

ALASKA PLUMBING AND PIPEFITTING INDUSTRY PENSION PLAN

2023 REHABILITATION PLAN UPDATE

Background

The Pension Protection Act of 2006 (“PPA”) requires an annual actuarial status determination for multiemployer pension plans like the Alaska Plumbing and Pipefitting Industry Pension Plan (the “Plan”). A certification of endangered status or critical status requires specific action from the plan trustees. In March 2019 the Plan actuary certified to the U.S. Department of the Treasury and the Trustees that the Plan elected to enter critical status for the plan year beginning January 1, 2019. This was communicated in April 2019 to all plan participants, participating unions and participating employers.

A plan in critical status must develop and maintain a rehabilitation plan. In general, a rehabilitation plan is comprised of one or more schedules of benefit adjustments and/or contribution increases that will enable the Plan to emerge from critical status over the Rehabilitation Period. However, the Trustees determined that they were unable to adopt a rehabilitation plan that would enable the Plan to emerge from critical status during the Rehabilitation Period using reasonable assumptions. Therefore, the Trustees adopted a rehabilitation plan that reflected reasonable measures to emerge from critical status at a later point, or failing that, to forestall insolvency. This rehabilitation plan was subsequently communicated to all plan participants in May 2019 and was incorporated into the bargaining agreements of all signatory employers’ shortly thereafter.

Once adopted, the Trustees are required to annually review the Plan’s progress, and, if necessary, update the rehabilitation plan.

2023 Review

At a meeting on October 12, 2023, the Plan’s Trustees reviewed the current rehabilitation plan and considered further potential benefit adjustments and contribution increases. The Trustees carefully considered the current economic situation and outlook in Alaska, and what contribution levels the market could be expected to bear in the future. After careful consideration of these and other factors, the Trustees concluded it was not reasonable to make any additional changes for 2023.