

APPENDIX 2

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 2025-01, 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**

**IF YOUR PLAN HAS RECEIVED (OR IS ELIGIBLE TO APPLY FOR) SPECIAL FINANCIAL ASSISTANCE FROM PBGC UNDER SECTION 4262 OF ERISA, THIS MODEL DOES NOT CONTAIN THE REQUISITE LANGUAGE NEEDED TO MEET YOUR DISCLOSURE OBLIGATIONS UNDER SECTION 101(f) OF ERISA. YOU WILL NEED TO CONSULT FIELD ASSISTANCE BULLETIN 2023-01 WHICH CONTAINS LANGUAGE THAT MAY BE INSERTED INTO THIS MODEL WHERE APPROPRIATE.**

ANNUAL FUNDING NOTICE  
For  
*[Insert name of multiemployer pension plan]*

**Introduction**

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

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/prac/multiemployer](http://www.pbgc.gov/prac/multiemployer) 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.

**How Well Funded Is Your Plan?**

The law requires the Plan’s 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 percentage, the better funded the plan. 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.

<b>Funded Percentage</b>			
	<i>[insert notice year e.g., 2024]</i>	<i>[insert plan year preceding notice year, e.g., 2023]</i>	<i>[insert plan year 2 plan years preceding notice, e.g., 2022]</i>
Valuation Date	<i>[insert day and month]</i>	<i>[insert day and month]</i>	<i>[insert day and month]</i>
Funded Percentage	<i>[insert percentage]</i>	<i>[insert percentage]</i>	<i>[insert percentage]</i>
Value of Assets	<i>[insert amount]</i>	<i>[insert amount]</i>	<i>[insert amount]</i>
Value of Liabilities	<i>[insert amount]</i>	<i>[insert amount]</i>	<i>[insert amount]</i>

*{Instructions: The plan's “funded percentage” is equal to a fraction, the numerator of which is the actuarial value of the plan's assets (determined in the same manner as under section 304(c)(2) of ERISA) and the denominator of which is the accrued liability of the plan (under section 305(i)(8) of ERISA, using reasonable actuarial assumptions as required under section 304(c)(3) of ERISA). Report the value of the plan's assets and liabilities in the same manner as under section 304 of ERISA (but determining the plan's liabilities under section 305(i)(8) of ERISA, using reasonable actuarial assumptions as required under section 304(c)(3) of ERISA) as of the plan's valuation date for the plan year. Round off all amounts in this chart to the nearest dollar and all percentages to the nearest whole percentage.}*

**Year-End Fair Market Value of Assets**

To provide further insight into the Plan’s financial position, the chart below shows the fair market value of the Plan’s assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan’s assets on *[insert day and month of the Valuation Date if the Valuation Date is the same for all three years otherwise use “Valuation Date”]*.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan’s funding status.

	[insert last day of notice year e.g. 12/31/2024]	[insert last day of plan year preceding notice year e.g. 12/31/2023]	[insert last day of plan year 2 years preceding notice year e.g., 12/31/2022]
Fair Market Value of Assets	[insert amount]	[insert amount]	[insert amount]

{Instructions: Insert the fair market value of the plan's assets as of the last day of the plan 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 the plan years.}

### **Endangered, Critical, or Critical and Declining Status**

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.
- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.
- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

{Instructions: Select and complete the appropriate option below.}

{Option one}

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

{Option two}

The Plan was in [insert "endangered" or "critical," as appropriate] status in the Plan Year because [insert summary description of why plan was in this status based on statutory factors].

To improve the Plan's funding situation, the trustees adopted [insert summary of the plan's funding improvement or rehabilitation plan, including when adopted and expected duration, and a description of any modification or update to the plan adopted during the plan year to which the notice relates].

You may request a copy of the Plan's [insert "funding improvement plan" or "rehabilitation plan," as appropriate] by contacting the plan administrator. You can also ask for any updates to

the [*insert “funding improvement plan” or “rehabilitation plan,” as appropriate*] and the actuarial and financial data showing actions taken to improve the Plan’s finances.

{*Option three*}

The Plan was in critical and declining status in the Plan Year because [*insert summary description of why plan was in this status based on statutory factors*].

The Plan is projected to be insolvent in [*insert plan year*], which may lead to benefit reductions.

To improve the Plan's funding situation, the trustees adopted a rehabilitation plan on [*insert date*]. The rehabilitation plan [*Insert a summary of the plan’s rehabilitation plan, including expected duration and a description of any modification or update the plan adopted during the plan year to which the notice relates*].

[*Insert the following if applicable: The plan sponsor has taken the following legally permitted actions to prevent insolvency: [Insert explanation of actions].*]

You may request a copy of the Plan’s rehabilitation plan by contacting the plan administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan’s funding.

...

If the Plan is in endangered, critical, or critical and declining status for the plan year ending [*insert the last day of the plan year following the Plan Year*], a separate notification of that status has or will be provided. [*This paragraph is not part of Option 3.*]

**Participant and Beneficiary Information**

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 plan years. [*Large plans must insert this sentence, if the actual year-end numbers for the notice year are estimates: The numbers for the Plan Year reflect the plan administrator’s reasonable, good faith estimate.*]

<b>Number of participants and beneficiaries on last day of relevant plan year</b>	( <i>insert notice year, e.g., 2024</i> )	( <i>insert preceding plan year, e.g., 2023</i> )	( <i>insert 2<sup>nd</sup> preceding plan year e.g., 2022</i> )
1. Last day of plan year	( <i>insert day and month</i> )	( <i>insert day and month</i> )	( <i>insert day and month</i> )
2. Participants currently employed	( <i>insert #</i> )	( <i>insert #</i> )	( <i>insert #</i> )
3. Participants and beneficiaries receiving benefits	( <i>insert #</i> )	( <i>insert #</i> )	( <i>insert #</i> )

4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	(insert #)	(insert #)	(insert #)
5. Total number of covered participants and beneficiaries ( <i>Lines 2 + 3 + 4 = 5</i> )	(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:

## 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, 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) noted above, i.e., 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 administrator breaks out the investments of all DFEs among the other asset classes, do not include the above paragraph.}*

## Alternative 2

<u>Asset Allocations</u>	<u>Percentage</u>
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)] and ending on [insert the last day of the current plan 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.

### **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](http://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.

### **Summary of Rules Governing Insolvent Plans**

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by PBGC, below), the plan must apply to PBGC for financial assistance. PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

### **Benefit Payments Guaranteed by PBGC**

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

#### **What PBGC Guarantees**

PBGC guarantees "basic benefits" including: [*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.*]:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

### **Determining Guarantee Amounts**

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is \$35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first \$11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next \$33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

*Example 1: Participant with a Monthly \$600 Benefit and 10 Years of Service.*

1. Find the accrual rate:  $\$600/10 = \$60$  accrual rate.
2. Apply PBGC formula:  
Take 100 percent of the first \$11 = \$11  
Take 75 percent of the next \$33 = \$24.75

3. Add the two amounts together:  $\$11 + \$24.75 = \$35.75$
4. Multiply by years of credited service:  $\$35.75 \times 10 \text{ years} = \$357.50$

In this example, the participant's guaranteed monthly benefit is \$357.50.

*Example 2:* Participant with a \$200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate:  $\$200/10 = \$20$  accrual rate.
2. Apply PBGC formula:  
Take 100 percent of the first \$11 = \$11  
Take 75 percent of the next \$9 = \$6.75
3. Add the two amounts together:  $\$11 + \$6.75 = \$17.75$
4. Multiply by years of credited service:  $\$17.75 \times 10 \text{ years} = \$177.50$

In this example, the participant's guaranteed monthly benefit is \$177.50