

## ANNUAL FUNDING NOTICE

For

### LOCAL UNION NO. 124 I.B.E.W. PENSION TRUST FUND

#### Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”) and 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 for the plan year beginning September 1, 2022 and ending August 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.

	<b>2022 Plan Year</b>	<b>2021 Plan Year</b>	<b>2020 Plan Year</b>
Valuation Date	<b>September 1, 2022</b>	<b>September 1, 2021</b>	<b>September 1, 2020</b>
Funded Percentage	110.3%	110.1%	102.8%
Value of Assets	\$306,929,992	\$287,822,923	\$262,009,046
Value of Liabilities	\$278,182,140	\$261,318,110	\$254,932,366

#### Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also 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. 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 market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan’s assets for each of the two preceding plan years.

	<b>August 31, 2023</b>	<b>August 31, 2022</b>	<b>August 31, 2021</b>
Fair Market Value of Assets	\$314,204,092*	\$301,313,094	\$328,243,114

*\*12/31/2023 audited results are not available at this time. The value listed above represents the Plan’s best estimate of assets.*

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#### 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 not in endangered, critical, or critical and declining status in the Plan Year.

#### Participant Information

The total number of participants in the Plan as of the Plan’s valuation date is 3,886. Of this number, 1,963 were active participants, 1,060 were retired or separated from service and receiving benefits, and 585 were retired or separated from service and entitled to future benefits, and 278 were beneficiaries of deceased participants who are receiving or are entitled to receive benefits.

#### Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is as follows:

1. Annual employer contributions to the Pension Plan will equal or exceed the minimum amount that will be in compliance with the minimum funding requirement of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 (ERISA) including all amendments, the Pension Protection Act of 2006 (PPA) including all amendments and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) including all amendments.
2. Annual employer contributions to the Plan will not exceed the tax-deductible limits according to Section 404 of the Internal Revenue Code as amended.

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 provides that all investments shall be under the supervision of qualified investment managers and

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that the assets of the Plan shall be managed at all times in compliance with the Employee Retirement Income Security Act of 1974. The principal investment objective of the Plan is to achieve the maximum return on all invested assets commensurate with safety of principal over the long term and consistency of performance.

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. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	<u>2.11%</u>
2. U.S. Government securities	<u>0.02%</u>
3. Corporate debt instruments (other than employer securities):	
Preferred	<u>0.00%</u>
All other	<u>4.49%</u>
4. Corporate stocks (other than employer securities):	
Preferred	<u>0.00%</u>
Common	<u>10.25%</u>
5. Partnership/joint venture interests	<u>15.73%</u>
Real estate (other than employer real property)	<u>0.00%</u>
Loans (other than to participants)	<u>0.00%</u>
6. Participant loans	<u>0.00%</u>
7. Value of interest in common/collective trusts	<u>43.25%</u>
8. Value of interest in pooled separate accounts	<u>0.00%</u>
9. Value of interest in master trust investment accounts	<u>0.00%</u>
10. Value of interest in 103-12 investment entities	<u>0.00%</u>
11. Value of interest in registered investment companies (e.g., mutual funds)	<u>24.15%</u>
12. Value of funds held in insurance co. general account (unallocated contracts)	<u>0.00%</u>
13. Employer-related investments:	
Employer Securities	<u>0.00%</u>
Employer real property	<u>0.00%</u>
14. Buildings and other property used in plan operation	<u>0.00%</u>
15. Other	<u>0.00%</u>

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact the Fund Administrator, Kevin Smith at (816) 943-0277, 305 East 103rd Terrace, Kansas City, MO 64114.

#### Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called Form 5500 that contains financial and other information about the plan. Copies of the annual report 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

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calling 202.693.8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where To Get More Information."

#### Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Although the Local Union No. 124 I.B.E.W. Pension Trust Fund is not insolvent, federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the annual funding notice. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The plan is required to furnish this notification to each contributing employer and the labor organization.

Despite these special plan reorganization rules, a plan in reorganization could become insolvent. 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. This information will be provided for each year the plan is insolvent.

#### 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. 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 \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by

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dividing the monthly benefit by the participant's years of service ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus  $\$24.75 (.75 \times \$33)$ , or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

*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  $\$6.75 (.75 \times \$9)$ , or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. 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 pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

#### Where to Get More Information

For more information about this notice, you may contact Fund Administrator, Kevin Smith, at (816) 943-0277, 305 East 103rd Terrace, Kansas City, MO 64114. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 43-0817626 .

For more information about the PBGC and benefit guarantees, go to PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242). For more information about the PBGC, go to PBGC's website, [www.pbgc.gov](http://www.pbgc.gov).