

Alaska Plumbing and Pipefitting Industry Pension Fund

April 16, 2026

The Plan's latest Annual Funding Notice (as required by the Department of Labor) is enclosed. This letter is intended to supplement the notice and provide you with more up-to-date information about your Plan.

Financial assistance greatly improves outlook

As previously communicated, the Plan received approximately \$109.3 million in Special Financial Assistance (SFA) in April 2025. We also had strong investment performance and strong hours in 2025. The combined impact has greatly improved the Plan's outlook, as detailed further below.

Plan's funding level

The most recent funded percentage shown on the enclosed notice is at January 1, 2025, the beginning of the year that just ended – so it's more than a year in the past and is *before the Plan received SFA*. The funded percentages shown on the notice also use an asset value called the "actuarial value of assets," which is used for certain calculations under IRS rules. This asset value spreads gains and losses out over a number of years rather than recognizing them all in the year they happen, and also excludes SFA. The "market value of assets" corresponds to the actual value of the Plan's assets at a given point in time and thus gives a clearer picture of the Plan's financial status.

The table below shows the Plan's funded percentage on a *market value* basis for past few years, as well as the estimated funded percentage as of January 1, 2026 both with and without SFA.

Market Value Funded Percentage				
January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025	January 1, 2026 (estimated)
56%	47%	47%	46%	52% without SFA 76% with SFA

Plan's zone status

By law, the Plan will remain in "critical" status until 2051, no matter how much the Plan's finances may improve. This is a condition of receiving the SFA. This means you will continue to receive a required notice each year saying the plan is in "critical" status for many years to come, even as the Plan's health improves.

The plan to improve our funding level

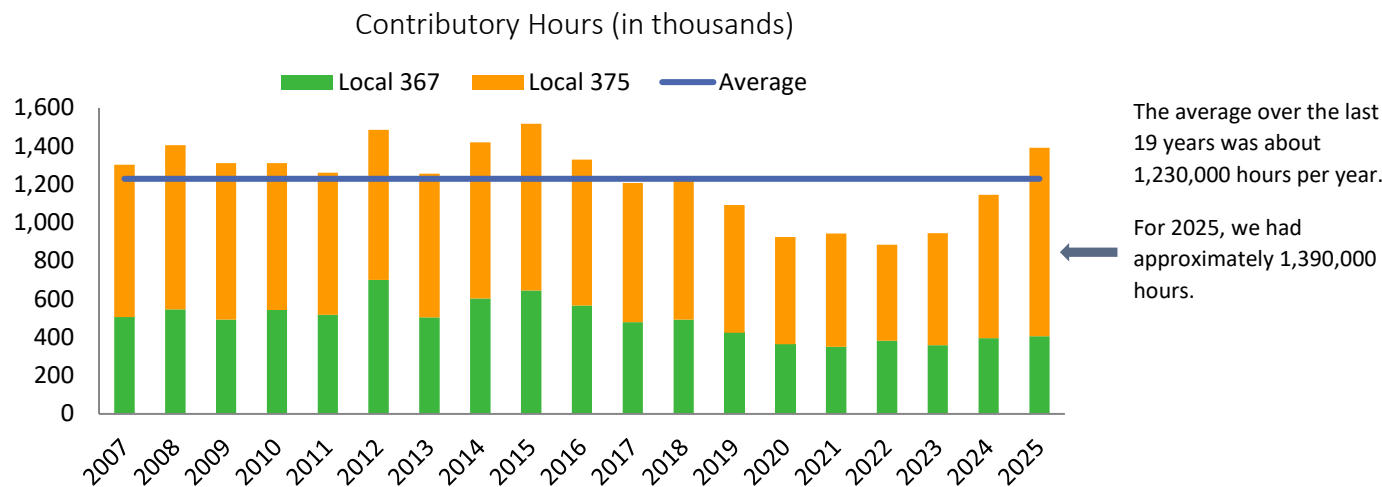
While the SFA did not fix the Plan's funding shortfall, it reduced the the shortfall to a level where it is "fixable." As communicated to you in June 2025, the Trustees updated the Plan's "rehabilitation plan" to include a schedule of pension contribution increases. These increases are intended to address the Plan's remaining shortfall and increase the benefits you earn under the Plan's benefit formula. As shown in the previous Plan Update, a participant who works 1,800 covered hours per year for 30 years can expect to earn a retirement benefit of **over \$7,000 per month**.

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While fixing the current funding shortfall will not be a quick process and we know there will be bumps along the way, we are excited to be back on a path to long term solvency while continuing to provide meaningful retirement benefits.

Hours Increased in 2025

The level of hours worked under the Plan are very important to the success of the rehabilitation plan and the long-term outlook of the Plan. Because contributions only come in on hours worked by the Plan's participants, contribution increases will only have the anticipated impact if the anticipated hours are realized. We are pleased to report that hours in 2025 increased significantly from 2024 and were the highest they've been since 2016. The Plan's long-term solvency will depend on our future hours and contribution rates, in addition to investment returns.



What does the future hold?

The future health of the Plan depends largely on hours worked and investment returns, both of which are outside the Trustees control. However, the Trustees work to aid the Plan in every way they can, including:

- Ensuring compliance with collective bargaining agreements and legal requirements.
- Reducing expenses where possible. For example, actions taken by Trustees over the last few years have cut the Plan's investment expenses by over half.
- Utilizing tools available, such as applying for Special Financial Assistance.

We will keep you updated on the Plan's experience and progress as we continue the work of getting the Plan back to 100% funded. In the meantime, the Trustees will continue to make decisions with the goal of providing meaningful benefits without taking undue risk, so that you can have a secure and dignified retirement.

Questions

If you have any questions, please contact the Administration Office:

Benesys, Inc

PMB #116, 5331 S Macadam Avenue, Suite 258

Portland, OR 97239

(503) 535-6851 toll free (800) 811-8851

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ANNUAL FUNDING NOTICE

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.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:

- BeneSys, Inc.
- **Phone:** (503) 535-6851
- **Address:** PMB #116, 5331 S Macadam Avenue, Suite 258 Portland, OR 97239-6104

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

- **Plan Number:** 001
- **Plan Sponsor Name:** The Board of Trustees of the Alaska Plumbing and Pipefitting Industry Pension Plan
- **Employer Identification Number:** 52-6103810

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 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	2024	2023
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	49%	50%	52%
Value of Assets	\$200,522,537	\$208,043,852	\$214,745,961
Value of Liabilities	\$413,566,773	\$413,378,156	\$416,020,141

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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 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. The asset value in the chart below for 2025 includes the estimated amount of the special financial assistance account.

	12/31/2025	12/31/2024	12/31/2023
Fair Market Value of Assets	\$314,200,000	\$192,080,439	\$194,278,877

The December 31, 2025 fair market value of assets is an estimate based on unaudited financial information available at the time this notice was prepared. The final audited information on the Plan's assets at December 31, 2025 will be reported on the Plan's Form 5500 for 2025 filed with the U.S. Department of Labor later this year.

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 in critical and declining status in the Plan Year because it meets the criteria for critical status and is projected to become insolvent (run out of money to pay benefits) within 20 years.

The Plan is projected to be insolvent in 2037, which may lead to benefit reductions.

To improve the Plan's funding situation, the trustees adopted a rehabilitation plan in April 2019. The rehabilitation plan reduced certain "adjustable benefits," including early retirement benefits, death benefits, guarantee periods, and optional forms of benefit; and increased, over a fifteen-year period of time, the Plan's contribution rates. A notice describing these changes in greater detail was mailed to all participants. As required under the Pension Protection Act, the Trustees review the Rehabilitation Plan annually. As part of the 2021 review, the Trustees found the fifteen-year schedule of contribution increases to be incompatible with the current economic climate. In its place, they adopted a single increase and will consider further increases each year. As part of their 2025 review, the Trustees implemented two schedules of contribution rate increases, one of which is required to be incorporated into each collectively bargained contract.

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 funding.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2026, a separate notification of that status has been or will be provided.

Prohibition Against Future MRPA Suspensions

Because the Plan received special financial assistance, the Plan may not submit an application to the Secretary of the Treasury to suspend or reduce your benefits in the future under the Multiemployer Pension Reform Act, also known as MPRA.

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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 Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

Plan Year Ending	December 31, 2025	December 31, 2024	December 31, 2023
Participants currently employed	639	628	537
Retired Participants and beneficiaries receiving benefits	784	791	804
Participants and beneficiaries entitled to future benefits (but not receiving benefits)	383	418	427
Total number of covered participants and beneficiaries (<i>Lines 2 + 3 + 4 = 5</i>)	1806	1,837	1,768

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 confirm that the minimum funding requirements of ERISA are being satisfied and to determine that anticipated employer contributions will not exceed the amounts deductible under the Internal Revenue Code. Each employer makes contributions monthly pursuant to collective bargaining agreements.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to obtain a rate of return consistent with the conservation of the Fund's principal. The Fund's assets shall be invested prudently in high-quality investments with due regard for the preservation of capital, diversification, and liquidity. In addition, investments shall be made in accordance with fiduciary standards of ERISA and any applicable plan provisions.

A plan that receives special financial assistance must segregate special financial assistance assets and earnings thereon in an account that is separate from the plan's non-special financial assistance assets. The plan must invest special financial assistance assets only in permissible return-seeking investments and investment grade fixed income securities and cash. Investments in return-seeking assets are not to exceed 33 percent. Through 2051, investments in investment grade fixed income must be sufficient to pay for at least 1 year (or until the date the plan is projected to become insolvent, if earlier) of projected benefit payments and administrative expenses.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the Plan Year. The allocations are percentages of total assets, which include special financial assistance paid to the Plan and earnings thereon.

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Asset Allocation	Percentage
Public equity	27.7%
Private equity	0.0%
Investment grade debt instruments	51.1%
High-yield debt instruments	1.8%
Cash and cash equivalents	0.0%
Real Assets	5.2%
Other	14.2%

The estimated average return on assets for the Plan Year was 10.2%.

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.

On April 21, 2025 the Plan received \$109,294,237.28 in special financial assistance (SFA) from the PBGC under the American Rescue Plan Act. As a result, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

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 to search for your Plan's Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call [\(202\) 693-8673](tel:2026938673) 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.

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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:
 - a. Take 100 percent of the first \$11 = \$11
 - b. 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:
 - a. Take 100 percent of the first \$11 = \$11
 - b. 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

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NOTICE OF CRITICAL AND DECLINING STATUS

FOR THE ALASKA PLUMBING AND PIPEFITTING INDUSTRY PENSION PLAN

This is to inform you that the Alaska Plumbing and Pipefitting Industry Pension Plan is in critical status for the plan year beginning January 1, 2026. Federal law requires that you receive this notice.

Critical and Declining Status

In accordance with the provisions tied to receiving Special Financial Assistance (SFA), the Plan is considered to be in critical status on January 1, 2026. On November 22, 2024, the Plan applied to receive SFA from the Pension Benefit Guarantee Corporation (PBGC), under the terms of the American Rescue Plan Act of 2021 (ARP). The PBGC approved the application on March 20, 2025 and paid approximately \$109.3 million to the Plan on April 21, 2025. Under the provisions of the ARP, because the Plan received SFA, it will be deemed "critical" through December 31, 2051.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring 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. In April 2019, participants were notified that the plan reduced or eliminated adjustable benefits, and that the plan 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. If the trustees of the Plan 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 May 1, 2019. As required under the Pension Protection Act, the Trustees review the Rehabilitation Plan annually. As part of the 2021 review, the Trustees further modified the Plan's contribution schedule. In December 2021, the Trustees elected to extend the Rehabilitation Plan by five years, as allowed under ARPA. This extends the Rehabilitation period to December 31, 2036. As part of the 2025 review, the Trustees further modified the Plan's contribution schedule.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan update the pension plan may adopt:

- Early retirement benefits (if not yet in pay status);
- Disability benefits (if not yet in pay status);
- Benefit payment options other than a non-subsidized qualified joint-and-survivor annuity (QJSA).

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan adopted by the Board of Trustees free of charge. For more information about this Notice, you may contact Alaska Plumbing and Pipefitting Industry Pension Plan c/o BeneSys, Inc. at PMB #116 5331 S Macadam, Suite 258, Portland, OR 97239 or at (503) 535-6851.