

2025 Annual Funding Notice for Iron Workers' Locals No. 15 and 424 Pension Plan

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning July 1, 2025 and ending June 30, 2026 (referred to below as "2025 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, and
- Assuming you are vested under Plan rules, 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 any benefits I may be entitled to?

Contact your Plan administrator at (*note new Address below*):

- **Name:** Robert Hertel, Executive Director
- **Phone:** (203) 238-1204
- **Address:** 2275 Silas Deane Highway, 3rd Floor
Rocky Hill, CT 06067

To better assist you, please be aware of the following information:

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees, Iron Workers' Locals No. 15 and 424 Pension Plan
- **Employer Identification Number:** 06-6077019

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 any pension benefits you may be entitled to, you should contact the Plan administrator noted above 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 their funding status. This notice does not mean that the 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 2025 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

	2025 Plan Year (7/1/2025-6/30/2026)	2024 Plan Year (7/1/2024-6/30/2025)	2023 Plan Year (7/1/2023-6/30/2024)
Valuation Date	July 1, 2025	July 1, 2024	July 1, 2023
Funded Percentage	68.7%	65.3%	62.6%
Value of Assets	\$87,396,167	\$83,705,374	\$81,470,559
Value of Liabilities	\$127,120,257	\$128,185,377	\$129,985,614

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Year-End Fair Market Value of Assets

To provide further insight into the Plan’s financial position, the chart below shows the fair market value of the Plan’s assets on the *last day* of the 2025 Plan Year and each of the two preceding plan years, as compared to the chart above which shows the actuarial value of the Plan’s assets on the applicable Valuation Date (i.e., July 1st, which is the first day of the relevant plan year).

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the Plan’s funding status.

	2025 Plan Year (June 30, 2026)*	2024 Plan Year (June 30, 2025)	2023 Plan Year (June 30, 2024)
Fair Market Value of Assets	\$101,162,152	\$87,887,700	\$81,217,583

- * Please note that the June 30, 2026 fair market value of assets is reported on an unaudited basis since this notice is required to be distributed before the normal completion time of the audit, which is currently in progress.

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 trustees may seek approval to amend the plan, including reducing current and future benefits.

The Plan moved out of “critical” status (for the 2024 Plan Year) and into “endangered” status for the 2025 Plan Year. The reason for this was that the Plan’s funded percentage for the 2025 Plan Year is higher than 65%, but it is still lower than 80%.

To improve the Plan’s funding situation, which was “critical” up until the 2025 Plan Year as noted above, 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 Section 9702 of the American Rescue Plan Act of 2021 (“ARPA”) on December 16, 2021, the Rehabilitation Period was the 18-year period that began on July 1, 2011, and was to end on or before June 30, 2029. As the Plan moved into “endangered” status

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for the 2025 Plan Year, it was required to adopt a Funding Improvement Plan (the "FIP"), and the Plan's Trustees did so on March 13, 2026. The Funding Improvement Period for the Plan under the newly adopted FIP is the 10-fiscal year period that began on July 1, 2026.

Since the adoption of the Initial Rehab Plan in 2008, the Plan's Trustees have made various changes to the Plan of benefits, and the parties to the collective bargaining agreement governing the Plan have adopted various increases to the Plan's contribution rate. Examples of the Plan changes and contributions rates are as follows:

Plan 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.
- 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.
- 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.
- Specific changes to the Service Pension eligibility rules (i.e., the "Rule of 85 Pension" and the "Rule of 89 Pension") effective for retirements on and after July 1, 2017.

Contribution Rate Changes and Modifications:

- The collective bargaining parties agreed to the following increases to the contribution rate starting in June of 2018 (note the "overall rate" below includes the standard Plan contribution rate for hours worked *and* the "supplemental" contribution rate for hours paid):
 - \$0.30 per hour effective June 30, 2018 (overall rate of \$15.80),
 - \$0.30 per hour effective June 3, 2019 (overall rate of \$16.10),
 - \$0.30 per hour effective June 1, 2020 (overall rate of \$16.40),
 - \$0.30 per hour effective June 7, 2021 (overall rate of \$16.70),
 - \$0.25 per hour effective June 6, 2022 (overall rate of \$16.95),
 - \$0.25 per hour, effective June 5, 2023 (overall rate of \$17.20, and
 - \$0.25 per hour, effective June 3, 2024 (overall rate of \$17.45).
- As of June 1, 2026, while the overall contribution rate to the Plan remains at \$17.45, the collective bargaining parties agreed to a slight modification such that overall contribution rate is now based on hours worked for *both* the standard Plan contribution rate and the "supplemental" contribution rate.

The Plan's Trustees will review the newly adopted FIP on an annual basis and, as necessary, they will update it in the future as appropriate and required by law. You may request a copy of the Plan's Rehab Plan (whether the Initial, or any Amended) and/or the FIP, along with the actuarial and financial data showing actions to improve the Plan's finances, by contacting the Plan administrator using the information on page 1.

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Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the 2025 Plan Year and the two preceding Plan Years. *Please note that the numbers for the 2025 Plan Year reflect the Plan administrator's reasonable, good faith estimate.*

Number of participants and beneficiaries on last day of relevant plan year	2025 Plan Year	2024 Plan Year	2023 Plan Year
1. Last day of plan year	6/30/2026	6/30/2025	6/30/2024
2. Participants currently employed	512	449	462
3. Participants and beneficiaries receiving benefits	767	748	756
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	209	228	226
5. Total number of covered participants and beneficiaries (lines 2 + 3 + 4 = 5)	1,488	1,425	1,444

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 is to meet the requirements of the Plan's "FIP," as described on pages 2 and 3 above, until the Plan emerges from endangered status. Contributions to the Plan are made by participating employers at rates established by collective bargaining agreements with the unions that represent Plan participants.

Investment Policy: Pension plans also have investment policies that provide guidelines for making investment management decisions. Working with the Plan's independent investment consultant, the Plan's Trustees have adopted an investment policy, and the responsibility for the Plan's investment management decisions has been delegated to such investment consultant. Generally speaking, the Plan's investment policy during the 2025 Plan Year was designed to achieve a 7.25% return (net of fees), while maintaining sufficient diversification and reasonable risk levels.

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 2025 Plan Year (June 30, 2026). These allocations are percentages of total assets, and they are subject to change when the Plan Year audit is complete:

Asset Allocations	Percentage
1. Interest-bearing cash	2.46%
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	6.23%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	

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9. Value of interest in common/collective trusts	40.75%
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	11.61%
12. Value of interest in registered investment companies (e.g., mutual funds)	28.52%
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	10.43%

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 the Plan administrator using the information on page 1.

The Plan's target asset allocation under its 2025 Plan Year investment policy is below:

<u>ASSET CLASS</u>	<u>TARGET %</u>	<u>PERMISSIBLE RANGE %</u>	<u>TARGET BENCHMARK</u>
Equity	53		
US Equity	30	20 - 40	Russell 3000 Index
International Equity	23	15 - 35	MSCI ACWI ex-US
Fixed Income	29		
Global Multi-Sector Fixed Income	29	20 - 35	Barclays Capital U.S. Aggregate
Alternatives	18		
Hedge Funds	6	3 - 9	90-Day T-Bill+3%/ HFRI Fund of Funds
Opportunistic	0	0 - 5	HFRI Fund of Funds Composite Index
Infrastructure	4	0 - 5	90-Day T-Bill + 6%
Real Estate	8	5 - 15	NCREIF Open-End

The average return on assets for the 2025 Plan Year was 11.4%.

Events Having a Material Effect on Assets or Liabilities

By law, this notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's financial health or its ability to meet its obligations. For the plan year beginning on July 1, 2026 and ending on June 30, 2027, there are no events expected to have such an effect at the time this notice was prepared.

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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 and use the "Form 5500 Series Search" tab.
- **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 any vested accrued benefits. For details about your accrued benefits if you are vested, contact your Plan administrator using the information on page 1.

Summary of Rules Governing Plans 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 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 applicable lump sum option.

Benefit Payments Guaranteed by PBGC

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

What PBGC Guarantees: PBGC guarantees certain "basic benefits," including:

- Pension benefits at normal retirement age
- Most early retirement benefits.
- Benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the date the plan terminated.

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 a 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 not in pay status.

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- 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 the 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 accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent (100%) of the first \$11 of the plan's monthly benefit accrual rate.
2. Take 75 percent (75%) 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.

Two guarantee calculation examples are provided below.

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

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

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% of the first \$11 = \$11
 - b. Take 75% of the next \$9 = \$6.75
3. Add the two amounts together: $\$11 + \$6.75 = \$17.75$
4. Multiply by years of credited service: $\$17.75 \times 10 = \$177.50$

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