



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

**April 29, 2022**

This is to inform you that on March 31, 2022, the actuary for the IAM National Pension Fund (“Fund”) certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Fund is in critical status for the plan year beginning January 1, 2022. 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. Federal law requires that you receive this notice.

### **Critical Status**

The Trustees voluntarily elected to put the Fund in critical status in 2019 to strengthen the Fund’s funding position. The Fund’s actuary projected the Fund to be in critical status in 2022 because the Fund was in critical status in 2021 and the Fund is not projected to emerge from critical status in 2022.

### **Rehabilitation Plan**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at strengthening the financial health of the plan. This is the fourth year the Fund is in critical status. 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.

### **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 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.

## **Where to Get More Information**

For more information about this Notice, you may contact:

[www.iambfo.org](http://www.iambfo.org)

1-866-232-1296 (Active and Deferred Vested Participants)

1-866-232-1283 (Benefit Recipients)

IAM National Pension Fund  
99 M Street, S.E., Suite 600  
Washington, D.C. 20003-4595

You have a right to receive a copy of the rehabilitation plan from the Fund.