2023 Annual Funding Notice for
Iron Workers' Locals No. 15 and 424 Pension Plan

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). This notice 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, and it is for the plan year beginning July 1, 2023 and ending June 30, 2024 (referred to hereafter as "2023 Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of your Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan obtains this percentage for a plan year by dividing the Plan's assets by its liabilities on the applicable "Valuation Date" (i.e., the beginning of the respective plan year). In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the 2023 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.

	2023 Plan Year	**2022 Plan Year**	**2021 Plan Year**
Valuation Date	July 1, 2023	July 1, 2022	July 1, 2021
Funded Percentage	62.9%	61.7%	60.3%
Value of Assets	$81,980,916	$80,517,539	$79,781,840
Value of Liabilities	$130,191,606	$130,550,065	$132,393,598

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date (again, the beginning of the respective plan year) and are "actuarial values," not market 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 noted directly below are market values and are measured as of the last day of the applicable plan year, rather than as of the Valuation Date. As of June 30, 2024, the unaudited fair market value of the Plan's assets was $81,345,666. As of June 30, 2023, the audited fair market value of the Plan's assets was $74,246,288. As of June 30, 2022, the audited fair market value of the Plan's assets was $71,415,055.

Please be aware that the June 30, 2024 fair market value of assets disclosed in the previous paragraph is reported on an *unaudited basis* since this notice is required to be distributed before the normal completion time of the Plan's audit which is currently in progress. The fair market values of assets reported in the previous paragraph include investments and other assets, reduced by liabilities, and are labeled as Net Assets Available for Benefits on the Plan's financial statements.

Participant Information

The total number of participants in the plan as of the Plan's valuation date (July 1, 2023) was 1,466. Of this number, 473 were active participants, 550 were retired or separated from service and receiving benefits, 209 were retired or separated from service and entitled to future benefits, and 234 were beneficiaries of deceased participants who are receiving, or are entitled to receive, 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 to meet the requirements of the Plan's "Rehabilitation Plan" until the Plan emerges from critical status.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Plan Trustees delegate this responsibility to investment managers hired with the help of the Plan's investment consultant. 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 investment policy of the Plan is designed to achieve a 7.25% return (net of fees), while maintaining sufficient diversification and reasonable risk levels.

According to its investment policy as of June 30, 2024, the Plan's target asset allocation is as follows:

ASSET CLASS	TARGET %	PERMISSIBLE RANGE %	TARGET BENCHMARK
Equity	**55**		
US Equity	**30**	**20 - 40**	**Russell 3000 Index**
International Equity	**25**	**15 – 35**	**MSCI ACWI ex-US**
Fixed Income	**27**		
Global Multi-Sector Fixed Income	**27**	**20 – 35**	**Barclays Capital U.S. Aggregate**
Alternatives	**18**		
Hedge Funds	**0**	**0 – 5**	**90-Day T-Bill+3%/ HFRI Fund of Funds**
Opportunistic	**6**	**3 - 9**	**HFRI Fund of Funds Composite Index**
Infrastructure	**2**	**0 - 5**	**90-Day T-Bill + 6%**
Real Estate	**10**	**5 - 15**	**NCREIF Open-End**

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 and subject to change when the Plan Year audit is complete:

Asset Allocations	Percentage
1. Interest-bearing cash	1%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	
4. Corporate stocks (other than employer securities):	
Preferred	
Common	
5. Partnership/joint venture interests	6%
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	32%
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	27%
12. Value of interest in registered investment companies (e.g., mutual funds)	23%
13. Value of funds held in insurance co. general acc't (unallocated contracts)	
14. Employer-related investments:	
Employer Securities	
Employer real property	
15. Buildings and other property used in plan operation	
16. Other	11%

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, or 103-12 investment entities – contact Robert Hertel, Executive Director, by telephone at (203) 238-1204 or by fax at (203) 639-0815, or by mail at 162 West Street, Building 2, Suite J, Cromwell, CT 06416-4405.

Endangered, Critical, or Critical and Declining 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. 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. Rehabilitation and funding improvement 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" status in the 2023 Plan Year because the funded percentage of the Plan was less than 65 percent and there was a deficiency in the Funding Standard Account. In an effort to improve the Plan's funding situation, which has been "critical" since the 2008 Plan Year, the Plan's Trustees initially adopted a Rehabilitation Plan on October 21, 2008 (known as the "Initial Rehab Plan"). Taking into account an election by the Plan's Trustees under the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), as well as a subsequent election by the Plan's Trustees under the American Rescue Plan Act of 2021 ("ARPA"), the Rehabilitation Period is the 18-year period that began on July 1, 2011. At the time the Initial Rehab Plan was adopted, the Plan was projected to emerge from "critical" status by June 30, 2021 based on the two Schedules included in the Initial Rehab Plan. The collective bargaining parties implemented the "Preferred Schedule" of the Initial Rehab Plan, which called for a $0.15 increase in the hourly contribution rate, and the Plan's Trustees implemented these changes:

- For early retirement benefits, an increase in the reduction factors to 6% for each year retiring before Normal Retirement Age for all years of service, effective for retirements on or after February 1, 2009; and

- For disability benefits, an increase in the reduction factors to 3% for each year retiring before Normal Retirement Age for all years of service (with a maximum reduction of 50%), effective for Occupational Disability Pension retirements on or after February 1, 2009.

The collective bargaining parties also agreed to an additional increase to the contribution rate of $0.75 per hour effective June 28, 2010.

During the annual review of the Initial Rehab Plan for the plan year ended June 30, 2011, the Plan's Trustees agreed to accept the Plan's actuary's recommendation to elect funding relief in order to spread out investment losses the Plan's trust fund experienced in the plan year ended June 30, 2009, and did so on March 3, 2011. After the Initial Rehab Plan was reviewed, the Plan was projected to emerge from "critical" status on or before June 30, 2024, the end of the Rehabilitation Period.

The collective bargaining parties then agreed to an additional increase to the contribution rate of $1.50 per hour effective March 4, 2013, and an additional increase to the contribution rate of $0.50 per hour effective July 1, 2013.

The Plan's Trustees formally updated the Initial Rehab Plan on May 21, 2013, based on the Plan actuary's recommendation. The purpose of this update to the Initial Rehab Plan was to ensure the Plan was still projected to emerge from "critical" status on or before June 30, 2024. The Plan's Trustees also implemented this change:

- For early retirement benefits, an increase in the reduction factors to 7% (from 6%) for each year retiring before Normal Retirement Age for all years of service, effective for retirements on or after July 1, 2013.

The Plan's Trustees again updated the Rehab Plan on April 25, 2017, and the primary purpose of that update was to reflect specific changes to the Service Pension eligibility rules (i.e., the "Rule of 85 Pension" and the "Rule of 89 Pension") adopted by the Trustees that went into effect on July 1, 2017.

The Plan's Trustees again updated the Rehab Plan on June 25, 2019. The primary purpose of that update was to reflect the agreement of the collective bargaining parties to the following additional increases to the contribution rate: (i) $0.30 per hour effective June 30, 2018, (ii) $0.30 per hour effective June 3, 2019, (iii) $0.30 per hour effective June 1, 2020, and (iv) $0.30 per hour effective June 7, 2021.

The Plan's Trustees continue to review the Rehab Plan on an annual basis, and most recently amended it on June 28, 2022 (known as the "Amended Rehab Plan"). The primary purposes of this amendment were to reflect the: (i) Trustees' election to extend the Rehab Plan by an additional five (5) years as permitted by Section 9702 of

ARPA on December 16, 2021 (such that the Plan is now expected to emerge from critical status on or before June 30, 2029), and (ii) agreement of the collective bargaining parties to an additional increase to the contribution rate, specifically $0.25 per hour effective June 6, 2022. The current collective bargaining agreement was initially effective on June 1, 2022, and it will expire on May 31, 2027. Please be aware that the current collective bargaining agreement also implemented the following additional increases to the contribution rate: (i) $0.25 per hour, effective June 5, 2023, and (ii) $0.25 per hour, effective June 3, 2024.

The Plan's Trustees will review the Amended Rehab Plan annually and further update it in the future as appropriate and required by law. You may obtain a copy of the Plan's Rehab Plan (whether the Initial or any Amended), and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Executive Director.

Events with 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. For the plan year that began on July 1, 2024 and ends on June 30, 2025, there are no Plan amendments taking effect, scheduled benefit increases or reductions taking effect, or other known event taking effect, which will have a material effect on Plan liabilities and assets for that year.

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 (i.e., the "Form 5500") containing 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 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 Executive Director. 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 plan. The plan administrator is required by law to include a summary of these rules in this 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, the plan must provide notification that it 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. 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 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 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 any available 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 the PBGC's multiemployer 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 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.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on the PBGC's website at https://www.pbgc.gov/prac/multiemployer. The PBGC's general website is www.pbgc.gov, and its telephone number is 202-229-6047 (1-800-400-7242 toll free – TTY/ASCII users may call the federal Telecommunications Relay Service by dialing "711" and asking to be connected to 202-229-6047). Please contact the Executive Director (see the contact information below) for specific information about the Plan or any pension benefits which may be payable to you. PBGC does not have that information.

Where to Get More Information

For more information about this notice, you may contact:

Robert Hertel, Executive Director
Iron Workers' Locals No. 15 and 424 Pension Fund
162 West Street, Building 2, Suite J
Cromwell, CT 06416-4405

(203) 238-1204

Also, for identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 06-6077019.