



Iron Workers' Local No. 25 Fringe Benefit Funds
P.O. Box 99219
Troy, MI 48099-9219
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Website: www.iw25fringe.org

August 21, 2020

Dear Participant and Contributing Employer,

To keep you informed as to the status of the Iron Workers' Local No. 25 Pension Fund (Fund), and as required by law, we are enclosing two documents regarding the financial status of the Fund.

The first notice pertains to the current plan year, May 1, 2020 - April 30, 2021. This notice is required by the Pension Protection Act of 2006.

The second notice is an Annual Funding Notice, which provides information regarding the prior plan year, May 1, 2019 - April 30, 2020.

If you have any questions, as always, feel free to contact the Fund Office.

Sincerely,

The Board of Trustees

Enclosures



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Notice of Status under the Pension Protection Act For Iron Workers' Local No. 25 Pension Fund

TO: Plan Participants and Beneficiaries and Bargaining Parties

FROM: Board of Trustees Iron Workers' Local No. 25 Pension Fund

DATE: August 21, 2020

A federal law known as the Pension Protection Act of 2006 (PPA) provides that where a multiemployer plan actuary certifies that the plan falls into one of several categories set forth in the PPA, the plan must provide notice of the category being certified. These categories are yellow (endangered), orange (seriously endangered), and red (critical). In general, determination of which category a plan falls into depends upon sufficiency of projected contributions, sufficiency of projected cash flow, and funded status. As of May 1, 2020, the Plan's actuary certified that the Plan's zone certification is endangered status (yellow).

Plans in the yellow zone are required to adopt a Funding Improvement Plan (FIP), an action plan designed to help the Plan meet certain funding benchmarks required by the PPA. The Trustees adopted a FIP on November 20, 2019. In previous years, when the Plan was in the red zone (critical status), the trustees took actions to improve the funding situation of the Plan which continue under the FIP. As a result, there were no changes in benefits or increases in contributions associated with the new funding improvement plan. If any changes are required in the future, you will receive a separate notice.

The PPA requires that the Plan's funding status be reviewed and certified by the Plan's actuary annually. You will continue to receive information regarding the Fund's status each year.

For more information about this notice, you may contact the Pension Fund Office at 700 Tower Drive, Suite 300, Troy, Michigan 48098, telephone number (248) 347-3100.

**ANNUAL FUNDING NOTICE
For
Iron Workers Local No. 25 Pension Plan**

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 traditional pension plans (called "defined benefit pension plans") 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 are not required to respond in any way. This notice is required by federal law. This notice is for the 2019 plan year beginning May 1, 2019 and ending April 30, 2020 ("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 shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2019 Plan Year	2018 Plan Year	2017 Plan Year
Valuation Date	May 1, 2019	May 1, 2018	May 1, 2017
Funded Percentage	57.89%	56.31%	55.79%
Value of Assets	\$528,976,678	\$520,006,893	\$519,339,972
Value of Liabilities	\$913,646,987	\$923,355,855	\$930,795,051

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 in that 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 given point in time. The asset values in the chart below are market values and are measured as of 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.

	April 30, 2020	April 30, 2019	April 30, 2018
Fair Market Value of Assets	\$512,413,478 (preliminary)	\$526,676,227	\$524,201,178

Endangered, Critical, or Critical and Declining Status

Under federal pension law a plan generally will be considered to be in “endangered” status if the funded percentage of the plan 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 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to 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 in endangered status in the Plan Year ending April 30, 2020 because the funded percentage of the plan is 80% or less. In an effort to improve the Plan’s funding situation, the trustees adopted a funding improvement plan on November 20, 2019. In previous years, when the Plan was still in critical status, the trustees took actions to improve the funding situation of the Plan. As a result, there were no changes in benefits or increases in contributions associated with the funding improvement plan. You may get a copy of the Plan’s funding improvement plan, and update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the Plan Administrator.

The Plan is also in endangered status for the plan year April 30, 2021. Separate notification of this status will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 5,139. Of this number, 1,600 were current employees, 2,655 were retired and receiving benefits, and 884 were retired or no longer working for the 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 primary source of plan funding for the benefits provided under the plan and for the expenses of the plan operations are employer contributions. The rate of contribution is set forth in the Collective Bargaining Agreement, or other written agreement requiring contributions to the Plan. Additionally, plan assets are invested which results in investment income to the plan. The funding level is designed to comply with requirements of ERISA and the Internal Revenue Code. These requirements include minimum funding levels and also include maximum limits on the contributions that may be deducted by employers for federal income tax purposes. The Board of Trustees creates and implements the funding policy and monitors the funding level with the assistance of the Plan’s enrolled actuary and the Plan’s investment consultant.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. To summarize, the goal of the investment policy of the Plan is to achieve the following long-term investment objectives, consistent with the requirements of prudent asset class diversification: (1) earn a sufficient rate of return over the long-

term to continue meeting the minimum funding requirements of ERISA; (2) maintain sufficient liquidity to facilitate full and timely payment of benefits and expenses; (3) earn a long term rate of return that exceeds the annual rate of inflation; (4) earn a long term rate of return that meets or exceeds the Plan's assumed actuarial rate; and (5) earn a long term rate of return that equals or exceeds the Plan's Policy Index. The investment of the Plan assets shall be in accord with all provisions of the Employee Retirement Income Security Act of 1974.

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. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	0%
2. U.S. Government securities	2.2%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	4.8%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	1.2%
5. Partnership/joint venture interests	18.6%
6. Real estate (other than employer real property)	0%
7. Loans (other than to participants)	0%
8. Participant loans	1.2%
9. Value of interest in common/collective trusts	42.3%
10. Value of interest in pooled separate accounts	5.5%
11. Value of interest in 103-12 investment entities	12.5%
12. Value of interest in registered investment companies (e.g., mutual funds)	6.3%
13. Value of funds held in insurance co. general account (unallocated contracts)	0%
14. Employer-related investments:	
Employer Securities	0%
Employer real property	0%
15. Buildings and other property used in plan operation	0%
16. Other	5.4%

For information about the plan's investment in any of the following types of investments as described in the chart above, contact the Pension Fund Office, P.O. Box 99219, Troy, Michigan 48099-9219, (248) 347-3100.

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. For the plan year beginning on May 1, 2020 and ending on April 30, 2021, there are no events that are presently expected to have a material impact on assets or liabilities, however the current COVID-19 pandemic may have an adverse impact on the level of hours worked. A reduction in hours worked resulting in lower than expected contribution income could affect plan assets.

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 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 below under "Where to Get More Information."

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 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 that 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 for purposes of determining 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 the sum of \$11 plus \$24.75 (.75 x \$33), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 (\$35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or \$200/10). The guaranteed amount for a \$20

monthly accrual rate is equal to the sum of \$11 plus \$6.75 (.75 x \$9), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 (\$17.75 x 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 that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were 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 www.pbgc.gov/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

For more information about this notice, you may contact the Fund Office, located at BeneSys, Inc., 700 Tower Drive, Suite 300, Troy, MI 48098, (248) 347-3100. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number (EIN) is 38-6056780. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242. (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and asked to be connected to 1-800-400-7242).