

Notice of Endangered Status for Steamfitters Local Union No. 420 Pension Plan

This is to inform you that on March 27, 2025 the plan actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Steamfitters Local Union No. 420 Pension Plan (“Plan”) is in “Endangered Status” for the plan year beginning January 1, 2025. Federal law requires that you receive this Notice.

Under the Pension Protection Act of 2006 (“PPA”), within the first 90 days of each plan year, the Plan’s Actuary must certify whether a plan is in Endangered Status, Seriously Endangered Status, Critical Status or Critical and Declining Status.

In general, in order to perform this certification, the Plan’s actuary must determine if the Plan’s funded ratio is at least 80% and if the Plan will not meet the minimum required funding standards in any of the next seven years. The Plan’s actuary must also project the Plan’s assets, benefit costs, contributions, and unfunded liability to determine if the Plan will not be able to pay benefits when due or if the plan is expected to run out of assets.

Endangered Status

Although the Plan’s actuary determined that the Plan is projected to not have an accumulated funding deficiency, the Plan’s funded percentage as of January 1, 2025 is less than 80% as measured for PPA purposes. Therefore, the Plan is considered to be in “Endangered Status” for 2025.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in “Endangered Status” to adopt a “Funding Improvement Plan” aimed at restoring the financial health of the plan. As you are aware, the plan was first certified in Endangered Status in 2024. As a result, the Trustees adopted a Funding Improvement Plan in 2024 that was also subsequently adopted by Local 420 and the M&SCA. This Funding Improvement Plan, which is updated annually and will again be updated in 2025, does not require any decrease in future benefit accruals in order to achieve the applicable funding benchmarks. Still, the law permits pension plans to reduce benefits earned in future years as part of a “Funding Improvement Plan.” If the Plan’s Trustees determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Where to Get More Information

For more information about this Notice, you may contact Jim Rocks, Administrator, Steamfitters Local Union No. 420 Benefit Funds, 14420 Townsend Road, Suite B, Philadelphia, PA 19154-1028, (267) 350-2600. You have a right to receive a copy of the “Funding Improvement Plan” from the Plan.

Board of Trustees, Steamfitters Local Union No. 420 Pension Plan

cc: U.S. Department of Labor
Pension Benefit Guaranty Corporation