



**ANNUAL FUNDING NOTICE**  
**for the IAM National Pension Fund**  
**Revised May 3, 2024**

**Introduction**

This notice includes important information about the funding status of your multiemployer pension plan (“the Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All defined benefit pension plans governed by the Employee Retirement Income Security Act of 1974 (called “ERISA”) 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 do not have to respond. This notice is required by federal law. This notice is for the plan year beginning January 1, 2023, and ending December 31, 2023 (“Plan Year”).

**How Well Funded Is Your Plan**

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funded percentage.” The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and each of the two preceding plan years is in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

<b>Funded Percentage</b>			
	2023*	2022	2021
Valuation Date	January 1	January 1	January 1
Funded Percentage	86.5%	87.1%	83.7%
Value of Assets	\$14,663,244,009	\$14,315,653,162	\$13,445,708,809
Value of Liabilities	\$16,956,656,717	\$16,429,314,094	\$16,064,688,246

\*Estimated based on the January 1, 2022 actuarial valuation.

**Year-End Fair Market Value of Assets**

The asset values in the chart above are measured as of the Valuation Date. They are also “actuarial values.” Actuarial values differ from market values because 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 point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan’s assets for each of the two preceding plan years.

<b>Fair Market Value of Assets</b>		
December 31, 2023	December 31, 2022	December 31, 2021
\$13,885,582.20*	\$13,521,087,370	\$15,522,432,663

\*This amount is preliminary and unaudited.

The December 31, 2021, fair market value of assets includes \$153,635,038 of outstanding withdrawal liability receivables. The December 31, 2022, fair market value of assets includes \$146,151,763 of outstanding withdrawal liability receivables. The December 31, 2023, fair market value of assets includes \$150,954,220\* of outstanding withdrawal liability receivables.

### **Endangered, Critical, or Critical and Declining Status**

Under federal pension law, a plan generally is in “endangered” status if its funded percentage 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 must adopt a funding improvement plan. Similarly, if a pension plan enters critical status, or critical and declining status, the trustees of the plan must adopt a rehabilitation plan. Funding improvement and rehabilitation 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 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 trustees review the rehabilitation plan annually, beginning in 2020. The rehabilitation plan is designed to help the Plan emerge from critical status by the end of the rehabilitation period (December 31, 2031). 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.

You may obtain a copy of the Plan’s rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Benefit Fund Office.

The Plan was in critical status for the Plan Year. The Plan remains in critical status for the plan year ending December 31, 2024. A separate notification of that status is enclosed.

### **Participant Information**

The preliminary total number of participants covered by the Plan on the valuation date was 287,604. Of this number, 85,001 were current employees, 120,002 were retired and receiving benefits, and 82,601 were retired or no longer working for a contributing employer and have a right to future benefits.

### **Funding & Investment Policies**

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan 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.

Pension plans also have investment policies. These generally are written guidelines or general instructions 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.

Under the Plan’s investment policy, the Plan’s assets were allocated among these categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Interest-bearing cash	3.08%
2. U.S. government securities	2.30%
3. Corporate debt instruments (other than employer securities): Preferred All other	16.64%
4. Corporate stocks (other than employer securities):	6.82%

Preferred Common	
5. Partnership/joint venture interests	40.29%
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	30.84%
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 (e.g., mutual funds)	-
14. Value of funds held in insurance co. 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 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.

### **Right to Request a Copy of the Annual Report**

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the search tool. Annual reports are also 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. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified on page 4 under "Where to Get More Information."

### **Summary of Rules Governing Insolvent Plans**

Federal law has several 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 the 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 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 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 the PBGC**

The maximum benefit that the PBGC guarantees is set by law. Only benefits 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 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 to determine 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 \$11 plus \$24.75 ( $.75 \times \$33$ ), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

*Example 2:* If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate to determine the guarantee would be \$20 (or  $\$200/10$ ). The guaranteed amount for a \$20 monthly accrual rate is equal to \$11 plus \$6.75 ( $.75 \times \$9$ ), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases made under a Plan within 60 months before the earlier of the plan's termination or insolvency (or benefits in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee 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 PBGC's website at <https://www.pbgc.gov/prac/multiemployer>. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan" below.

#### **Where to Get More Information About Your Plan**

For more information about this notice, you may 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 e-mail address is [contact@iamnpf.org](mailto: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.