INDIANA CARPENTERS PENSION FUND

ANNUAL FUNDING NOTICE

NOTICE OF ENDANGERED STATUS

and

FUNDING IMPROVEMENT PLAN

Indiana/Kentucky/Ohio Regional Council of Carpenters' Fringe Benefit Funds

P.O. Box 969, Troy, MI 48099-0969
(800) 700-6756

April 2022

ANNUAL FUNDING NOTICE
For
INDIANA CARPENTERS PENSION FUND

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 plan year beginning January 1, 2021 and ending December 31, 2021 ("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			
	2021	**2020**	**2019**
Valuation Date	January 1, 2021	January 1, 2020	January 1, 2019
Funded Percentage	73.7%	72.1%	69.6%
Value of Assets	$561,472,816	$512,427,847	$469,754,684
Value of Liabilities	$761,784,555	$710,643,513	$674,886,780

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. As of December 31, 2021, the fair market value of the Plan's assets was approximately $656,788,406. As of December 31, 2020, the fair market value of the Plan's assets was $580,005,636. As of December 31, 2019, the fair market value of the Plan's assets was $529,442,711.

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 in endangered status in the Plan Year ending December 31, 2021 because it was less than 80% funded. In an effort to improve the Plan’s funding situation, the trustees adopted a funding improvement plan on September 14, 2021. The funding improvement plan is intended to increase the Plan’s funding percentage and avoid accumulated funding deficiencies in the future. You may get a copy of the Plan’s funding improvement plan, any 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.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2022, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 7,499. Of this number, 3,051 were current employees, 2,629 were retired and receiving benefits, and 1,819 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 funding policy of the Plan is to contribute the rate set in the various collective bargaining agreements. For 2021 that rate was generally $10.45 per hour.

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:

Equities of 37% to 57% of assets; Fixed income of 20.5% to 40.5% of assets; Short-term cash of 0% to 3% of assets; real estate of 5% to 15% of assets; hedge funds of 5% to 15% of assets, and infrastructure of 1% to 3% of assets.

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**
Stocks	50%
Investment grade debt instruments	25%
High-yield debt instruments	0%
Real Estate	9%
Other	16%

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 also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution A venue, 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."

Right to Request an Annual Benefit Statement

A pension plan is required to provide a benefit statement to any participant who requests this of the plan sponsor, if a benefit statement has not been provided within the past twelve months. You may request this information by contacting the plan administrator at the phone number or address shown in the last paragraph of this notice.

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 a 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," below.

Where to Get More Information

For more information about this notice, you may contact the Indiana Carpenters Pension Fund, at 1-317-851-4168 (toll free at 1-800-700-6756) or by writing to P.O. Box 969, Troy, MI 48099-0969. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" is Indiana Carpenters Pension Fund, 35-6057648.

Indiana/Kentucky/Ohio Regional Council of Carpenters' Fringe Benefit Funds

P.O. Box 969, Troy, MI 48099-0969
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Notice of Endangered Status as of January 1, 2022
For The
Indiana Carpenters Pension Plan

The Pension Protection Act of 2006 ("PPA") added requirements for measuring the financial health of multiemployer plan such as yours. The PPA requires that the plan actuary determine annually the Plan's status under these new rules, and to certify that status to the IRS and the Board of Trustees. If the Plan's status for a plan year is "seriously endangered" (i.e., "orange" zone) or "endangered" (i.e., "yellow" zone) or "critical" (i.e., "red" zone), the Trustees must notify all plan participants, and other interested parties, and take corrective action to restore the financial health of the Plan.

Endangered Status (i.e., "Yellow" Zone)

This notice is to inform you that on March 25, 2022 the plan actuary certified to the U.S. Department of the Treasury, and to the Board of Trustees, that the Plan is in endangered status for the plan year beginning January 1, 2022. Federal law requires that you receive this notice.

The Plan is considered to be in the "yellow" zone because the Plan is not expected to have a funding deficiency within the next seven years, but the funded status of the Plan has not yet reached 80%, the level required to be considered in the "green" zone (not endangered nor critical).

The funded status as of January 1, 2022 is estimated to be 77%.

Funding Rehabilitation Plan - Funding Improvement Plan

Federal law requires plans in critical status to adopt a Funding Rehabilitation Plan and plans in endangered status to adopt a Funding Improvement Plan – both are designed to improve the financial health of the Plan. The Board of Trustees adopted a Funding Improvement Plan on September 14, 2021. The Funding Improvement Plan requires the Plan's funded percentage improve to 84.66% by the expiration of the funding improvement period on December 31, 2037 (the Board of Trustees have elected to extend the funding improvement period by 5 years as permitted by the American Rescue Plan Act of 2021). The Funding Improvement Plan made no changes to the benefits provided by the Plan and made no changes to the contribution rates required of contribution employers under the Plan.

Where to Get More Information

For more information about this Notice, you may contact the Indiana Carpenters Pension Fund, at 1-317-851-4168 (toll free at 1-800-700-6756) or by writing to P.O. Box 969, Troy, MI 48099-0969.

Indiana Carpenters Pension Fund

Funding Improvement Plan

September 14, 2021

Introduction

In 2006, the Pension Protection Act ("PPA") was enacted. Beginning with the 2008 plan year, the PPA requires the Trustees to obtain an annual actuarial certification of the Fund's funding status as critical and declining (applicable only for plan years beginning after 2014), critical, endangered or none of these ("Green Zone").

On March 26, 2021, the Indiana Carpenters Pension Fund ("Fund") was certified by its actuary to be in endangered status (also known as "Yellow Zone" status) for the plan year beginning January 1, 2021. Federal law requires a pension plan in endangered status to adopt a funding improvement plan ("FIP") aimed at restoring the financial health of the plan. This FIP sets forth the actions to be taken by the bargaining parties and the Trustees designed to meet the legal requirements under the PPA for a funding improvement plan.

Goals and Requirements of the Funding Improvement Plan

As required by the PPA, this FIP is designed to accomplish the following:

1. **Increase in Funding Percentage.** The Fund's PPA funded percentage must increase by the end of the Funding Improvement Period (as set forth in the next section) by at least 33% of the difference between the funded percentage as of the beginning of the first plan year for which the Fund is certified to be in endangered status (i.e., the plan year beginning January 1, 2021) and 100%, and

2. **Avoidance of Accumulated Funding Deficiencies.** The Fund must not have an accumulated funding deficiency in the last plan year of the Funding Improvement Period.

Funding Improvement Period

The PPA generally provides that for plans in endangered status the Funding Improvement Period will last for 10 years. However, under the American Rescue Plan Act of 2021, plan sponsors may elect to extend their Funding Improvement Period by five years if their plan is in endangered status for a plan year beginning in 2021. The Trustees have elected to use this 5 year extension. Therefore, the Funding Improvement Period is the period of 15 plan years beginning on January 1, 2023 and ending on December 31, 2037.

If the Fund's actuary certifies before the end of this period that the Fund is no longer in endangered status for a plan year, the Funding Improvement Period will end as of the close of the preceding plan year.

Schedule

Based on an estimated funded percentage of 77.0% as of January 1, 2021 (the percentage will be finalized once the January 1, 2021 actuarial valuation report has been completed), the FIP must contain schedules of Plan and/or contribution changes that are projected to enable the funded percentage to improve to 84.66% by December 31, 2037, the end of the Funding Improvement Period, and avoid an accumulated funding deficiency in the last plan year of the Funding Improvement Period.

Projections based on reasonable assumptions indicate that these requirements are expected to be met without the need for changes to the current Plan of benefits and the contribution rates provided in the collective bargaining agreements that are currently in effect. Accordingly, both the "default schedule" (the schedule that would be applicable should a schedule not be adopted in collective bargaining on a timely basis) and the "preferred schedule" consist of the following:

1. Maintain a contribution rate of at least the rate that is set forth in each employer's current Collective Bargaining Agreement for every year that the Fund is in endangered status, and

2. Maintain the Plan of benefits in effect as of the day before the date of certification of endangered status (March 26, 2021), for all current and future active participants and for every year that the Fund is in endangered status.

As noted below, this schedule is subject to revision in future years if the Trustees determine that such action is necessary in light of the Fund's future financial condition and statutory requirements.

As collective bargaining agreements expire, the bargaining parties must negotiate ongoing participation in the Fund consistent with the terms set forth above. The bargaining parties should affirmatively adopt the Schedule of contribution rates described above into their collective bargaining agreements. If a collective bargaining agreement providing for contributions under the Fund in accordance with the Schedule expires while the Fund is still in endangered status, then the bargaining parties with respect to such agreement must adopt a contribution Schedule with terms consistent with the updated FIP.

If the bargaining parties fail to affirmatively adopt the Schedule described above, then it will automatically be imposed.

Endangered Status Limitations

The PPA imposes the following limitations upon the Trustees:

1. During the period beginning on the date of the initial endangered status certification and ending on the date of the adoption of this FIP, the Trustees may not accept a collective bargaining agreement that: (a) reduces contributions for any participants; (b) suspends contributions with respect to any period of service; or (c) includes any new direct or indirect exclusion of younger or newly hired employees from participation in the Fund; or

2. After the date of the adoption of this FIP, the Trustees may not amend the plan so as to increase benefits, including future benefit accruals, unless the Fund's actuary certifies that such increase is paid for out of additional contributions not contemplated by the FIP, and, after taking into account the benefit increase, the Fund still is reasonably expected to meet the applicable benchmark on the schedule contemplated in the FIP.

Notwithstanding the above restrictions, to the extent permitted by law, the Fund may also be amended to the extent any benefit change is required for the Fund to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law.

Updating of FIP

Each year during the Funding Improvement Period, the Fund's actuary will review and certify the status of the Fund under the PPA's funding rules and determine whether the Fund is making the scheduled progress toward the goals of the FIP. If in light of the experiences of the Fund the Trustees determine that it is necessary, they will revise the FIP and the benefit and/or contribution schedules recommended under it. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement.

IN WITNESS WHEREOF, the Trustees have approved and adopted this funding improvement plan effective this 14th day of September, 2021.

APPROVED:

FOR THE EMPLOYER TRUSTEES:	FOR THE UNION TRUSTEES:
______________________	______________________

45934669

INDIANA/KENTUCKY/OHIO REGIONAL COUNCIL
OF CARPENTERS' FRINGE BENEFIT FUNDS
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Important Fund Information