

Northwest Sheet Metal Workers Pension and Supplemental (401k) Pension Trusts

August 2025

TO: All Participating Employers and Participants

Each year the Pension Protection Act requires determination of the funding status of all pension plans under its jurisdiction.

Highlights and comments about the funded status of the Plan.

- Please note that the enclosed funding notice reports that the funded percentage as of May 1, 2024, was 109% on an actuarial value of assets basis. The Plan actuaries recently certified that the Plan is in “green status” for the Plan Year beginning May 1, 2025. The funded percentage as of May 1, 2025, is projected to be 114.1% on an actuarial value of assets basis.
- All vested benefits of the Plan are fully funded.
- While these results are very pleasing to all of the Trustees, the future of the Plan depends on how well the actual results affecting this Plan match up with the assumptions used in the actuarial projections.
- The key assumptions are;
 1. Future hours worked each year.
 2. Future investment results for the Plan.
- With regard to the investment assumption, the current assumed rate used in the actuarial projections is 5.5%. That means that in order to maintain the Plan’s expected levels of benefits, this important assumption has to be matched by a 5.5% rate of investment return on average over the years of the Plan.

All of us are aware of potential fluctuation of investment results and your Plan is no exception. We are constantly monitoring the investment performance and cost of our active investment managers as well as passive index instruments, with the objective of trying to enhance our investment income while balancing risk, but that becomes difficult in the volatile markets.

The “FAIR Benefit Policy”

A number of years ago, the Trustees, recognizing that we need to be cautious about the operation of the Plan, adopted what we call the “FAIR Policy” to determine benefit rates.

In practice, that means that as each year goes by, we look at the prior plan years actual results and consider modifying the “base benefit accrual rate” upwards (or not) after prudent deliberation. Currently, the benefit accrual rate is 1% per month, or 12% per year.

In conclusion, we continue to be pleased by the Plan's performance, and we assure you that we will continue to monitor and try to enhance the Plan's results going ahead.

We have had strong contribution income negotiated into the Plan, and that has been very positive.

We appreciate your support in the past and encourage you to ask any questions of any one of us that that come to mind.

Sincerely yours,

The Board of Trustees
Northwest Sheet Metal Workers Pension Trust