

SOUTHWEST OHIO REGIONAL COUNCIL OF CARPENTERS PENSION PLAN

2024 ANNUAL FUNDING NOTICE

April 2025

Introduction

This Notice provides key details about the Southwest Ohio Regional Council of Carpenters Pension Plan ("the Plan") for the Plan Year beginning January 1, 2024 and ending December 31, 2024 ("Plan Year").

This is an informational Notice. You do not need to respond or take any action.

This Notice includes:

- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this Notice, my Plan, or my benefits?

Contact your Plan Administrator at:

Plan Administrator:

Board of Trustees of the
Southwest Ohio Regional Council of Carpenters
Pension Plan

Phone:

248-813-9800

Address:

700 Tower Drive, Suite 300
Troy, MI 48098

To better assist you, provide your Plan Administrator with the following information when you contact them:

Plan Number:

001

Plan Sponsor Name:

Board of Trustees of the
Southwest Ohio Regional Council of Carpenters
Pension Plan

Employer Identification Number:

31-6127287

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your Pension Plan or pension benefits, you should contact your employer or Plan Administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this Notice every year regardless of funding status. This Notice does not mean your Plan is terminating.

How Well Funded Is Your Plan

The law requires the Plan's Administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the Plan. The chart below shows the Plan's funded percentage for the 2024 Plan Year and the two preceding Plan Years. It also lists the value of the Plan's assets and liabilities for those years.

	2024 Plan Year	2023 Plan Year	2022 Plan Year
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	57.0%	64.5%	63.3%
Actuarial Value of Assets	\$262,389,058	\$249,264,347	\$244,911,697
Value of Liabilities	\$460,208,115	\$386,481,325	\$387,113,810

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the Special Financial Assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the *American Rescue Plan Act*. If the amount held in the Special Financial Assistance account (which reflects the remaining portion of the Special Financial Assistance) were to be reflected in the above chart, the funded percentage for the 2024 Plan Year would be 90.2%, and the value of assets would be \$414,907,357. The amounts shown for the 2023 and 2022 Plan Years would not change.

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the 2024 Plan Year and each of the two preceding Plan Years as compared to the actuarial value of the Plan's assets on January 1.

Actuarial values (shown in the chart above) account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.

Market values (shown in the chart below) fluctuate based on investment performance, providing a more immediate snapshot of the Plan's funding status.

The fair market asset values in the chart below include the Special Financial Assistance received by the Plan. As of December 31, 2024, there is \$125,949,512 in Special Financial Assistance remaining.

	December 31, 2024	December 31, 2023	December 31, 2022
Fair Market Value of Assets	\$417,235,884*	\$399,740,850	\$227,620,137

*Unaudited.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

Endangered: The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.

Critical: The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.

Critical and Declining: A plan in critical status is also designated as critical and declining if projected to become insolvent, meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan’s trustees must continue to implement the rehabilitation plan. The plan’s sponsor also may seek approval to amend the plan, including reducing current and future benefits.

Because the Plan received special financial assistance under the *American Rescue Plan Act*, the Plan is considered to be in critical status in the Plan Year ending December 31, 2024.

The Plan was first certified as being in critical status in the Plan Year ending December 31, 2010. To improve the Plan’s funding situation, the Board of Trustees adopted a rehabilitation plan that includes changes in the Plan’s Early Retirement, Disability Retirement, Death Benefits, and Suspension of Benefit rules, as well as scheduled increases in the hourly contribution rate. Also, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity).

On February 8, 2019, the Secretary of Treasury approved the Plan’s application to suspend benefits under the *Multiemployer Pension Reform Act of 2014*. After a vote of participants and beneficiaries on the proposed suspension, the Department of Treasury issued final authorization to the Board of Trustees to implement the suspension of benefits. The suspension of benefits that was approved and authorized by the Department of Treasury became effective April 1, 2019.

Then on August 10, 2023 the Pension Benefit Guaranty Corporation approved the Plan’s application for Special Financial Assistance under the *American Rescue Plan Act of 2021*, and on September 18, 2023 the Plan received \$182,705,768.78 in assistance. With the receipt of the Special Financial Assistance, the Plan no longer projects to become insolvent, but instead is projected to be funded into the future.

As a result of the receipt of Special Financial Assistance, those benefits that were suspended under the *Multiemployer Pension Reform Act of 2014* were reinstated as of October 1, 2023. Participants that were receiving benefit payments from the Plan as of September 18, 2023 received a single sum back payment equal to the difference between the benefit amount owed and the reduced amount that was paid during the period of suspension. If you were receiving benefit payments as of September 18, 2023 and you did not receive a notice of reinstatement, you should contact the Plan Administrator.

Because the Plan received Special Financial Assistance, the Plan will not be permitted to submit another application to the Secretary of Treasury to suspend benefits in the future under *Multiemployer Pension Reform Act of 2014*, and the Plan will need to be administered in accordance with special regulations outlined by the PBGC. These regulations impact the Plan’s ability to increase benefits, reduce employer contribution rates, assess withdrawal liability, transfer assets or liabilities to another plan, or merge with another benefit plan. The PBGC has also issued regulations that affect the allocation and investment of Plan assets. Under certain situations the Plan could request approval from the PBGC for an exception to the rules outlined above.

You may request a copy of the Plan’s rehabilitation plan by contacting the Plan Administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan’s finances.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2025, a separate notification of that status has or will be provided.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the 2024 Plan Year and the two preceding Plan Years. The numbers as of December 31, 2024 reflect the Plan Administrator’s reasonable, good faith estimate.

Last Day of Plan Year	December 31, 2024	December 31, 2023	December 31, 2022
Participants Currently Employed	1,871	1,587	1,610
Participants and Beneficiaries Receiving Benefits	2,541	2,559	2,578
Participants and Beneficiaries Entitled to Future Benefits (but not Receiving Benefits)	1,031	1,116	1,132
Total Number of Covered Participants and Beneficiaries	5,443	5,262	5,320

Funding & Investment Policies

Funding Policy: Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to meet minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Investment Policy: Pension plans also have investment policies that provide guidelines for making investment management decisions. The investment policy of the Plan is to invest in a diversified portfolio of assets that will maximize investment return over the long term while minimizing investment return volatility and maintaining sufficient liquidity to pay Plan benefits and administrative expenses.

However, it should be noted that, in accordance with PBGC regulations, the Plan's Special Financial Assistance and the earnings thereon have been segregated into an account that is separate from the Plan's other assets. No more than 33% of the amounts in the Special Financial Assistance account can be invested in return-seeking assets. The remainder must be invested in investment grade fixed income securities and cash.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories. These allocations are percentages of total assets, which include special financial assistance paid to the Plan and earnings thereon:

Asset Allocation	
Public Equity	37.0%
Private Equity	0.7%
Investment Grade Debt Instruments	47.7%
High-Yield Debt Instruments	0.0%
Cash and Cash Equivalents	5.4%
Real Estate	4.5%
Other	4.7%
TOTAL	100.0%

The average return on assets for the Plan Year was 11.0%.

Events Having a Material Effect on Assets or Liabilities

By law, this Notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's financial health or its ability to meet its obligations.

As of the date of this Notice, no Plan amendments, scheduled benefit increases or reductions, or other events are expected to have a material impact on assets or liabilities for the Plan Year beginning on January 1, 2025 and ending on December 31, 2025.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the Form 5500, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

Online: Visit www.efast.dol.gov to search for your Plan's Form 5500.

By Mail: Submit a written request to your Plan Administrator.

By Phone: Call 202-693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your Plan Administrator.

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 PBGC, below), the plan must apply to PBGC for financial assistance. 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 PBGC

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months.

Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.

- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your Plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is \$35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

- Take 100 percent of the first \$11 of the plan's monthly benefit accrual rate.
- Take 75 percent of the next \$33 of the accrual rate.
- Add both amounts together.
- Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly \$600 Benefit and 10 Years of Service.

- Find the accrual rate: $\$600/10 = \60 accrual rate.
- Apply PBGC formula:
 - Take 100 percent of the first \$11 = \$11
 - Take 75 percent of the next \$33 = \$24.75
- Add the two amounts together: $\$11 + \$24.75 = \$35.75$
- Multiply by years of credited service: $\$35.75 \times 10 \text{ years} = \357.50

In this example, the participant's guaranteed monthly benefit is \$357.50.

Example 2: Participant with a \$200 Monthly Benefit and 10 Years of Service.

- Find the accrual rate: $\$200/10 = \20 accrual rate.
- Apply PBGC formula:
 - Take 100 percent of the first \$11 = \$11
 - Take 75 percent of the next \$9 = \$6.75
- Add the two amounts together: $\$11 + \$6.75 = \$17.75$
- Multiply by years of credited service: $\$17.75 \times 10 \text{ years} = \177.50

In this example, the participant's guaranteed monthly benefit is \$177.50

SOUTHWEST OHIO REGIONAL COUNCIL OF CARPENTERS PENSION PLAN
2025 NOTICE OF CRITICAL STATUS
April 2025

On March 24, 2025 the actuary for the Southwest Ohio Regional Council of Carpenters Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("the Board of Trustees") that the Plan is in "critical status" for the 2025 Plan Year. The 2025 Plan Year began on January 1, 2025 and will end on December 31, 2025. Federal law requires that you receive this Notice.

Critical Status

On August 10, 2023 the Pension Benefit Guaranty Corporation approved the Plan's application for Special Financial Assistance under the *American Rescue Plan Act of 2021*, and on September 18, 2023 the Plan received \$182,705,768.78. As of December 31, 2024, the Plan has \$125,309,910 in Special Financial Assistance remaining.

As a result of the Special Financial Assistance, the Plan is not projected to become insolvent. However, the Plan will be deemed to be in critical status through the 2051 Plan Year.

Rehabilitation Plan and Benefit Suspension

In an effort to improve the Plan's funding situation, the Board of Trustees adopted a rehabilitation plan that includes changes in the Plan's Early Retirement, Disability Retirement, Death Benefits, and Suspension of Benefit rules, as well as scheduled increases in the hourly contribution rate. Also, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity).

On February 8, 2019, the Department of Treasury notified the Board of Trustees that the Secretary of Treasury approved the application for suspension of benefits submitted under the *Multiemployer Pension Reform Act of 2014*. On March 21, 2019, after a vote of participants and beneficiaries on the proposed suspension of benefits, the Department of Treasury issued final authorization to the Board of Trustees to implement the suspension of benefits consistent with the application submitted by the Board of Trustees. The suspension of benefits that was approved and authorized by the Department of Treasury became effective April 1, 2019.

However, as a result of the approval of the application for Special Financial Assistance, those benefits that were suspended were reinstated as of October 1, 2023. In addition, participants that were receiving benefit payments from the Plan as of September 18, 2023 received a single sum back payment equal to the difference between the benefit amount owed and the reduced amount that was paid during the period of suspension.

Because the Plan has received Special Financial Assistance, the Plan is not be permitted to submit another application to the Secretary of Treasury to suspend benefits in the future under *Multiemployer Pension Reform Act of 2014*.

You can request a copy of the Plan's rehabilitation plan, any updates to such plan, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Southwest Ohio Regional Council of Carpenters Pension Plan, at 700 Tower Drive, Suite 300, Troy, MI 48098, or by calling 248-813-9800. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127287.

**SOUTHWEST OHIO REGIONAL COUNCIL
OF CARPENTERS PENSION PLAN
P.O. BOX 31580
INDEPENDENCE, OH 44131**

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Important Plan Information

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