

Ironworkers Local No.16 Pension Plan

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Administered by
Welfare & Pension Administration Service, Inc.

November 14, 2022

REPORT OF SUMMARY PLAN INFORMATION PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

In accordance with ERISA §104(d), the Trustees of the Ironworkers Local No. 16 Pension Fund are providing the following Report of Summary Plan Information to unions that represent Plan participants and employers obligated to contribute to the Plan. Except as otherwise specified, all information in this Report pertains to the Plan Year ending December 31, 2021 ("2021 Plan Year").

1. Contribution Schedule and Benefit Formula Information.

Contributions are paid to the Plan by participating employers pursuant to collective bargaining agreements with Ironworkers Local Union No. 16 on behalf of its members who perform work in covered employment. In 2021, the hourly rates were \$10.21 per hour from January 1, 2021 to May 31, 2021 and \$10.46 per hour starting on June 1, 2021.

In general, eligible participants accrue benefits based on their Service Credits, which are based on the number of hours of covered employment performed in a given Plan Year. The normal retirement benefit equals the sum of (1), (2), (3), and (4) below:

- (1) \$87.00 times the Participant's Service Credits up to 25 earned prior to January 1, 2006 plus \$94.00 times the Participant's Service Credits up to 25 earned between January 1, 2006 and May 31, 2012, plus
- (2) \$116.00 times the Participant's Service Credits in excess of 25 earned prior to January 1, 2006 plus \$125.33 times the Participant's Service Credits in excess of 25 earned between January 1, 2006 and December 31, 2010, plus \$94.00 times the Participant's Service Credits in excess of 25 earned between January 1, 2011 and May 31, 2012, plus
- (3) \$88.50 times the Participant's Service Credits earned between June 1, 2012 and December 31, 2014, plus
- (4) \$50.00 times the Participant's Service Credits earned on or after January 1, 2015.

A more detailed description of benefits can be found in the Plan's Summary Plan Description ("SPD") and the Summary of Material Modifications describing amendments to the Plan and the SPD.

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2. **Number of Contributing Employers.**

During the 2021 Plan Year, 46 employers were obligated to contribute to the Plan.

3. **Employers Contributing More than 5%.**

The following employers contributed more than 5% of the total contributions to the Plan during the 2021 Plan Year:

- 1) BSE Erection LLC
- 2) Eastern Glass & Glazing
- 3) UCR

4. **Participants for Whom No Contributions Were Made.**

The number of participants for whom no employer contributions were made in the past three years, by an employer as the participant's employer, is detailed in the chart below:

	2021 Plan Year	2020 Plan Year	2019 Plan Year
Participants	779	783	1128

5. **Plan Funding Status.**

For the Plan Year starting January 1, 2022, the Plan Actuary certified the Plan as being in critical status.

The plan was first certified to be in critical status for the 2012 Plan Year. In April 2012, the Trustees adopted a rehabilitation plan aimed at restoring the financial health of the Plan. The rehabilitation plan included schedules that increased employer contributions and reduced benefits. The Plan's rehabilitation period began on January 1, 2013 and is scheduled to end on December 31, 2022.

Due to lower-than-expected industry activity during the Plan Year that ended December 31, 2012, the Plan was not projected to emerge from critical status by December 31, 2022. In August 2013, the Trustees amended the rehabilitation plan to further reduce benefits effective January 1, 2014 and increase projected contributions.

In March 2014, the Trustees determined that, based on current and anticipated economic conditions and industry outlook, the scheduled contribution rates in the 2013 Rehabilitation Plan would no longer be sustainable. Accordingly, the Trustees reduced the planned future contribution rates as part of the 2014 Rehabilitation Plan. Additionally, the Trustees took action to further reduce benefits aimed at restoring the financial health of the Plan.

In May 2015, the Trustees concluded that, based on current and anticipated economic conditions and industry outlook, the Fund would never emerge from Critical Status. The Trustees reached

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this conclusion after taking into account the economic condition of the building and construction industry covered by the Fund and the immense decrease in hours of covered employment. Specifically, the Fund experienced over 60% decline in hours reported to it by its contributing employers from 2008 to 2014. The Trustees concluded that additional increases in employer contributions would be unsustainable and could lead to members looking for other work with non-contributing employers or could encourage their employers to withdraw from the Fund.

Accordingly, the Trustees took action to update the rehabilitation plan to reflect the objective of delaying any plan insolvency so that potential improvements in investment return or other material events, including further applicable legislative reforms, can provide an opportunity for the Fund to survive and continue to provide its promised benefits to its participants. This 2015 Rehabilitation Plan was finalized and approved by the Trustees in September 2015. The 2015 Rehabilitation Plan eliminated the contribution rate increase effective April 1, 2016 and retained the contribution rate at \$9.70 in all future years starting April 1, 2015.

The Board of Trustees agreed on additional reductions in adjustable benefits at the November 20, 2015 meeting. The 2016 Rehabilitation Plan was finalized and approved at the March 15, 2016 Board of Trustees meeting to reflect such reductions effective for retirements after December 31, 2015.

In March 2016, the Trustees submitted an application to the U.S. Treasury for suspension of benefits for certain participants, as allowed for under the Multiemployer Pension Reform Act of 2014 (MPRA), enacted on December 16, 2014. The U.S. Treasury rejected the application in November of 2016.

The Board of Trustees reviewed and approved the 2017 Rehabilitation Plan in June 2017, with no changes from the 2016 Rehabilitation Plan.

In December 2017, the Trustees submitted a second application to the U.S. Treasury for suspension of benefits. This application was approved by the U.S. Treasury in August 2018 and a participant vote was held in September 2018 in which a majority of plan participants did not vote to overturn the proposed suspensions. Therefore, these suspensions went into effect on October 1, 2018. As a result of these suspensions, the Plan is projected to avoid insolvency in the future. Absent these suspensions, the Plan would not be projected to avoid insolvency.

The Rehabilitation Plan was updated in 2021 to reflect an increase to the hourly contribution rate from \$10.21 to \$10.46 effective June 1, 2021.

You may get a copy of the Plan's rehabilitation plan, any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the plan administrator at the following address: Board of Trustees of the Ironworkers Local No. 16 Pension Fund, c/o Welfare & Pension Administration Service Inc., PO Box 34203, Seattle, WA 98124.

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6. Number of Employers That Withdrew in Preceding Plan Year.

During the 2021 Plan Year, no employers withdrew from the Plan. The aggregate amount of withdrawal liability assessed, or estimated to be assessed, against withdrawn employers was \$0.

7. Transaction Information.

The Plan did not merge with another plan and did not receive a transfer of the assets and liabilities of any other plan during the 2021 Plan Year.

8. Amortization Extension or Shortfall Funding Method Information.

During 2021, the Plan Sponsor neither sought nor received an amortization extension, as described in ERISA §304(d). During 2010, the Plan Sponsor applied for a 5-year extension of all amortization charge bases in effect as of January 1, 2010. The IRS granted automatic approval of this extension pursuant to §431(d) of the Internal Revenue Code.

The Plan did not use the shortfall funding method (as described in ERISA §305) for the 2021 Plan Year.

9. Right to Additional Information.

Any contributing employer or participating union under the Plan may request in writing to receive from the Plan Administrator a copy of the documents listed below, but not more than one time during any one 12-month period. The Plan Administrator may charge copying cost at \$.25 per page to cover the cost of providing the document(s) requested.

- ☐ The Plan's Form 5500.
- ☐ The Plan's Summary Plan Description.
- ☐ Any Summaries of Material Modification to the Plan.

You may request a copy of any of the above by sending a written request to the Plan Administrator at the following address: Board of Trustees of the Ironworkers Local No. 16 Pension Fund, c/o Welfare & Pension Administration Service Inc., PO Box 34203, Seattle , WA 98124.