

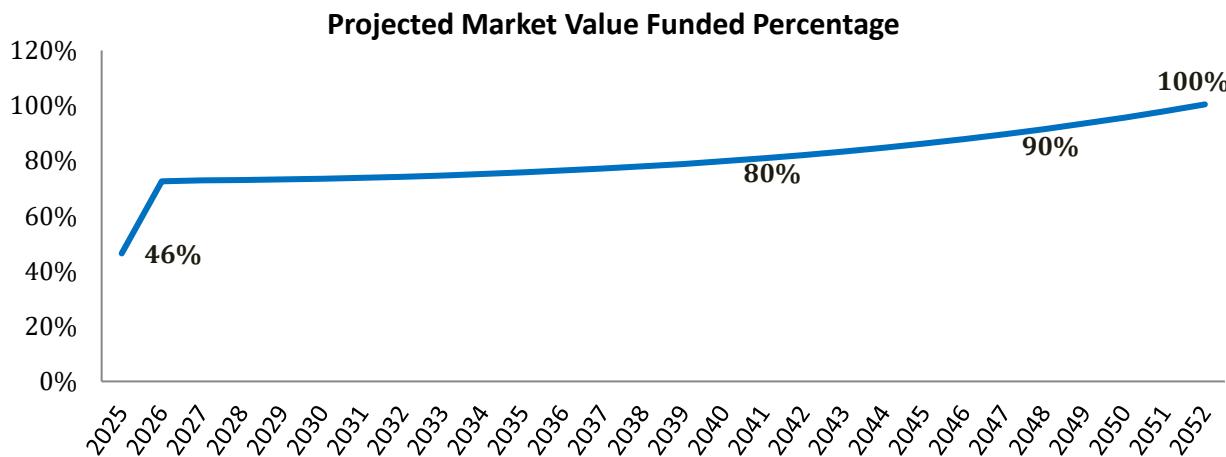
PENSION PLAN UPDATE

June 2025

From the Board of Trustees
Alaska Plumbing and Pipefitting Industry Pension Plan

Back on Track!

The Trustees are happy to report that after several challenging years, thanks to the \$109.3 million in Special Financial Assistance (SFA) received in April and a new Rehabilitation Plan Update adopted by the Board of Trustees in May, the Plan's outlook once again looks strong. The chart below shows the Plan's projected funded percentage reflecting these new developments:



While the SFA didn't completely solve the Plan's underfunding, it did make the Plan's funding situation solvable. The Rehabilitation Plan Update (described below) is that solution. The projection above assumes that the Plan's investments return 6% and that 975,000 covered hours are worked each year in the future. We believe these are conservative assumptions that we hope to exceed (for example, the Plan's historical average annual hours are closer to 1.2 million). If that happens, the improvement shown above will occur more quickly. In any event, you will continue to earn strong benefits under the Plan and can count on receiving for your benefit for your lifetime.

Rehabilitation Plan Update – Balancing Plan Funding and Benefits

Plans in critical status must maintain a Rehabilitation Plan that includes contribution increases intended to improve the Plan's funding. The Trustees paused contribution increases during the recent economic downturn in Alaska to not further burden participants and employers. As the economy has improved and with the receipt of the SFA funds, the Trustees have updated the Rehabilitation Plan schedule of increases to shore up the Plan's long-term outlook. The schedule differs by Local to reflect each Local's economic situation, but both schedules are approximately equivalent value and expected impact to the Plan. The Local 367 schedule is shown below:

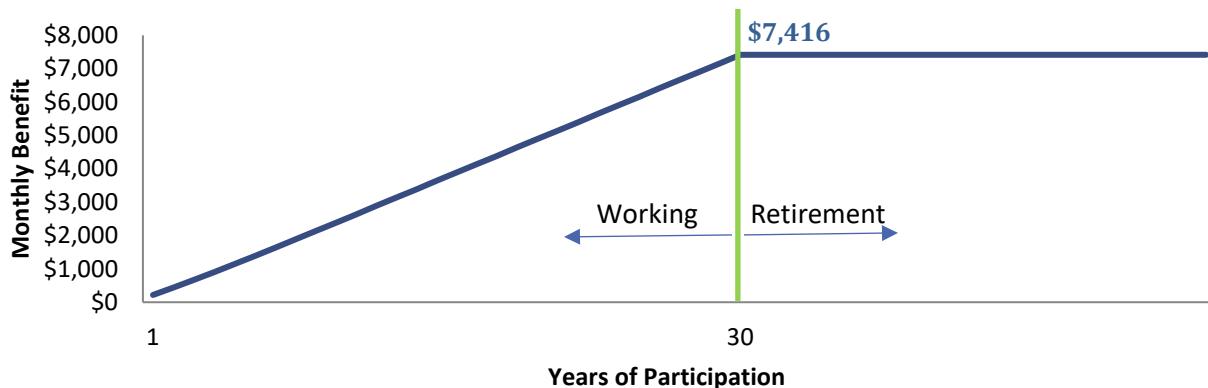
Local 367 Scheduled Increases to Journeyman Rate			
Year	Accruing Increase	Non-Accruing Increase	Total Increase
2025	\$0.25	\$0.25	\$0.50
2026	\$0.25	\$0.25	\$0.50
2027	\$0.25	\$0.25	\$0.50
2028	\$0.25	\$0.25	\$0.50
2029	\$0.25	\$0.25	\$0.50
2030	\$0.25	\$0.25	\$0.50
2031	\$0.25	\$0.25	\$0.50
2032	\$0.25	\$0.25	\$0.50
Total	\$2.00	\$2.00	\$4.00

Our intent is to strike a balance between improving the Plan's funded percentage as quickly as possible and making sure active participants are earning meaningful retirement benefits for their pension contributions. As a result, **half of each increase will be reflected in the Plan's benefit formula** – this will increase the benefits being earned by active participants as well as improve the Plan's overall funding. Our long-term goal is to eventually have all contributions reflected in the benefit formula again, but it will take time to get there as there are certain restrictions placed on plans that receive SFA.

Benefits Remain Strong

Through the last few challenging years, the Trustees have been committed to ensuring the Plan's participants continue to earn meaningful benefits that will provide you with a secure and dignified retirement. The chart below shows the benefit you would earn if you worked 1,800 hours per year for 30 years with Local 367, assuming your first year is 2025, your contribution rate is \$14.00 per hour, and you retire with a life annuity at age 62.

Projected Benefit Accruals and Retirement Payments



Security in Retirement

Based on the Plan's current life expectancies, if you retire at age 62 you are expected to live approximately 23 years in retirement – meaning in the example above, you would be expected to receive over **\$2,045,000** from the Plan in retirement ($\$7,416 \times 12 \times 23$). Furthermore, under a pension plan like ours you cannot outlive your benefit so you will continue to receive your benefit even if you live longer than expected. This ensures your ability to live out a secure and dignified retirement.

What does the future hold?

Our rehabilitation plan is a long-term strategy for restoring the Plan's financial health. We know this is not a quick process. There will be ups and downs along the way. However, we developed the Rehabilitation Plan schedule using conservative assumptions so that we are more likely to exceed than fall short. We are confident in the Plan's long-term outlook. **Together, the improved financial outlook and the Plan's level of benefits provide you with the opportunity to realize a secure retirement you can count on.**