

# **Indiana / Kentucky / Ohio Regional Council of Carpenters' Pension Fund**



## **Annual Funding Notice**



# Indiana/Kentucky/Ohio Regional Council of Carpenters' Pension Fund

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## ANNUAL FUNDING NOTICE

for the

### Indiana/Kentucky/Ohio Regional Council of Carpenters Pension Fund

#### Introduction

This notice includes important information about the funding status of your multiemployer pension plan, the Indiana/Kentucky/Ohio Regional Council of Carpenters Pension Fund ("the Plan"), and 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 law. This notice is for the plan year beginning July 1, 2023 and ending June 30, 2024 ("Plan Year").

#### How Well Funded Is Your Plan

Under federal law, the administrator of the Plan must report how well the Plan is funded by using a measure called the "funded percentage." This percentage is obtained by dividing the Plan's assets by its liabilities on the Valuation Date for the plan year. 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 set forth in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2023 Plan Year	2022 Plan Year	2021 Plan Year
Valuation Date	July 1, 2023	July 1, 2022	July 1, 2021
Funded Percentage	92.2%	91.0%	89.0%
Value of Assets	\$1,487,534,349	\$1,413,244,187	\$1,335,801,078
Value of Liabilities	\$1,613,208,914	\$1,552,710,802	\$1,500,482,868

#### Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "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 on 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.

	June 30, 2024	June 30, 2023	June 30, 2022
Fair Market Value of Assets	\$1,614,818,568*	\$1,450,610,395*	\$1,377,260,232

\*The fair market value of Plan assets shown as of June 30, 2024 is an estimate based on unaudited financial information available at the time this notice was prepared. The fair market value of Plan assets shown as of June 30, 2023 is revised from the estimated value reported in last year's notice.

### Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in “endangered” status if its funded percentage 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 within 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 not in endangered, critical, or critical and declining status in the Plan Year ending June 30, 2024. If the Plan is in endangered, critical, or critical and declining status for the plan year ending June 30, 2025, separate notification of that status will be provided.

### Participant Information

	June 30, 2024	June 30, 2023	June 30, 2022
Total participants	13,384	12,528	12,113
Active participants	5,103	4,876	4,489
Participants who are retired and receiving benefits	4,457	3,927	3,848
Participants who are retired or separated from service and have a right to future benefits	3,030	2,960	3,033
Beneficiaries who are receiving or entitled to receive benefits	794	765	743

\*The participant information shown as of June 30, 2024 is an estimate based on unaudited information available at the time this notice was prepared.

### Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to fund the Plan’s benefit obligations through a combination of contributions received from participating employers and investment income generated by Plan investments. The funding policy is designed to comply with the funding requirements of the Employee Retirement Income and Security Act of 1974 (“ERISA”) and the Internal Revenue Code. The Plan’s Board of Trustees monitors the Plan’s funding requirements 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. The investment policy of the Plan is generally, to invest assets in a diversified manner among multiple asset classes that are expected over the long term to generate returns that equal or exceed the Plan’s actuarial assumed rate of return within acceptable levels of volatility and that provide sufficient liquidity to satisfy the Plan’s benefit payment obligations. The average rate of return on assets during the Plan Year was 11.8%.

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 preliminary, unaudited percentages of total assets:

<b>Asset Allocations</b>		<b>Percentage</b>
1.	Cash (Interest bearing and non-interest bearing)	1.79%
2.	U.S. Government securities	3.22%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	
	All other	3.57%
4.	Corporate stocks (other than employer securities):	
	Preferred	
	Common	
5.	Partnership/joint venture interests	9.63%
6.	Real estate (other than employer real property)	6.94%
7.	Loans (other than to participants)	
8.	Participant loans	
9.	Value of interest in common/collective trusts	70.76%
10.	Value of interest in pooled separate accounts	
11.	Value of interest in master trust investment accounts	
12.	Value of interest in 103-12 investment entities	
13.	Value of interest in registered investment companies (e.g., mutual funds)	4.09%
14.	Value of funds held in insurance co. general account (unallocated contracts)	
15.	Employer-related investments:	
	Employer Securities	
	Employer real property	
16.	Buildings and other property used in plan operation	
17.	Other	

For information about the Plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, or 103-12 investment entities – contact the Plan's administrative manager: Indiana/Kentucky/Ohio Regional Council of Carpenters Pension Fund, c/o BeneSys, Inc., 700 Tower Drive, Suite 300, Troy, MI 48098, (800) 700-6756.

#### 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 about the plan. You may obtain an electronic copy of the Plan's annual report by going to [www.efast.dol.gov](http://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. You may also 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 benefits. 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 \$500, 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 ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ( $.75 \times \$33$ ), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

*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 ( $0.75 \times \$9$ ), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

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](http://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," below.

### Where to Get More Information

For more information about this notice, you may contact the plan administrator: Board of Trustees of the Indiana/Kentucky/Ohio Regional Council of Carpenters Pension Fund, c/o BeneSys, Inc., 700 Tower Drive, Suite 300, Troy, MI 48098, (800) 700-6756. For identification purposes, the official plan number is 001; the plan sponsor's name is the Board of Trustees of the Indiana/Kentucky/Ohio Regional Council of Carpenters Pension Fund; and the plan sponsor's employer identification number or "EIN" is 51-6123713.

For more information about the PBGC, go to PBGC's website, [www.pbgc.gov](http://www.pbgc.gov).