Ironworkers Local No.16 Pension Plan

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Administered by
Welfare & Pension Administration Service, Inc.

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

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning January 1, 2024 and ending December 31, 2024 ("Plan Year").

This is an informational notice. You do not need to respond or take any action.

This notice includes:
- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:
- Heather Shipley, Welfare & Pension Administration Services, Inc.
- **Phone:** 206-695-0984
- **Address:** 7525 SE 24th Street, Suite 200, Mercer Island, WA 98040
- **Email:** hshipley@wpas-inc.com

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees of Ironworkers Local 16 Pension Fund
- **Employer Identification Number:** 52-6148924

What if I have questions about PBGC and the pension insurance program guarantees?
Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan

The law requires the Plan's administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage			
	2024	2023	2022
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	54%	67%	71%
Value of Assets	$63,235,596	$64,204,389	$69,193,390
Value of Liabilities	$117,722,742	$96,534,629	$98,051,313

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. If the amount held in the special financial assistance account (which reflects the remaining portion of the special financial assistance) were to be reflected in the above chart, the funded percentage for the January 1, 2024 Plan Year would be 109% and the value of assets would be $127,957,641.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. 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 values in the chart below as 12/31/2024 and 12/31/2023 include the amount of the Plan's special financial assistance account.

	December 31, 2024	December 31, 2023	December 31, 2022
Fair Market Value of Assets	$122,280,000[1]	$124,468,946	$59,694,296

[1] Estimated

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.
- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.
- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

Under federal pension law, the Plan is considered to be in critical status in the Plan Year ending December 31, 2024 because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. The trustees of a plan in critical status must adopt a rehabilitation plan. A rehabilitation plan establishes steps and benchmarks for pension plans to improve their funding status over a period of time.

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"). Please note, that the benefit suspensions which took effect October 1, 2018 were reinstated for participants and beneficiaries, effective September 1, 2023.

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 request a copy of the Plan's rehabilitation plan by contacting the plan administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan's finances.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2025, a separate notification of that status has or will be provided.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	2024	2023	2022
1. Last day of plan year	12/31/24	12/31/23	12/31/22
2. Participants currently employed	105	97	112

3. Participants and beneficiaries receiving benefits	557	572	575
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	226	244	241
5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)	888	913	928

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy 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.

Investment Policy

Pension plans also have investment policies that provide guidelines 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. These restrictions also require that the fund 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:

Asset Allocations	Percentage
Public equity	24.8%
Private equity	0.0%
Investment Grade Debt Instruments	50.0%
High-Yield Debt Instruments	8.0%
Cash and cash equivalents	0.2%
Real Estate	10.2%
Other	6.8%

The average return on assets for the Plan Year was 5.9%.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.
You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call (202) 693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

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 PBGC, below), the plan must apply to PBGC for financial assistance. 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.

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.

<u>**Benefit Payments Guaranteed by the PBGC**</u>

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is $35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first $11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next $33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly $600 Benefit and 10 Years of Service.

1. Find the accrual rate: $600/10 = $60 accrual rate.
2. Apply PBGC formula:
    a. Take 100 percent of the first $11= $11
    b. Take 75 percent of the next $33 = $24.75
3. Add the two amounts together: $11 + $24.75 = $35.75
4. Multiply by years of credited service: $35.75 x 10 years = $357.50

In this example, the participant's guaranteed monthly benefit is $357.50.

Example 2: Participant with a $200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $200/10 = $20 accrual rate.
2. Apply PBGC formula:
    a. Take 100 percent of the first $11= $11
    b. Take 75 percent of the next $9 = $6.75
3. Add the two amounts together: $11 + $6.75 = $17.75
4. Multiply by years of credited service: $17.75 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50

Issued: April 2025

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