

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) and Summary of Material Modifications (SMM)

DATE: March 2020

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

1. **2019 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.

2. **Summary of Material Modifications**

Also enclosed is a Summary of Material Modifications (SMM) that detail certain Plan changes concerning updates to the time for you to sue to challenge a denial of part or all of a claim for Plan Benefits or exercise other rights you have under 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 Plan Office at (419) 662-1388.

Sincerely Yours,

*Board of Trustees
Northwestern Ohio Plumbers and Pipefitters Pension Plan*

Enclosures:

- Annual Funding Notice
- Summary of Material Modifications

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TO: All Plan Participants, Beneficiaries, Alternate Payees, Labor Organization and Contractors of the Northwestern Ohio Plumbers and Pipefitters Pension Plan

NORTHWESTERN OHIO PLUMBERS AND PIPEFITTERS PENSION PLAN 2019 ANNUAL FUNDING NOTICE *April 2020*

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 2019 Plan Year, which began on January 1, 2019 and ended on December 31, 2019.

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 2019 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.

	2019 Plan Year	2018 Plan Year	2017 Plan Year
Valuation Date	January 1, 2019	January 1, 2018	January 1, 2017
Funded Percentage	82%	81%	80%
Actuarial Value of Assets	\$163,377,026	\$154,035,984	\$144,789,273
Value of Liabilities	\$199,318,283	\$190,590,388	\$180,604,369

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, 2019	December 31, 2018	December 31, 2017
Fair Market Value of Assets	\$181,698,480*	\$153,244,057	\$156,259,903

*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 2019 Plan Year. If the Plan is certified as being in endangered, critical, or critical and declining status for the 2020 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, 2019 valuation date was 1,959. Of this number, 1,008 were current employees, 755 were retired and receiving benefits from the Plan, and 196 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 2019 Plan Year. These allocations are percentages of total assets:

<u>Asset Allocation</u>	
Stocks	<u>49.5%</u>
Investment Grade Debt Instruments	<u>21.0%</u>
High-Yield Debt Instruments	<u>4.3%</u>
Real Estate	<u>10.3%</u>
Other	<u>14.9%</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.

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

NORTHWEST OHIO PLUMBERS AND PIPEFITTERS LOCAL NO. 50 PENSION FUND

SUMMARY OF MATERIAL MODIFICATIONS (Regarding Your Rights to Sue for Plan Benefits)

Dear Participant:

The Board of Trustees amended the Plan to limit the time for you to sue to challenge a denial of part or all of a claim for Plan benefits or to exercise other rights you have under the Plan. Beginning March 1, 2019, you must file a lawsuit (or initiate arbitration, if applicable) to challenge any denial by the Plan of your right to current or future benefits within one (1) year after your claim for benefits (or to establish a right to future benefits) is finally denied by the Plan. Other Plan-based lawsuits must be brought within one (1) year after they accrue.

The Plan, both before and after amendment, requires that participants and beneficiaries pursue all Plan-based benefit claims and appeals procedures before filing a lawsuit to obtain Plan benefits.

The Board of Trustees is committed to ensuring that the Fund provides participants and beneficiaries with all benefits that they are due. But, the Fund must have reasonable rules to ensure that benefit-related claims and disputes are handled fairly and efficiently. The new rules are designed both to provide participants and beneficiaries with adequate time to vindicate their Plan-based rights and to assure that disputes are addressed quickly and efficiently. The Board of Trustees believe that resolving Plan disputes efficiently and quickly is in the best interest of the Fund and its participants and beneficiaries and will save both claimant and Fund resources.

The One (1) Year Limit

The one (1) year limit begins on the date your right to Plan benefits is fixed (without judicial action). For example, the one year limit will begin:

- On the day following the date on which the Plan finally denies your claim for benefits (or right to future benefits).
- On the day following the last day for you to appeal a Plan denial of your claim for benefits or future benefits (if you decide not to appeal that denial).
- On the day following the last date on which you could file a claim for benefits under the Plan (if you do not file a claim before the applicable claim-filing deadline).

The new one (1) year limit **does not** apply to Plan-related rights that you have that are not based on the Plan itself. For example, the one (1) year limit does not apply to claims that Plan fiduciaries have violated their ERISA-imposed fiduciary duties.

Need to Use Plan Claims and Appeals Procedures

The Plan requires participants and beneficiaries to exhaust internal Plan remedies before filing a court action to vindicate Plan-based rights. If you do not file a benefit claim or take permitted appeals from denied claims, you may be prevented from filing a lawsuit to enforce your rights.

Future Notices about these Limits

The Board of Trustees is providing you this notice so that you will know about the new and important one (1) year limit and to remind you of the importance of using Plan procedures. The Board of Trustees will provide you with periodic additional notice of the limit at least annually and at other appropriate times (e.g., in letters from the Fund itself concerning your benefit claims). But, these requirements apply even though all Fund communications may not remind you of them.

If you Would Like More Information

If you have questions regarding this Notice, please call the Plan Administrator at (248) 813-9800. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you may contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Your Rights Under ERISA

As a Plan participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, also called ERISA. ERISA provides that all Fund participants are entitled to:

- A. Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- B. Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- C. Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- D. Obtain a statement telling you what rights you have with respect to benefits offered by the Plan. **THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE A YEAR.** The Plan must provide this statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Fund. The people (trustees) who operate the Fund, called "fiduciaries" of the Fund, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or exercising your rights under ERISA. In addition:

- A. If your claim for a benefit is denied in whole or in part, you have the right to know why this was done, to obtain copies of the documents relating to the decision without charge, and to appeal any denial, within certain time schedules.

- B. Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the plan administrator.
- C. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.
- D. In addition, if you disagree with the Fund's decision, you may file suit in federal court. If the Fund's fiduciaries misuse the Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and a fee if, for example, it finds your claim is frivolous.

IMPORTANT NOTICE

You should keep this notice along with other Plan notices, as part of your Summary Plan Description. This is only a summary -- it is not an official Plan document. In the event of any ambiguity in or omission from this notice, or any conflict between this notice and the official plan text, the official plan text will govern.

Sincerely,

The Board of Trustees of the Northwest Ohio Plumbers and Pipefitters Local No. 50 Pension Fund

