Ironworkers Local No.16 Pension Plan

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Administered by
Welfare & Pension Administration Service, Inc.

April 25, 2024

Annual Funding Notice
For
Ironworkers Local Union No. 16 Pension Fund

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2023 and ending December 31, 2023 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2023*	2022	2021
Valuation Date	January 1, 2023	January 1, 2022	January 1, 2021
Funded Percentage	66.4%	70.5%	72.3%
Value of Assets	$64,123,827	$69,193,390	$70,410,602
Value of Liabilities	$96,500,000	$98,051,313	$97,332,024

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date.

* Liabilities as of January 1, 2023 are based on preliminary actuarial valuation results.

They are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions.

Additionally, the asset values in the chart above do not include the amount of the special financial assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are year-end market values for the Plan Year and two preceding plan years. The asset value in the chart below for December 31, 2023 includes the amount of the Plan's special financial assistance account.

	December 31, 2023	December 31, 2022	December 31, 2021
Fair Market Value of Assets	$121,600,000†	$59,694,296	$74,119,791

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries. The Plan was in critical and declining status in the Plan Year ending December 31, 2023 because the Plan had a funding deficiency for that Plan Year.

In an effort to improve the Plan's funding situation, the Trustees adopted a rehabilitation plan in 2012. The rehabilitation plan has been reviewed each year since its adoption; it includes changes to the plan of benefits, employer contribution rates and benefit suspensions as allowed by the Multiemployer Pension Reform Act of 2014 ("MPRA").

The Rehabilitation Plan was most recently reviewed in 2023 at which point the Trustees believed that all reasonable measures were being taken to forestall insolvency. 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.

† Estimated; audited information not yet available.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2024, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 928. Of this number, 112 were current employees, 575 were retired and receiving benefits, and 241 were no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan has been formulated to meet all obligations to fund and pay benefits under the Plan and to ensure at least that both the minimum funding requirements of ERISA are satisfied and that anticipated employer contributions will not exceed the amounts deductible under the Internal Revenue Code. The Plan is funded through employer contributions paid pursuant to the terms of a collective bargaining agreement between the sponsoring labor organization(s) and participating employers and the investment earnings on the Plan's assets which are invested pursuant to the provisions of an investment policy. On no less than an annual basis, the Plan's actuary reports to the Trustees the Plan's funding status and makes recommendations concerning changes to the rate of contributions which are appropriate and consistent with the Plan's funding status, investment returns, federal funding standards and anticipated contribution hours for use by the sponsoring labor organization(s) and participating employers in the negotiation and administration of their collective bargaining agreements.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is, generally, to invest the assets of the Plan among several asset classes and within permitted allocation ranges. The long-term goal of the Plan is to (1) generate a net of fee return in excess of the Plan's actuarial assumed rate of return within acceptable levels of volatility, (2) maintain sufficient liquidity to fund benefit payments, and (3) preserve the principal value of the Plan.

Additionally, the Plan's receipt of special financial assistance requires the Plan's investment policy to reflect certain restrictions and limitations on investments applicable to the special financial assistance account. These restrictions place certain requirements on how the special financial assistance is invested, limiting the portion of special financial assistance which can be invested in "return-seeking" assets to be no more than 33% of the special financial assistance account. Also, these restrictions require that the Plan maintain one year's worth of projected benefit payments and administrative expenses in investment grade fixed income.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the Plan Year. The allocations are percentages of the Plan's total assets, which include special financial assistance paid to the Plan and earnings thereon. These allocations are percentages of total assets:

Asset Allocations	Percentage
Stocks	21%

Asset Allocations	Percentage
Investment grade debt instruments	55%
High-yield debt instruments	4%
Real estate	11%
Other	9%

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. Because the Plan received special financial assistance from PBGC under the American Rescue Plan Act, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

If the Plan reduced your benefits under the Multiemployer Pension Reform Act (MPRA), the Plan must reinstate your benefits going forward. If you were in pay status on September 28, 2023, the Plan must also pay you a make-up payment equal to the total of the benefits that you did not receive because of the reduction. You should have already received a notice of reinstatement describing your reinstated benefits. If you did not receive a notice of reinstatement, contact the Plan's administrator, who is identified at the end of this notice under "Where To Get More Information."

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified at the end of this notice under "Where To Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources.

If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multi-employer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, ancillary death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information" below.

Prohibition Against Future MPRA Suspensions

Because the Plan received special financial assistance, the Plan may not submit an application to the Secretary of the Treasury to suspend or reduce your benefits in the future under the Multiemployer Pension Reform Act, also known as MPRA.

Where to Get More Information

For more information about this notice, you may contact the plan administrator at Welfare & Pension Administration Services, Inc., 7525 SE 24th Street, Suite 200, Mercer Island, WA 98040, or by phone at (877) 367-0541. For identification purposes, the official Plan number is 001 and the Plan sponsor's name and employer identification number or "EIN" is the Ironworkers Local Union 16 Pension Fund, 52-6148924.

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