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Boilermaker-Blacksmith National Pension Trust Notice of Plan Status

April 2021

Participants, Beneficiaries, Participating Union, and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006 and extended by the Multiemployer Pension Reform Act of 2014 (“MEPRA”), is intended to improve the financial condition of pension plans. The Act implemented several safeguards, as well as notification requirements to share more information about a plan’s “financial health” with participants and others directly interested in the plan.

Starting with the 2008 plan year, the Act requires that all pension plans be tested annually to determine how well they are funded. The Act established formal benchmarks for measuring a plan’s funding. Plans that are not in the “Green Zone” as defined by the Act must notify all plan participants, unions, and contributing employers of the plan’s status, as well as take corrective action to restore the plan’s financial health.

Plan’s Status — Yellow Zone

Under the PPA, if a pension plan is classified as being in the “Yellow Zone,” it is considered to be in “endangered” status. One of the criteria by which a plan will fall within the “Yellow Zone” is if the ratio of its assets to its liabilities is less than 80%. For the plan year beginning January 1, 2021, the Boilermaker-Blacksmith National Pension Trust (the “Plan”) has been determined by the Plan’s actuary to be 73.5% funded using the PPA’s criteria. Accordingly, on March 31, 2021, the Plan was categorized as being in the Yellow Zone for the 2021 plan year.

Funding Improvement Plan

Yellow Zone status represents an early warning to focus on correcting problems before they lead to more serious trouble. As required by the Act, the Trustees adopted a Funding Improvement Plan (the “FIP”) in September 2020, designed to improve the Plan’s funded position over time.

The Funding Improvement Period for the Plan is the period of ten (10) plan years beginning January 1, 2023. The FIP contained no changes to the plan of benefits or contribution rates other than those adopted prior to September 2020, which were projected to reduce the unfunded percentage as of January 1, 2020 by at least 33% by December 31, 2032, the end of the Funding Improvement Period, and avoid a projected accumulated funding deficiency at the end of the Funding Improvement Period. Until the Plan returns to the Green Zone, the Trustees are required to monitor annually the effectiveness of the Funding Improvement Plan.

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What's Next

We understand that legally required notices like this one can create concern about the Plan's future. While the "endangered status" label is required to be used by law, the fact is that we are working with our actuaries and consultants to monitor the Plan's condition and address Plan issues. By adopting the Funding Improvement Plan last year, we have already taken the actions necessary to improve the Fund's financial condition. However, since the Plan is influenced by economic and financial variables beyond our control (such as market volatility and changes in participation and/or the number of contributing employers), unexpected developments can affect the Plan's status and any future corrective actions needed.

For more information about this Notice or the Plan in general, please contact the Plan Administrator for the Boilermaker-Blacksmith National Pension Trust, Mr. Justin Kathman, at the address shown at the bottom of page 1.

Sincerely,

Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.

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