

**IRON WORKERS DISTRICT COUNCIL (PHILADELPHIA & VICINITY)  
PENSION FUND**

**Funding Improvement Plan**

**For the Plan Year beginning October 1, 2017**

**Adopted April 12, 2023**

**Introduction**

ERISA, as amended by the Pension Protection Act of 2006 (“PPA”) and the Multiemployer Pension Reform Act of 2014 (“MPRA”), requires the Trustees of a multiemployer pension plan that has been certified by the plan’s actuary as being in Endangered status (also known as “Yellow Zone” status) to develop a Funding Improvement Plan (“FIP”). A FIP must prescribe actions, including options or a range of options to be proposed to the bargaining parties that are expected to enable a plan to meet stated financial benchmarks by the end of the Funding Improvement Period, based on reasonably anticipated experience and on reasonable assumptions. On December 29, 2021, the Iron Workers District Council (Philadelphia & Vicinity) Pension Fund (“Fund”) was certified by its actuary to be in Endangered status for the plan year beginning October 1, 2021.

The Funding Improvement Plan must be designed to accomplish the following:

1. An increase in the Fund’s funded percentage, as defined in PPA, by the end of the Funding Improvement Period of at least 33% of the difference between the funded percentage as of the beginning of the first plan year for which the plan is first certified to be in Endangered starts (October 1, 2017) and 100%, and
2. No accumulated funding deficiency for the last Plan Year of the Funding Improvement Period.

**Funding Improvement Period**

The Funding Improvement Period for the Iron Workers District Council (Philadelphia & Vicinity) Pension Fund is the period of 10 plan years beginning October 1, 2020.

If the actuary certifies before the end of this period that the Fund is no longer in Endangered status for a plan year, and is not in Critical status as defined in the PPA, the Funding Improvement Period will end as of the close of the preceding plan year.

**Schedules**

The funded percentage reported in the certification for the plan year beginning October 1, 2021 was 76.5% and 75.6% for the year beginning October 1, 2022. The FIP must contain schedules of plan and/or contribution rate changes that are projected to enable the funded percentage to improve to 77.3% by the end of the Funding Improvement Period and avoid a projected accumulated funding deficiency for the last Plan Year of the Funding Improvement Period.

The projections used for this Funding Improvement Plan indicate that these requirements are met without the need for changes to the current plan of benefits and the contribution rates provided in the collective bargaining agreements that are in effect as of October 1, 2022. Accordingly, both the default schedule (the schedule that would be applicable should a schedule not be adopted in collective bargaining on a timely basis as described below) and the alternative schedule consist of the following:

1. Contribution rates as previously agreed to by the bargaining parties, for all contributing employers for every year that the Fund is in endangered status, of \$12.55 per hour.

The plan of benefits in effect and amendments previously adopted as of the day before the date of initial certification of Endangered status (December 29, 2017), for all current and future active participants and for every year that the Plan is in Endangered status, except for:

- a) any benefit changes required for the Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law, or
- b) after commencement of the Funding Improvement Period, specific benefit increases, if the Trustees determine that they will be financed out of contributions not contemplated by the FIP and will not impede the Fund's progress toward achieving the PPA benchmarks for plans in endangered status.

As noted below, these schedules are subject to revision in future years if the Trustees determine that is necessary in light of the Fund's future financial condition and the requirements of the FIP.

### **Automatic Implementation of FIP Default Schedule**

If a collective bargaining agreement providing for contributions under the Fund that was in effect in accordance with the FIP schedules above expires, and after receiving these FIP schedules, the bargaining parties fail to adopt a collective bargaining agreement that provides for contributions consistent with the updated FIP schedules, the schedule under the expired collective bargaining agreement as updated above will be implemented automatically 180 days after the date on which the collective bargaining agreement expires, provided the employer has not withdrawn from the Fund.

### **Annual Updating of FIP**

Each year, the plan's actuary will review and certify the status of the Fund under the PPA funding rules and whether the Fund is making the scheduled progress toward the requirements of the FIP. If the Trustees determine that it is necessary or desirable in light of updated information, they will revise the FIP and the benefit and contribution schedules recommended under it. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement.