

# Alaska Plumbing and Pipefitting Industry Pension Fund

## NOTICE OF CRITICAL AND DECLINING STATUS

### FOR THE ALASKA PLUMBING AND PIPEFITTING INDUSTRY PENSION PLAN

This is to inform you that the Alaska Plumbing and Pipefitting Industry Pension Plan is in critical and declining status for the plan year beginning January 1, 2024. Federal law requires that you receive this notice.

#### **Critical and Declining Status**

The plan is considered to be in Critical and Declining status because it meets the criteria for critical status and is projected to become insolvent (run out of money to pay benefits) within 20 years. As of January 1, 2024 the Plan is projected to become insolvent during the plan year ending December 31, 2037. This is when the Plan is currently projected to no longer have sufficient assets to pay retiree benefits and would apply for financial assistance from the PBGC, at which point participants' benefits would be reduced to PBGC guarantee levels, as required by law.

#### **Rehabilitation Plan**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. In April 2019, participants were notified that the plan reduced or eliminated adjustable benefits, and that 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) while it is in critical status. If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after May 1, 2019. As required under the Pension Protection Act, the Trustees review the Rehabilitation Plan annually. As part of the 2021 review, the Trustees further modified the Plan's contribution schedule. In December 2021, the Trustees elected to extend the Rehabilitation Plan by five years, as allowed under ARPA. This extends the Rehabilitation period to December 31, 2036.

#### **Adjustable Benefits**

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan update the pension plan may adopt:

- Early retirement benefits (if not yet in pay status);
- Disability benefits (if not yet in pay status);
- Benefit payment options other than a non-subsidized qualified joint-and-survivor annuity (QJSA).

#### **Where to Get More Information**

You have a right to receive a copy of the rehabilitation plan adopted by the Board of Trustees free of charge. For more information about this Notice, you may contact Alaska Plumbing and Pipefitting Industry Pension Plan c/o BeneSys, Inc. at PMB #116 5331 S Macadam, Suite 258, Portland, OR 97239 or at (503) 535-6851.