems Consulting |
| Jurisdiction | New York City / New York State |
| Participant universe | NYC TLC-licensed professional drivers (est. 180,000+) |
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This document constitutes a structural retirement framework and is subject to formal legal and actuarial validation prior to implementation.

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SECTION I

Executive Summary

The NY-DIGNITY Retirement System is a self-funded, privately-governed retirement benefit structure designed for the approximately 180,000 professional drivers operating under [NYC TLC](#) licensure in New York City. The system operates independently of municipal, state, or federal budget appropriations and does not depend on employer-sponsored plan mechanisms within the meaning of [ERISA](#).

The architecture combines a collective funding pool with individual participant accounts, incorporating automatic risk management protocols, a conditional benefit floor mechanism, and an investment policy aligned with internationally recognized standards for multi-decade benefit obligations. The framework draws structural reference from established multiemployer and sovereign benefit systems including [CPP Canada](#), [ATP Denmark](#), and [PFZW Netherlands](#), without asserting equivalence to those systems.

| Structural Parameter | Design Specification |
|---|--|
| Fund architecture | Hybrid: 60% Collective Pool / 40% Individual Account |
| Participant contribution | 3% of \$250/day x 5 days/week base = \$1,950/year minimum |
| Platform contribution | Matching 3% — structured as operationally neutral to labor classification |
| Transportation Surcharge (TSS) | \$0.20/trip → fund (\$73M+/year) — independent revenue stream |
| Normal retirement benefit (FR 100–114%) | Standard: \$1,300/mo Veteran: \$450/mo Founder: proportional |
| Full benefit (FR ≥ 115%) | Standard: \$1,500/mo Veteran: \$563/mo CPI indexation activated |
| Protected Benefit Floor (PBF) | Standard: \$1,000/mo Veteran: \$360/mo Actuarially certified |
| Individual Account guarantee | 3% minimum annual return — participant property — passes to beneficiary |
| Investment return target | 7.5% compound annual (diversified global portfolio) |
| 30-year projected assets | ~\$27.6B total (baseline); ~\$20.8B (extreme stress — AVTP activated) |
| Governance | 7-member Board, majority independent technical — no platform representation |

SECTION II

Legal Structure and Regulatory Framework

II.A — Proposed Trust Structure

NY-DIGNITY is structured as a Multiemployer Benefit Trust organized under [NY EPTL Art. 7](#) (New York Estates, Powers and Trusts Law, Article 7), with a concurrent application for IRS determination of exemption under [IRC 501\(c\)\(9\) VEBA](#) (Voluntary Employees' Beneficiary Association). The Trust operates as a legal entity independent of any employer, platform, or governmental body. Trustees hold fiduciary obligations consistent with the standards of [ERISA Sec. 404](#) as a matter of structural design, irrespective of formal ERISA coverage determination.

The Trust presents [Form 5500](#) annually to the [DOL](#) and maintains written Plan Documents, a Summary Plan Description (SPD), and bonding for trustees in accordance with [ERISA Sec. 412](#) standards. Financial statements are prepared under [ASC 960](#) (Accounting and Reporting by Defined Benefit Pension Plans) and audited annually by an independent CPA firm.

II.B — ERISA Applicability Analysis

The applicability of [ERISA Title I](#) to this framework depends on the labor classification of participating drivers and the characterization of the plan as employer-maintained. This document does not assert that the framework falls outside ERISA coverage. Rather, the structural design addresses two distinct scenarios:

Scenario A — Independent Contractor Classification: If drivers are classified as independent contractors under the economic reality test established by the [DOL IC Rule 2024](#), the Trust would not constitute an "employee benefit plan" under ERISA §3(3), and Title I requirements would not apply as a matter of federal law. The [IRC 501\(c\)\(9\) VEBA](#) structure provides the appropriate framework for voluntary benefit associations of non-employee workers.

Scenario B — Employee Reclassification: In the event that a regulatory or judicial determination reclassifies participating drivers as employees under the [DOL IC Rule 2024](#) "economic reality test," the Trust's governance structure, fiduciary standards, reporting obligations, and actuarial funding discipline are designed to satisfy [ERISA Title I](#) and [ERISA Title IV](#) requirements without structural modification. This design principle — compliance readiness under both classification scenarios — is a deliberate feature of the framework.

II.C — Platform Contribution Design and Labor Classification Neutrality

Platform contributions to the Trust ([Uber](#), [Lyft](#), and qualifying TLC-licensed transportation network companies) are structured to be operationally neutral with respect to labor classification. Three permissible structures are analyzed:

| Structure | Legal Basis | Classification Risk | Recommended Path |
|---|--|---------------------|------------------|
| NYC Local Law mandate (Network access fee) | NYC TLC 2019 minimum pay precedent Attorney General supervision | Lowest | Primary ★ |
| Commercial contract (Benefit subsidy agreement) | LMRA Sec. 302 analog Bilateral commercial terms | Low-Medium | Secondary |
| VEBA voluntary contribution | IRC 501(c)(9) contribution rules IRS guidance required | Medium | Contingent |

Regardless of the contribution structure adopted, the Trust Agreement explicitly states: *"The obligation of a transportation network company to contribute to this Trust does not create, imply, or evidence an employment relationship between the platform and any participating driver. Platform entities have no governance rights within the Trust, no fiduciary designation, and no access to participant benefit data beyond aggregate anonymized reporting required for contribution calculation purposes."*

II.D — Jurisdictional Framework and Amendment Protocol

The Trust Agreement is governed by New York State law ([NY EPTL Art. 7](#)) and subject to federal law supremacy. The framework expressly acknowledges that the [Contracts Clause](#) (Art. I §10, U.S. Constitution) does not insulate the Trust from prospective modification by Congress or the New York State Legislature. As established in [PBG v. LTV Corp. \(1990\)](#), public interest considerations may justify legislative modifications to private benefit arrangements.

Material amendments to the Trust Agreement require: (a) affirmative vote of six of seven Board members; (b) independent actuarial certification that the proposed amendment does not adversely affect the 30-year funding trajectory; (c) 90-day public notice period accessible to all participants; and (d) external review by [ERISA](#) counsel. This process applies to any modification of benefit levels, contribution rates, or governance structure.

SECTION III

Actuarial Design and Funding Policy

III.A — Contribution Architecture

The funding structure is built on a dual-component model: a Collective Pool receiving 60% of total contributions (plus Transportation Surcharge revenue) and an Individual Account receiving 40% of total contributions. This design eliminates the actuarial cross-contamination risk present in pure defined benefit structures while maintaining the intergenerational risk-sharing properties that distinguish sustainable multiemployer plans.

| Source | Annual Minimum | → Collective Pool (60%) | → Individual Account (40%) |
|--------------------------------|-----------------------|-------------------------|----------------------------|
| Participant — 3% of base | \$1,950 | \$1,170 | \$780 |
| Platform — 3% matching | \$1,950 | \$1,170 | \$780 |
| TOTAL per participant | \$3,900 | \$2,340 | \$1,560 |
| Transportation Surcharge (TSS) | \$73M+/year aggregate | 100% → Pool | — |

III.B — Dynamic Funding Mechanism

Contribution rates are linked to the certified Funding Ratio (FR) through an automatic adjustment mechanism that operates without Board discretion or legislative action. This mechanism is structurally modeled on the funding discipline applied by [PFZW Netherlands](#) and is designed to address funding deficits before they reach levels requiring benefit adjustments.

| Funding Ratio (FR) | Participant Rate | Platform Rate | Combined Total | TSS Rate/trip | Designation |
|--------------------|------------------|---------------|----------------|---------------|--------------------|
| FR ≥ 130% | 2.5% | 2.5% | 5.0% | \$0.20 | Exceptional |
| FR 100%–129% | 3.0% | 3.0% | 6.0% | \$0.20 | Standard ✓ |
| FR 85%–99% | 3.5% | 3.5% | 7.0% | \$0.25 | Watch — AVTP Lvl 2 |
| FR < 85% | 4.0% | 4.0% | 8.0% | \$0.30 | Alert — AVTP Lvl 3 |

III.C — Investment Policy

The Trust adopts a diversified global investment policy targeting a 7.5% compound annual return. The policy is modeled on the governance and diversification principles of the [CPP Canada](#) investment framework. A professionally appointed Chief Investment Officer (CIO) manages the portfolio under a written Investment Policy Statement (IPS) reviewed annually by the Board's Investment Risk Committee.

| Asset Class | Allocation | Historical Range | Role in Portfolio |
|---|-------------|--------------------|--|
| Global equities — diversified index | 40% | 9–10%/yr | Long-term growth engine |
| Infrastructure (ports, energy, transit) | 25% | 7–8%/yr | Inflation-linked stability |
| Diversified real estate | 15% | 6–7%/yr | Inflation hedge |
| Investment-grade government bonds | 15% | 3–4%/yr | Capital preservation |
| Cash and equivalents | 5% | 4–5%/yr | Liquidity buffer |
| BLENDED TARGET RETURN | 100% | 7.2–7.8%/yr | Net of investment management fees |

Concentration Rule (aligned with [PFZW Netherlands](#) governance standards): No single entity may represent more than 5% of total fund assets. The Trust is expressly prohibited from investing in entities within the NYC TLC transportation ecosystem. These constraints may be modified only by unanimous Board vote with prior actuarial review.

III.D — Mortality and Longevity Assumptions

Actuarial valuations use [SOA RP-2020](#) mortality tables with Scale MP-2020 generational improvement factors, reflecting the most current Society of Actuaries mortality research for pension benefit obligations. The following longevity assumptions govern benefit costing:

| Demographic | RP-2020 Base Life Expectancy at 62 | + MP-2020 Projection (to 2045 cohort) | Sensitivity Test (+2 years) |
|--|------------------------------------|---------------------------------------|-----------------------------|
| Male participants | 23.4 years | 25.1 years | 27.1 years |
| Female participants | 25.4 years | 27.0 years | 29.0 years |
| Blended (TLC workforce profile) | ~24.1 years | ~25.8 years | ~27.8 years |
| Applied assumption (conservative) | — | 25.8 years | 27.8 years (stress) |

SECTION IV

Benefit Structure

IV.A — Standard Track

The Standard Track is available to participants who have completed a minimum of 20 years of active, verified contributions. Retirement is available from age 55, subject to an Age Reduction Factor (ARF), with full benefit payable at age 62. Retirement prior to age 55 is available subject to a compounded early retirement factor.

| Age at Retirement | ARF Applied | Benefit (FR 100–114%) | Benefit (FR ≥ 115%) | + Indiv. Account Supplement/mo | Estimated Total |
|----------------------------------|-------------|-----------------------|---------------------|--------------------------------|------------------------|
| 55 years | 65% | \$845 | \$975 | +\$233 | \$1,078–\$1,208 |
| 57 years | 75% | \$975 | \$1,125 | +\$233 | \$1,208–\$1,358 |
| 59 years | 85% | \$1,105 | \$1,275 | +\$233 | \$1,338–\$1,508 |
| 61 years | 95% | \$1,235 | \$1,425 | +\$233 | \$1,468–\$1,658 |
| 62 years — Full benefit ★ | None | \$1,300 | \$1,500 | +\$233 | \$1,533–\$1,733 |

Pre-55 retirement: Participants electing retirement before age 55 are subject to a compounded Severe Age Reduction Factor of 8% per year prior to 55, applied multiplicatively to the Years Reduction Factor. This reduction is permanent and irrevocable. The Individual Account remains available as a payout option.

IV.B — Veteran Track and Historical Recognition Component

The Veteran Track is available to participants who can document between 15 and 20 years of verified TLC service, measured at 250 days of activity per calendar year at or above the \$250 daily base. Verified years reduce the active contribution requirement proportionally, subject to a mandatory minimum additional contribution period of three years.

Historical Recognition Component (HRC): The Veteran Track benefit includes a Historical Recognition Component funded by the Collective Pool. The HRC represents the actuarial difference between the present value of the promised benefit stream and the contributions received from the participant. This component is an explicit, documented, and audited feature of the collective funding model — not a cross-subsidy in the pejorative sense. All participants acknowledge and accept the solidarity structure upon enrollment. The HRC is reported separately in annual [Form 5500](#) filings and audited financial statements under [ASC 960](#).

| Parameter | Base Case (25.8 yr @ 4%) | Sensitivity (27.8 yr @ 4%) | Actuarial Basis |
|-----------------------------|--------------------------|----------------------------|------------------------------|
| Monthly benefit (FR normal) | \$450 | \$450 | Established benefit schedule |

| | | | |
|---|-----------------|-----------------|--|
| Annuity factor (monthly, 4% discount) | 190.8 | 199.2 | SOA RP-2020 + MP-2020 |
| Present value of benefit obligation (per participant) | \$85,860 | \$89,640 | PV = benefit × annuity factor |
| Total pool contribution received (3 years) | \$7,020 | \$7,020 | \$2,340/yr × 3 years |
| Historical Recognition Component (HRC) | \$78,840 | \$82,620 | Pool-funded — documented in Form 5500 |
| HRC ratio (obligation / contributions) | 12.2:1 | 12.8:1 | Sustainable given \$18B+ pool at Year 30 |

The HRC is financially sustainable given the projected pool reserves of approximately \$18B at Year 30 (baseline). Under the extreme stress scenario (2% returns for 12 years with a Year-3 shock), pool reserves remain at approximately \$20.8B at Year 30 following AVTP activation. The cumulative cost of the Veteran Track HRC across the estimated 13,000 Veteran participants is approximately \$57M annually — representing approximately 3.2% of projected Year-30 pool assets.

IV.C — Sector Founder Track

The Sector Founder Track serves participants with 15–20 verified TLC service years who cannot complete the Veteran Track minimum contribution period before age 62. A minimum of five years of active contribution is required. The monthly benefit is proportional to years contributed, converging with the Veteran Track benefit at 10 years of active contribution. Minimum retirement age is 62.

IV.D — Benefit Scale by Funding Ratio

Benefits across all tracks are scaled to the certified Funding Ratio, following the conditional benefit model of [ATP Denmark](#). CPI indexation activates when FR exceeds 115%, consistent with inflation protection principles applied by [PFZW Netherlands](#). The Protected Benefit Floor (PBF) — described in Section V — establishes the minimum payable benefit under stress conditions.

| Funding Ratio | Standard Track | Veteran Track | CPI Indexation (CPI) | Designation |
|---------------------|----------------------|--------------------|----------------------|--------------------|
| FR ≥ 130% | \$1,500 | \$563 | 100% CPI ≤ 2%/yr | Exceptional |
| FR 115%–129% | \$1,500 | \$563 | 50% CPI ≤ 1%/yr | Strong |
| FR 100%–114% | \$1,300 | \$450 | None | Normal ✓ |
| FR 85%–99% | \$1,000 | \$405 | None | Watch — AVTP Lvl 2 |
| FR < 85% | PBF: \$1,000* | PBF: \$360* | None | Alert — AVTP Lvl 3 |

*PBF subject to actuarial certification — see Section V.A.

SECTION V

Risk Management Framework

V.A — Protected Benefit Floor (PBF)

The Protected Benefit Floor (PBF) establishes the minimum monthly benefit payable to participants in pay status. It replaces the concept of an "absolute guarantee," which would be inconsistent with the framework established under [MPRA 2014](#) and the judicial doctrine recognized in [PBG v. LTV Corp. \(1990\)](#).

PBF Activation Conditions: The PBF may not be reduced while the independent [FSA/MAAA](#) actuary certifies a projected 10-year FR above 70%. A temporary PBF reduction — limited to a maximum of 20% and subject to automatic reversal — may be authorized only when all of the following conditions are simultaneously met:

- (a) The independent [FSA](#) actuary certifies that the FR projected to 10 years falls below 70% in three consecutive annual valuations;
- (b) The Board votes by a supermajority of six of seven members;
- (c) All affected participants receive written notice no fewer than 180 days prior to any reduction;
- (d) A concurrent review is requested from the [DOL/EBSA](#) when any proposed reduction exceeds 10%;
- (e) The AVTP has been operating at Level 3 or Level 4 for a minimum of 12 consecutive months.

The PBF automatically returns to its full level when the certified FR exceeds 85% for two consecutive valuation periods. No Board action is required for reinstatement.

PBF Formal Language — Trust Agreement Language

"The Protected Benefit Floor (PBF) represents the minimum monthly benefit payable to participants in current pay status. The PBF may be temporarily reduced only upon satisfaction of all conditions specified in Article 8(c) of this Trust Agreement, consistent with applicable requirements of the [MPRA 2014](#) and the fiduciary standards of [ERISA Sec. 404](#). Any reduction is temporary, actuarially bounded, and subject to automatic reinstatement. The Trustees acknowledge that federal and state law supersedes any Trust provision, and that the PBF does not constitute an unconditional contractual guarantee enforceable in derogation of applicable law."

V.B — Autonomous Vehicle Trigger Protocol (AVTP)

The AVTP is a pre-coded automatic response protocol addressing the risk of participant universe reduction due to technological displacement — an existential risk analogous to the industrial decline that destabilized large multiemployer plans in the 20th century. The protocol activates automatically upon verified threshold triggers, without Board discretion.

| Level | Trigger | Automatic Actions | PBF Status |
|-------|---------|-------------------|------------|
|-------|---------|-------------------|------------|

| | | | |
|--------------------|--------------------------------------|---|----------------------|
| 0 Baseline | ≥ 150,000 active TLC licenses | Standard operations. Quarterly monitoring. Annual valuations. | Full |
| 1 Watch | 120,000–149,999 licenses | Semi-annual actuarial valuations. Permanence bonus suspended. Participant communication. | Full |
| 2 Alert | 90,000–119,999 licenses OR FR < 120% | TSS → \$0.25/trip. Retirement intake cap (1.5%/yr). 18-month notice for new retirements. | Full |
| 3 Critical | 60,000–89,999 licenses OR FR < 100% | Age 62+ retirements only. Contribution rate +1% auto. AV Contingency Fund activated. Legislative consultation. | PBF monitored |
| 4 Emergency | < 60,000 licenses OR FR < 85% | Prospective retirement freeze for new applicants. Participant universe expanded to certified AV roles. Benefits in pay status. PBF in effect. | PBF in effect |

AV Contingency Fund: 2% of annual TSS revenue (approximately \$1.46M/year) is deposited into a segregated AV Contingency Fund exclusively available for Level 3–4 activation. Projected balance: \$85.7M at Year 30. The fund finances participant retraining for AV-adjacent roles and covers transitional contribution gaps.

V.C — Return to Work Protocol (RTWP)

A participant who formally retires and subsequently resumes TLC-verified activity enters the RTWP. Under this protocol: the participant and platform each contribute at 4%; the pool/individual split adjusts to 70%/30%; 40% of the calculated benefit is paid monthly; and the remaining 60% accumulates in a designated RTWP account at 4% annual return. At final retirement, the participant receives the full monthly benefit plus the accumulated RTWP balance as a lump sum.

The RTWP is available once per participant lifetime, subject to a minimum six-month interval between formal retirement and re-entry. Annual verified activity must meet a minimum of 100 days; failure to meet this threshold triggers automatic conversion to final retirement status. The Individual Account and RTWP accumulations pass to the designated beneficiary upon the participant's death.

SECTION VI

Governance and Fiduciary Oversight

VI.A — Board Composition and Independence

The Trust is governed by a seven-member Board of Trustees, constituted to maintain a permanent technical majority independent of any employer, platform, or governmental body. The number seven is non-negotiable and codified in the Trust Agreement to ensure a decisive vote in all circumstances.

| Position | Count | Selection Process | Term | Removal |
|--|----------|---|-------------------|------------------------------------|
| Independent Trustee — Chair | 1 | External technical selection panel — RFP | 5 yr / 1 renewal | 6/7 supermajority |
| Independent Actuary (FSA/MAAA) | 1 | Competitive RFP — mandatory 6-year rotation | 3 yr / renewable | For cause + 6/7 vote |
| Investment Professionals (CFA / CIO equivalent) | 2 | Competitive RFP — technical criteria only | 3 yr / 2 renewals | For cause + 5/7 |
| Participant-Elected Representatives | 2 | Direct election by active participants | 3 yr / 2 renewals | Recall by 25% of participants |
| External ERISA/Trust Counsel | 1 | Competitive RFP — independent law firm | 3 yr / renewable | For cause |
| TOTAL — Technical majority: 4/7 | 7 | Platform entities: no representation | Staggered | Written COI policy required |

VI.B — Audit and Control Framework

| Control Mechanism | Frequency | Executing Party | Standard Applied | Report To |
|--|-----------|--|---|-----------------------------|
| Full Actuarial Valuation | Annual | Independent FSA/MAAA — 6-yr rotation | SOA RP-2020 + MP-2020 + PBGC stress | Board + DOL |
| Financial Audit (CPA) | Annual | Big-4 or equivalent — independent | ASC 960 / U.S. GAAP | Board + IRS |
| Form 5500 Filing | Annual | ERISA counsel + CPA | ERISA Sec. 103 / EBSA | DOL/ EBSA |
| Forensic Audit (ACFE standards) | Biennial | Certified Fraud Examiner — independent firm | ACFE Standards | Board + NY AG |

| | | | | |
|----------------------------------|-------------|--|--|----------------------|
| Independent Stress Test | Triennial | Different FSA from regular actuary | SOA / PBGC scenarios | Board + Participants |
| Investment Risk Committee Review | Quarterly | CIO + 2 independent trustees | Investment Policy Statement (IPS) | Full Board |
| Public Transparency Report | Semi-annual | Trust Secretary | Plain-language — accessible to all participants | Public website |

SECTION VII

Financial Projections and Stress Testing

VII.A — Baseline Projections (7.5% Annual Return)

Projections assume actuarial participant growth consistent with TLC licensing data, beginning benefit payments to the first retiring cohort at Year 20. First-year retirees receive benefits based on Standard Track 20-year minimum. Mortality reduces obligations at rates consistent with [SOA RP-2020](#).

| Year | Active Participants | Pool Contributions + TSS | Investment Return | Cumulative Pool Reserves | Individual Accounts |
|-------------------------------------|---------------------|--------------------------|-------------------|--------------------------|---------------------|
| Year 1 | 54,000 | \$199M | — | \$199M | \$42M |
| Year 5 | 61,944 | \$218M | \$59M | \$1.0B | \$483M |
| Year 10 | 71,875 | \$241M | \$222M | \$3.2B | \$1.3B |
| Year 15 | 81,806 | \$264M | \$435M | \$6.1B | \$2.9B |
| Year 20 — First retirements begin ★ | 91,737 | \$288M | \$711M | \$10.1B | \$5.7B |
| Year 25 | 101,668 | \$311M | \$928M | \$13.9B | \$7.8B |
| Year 30 | 111,599 | \$334M | \$1,157M | \$18.0B | \$9.6B |
| 30-Year Total Assets | — | — | — | \$18.0B | +\$9.6B |

VII.B — Stress Test Scenarios

Three stress scenarios are modeled using actuarial methods consistent with [PBGC](#) guidance. Scenario assumptions are independent and do not compound. AVTP activation is explicitly modeled within each scenario.

| Indicator | Baseline 7.5% | Conservative 5.0% | Adverse 3.0% / 40% AV | Extreme 2%→5% / +AV shock |
|-------------------------|---------------|-------------------|-----------------------|---------------------------|
| Pool Reserves — Year 20 | \$10.1B | \$7.4B | \$5.2B | \$4.1B |
| Pool Reserves — Year 30 | \$18.0B | \$12.4B | \$7.4B | \$5.8B |
| Funding Ratio — Year 30 | ~168% | ~118% | -95% | ~74% |
| AVTP Level Activated | None | 1–2 | 2–3 | 3–4 |
| PBF Reduction Required | No | No | No | Conditional* |

| | | | | |
|--|---------|---------|--------|--------|
| Fund sustainability (years w/o income) | >20 yrs | >14 yrs | >8 yrs | >6 yrs |
|--|---------|---------|--------|--------|

*Under the Extreme Scenario, AVTP Level 3–4 activates by Year 12, increasing contribution rates, expanding the TSS, and potentially expanding the eligible participant universe to AV-adjacent roles. PBF reduction conditions under Section V.A may be met by Year 25 if no corrective action reverses the trajectory — triggering the actuarially certified, 20%-maximum, reversible reduction mechanism. Under no modeled scenario does the fund become insolvent within a 30-year horizon.

VII.C — Extreme Scenario: 2% Return / Year-3 Shock / Full AVTP Activation

This scenario models a sustained low-return environment (2% annually for 12 years), a 20% asset shock in Year 3 (adverse market event), followed by recovery to 5% from Year 13 onward. AVTP protocol activates automatically:

| Year | AVTP Status | Contribution Rate | TSS Rate | Pool Reserves (post-shock) | Benefit Status |
|------|--------------------------------------|-------------------|---------------|----------------------------|--------------------------------|
| 1–2 | Level 0 — Standard | 6.0% | \$0.20 | ~\$380M | Full benefit |
| 3 | Level 1 — Watch (shock event) | 6.0% | \$0.20 | ~\$508M (-20%) | Full benefit |
| 5 | Level 1 → 2 — Alert | 7.0% | \$0.25 | ~\$990M | Full benefit |
| 8 | Level 2 — Alert sustained | 7.0% | \$0.25 | ~\$1.87B | Full benefit |
| 10 | Level 2–3 transition | 8.0% | \$0.30 | ~\$2.62B | Age 62+ only |
| 13 | Level 3 — return recovers 5% | 8.0% | \$0.30 | ~\$4.01B | Gradual normalization |
| 20 | Level 2 → 1 (recovery) | 7.0% | \$0.25 | ~\$9.25B | Full benefit restored |
| 30 | Level 0 — Standard restored | 6.0% | \$0.20 | ~\$20.8B | Full benefit — FR ~105% |

Conclusion: Under the Extreme Scenario, the AVTP prevents insolvency without requiring a PBF reduction. Pool reserves reach approximately \$20.8B at Year 30 — approximately 84% of the baseline \$24.8B — with a Funding Ratio of approximately 105%. The PBF reduction trigger conditions of Section V.A are not met under this scenario.

SECTION VIII

Regulatory and Structural References

VIII.A — Applicable U.S. Law and Regulation

ERISA Sec. 402 — Written plan document requirement. The NY-DIGNITY Trust Agreement, Summary Plan Description, and Plan Rules constitute the written plan documents required under this section.

ERISA Sec. 404 — Fiduciary duty of loyalty, prudence, diversification, and plan document compliance. Applied voluntarily as fiduciary governance standard regardless of formal ERISA coverage determination.

ERISA Sec. 412 — Bonding requirements for plan fiduciaries. Applied as a structural governance requirement.

ERISA Sec. 4225 — PBGC authority to recalculate benefits upon plan assumption. Acknowledged in the PBF design — the framework does not assert immunity from PBGC intervention.

MPRA 2014 — Multiemployer Pension Reform Act. Establishes the regulatory framework for benefit suspensions in critical and declining plans. The PBF suspension protocol (Section V.A) is structurally consistent with MPRA criteria.

DOL IC Rule 2024 — DOL independent contractor classification standard (2024). The framework addresses both classification outcomes — independent contractor and employee — without asserting either result.

IRC 501(c)(9) VEBA — Internal Revenue Code exemption for Voluntary Employees' Beneficiary Associations. The proposed Trust structure is designed to qualify under this exemption, pending IRS determination.

Form 5500 — Annual benefit plan reporting to the Department of Labor. The Trust files Form 5500 annually. The Historical Recognition Component (HRC) is reported as a separate line item.

ASC 960 — FASB Accounting Standards Codification Topic 960 — Accounting and Reporting by Defined Benefit Pension Plans. Applied to annual financial statement preparation and independent audit.

SOA RP-2020 — Society of Actuaries RP-2020 mortality tables with Scale MP-2020 generational improvement. Applied as the baseline mortality assumption for all benefit obligation calculations.

Contracts Clause — U.S. Constitution, Article I, Section 10. Acknowledged — the framework does not assert immunity from legislative modification. The amendment protocol does not purport to override federal or state law.

PBGC v. LTV Corp., 496 U.S. 633 (1990) — Supreme Court decision establishing that PBGC may restore benefits to protect plan participants and that public interest may justify modification of private benefit arrangements. The PBF design accounts for this doctrine.

NYC TLC Minimum Pay Standard (2019) — New York City TLC minimum pay precedent establishing per-trip fees on transportation network companies. Provides legislative precedent for a per-trip TSS mechanism.

[LMRA Sec. 302](#) — Labor Management Relations Act Section 302 — governing labor-management trust funds. Referenced in the analysis of alternative contribution structures.

[NY EPTL Art. 7](#) — New York Estates, Powers and Trusts Law, Article 7 — trust formation and administration. Primary state law governing the Trust Agreement.

VIII.B — International Structural Benchmarks

The following systems are referenced for structural design principles only. Reference does not assert equivalent performance, regulatory context, or participant population.

[Canada Pension Plan \(CPP\)](#) — Governance model reference. The CPP Investment Board governance structure — independent from government, professionally managed, operating under a clear investment mandate — informs the NY-DIGNITY Board composition and CIO selection process. CPP assets: CAD \$575B; FR: 107%.

[ATP Denmark](#) — Collective pooling and conditional benefit design reference. The ATP structure separates guaranteed base benefits from conditional bonus elements linked to fund performance, directly informing the FR-scaled benefit design and the PBF concept.

[PFZW Netherlands](#) — Funding ratio discipline and dynamic contribution reference. PFZW's automatic contribution adjustment mechanism — operational without board discretion — is the structural model for the NY-DIGNITY dynamic funding mechanism. FR: 128%.

SECTION IX

Implementation Roadmap

The following steps represent the minimum sequence of formal actions required before the Trust accepts participant contributions or makes benefit commitments. No step is optional. Steps are sequenced by dependency, not by difficulty.

| Phase | Action | Responsible Party | Estimated Timeline | Gate for |
|---|---|-----------------------------|-------------------------|--------------------------|
| Phase 1 Legal Foundation | Retain ERISA counsel to provide formal written opinion on (a) ERISA applicability under DOL IC Rule 2024 ; (b) recommended Trust structure; (c) VEBA 501(c)(9) viability. | Specialized ERISA law firm | 60–90 days | All subsequent phases |
| Phase 1 Actuarial Foundation | Engage independent FSA/MAAA actuary to perform (a) formal demographic study of TLC participant universe; (b) first actuarial valuation; (c) stress test certification. | SOA-credentialed FSA firm | 90–120 days | Phases 2, 3, 5 |
| Phase 1 Document Drafting | Draft Trust Agreement, Summary Plan Description (SPD), and Plan Rules under ERISA Sec. 402 standards. Includes PBF protocol, AVTP text, amendment procedure, and COI policy. | ERISA counsel + Board | 120 days | Participant enrollment |
| Phase 2 IRS Determinatio n | File IRS Form 1024 requesting IRC 501(c)(9) VEBA determination. Concurrent state filing with New York Attorney General under NY EPTL Art. 7 . | Tax counsel + ERISA counsel | 6–12 months | Public announcement |
| Phase 2 Platform Agreements | Negotiate and execute contribution agreements with transportation network companies. Recommended structure: NYC Local Law mandate as primary path; bilateral commercial agreement as contingency. | ECONSTART + labor counsel | 6–18 months | First contributions |
| Phase 3 DOL Registration | Register Trust with DOL/EBSA . Establish Plan Sponsor EIN. Designate named fiduciaries and execute ERISA Sec. 412 fidelity bonds. File initial Form 5500 . | ERISA counsel + trustees | 30–60 days post Phase 1 | Operations |
| Phase 3 Investment Setup | Draft and adopt Investment Policy Statement (IPS). Appoint CIO via competitive RFP. Constitute Investment Risk Committee. Open Trust custodial accounts. | Board + independent CIO | 90 days | First contributions |
| Phase 4 Operational Systems | Implement TLC data verification system for participant eligibility, Veteran Track points, and RTWP activity monitoring. Requires data sharing agreement with NYC TLC . | Technology vendor + TLC | 180 days | Veteran Track enrollment |

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| <p>Phase 4 Pre-Benefit Audit</p> | <p>Complete first independent financial audit (ASC 960), second actuarial valuation, and AVTP calibration review before any benefit payments are authorized.</p> | <p>FSA + CPA + Board</p> | <p>Before Year 20</p> | <p>First benefit payment</p> |
|---|--|--------------------------|-----------------------|------------------------------|

This document constitutes a structural retirement framework and is subject to formal legal and actuarial validation prior to implementation.

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