

April 2025

**ANNUAL FUNDING NOTICE
for**

Sheet Metal Workers Pension Plan of Northern California

This notice provides key details about your multiemployer 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:

- Soyara Guzman, BeneSys Administrators
- Address: 3240B Constitution Drive Livermore, CA 94551
- Phone: 925-208-9994

To better assist you, provide your plan administrator with the following information when you contact them:

- Plan Number: 001
- Plan Sponsor Name: Sheet Metal Workers Pension Trust
- Employer Identification Number: 51-6115939

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 Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

	PLAN YEAR – 2024	PLAN YEAR – 2023	PLAN YEAR – 2022
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	58%	54%	63%
Value of Assets	\$1,494,475,111	\$1,361,751,950	\$1,563,901,422
Value of Liabilities	\$2,583,111,447	\$2,540,743,570	\$2,499,168,162

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 Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on December 31st.

- **Actuarial values (shown in the chart above)** may account for market fluctuations over time, although our Plan utilizes the market value of assets as the actuarial value.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status.

	December 31, 2024	December 31, 2023	December 31, 2022
Fair Market Value of Assets	\$1,573,000,000*	\$1,494,475,111	\$1,361,751,950

* The value of plan assets shown as of December 31, 2024, is an estimate based on the most accurate unaudited financial information available at the time this notice was prepared. The final audited information for the Plan's assets will be reported on the Plan's Form 5500 for 2024 filed with the Employee Benefits Security Administration later this year.

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 may seek approval to amend the plan, including reducing current and future benefits.

The Plan was in critical status for 2024 ("Red Zone")

The Plan was in critical status in the Plan Year because it's less than 65% Funded and has an accumulated funding deficiency in the current year. A separate notification of that status accompanies this Notice.

To improve the Plan's funding situation, the trustees adopted an updated rehabilitation plan on December 13, 2021. This rehabilitation plan is based on reasonable measures aimed at enabling the Plan to emerge from Critical Status within 25 years. There are no modifications or updates to the rehabilitation plan during the 2024 Plan Year.

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 Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	2024	2023	2022
1. Last day of plan year	December 31, 2024	December 31, 2023	December 31, 2022
2. Participants currently employed	4,776	5,094	5,012
3. Participants and beneficiaries receiving benefits	5,552	5,596	5,540
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	2,518	2,335	2,233
5. Total number of covered participants and beneficiaries (Lines 2+3+4=5)	12,846	13,025	12,785

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 maintain funding levels adequate to meet all statutory and legal requirements by aligning projected benefit liabilities with projected contributions and investment income, as recommended by the Fund Actuary.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The investment program's primary objectives are to meet the Fund's funding requirements under ERISA, as well as under the Trustees' funding policy, which, as of the date of this Policy's adoption, has the same objectives as the Fund's rehabilitation plan, as updated from time to time. The Fund also strives to maximize total real return, in the form of income, capital appreciation, or both, consistent with the appropriate level of risk as determined by the Investment Manager in constructing the

Fund's investment portfolio. For these purposes, short-term fluctuations in values are considered secondary to long-term investment results.

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	Percent
1. Public Equity	59.5%
2. Private Equity	4.5%
3. Investment Grade Debt Instruments	11.3%
4. High-Yield Debt Instruments	13.4%
5. Cash and Cash Equivalents	1.2%
6. Real estate	10.1%
7. Other	0%

The average return on assets was 9.2%.

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.

For the plan year beginning on January 1, 2024 and ending on December 31, 2024, there were no such events identified.

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 the 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

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:

1. Take 100 percent of the first \$11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next \$33 of the accrual rate.
3. Add both amounts together.
4. 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.

1. Find the accrual rate: $\$600/10 = \60 accrual rate.
2. Apply PBGC formula:
Take 100 percent of the first \$11 = \$11
Take 75 percent of the next \$33 = \$24.75

3. Add the two amounts together: $\$11 + \$24.75 = \$35.75$
4. 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.

1. Find the accrual rate: $\$200/10 = \20 accrual rate.
2. Apply PBGC formula:
Take 100 percent of the first \$11 = \$11
Take 75 percent of the next \$9 = \$6.75
3. Add the two amounts together: $\$11 + \$6.75 = \$17.75$
4. 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.