

NORTHWESTERN OHIO PLUMBERS AND PIPEFITTERS PENSION PLAN

7570 Caple Blvd., Suite B / Northwood, Ohio 43619 / Telephone (419) 662 1388 / Fax (419) 662 1733

TO: All Plan Participants, and Beneficiaries, of the Northwestern Ohio Plumbers and Pipefitters Pension Plan (the "Plan")

RE: Annual Funding Notice (AFN)

DATE: April 2022

The Board of Trustees is pleased to provide you with the following information:

1. **2021 Annual Funding Notice**

Enclosed is the Annual Funding Notice (AFN) that describes the financial health of the Plan. The AFN is required by law to be sent to Plan Participants at the end of the Plan year, and contains information regarding the Plan's current funding levels, the value of the Plan's assets, as well as the investments being made by the Plan.

Receipt of these documents does not constitute a determination of your eligibility, nor is it a contract. Additional limitations and exclusions may apply. If you have any additional questions about your benefits, please contact the NW Ohio Plumbers and Pipefitters Local 50 Benefit Office at (419) 662-1388.

Sincerely Yours,

Board of Trustees
Northwestern Ohio Plumbers and Pipefitters Pension Plan

Enclosure:
-Annual Funding Notice

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NORTHWESTERN OHIO PLUMBERS AND PIPEFITTERS PENSION PLAN 2021 ANNUAL FUNDING NOTICE

April 2022

This Notice includes important information about the funding status of the Northwestern Ohio Plumbers and Pipefitters Pension Plan ("the Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("the PBGC"), a federal insurance agency. This Notice is required by federal law, and all traditional pension plans, called defined benefit pension plans, must issue it every year regardless of their funding status. It does not mean that the Plan is terminating. It is provided for informational purposes only and you are not required to respond in any way. This Notice is for the 2021 Plan Year, which began on January 1, 2021 and ended on December 31, 2021.

How Well Funded Is Your Plan

The law requires the Plan Administrator to tell you how well the Plan is funded, using a measure called the "funded percentage". In order to get this percentage, the Plan divides its assets by its liabilities on the Valuation Date. In general, the higher the percentage, the better funded the Plan. The Plan's funded percentage for the 2021 Plan Year and the two preceding Plan Years is shown in the chart below. The chart also lists the value of the Plan's assets and liabilities for the same period.

	2021 Plan Year	2020 Plan Year	2019 Plan Year
Valuation Date	January 1, 2021	January 1, 2020	January 1, 2019
Funded Percentage	81.9%	82.9%	82.0%
Actuarial Value of Assets	\$192,816,471	\$177,854,814	\$163,377,026
Value of Liabilities	\$235,542,364	\$214,535,002	\$199,318,283

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Plan's 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 market 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 the two preceding Plan Years.

	December 31, 2021	December 31, 2020	December 31, 2019
Fair Market Value of Assets	\$229,095,785*	\$202,902,136	\$182,566,446

*Unaudited.

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 run out of the money needed 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 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 certified as not being in endangered, critical, or critical and declining status in the 2021 Plan Year. If the Plan is certified as being in endangered, critical, or critical and declining status for the 2022 Plan Year, separate notification of that status has or will be provided to you.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the January 1, 2021 valuation date was 2,015. Of this number, 1,040 were current employees, 815 were retired and receiving benefits from the Plan, and 160 were retired or no longer working for an employer and have the 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 fund the Plan through contributions by employers, under the terms of the Collective Bargaining Agreement.

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 to invest Plan assets in a manner consistent with the fiduciary standards of ERISA. The Plan’s written investment policy provides that the Trustees have the responsibility to prudently guide the Plan’s investment program, establishing its investment policies and a suitable asset allocation, and to invest the assets in a manner consistent with the Plan’s investment objectives, asset allocation policy, tolerance for risk, appropriate portfolio diversification, and liquidity needs. The investment policy also provides that the Trustees will select professional investment managers and investment advisers to invest assets and to assist in prudently measuring and evaluating investment performance on a regular basis.

Under the Plan’s investment policy, the Plan’s assets were allocated among the following categories of investments as of the end of the 2021 Plan Year. These allocations are percentages of total assets:

<u>Asset Allocation</u>	
Stocks	<u>50.44%</u>
Investment Grade Debt Instruments	<u>20.00%</u>
High-Yield Debt Instruments	<u>5.20%</u>
Real Estate	<u>10.02%</u>
Other	<u>14.34%</u>

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 regarding the Plan. You can obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports are also available for 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 can also obtain a copy of the Plan's annual report by making a written request to the Plan Administrator.

The Plan's annual reports do not contain personal information regarding Plan participants, such as the amount of your accrued benefit. You should contact the Plan Administrator if you want information about your accrued benefit.

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 this 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 the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including the 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. The Plan is covered by the PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11.00 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33.00 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 \$600.00, 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 ($\$600.00 \div 10$), which equals \$60.00. The guaranteed amount for a \$60.00 monthly accrual rate is equal to the sum of \$11.00 plus \$24.75 ($.75 \times \$33.00$), or \$35.75. Thus, the participant's guaranteed monthly benefit would be \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued benefit of \$200.00, the accrual rate for purposes of determining the guarantee would be \$20.00 ($\$200.00 \div 10$). The guaranteed amount for a \$20.00 monthly accrual rate is equal to the sum of \$11.00 plus \$6.75 ($.75 \times \$9.00$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified pre-retirement survivor benefits, which are pre-retirement 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 the PBGC's website at www.pbgc.gov/multiemployer. Please contact your Plan Administrator for specific information about your Plan or pension benefit. The PBGC does not have that information.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Northwestern Ohio Plumbers and Pipefitters Pension Plan, at 7570 Caple Boulevard, Suite B, Northwood OH 43619, or by calling 419-662-1388. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 34-6502487. For more information about the PBGC, you can go to the PBGC's website at www.pbgc.gov.