



## **2025 ANNUAL FUNDING NOTICE for the IAM National Pension Fund**

### **Introduction**

This notice provides key details about your multiemployer pension plan (the “Plan”) for the plan year beginning January 1, 2025, and ending December 31, 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.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.
- A glossary of key terms used in this notice

### **What if I Have Questions About This Notice, My Plan, or My Benefits?**

Contact your plan administrator at:

- Yolanda D. Montgomery, Executive Director
- Phone: 800-424-9608 (participants and beneficiaries) or 202-785-2658 (others)
- Address: IAM National Pension Fund, 99 M Street, SE, Suite 600, Washington, DC 20003-4595
- Email: [contact@iamnpf.org](mailto:contact@iamnpf.org)

To better assist you, provide your plan administrator with the following information when you contact them:

- Plan Number: 002
- Plan Sponsor Name: Board of Trustees of the IAM National Pension Fund
- Employer Identification Number: 51-6031295

### **What if I Have Questions About PBGC and the Pension Insurance Program Guarantees?**

Visit [www.pbqc.gov/employers-practitioners/multiemployer](http://www.pbqc.gov/employers-practitioners/multiemployer) for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator 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 funding status. This notice does not mean your 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 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	2024 Plan Year	2023 Plan Year
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	87.3%	88.0%	86.4%
Value of Assets	\$15,221,950,341	\$14,890,820,987	\$14,533,279,178
Value of Liabilities	\$17,426,321,376	\$16,919,940,913	\$16,807,351,487

## 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 Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan’s assets on January 1.

- **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.

	December 31, 2025	December 31, 2024	December 31, 2023
Fair Market Value of Assets	\$15,792,258,946 *	\$14,707,998,400	\$13,909,157,829

*The December 31, 2023, fair market value of assets includes \$142,696,519 of outstanding withdrawal liability receivables.*

*The December 31, 2024, fair market value of assets includes \$154,341,551 of outstanding withdrawal liability receivables.*

*\* The December 31, 2025, fair market value of assets is an estimate. The total outstanding withdrawal liability receivable is \$130,414,926.*

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

The Plan was certified as being in endangered status for the 2019 plan year. It was also projected to be in critical status in one of the succeeding five plan years because it was determined that in at least one of those years, the Plan was projected to have an accumulated funding deficiency. As permitted by law, the Plan’s trustees voluntarily elected to put the Plan in critical status in the 2019 plan year.

In an effort to improve the Plan’s funding situation, the trustees adopted a rehabilitation plan in April 2019. The rehabilitation plan describes the actions taken by the Plan’s trustees, and the benefit and contribution changes to be bargained by the bargaining parties, to improve the funded status of the Plan. The rehabilitation plan was designed to help the Plan emerge from critical status by the end of the rehabilitation period (December 31, 2031). The trustees annually review the rehabilitation plan.

Following the investment loss in 2022, the Plan had not been projected to emerge from critical status by the end of the rehabilitation period as designed. The trustees’ annual review focused on possible benefit and contribution changes that would enable the Plan to once again be projected to emerge from critical status by the end of the rehabilitation period. The Trustees determined that neither further reductions to benefits nor increases in contributions would benefit the Plan. As such, to encourage new participation in the Plan, the Trustees amended the rehabilitation plan, effective January 1, 2025, to offer additional options which would encourage new employers to join the Plan. In addition, the annual standards were updated to one such that the Plan would emerge from critical status by January 1, 2045 or remain solvent for the foreseeable future. No further updates were deemed necessary.

You may request a copy of the Plan's rehabilitation plan by contacting the plan administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan’s finances.

The Plan was in “critical” status in the Plan Year because a funding deficiency was projected to occur within four years.

The Plan remains in critical status for the plan year ending December 31, 2026. A separate notification of that status is enclosed.

## Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator’s reasonable, good faith estimate.

<b>Number of participants and beneficiaries on last day of relevant plan year</b>	<b>2025 Plan Year *</b>	<b>2024 Plan Year</b>	<b>2023 Plan Year</b>
1. Last day of plan year	December 31	December 31	December 31
2. Participants currently employed	97,511	97,511	93,188
3. Participants and beneficiaries receiving benefits	131,645	121,587	120,164
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	73,875	81,249	81,546
<b>5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)</b>	<b>303,031</b>	<b>300,347</b>	<b>294,898</b>

\* The counts as of December 31, 2025 are estimated.

## 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 that the Plan is funded by employer contributions made at levels and on terms negotiated by the unions and employers and set forth in collective bargaining agreements relating to the Plan. The Trustees inform the bargaining parties about the amounts needed to meet the legal funding requirements, based on information provided by the Plan's actuary.

### Investment policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The investment policy has been adopted by the Board of Trustees with the advice of the Plan's investment consultant.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Cash (interest and non-interest bearing)	1.5%
2. U.S. Government securities	2.5%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All other	12.7%
4. Corporate stocks (other than employer securities):	
Preferred	0.0%

Common	6.3%
5. Partnership/joint venture interests	39.0%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common and collective trusts	38.0%
10. Value of interest in pooled separate accounts	
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, like mutual funds	
14. Value of funds held in insurance company 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 information about the Plan's investment in any of the following types of investments common-/collective trusts, pooled separate accounts, or 103-12 investment entities - contact the IAM National Pension Fund Executive Director at 202-785-2658. The mailing address is: IAM National Pension Fund, 99 M Street, SE, Suite 600, Washington, DC 20003-4595.

The estimated average return on assets for the Plan Year was 11.7%.

## 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/](http://www.efast.dol.gov/) to search for your Plan's Form 5500.
- **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 your accrued benefits. For details about your accrued benefits, contact your plan administrator.

## Summary of Rules Governing 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 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.

## **Benefit Payments Guaranteed by PBGC**

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

### **What PBGC guarantees**

PBGC guarantees “basic benefits” including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

### **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 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 in non-pay status.
- 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 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 benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first \$11 of the Plan's monthly benefit accrual rate.

2. Take 75 percent 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.

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

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

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:  
Take 100 percent of the first \$11 = \$11  
Take 75 percent of the next \$9 = \$6.75
3. Add the two amounts together:  $\$11 + \$6.75 = \$17.75$
4. Multiply by years of credited service:  $\$17.75 \times 10 \text{ years} = \$177.50$

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

## Key Terms

To help readers understand this notice, the following terms are defined below:

- *Actuarial Value of Assets (AVA)* – A smoothed value of the plan's market assets that reflects investment gains and losses over five years to reduce the immediate impact of short-term market volatility.
- *Fair Market Value of Assets (FMV)* – The amount the Plan's assets are worth on the valuation date - this is, what they could reasonably be sold for in the open market at then current prices.
- *Form 5500* – An annual report that retirement plans file with the federal government to provide information about the plan's financial condition and operations.
- *Funded Deficiency* - A funding deficiency means that, on an accumulated basis, a plan did not receive enough contributions to meet the minimum required amount calculated by the plan's actuary.
- *Funded Percentage* – Shows how much of a plan's promised benefits are covered based on the actuarial value of assets.
- *Insolvent Plan* – A pension plan that is unable to pay promised benefits when due.
- *Liabilities* - The estimated value of pension benefits that participants and beneficiaries have earned, based on actuarial assumptions.

- *Pension Benefit Guaranty Corporation (PBGC)* – A federal government agency that helps protect pension benefits if a traditional pension plan runs out of money or ends.
- *Rehabilitation Plan* – A required plan adopted by the trustees to help restore the financial health of a pension plan in critical status.