APPENDIX 1

COVER PAGE

**PAPERWORK BURDEN DISCLOSURE NOTICE**
**OMB Control Number 1210-0126; expires 09/30/2026**

Behind this cover page is a model notice that may be used to satisfy the mandatory disclosure requirements of ERISA section 101(f). The model notice is a collection of information instrument subject to the Paperwork Reduction Act. Use of the model notice to meet the disclosure requirements is optional. You may also develop your own notice, provided it contains all the information required by ERISA section 101(f). The Department of Labor estimates that it will take an average of approximately 21 hours for plan administrators to complete the model. You may send comments on this collection of information, including suggestions for reducing burden to: US Department of Labor, Policy and Research, Attention: PRA Officer, 200 Constitution Avenue, NW, Room N-5718, Washington, DC 20210. The disclosure requirements in 29 CFR 2520.101-5 as updated by Field Assistance Bulletin 2025-02, are also a collection of information under the PRA. The public is not required to respond to a collection of information unless it displays a currently valid OMB control number.

**DO NOT INCLUDE THIS PAPERWORK REDUCTION ACT BANNER IN NOTICES TO PARTICIPANTS AND BENEFICIAIRES**

ANNUAL FUNDING NOTICE
For
[*insert name of single-employer pension plan*]

## <u>Introduction</u>

This notice provides key details about your pension plan (the "Plan") for the plan year beginning [*insert beginning date*] and ending [*insert ending date*] (the "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 or my Plan?**

Contact your plan administrator at:

- **[*enter name of plan administrator and if applicable, principal administrative officer*]**
- **Phone:** [*enter phone number*]
- **Address:** [*enter address*]
- **Email:** [*insert email address if appropriate*].

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

- **Plan Number:** [*enter plan number*]
- **Plan Sponsor Name:** [*enter name*]
- **Employer Identification Number:** [*Enter EIN of plan sponsor*].

**What if I have questions about PBGC and the pension insurance program guarantees?**

Visit www.pbgc.gov/generalfaqs 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.

**<u>How Well Funded Is Your Plan?</u>**

The law requires the plan 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 funded percentage, the better funded the plan. Plan liabilities are the present value of the benefits promised by the Plan, determined using a market-related interest assumption. 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. [*If Plan liabilities for the notice year are estimates, insert the following sentence*: Plan liabilities for the Plan Year in Line 3 of the chart reflect the plan administrator's reasonable, good faith estimate.]

| Funded Percentage | | | |
|---|---|---|---|
| | [*insert notice year, e.g., 2024*] | [*insert plan year preceding notice year, e.g., 2023*] | [*insert 2nd plan year preceding notice year, e.g., 2022*] |
| 1.Last day of relevant plan year | [*insert day and month*] | [*insert day and month*] | [*insert day and month*] |
| 2. Plan assets | [*insert amount*] | [*insert amount* | [*insert amount*] |
| 3. Plan liabilities | [*insert amount*] | [*insert amount*] | [*insert amount*] |
| 4. Funded percentage (Line 2 ÷ Line 3) | [*insert percentage*] | [*insert percentage*] | [*insert percentage*] |

If the Plan terminates, the Plan's liabilities calculated by PBGC may be greater than the Plan liabilities shown in the above chart. When PBGC takes over a terminated plan as trustee, it guarantees benefits up to a legal limit. See the section of this notice titled "Benefit Payments Guaranteed by PBGC" for additional information.

{*Instructions*: *In Line 2, insert the fair market value of the plan's assets as of the last day of the notice year. You may include contributions made after the end of the notice year and before the date the notice is timely furnished but only if those contributions are attributable to the notice year for funding purposes. For each of the two preceding plan years, use the fair market value of assets on the last day of the plan year as reported in Schedule H or I of Form 5500 for such plan years.*}

{*Instructions*: *In Line 3, insert the present value of Plan benefits accrued as of the last day of the notice year and last day of each of the two preceding plan years. Except for the interest rate assumption, the present value should be determined using assumptions used to calculate the funding target under section 303 of the Employee Retirement Income Security Act (ERISA) for the notice year. The interest rate assumption is the rate provided under section 4006(a)(3)(E)(iv) of ERISA but using the last month of the notice year rather than the month preceding the first month of the notice year.*}

{*Instructions: Round off all dollar amounts in this chart to the nearest dollar and all percentages to the nearest whole percentage.*}

**<u>Participant and Beneficiary Information</u>**

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 years. [*Large plans should insert the* *following sentence if year-end numbers for the notice year are estimates:* 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** | (*insert notice year, e.g., 2024*) | *(insert preceding plan year*, e.g.*, 2023*) | *(insert 2nd preceding plan year e.g., 2022*) |
|---|---|---|---|
| 1. Last day of relevant plan year | (*insert day and month*) | (*insert day and month*) | (*insert day and month*) |
| 2. Participants currently employed | (*insert #*) | (*insert #*) | (*insert #*) |
| 3. Participants and beneficiaries receiving benefits | (*insert #*) | (*insert #*) | (*insert #*) |
| 4. Participants and beneficiaries entitled to future benefits (but not receiving benefits) | (*insert #*) | (*insert #*) | (*insert #*) |
| 5. Total number of covered participants and beneficiaries *(Lines 2 + 3 + 4 = 5)* | (*insert #*) | (*insert #*) | (*insert #*) |

{*Instructions*: *Plan administrators of large plans may use a reasonable, good faith estimate of year-end demographic data for the notice year. Small plans relying on 29 CFR 2520.101-5(d)(2) must use actual data for the notice year. Actual year-end demographic data must be used for the preceding two plan years for all plans.*}

## 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 Plan's funding policy is [*insert a summary statement of the Plan's funding policy*].

**Investment Policy**

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is [*insert a summary statement of the Plan's investment policy*].

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

{*Instructions: Insert and complete either Alternative 1 or Alternative 2, below.*}

**Alternative 1:**

| **Asset Allocations** | **Percentage** |
|---|---|
| 1. Cash (interest and non-interest bearing) | __________ |
| 2. U.S. Government securities | __________ |
| 3. Corporate debt instruments (other than employer securities): | |
| Preferred | __________ |
| All other | __________ |
| 4. Corporate stocks (other than employer securities): | |
| Preferred | __________ |
| Common | __________ |
| 5. Partnership/joint venture interests | __________ |
| 6. Real estate (other than employer real property) | __________ |
| 7. Loans (other than to participants) | __________ |
| 8. Participant loans | __________ |
| 9. Value of interest in common and collective trusts | __________ |
| 10. Value of interest in pooled separate accounts | __________ |
| 11. Value of interest in master trust investment accounts | __________ |
| 12. Value of interest in 103-12 investment entities | __________ |
| 13. Value of interest in registered investment companies, like mutual funds | __________ |
| 14. Value of funds held in insurance company general account (unallocated contracts) | __________ |
| 15. Employer-related investments: | |
| Employer securities | __________ |
| Employer real property | __________ |
| 16. Buildings and other property used in plan operation | __________ |
| 17. Other | __________ |

For information about the Plan's investment in any of the following types of investments – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact [*insert the name, telephone number, email address or mailing address of the plan administrator or designated representative*].

{*Instructions*: *Percentages must total 100 percent. If a plan holds an interest in one or more of the direct filing entities (DFEs) listed above—such as MTIAs, CCTs, PSAs, or 103-12IEs—and the administrator does not break out the DFE's investments among the other asset classes, immediately following the asset allocation chart include the* *paragraph above informing recipients how to obtain more information regarding the plan's DFE investments (e.g., the plan's Schedule D and/or the DFE's Schedule H). If a plan does not hold an interest in a DFE or the plan administrator breaks out the investments of all DFEs among the other asset classes, do not include the above paragraph. If the administrator knows the actual asset allocation of an MTIA, the MTIA entry (Line 11) should not be completed and the investments of the MTIA should be reflected in the relevant asset classes.*}

**Alternative 2**

| **Asset Allocation** | **Percentage** |
|---|---|
| Public equity | __________ |
| Private equity | __________ |
| Investment grade debt instruments | __________ |
| High-yield debt instruments | __________ |
| Cash and cash equivalents | __________ |
| Real Estate | __________ |
| Other | __________ |

{*Instructions*: *Percentages must total 100 percent. Follow the instructions for the latest Schedule R to Form 5500 to allocate investments to one of the above asset classes.*}

The average return on assets for the Plan Year was [*insert percentage*].
{*Instructions*: *Use Method 1 or 2 as described in Field Assistance Bulletin 2025-02 to determine average return on assets. If Method 1 is used, round to the nearest 0.01%. If Method 2 is used, round to the nearest 0.1%.*}

{*Instructions: Include the following section, titled Events having a Material Effect on Assets or Liabilities, if applicable.*}

## 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 [*insert the first day of the current plan year (i.e., the year after the notice year)*], the following events have such an effect:

- [*Insert explanation of any plan amendment, scheduled benefit increase or reduction, or other known event taking effect in the current plan year and having a material effect on plan liabilities or assets for the current plan year.*]

We expect plan liabilities disclosed in the Funded Percentage chart for the Plan Year to [*increase/decrease*] by approximately [*insert dollar amount*] by [*insert last day of current plan year*] because of the event(s) having a material effect on Plan liabilities. *

**Include this sentence only if the event had a material effect on Plan liabilities and was not reflected in the Plan liabilities disclosed in the notice year entry of the Funded Percentage chart.*

## 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. [*If the plan's annual report is available on a website maintained by the plan sponsor (or plan administrator on behalf of the plan sponsor), modify the preceding sentence to include a statement that the annual report may also be obtained through that website and include the website address.*]

- **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.

## Termination Rules for Single-Employer Plans

Federal law outlines specific rules for terminating a pension plan. There are three types of terminations:

### Standard Termination

An employer can end a plan through a standard termination. However, the plan administrator must prove to PBGC that the plan has enough money to pay all benefits owed to participants.

Under a standard termination, the plan must provide your benefits through one of the following methods:

- **Periodic benefits:** The plan buys an annuity from an insurance company, ensuring you receive regular, generally monthly, retirement payments for life. Before purchasing the annuity, your plan administrator will notify you about the selected insurance company.

- **Lump-sum payment:** If the plan allows, you may elect a lump-sum payment that covers your entire benefit.

PBGC's guarantee ends once an annuity is purchased, or a lump sum is paid. If the insurance company providing the annuity becomes unable to pay your benefits, the applicable state guaranty association will step in, guaranteeing the annuity to the extent authorized by state law.

### Distress Termination

If a plan is not fully funded, the employer may apply for a distress termination. The employer must demonstrate financial distress and prove to either a bankruptcy court or PBGC that the employer's business cannot survive unless the plan is terminated. If approved for a distress termination, PBGC will manage the plan as trustee, allocate the plan's assets based on statutory priority categories, and pay guaranteed benefits up to the legal limits, using the plan's assets and PBGC guarantee funds.

### Involuntary Termination

PBGC can terminate a plan on its own in certain situations, such as to protect plan participants or PBGC's insurance program. In these cases, PBGC is appointed trustee and assumes responsibility for the plan.

Learn more about single-employer plan terminations in PBGC's Pension Plan Termination Fact Sheet at https://www.pbgc.gov/about/factsheets/page/termination.

## Benefit Payments Guaranteed by PBGC

When PBGC takes over a single-employer plan, it pays pension benefits through its insurance program. Only vested benefits—those you've earned and cannot forfeit—are guaranteed. Most participants and beneficiaries receive their full pension benefits, but some people may lose some, or all, non-guaranteed benefits.

### What PBGC Guarantees

PBGC guarantees the following "basic benefits" up to limits sets by law [*Include the following that apply to benefits available under the plan.*]:

- 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 [*Include the following that apply to the benefits available under the plan*.]:

- Non-vested benefits, which depend on meeting specific age, service, or other eligibility requirements.

- Benefit increases and new benefits in place for less than one year before a plan's termination date, while those in place for less than five years are only partly covered.

- Early retirement payments that exceed normal retirement payments, such as supplemental benefits that end when you become eligible for Social Security.

- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

- Lump-sum payments exceeding $7,000.

**Determining Guarantee Amounts**

The amount PBGC guarantees is determined as of the plan's termination date. If the plan terminates during the plan sponsor's bankruptcy, the guarantee amount is determined as of the date the sponsor entered bankruptcy.

The maximum benefit PBGC guarantees is set by law and updated annually. Participants and beneficiaries may receive benefits above the PBGC guaranteed amount, but only if the plan has enough funds to pay them.

For a plan with a termination date or sponsor bankruptcy date, as applicable in [*insert current calendar year*], the maximum guarantee is [*insert amount from PBGC web site, www.pbgc.gov, applicable for the current calendar year*] per month, or [*insert amount from PBGC web site, www.pbgc.gov, applicable for the current calendar year*] per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy.

If benefits begin:

- Before age 65, the maximum guarantee is lower, reflecting the longer expected payment period for younger retirees.

- After age 65, the maximum guarantee is higher.

[*If the plan does not provide for the commencement of benefits before age 65, you may omit the first bullet and convert to one sentence*.]

The guaranteed amount is reduced if a benefit will be paid to a survivor upon the participant's death. Maximum guarantee amounts by age can be found on PBGC's website, [https://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee](https://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee).

In determining whether the plan has enough assets to pay benefits above the guaranteed amount, PBGC uses different assumptions than those used to calculate the funded percentage shown in the "How Well Funded Is Your Plan?" section of this notice. As a result, the additional benefits participants receive may not align with the Plan's reported funded percentage. For example, a plan that reports 80 percent funding based on its own calculations does not mean its participants will receive 80 percent of their vested benefits.

{*Instructions: Insert the following paragraph entitled "Corporate and Actuarial Information on File with PBGC" only if a reporting under section 4010 of ERISA was required for the information year ending in the notice year. Modify the following paragraph, as appropriate, if the plan sponsor is the sole member of its controlled group.*}

## **Corporate and Actuarial Information on File with PBGC**

In some cases, a plan sponsor must submit financial and actuarial information to PBGC. This is generally required if the plan—or another plan maintained by your employer or a related employer—is less than 80 percent funded using PBGC's assumptions, which differ from those in "How Well Funded Is Your Plan" section of this notice. PBGC uses this information for monitoring and other purposes.