

## ANNUAL FUNDING NOTICE

For

Iron Workers District Council (Philadelphia  
and Vicinity) Retirement and Pension Plan

### Introduction

This notice includes important funding 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 October 1, 2020 and ending September 30, 2021 (“2020 Plan Year”).

### How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the “funded percentage.” This percentage is obtained by dividing the plan’s assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan’s funded percentage for the 2020 Plan Year and two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	2020 Plan Year	2019 Plan Year	2018 Plan Year
Valuation Date	October 1, 2020	October 1, 2019	October 1, 2018
Funded Percentage	69.20%	68.79%	67.82%
Value of Assets	\$407,492,233	\$404,164,626	\$399,943,512
Value of Liabilities	588,828,892	\$587,570,422	\$589,682,550

### Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the plan year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the plan year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a plan’s funded status as of the Valuation Date. The fair

market value of the Plan’s assets as of the last day of the Plan Year and each of the two preceding plan years is shown in the following table:

	September 30, 2021	September 30, 2020	September 30, 2019
Fair Market Value of Assets	445,981,890*	\$393,277,070	\$405,906,805

\*The fair market value of the Plan’s assets as of September 30, 2021 is preliminary and subject to change during the annual audit process.

Critical or Endangered Status

Under federal pension law, a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent **or** the plan is projected to have an accumulated funding deficiency within the next seven years; in “seriously endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent **and** the plan is projected to have an accumulated funding deficiency within the next seven; or in “critical” status if, at the beginning of the plan year, the funded percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status or seriously endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

***2021 Plan Year: Endangered Status***

For the 2021 Plan Year, the Plan was certified to be in “endangered” status because, at the time, the Fund was less than 80% funded based on the PPA’s funding measures with no projected accumulated funding deficiency for at least the next 10 years. The Trustees adopted a Funding Improvement Plan on January 19, 2021. However, since the negotiated contribution rates in current contracts are expected to be sufficient to fund the benefits that participants are earning each year, to pay the Fund’s operating costs, to improve the Plan’s funding percentage and to otherwise satisfy the funding requirements of the PPA, the Funding Improvement Plan contains no additional benefit or contribution rate changes. You may get this information by contacting the plan administrator:

Plan Administrator  
 Iron Workers District Council (Philadelphia  
 and Vicinity) Retirement and Pension Plan  
 12 Edison Place  
 Springfield, NJ 07081  
 (215) 537-0900

## Participant Information

The total number of participants in the plan as of the Plan's valuation date was 4,925. Of this number, 1,697 were active participants, 2,642 were retired or separated from service and receiving benefits, and 586 were retired or separated from service and entitled to future benefits.

## Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is that the Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions.

The objective of the investment policy of the Iron Workers of Philadelphia & Vicinity Retirement and Pension Plan is to create moderate capital growth with some focus on income. Specifically, the Plan seeks to achieve an absolute annual return of 7%. In order to minimize risk, the plan diversifies its investments by targeting an asset allocation of at least 60% equity investments, 30% fixed income investments, 5% real estate and up to 5% cash. The Trustees review the Plan's actual allocation versus the target allocation no less frequently than each calendar quarter and, if the Plan's investment consultant so recommends, the Trustees rebalance the actual allocation to meet the target allocation. The investment consultant also advises the Trustees regarding modifications to the target allocation based on periodic changes in market conditions. The Trustees hire numerous investment managers to invest the Plan's assets within each discrete asset class. These managers are selected through a search process conducted by the Plan's investment consultant and, after a manager is appointed, the Trustees monitor the performance of the manager on a regular basis but in no case less frequently than each calendar quarter. In addition, the Trustees give each manager a set of objectives and restrictions to follow in the execution of their investment duties. If certain managers underperform or violate these restrictions, the Plan's investment consultant so advises the Trustees and, with the advice of the consultant, the Trustees determine whether to terminate the manager and, in the case of a terminated manager, whether to appoint a replacement manager or place the assets with existing managers.

In accordance with 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:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Interest-bearing cash	4.2
2. U.S. government securities	8.6
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	11.5
4. Corporate stocks (other than employer securities):	
Preferred	
Common	45.6
5. Partnership/joint venture interests	22.0
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/ collective trusts	6.6
10. Value of interest in pooled separate accounts	1.1
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g. mutual funds)	0.4
14. Value of funds held in insurance co. general account (unallocated contracts)	
15. Employer-related investments:	
Employer Securities	
Employer real property	
16. Buildings and other property used in plan operation	
17. Other	

For more 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

Plan Administrator  
 Iron Workers District Council (Philadelphia  
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 12 Edison Place  
 Springfield, NJ 07081  
 (215) 537-0900

## 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 the 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 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 Fund Manager. 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

Federal law has a number of special rules that apply to financially troubled multiemployer plans. 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 law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless 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 the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a 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 notification of the insolvency 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 as a result of the insolvency, 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 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

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:

Plan Administrator  
Iron Workers District Council (Philadelphia  
and Vicinity) Retirement and Pension Plan  
12 Edison Place  
Springfield, NJ 07081  
(215) 537-0900

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 23-6529504. 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).