INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL NO. 540 PENSION PLAN
2024 ANNUAL FUNDING NOTICE
February 2026

Introduction

This Notice provides key details about the International Brotherhood of Electrical Workers Local No. 540 Pension Plan (the "Plan") for the Plan Year beginning November 1, 2024 and ending October 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:

Plan Administrator:	Board of Trustees of the International Brotherhood of Electrical Workers Local No. 540 Pension Plan
Phone:	330-270-0453
Address:	3660 Stutz Drive, Suite 101 Canfield, OH 44406

To better assist you, provide your Plan Administrator with the following information when you contact them:

Plan Number:	001
Plan Sponsor Name:	Board of Trustees of the International Brotherhood of Electrical Workers Local No. 540 Pension Plan
Employer Identification Number:	34-6701444

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 2024 Plan Year and the two preceding Plan Years. It also lists the value of the Plan's assets and liabilities for those years.

	2024 Plan Year	2023 Plan Year	2022 Plan Year
Valuation Date	November 1, 2024	November 1, 2023	November 1, 2022
Funded Percentage	77.7%	79.4%	81.3%
Value of Assets	$129,343,163	$129,033,143	$130,976,776
Value of Liabilities	$166,396,403	$162,504,528	$161,089,392

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 2024 Plan Year and each of the two preceding Plan Years as compared to the actuarial value of the Plan's assets on November 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.

	October 31, 2025	October 31, 2024	October 31, 2023
Fair Market Value of Assets	$135,214,641*	$125,862,958	$110,574,757

*Unaudited.

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 also may seek approval to amend the plan, including reducing current and future benefits.

The Plan was in endangered status in the Plan Year because its funded percentage was less than 80%.

To improve the Plan's funding situation, the trustees adopted a funding improvement plan in April 2025. A funding improvement plan can include: (1) the reduction or even the elimination of future benefit accruals, and/or (2) increases in the hourly contribution rate.

However, it has been determined that the actions adopted under the rehabilitation plan that was enacted when the Plan was in critical status are expected to be sufficient for the Plan to emerge from endangered status. Therefore, it is expected that the Plan's funding improvement plan will not require any further changes in the benefit accrual rate or increases in the hourly contribution rate.

The Plan's Funding Improvement Period begins on November 1, 2027. Based on reasonable assumptions, the Plan is expected to emerge from Endangered Status and reduce the Plan's underfunding by 1/3 during the 10-year Funding Improvement Period that ends on October 31, 2037.

You may request a copy of the Plan's funding improvement plan by contacting the Plan Administrator. You can also ask for any updates to the funding improvement plan and the actuarial and financial data showing actions taken to improve the Plan's finances.

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

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the 2024 Plan Year and the two preceding Plan Years. The numbers as of October 31, 2025 reflect the plan administrator's reasonable, good faith estimate.

Last Day of Plan Year	October 31, 2025	October 31, 2024	October 31, 2023
Participants Currently Employed	704	506	517
Participants and Beneficiaries Receiving Benefits	376	374	370
Participants and Beneficiaries Entitled to Future Benefits (but not Receiving Benefits)	157	173	161
Total Number of Covered Participants and Beneficiaries	**1,237**	**1,053**	**1,048**

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 meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Investment Policy: Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to invest in a diversified portfolio of assets that will maximize investment return over the long term while minimizing investment return volatility and maintaining sufficient liquidity to pay Plan benefits and administrative expenses.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

Asset Allocations	
Public Equity	57.0%
Private Equity	7.5%
Investment-Grade Debt Instruments	20.5%
High-Yield Debt Instruments	4.0%
Cash and Cash Equivalents	0.0%
Real Estate	7.0%
Other	4.0%
TOTAL	**100.0%**

The average return on assets for the Plan Year was 9.8%.

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.

As of the date of this Notice, no Plan amendments, scheduled benefit increases or reductions, or other events are expected to have a material impact on assets or liabilities for the Plan Year beginning on November 1, 2025 and ending on October 31, 2026.

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 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.

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:

- Take 100 percent of the first $11 of the plan's monthly benefit accrual rate.
- Take 75 percent of the next $33 of the accrual rate.
- Add both amounts together.
- 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.

- Find the accrual rate: $600/10 = $60 accrual rate.
- Apply PBGC formula:
  - Take 100 percent of the first $11= $11
  - Take 75 percent of the next $33 = $24.75
  - Add the two amounts together: $11 + $24.75 = $35.75
- Multiply by years of credited service: $35.75 x 10 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.

- Find the accrual rate: $200/10 = $20 accrual rate.
- Apply PBGC formula:
  - Take 100 percent of the first $11= $11
  - Take 75 percent of the next $9 = $6.75
  - Add the two amounts together: $11 + $6.75 = $17.75
- Multiply by years of credited service: $17.75 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50

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LOCAL NO. 540 PENSION PLAN
2025 NOTICE OF ENDANGERED STATUS
February 2026

On January 16, 2026 the actuary for the International Brotherhood of Electrical Workers Local No. 540 Pension Plan (the "Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan will be in endangered status for the 2025 Plan Year. The 2025 Plan Year began on November 1, 2025 and will end on October 31, 2026. Federal law requires that you receive this Notice.

Endangered Status

The Plan is considered to be in endangered status for the 2025 Plan Year because its funded percentage is less than 80%. The Plan will continue to be in endangered status until such time as its funded percentage exceeds 80%.

Funding Improvement Plan

Federal law requires that pension plans in endangered status adopt a funding improvement plan aimed at improving the plan's funded percentage. A funding improvement plan can include: (1) the reduction or even the elimination of future benefit accruals, and/or (2) increases in the hourly contribution rate.

The Board of Trustees adopted a funding improvement plan in April 2025 aimed at improving the plan's funded percentage. It has been determined that the actions adopted under the rehabilitation plan that was enacted when the Plan was in critical status are expected to be sufficient for the Plan to emerge from endangered status. Therefore, it is expected that the Plan's funding improvement plan will not require any further changes in the benefit accrual rate or increases in the hourly contribution rate.

You can request a copy of the Plan's funding improvement plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the I.B.E.W. Local 540 Pension Fund, 3660 Stutz Drive, Suite 101, Canfield, OH 44406, or by calling 330-270-0453. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 34-6701444.