



IAM NATIONAL
PENSION FUND

**Notice of Critical Status
for the IAM National Pension Fund**

April 30, 2025

This is to inform you that on March 31, 2025, the actuary for the IAM National Pension Fund (“Fund”) certified to the U.S. Department of the Treasury and the Board of Trustees that the Fund is in critical status as of January 1, 2025. Federal law requires that you receive this notice.

Critical Status

On April 17, 2019, the Board of Trustees voluntarily elected for the Fund to be in critical status effective for the plan year beginning January 1, 2019, as permitted under the law (ERISA Section 305(b)(4)) to strengthen the Fund’s financial health.

The Fund’s actuary projected the Fund to be in critical status in 2025 because the Fund was in critical status in 2024 and the Fund is not projected to emerge from critical status in 2025.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at strengthening the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. On April 26, 2019, you were notified that the Fund reduced or eliminated adjustable benefits as a part of its initial rehabilitation plan. If the Trustees of the Fund determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after June 1, 2019. Also, effective as of April 26, 2019, the Fund is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

The original Rehabilitation Plan standard was that the Fund will emerge from critical status by the end of the ten-year Rehabilitation Period, which ends on December 31, 2031. Following the investment loss in 2022, the Fund has not been projected to meet this target. In December 2024, the Board amended the Rehabilitation Plan by offering a new schedule to New Employers to encourage participation in the Plan with no changes to benefits or required contributions for existing employers. In addition, the Trustees delayed the project date of emergence to January 1, 2045 while also ensuring all benefits will be paid for the foreseeable future.

Adjustable Benefits

The Fund offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Fund may adopt. Although these benefits were not eliminated entirely, most or all of the additional value of these benefits was reduced or eliminated under the Preferred Schedule of the Fund’s Rehabilitation Plan adopted in 2019.

- Certain death benefits;
- Sixty-month and one hundred twenty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy; and
- Benefit payment options other than a qualified joint-and survivor annuity (“QJSA”).

In addition, the Fund’s Rehabilitation Plan may be amended to reduce or eliminate additional adjustable benefits provided under a plan that merged with the Fund prior to the date of this notice. Affected participants of merged plans have been advised of such amendments.

Employer Surcharge

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge was applicable in the initial critical year (2019), and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status until the employer's collective bargaining agreement is renewed and includes a schedule under the rehabilitation plan.

What's Next

We understand that legally required notices like this one can create concern about the Fund's future. While the "critical" zone label is required to be used by law, the fact is that we are working with our actuaries and consultants to address these issues and take the actions necessary to improve the Fund's financial condition. However, because the Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in participation and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed.

Where to Get More Information

For more information about this notice, you may visit the IAM National Pension Fund website at <https://www.iamnpf.org/> or call the IAM National Benefit Funds Office at 1-800-424-9608 (Participants and Beneficiaries) or 202-785-2658 (Others). The mailing address is IAM National Pension Fund, 99 M Street, SE, Suite 600, Washington, DC 20003-4595. The e-mail address is contact@iamnpf.org. For identification purposes, the official plan number is 002 and the plan sponsor's employer identification number or "EIN" is 51-6031295.

You also have a right to receive a copy of the Rehabilitation Plan from the Fund or download a copy by visiting the website.