

# Alaska Ironworkers Trust Funds

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Administered by  
Labor Trust Services, Inc.

May 15, 2019

## ***SUMMARY PLAN INFORMATION FOR THE PLAN YEAR BEGINNING JULY 1, 2017***

### **ALASKA IRONWORKERS PENSION PLAN**

EIN: 91-6123695

Plan Number 001

This notice is intended to provide a summary of plan information to participating employers and employee representatives of the Alaska Ironworkers Pension Plan (“Plan”). This notice is required to be provided by Section 104(d) of the Employee Retirement Income Security Act (“ERISA”). It summarizes information for the July 1, 2017 through June 30, 2018 Plan Year (hereafter, “2017 Plan Year”).

### **Description of the Plan’s Contribution Schedules and Benefit Formulas**

- a. Contributions to the Plan are made monthly pursuant to the terms of the current Collective Bargaining. The sum of \$4.75 of the hourly contribution is designated for benefit accrual purposes. The contributions in excess of \$4.75 are used only to improve plan funding.
- b. The future service benefit for participants is 1.0% of contributions for all hours worked in Covered Employment on or after July 1, 2011 (only on the \$4.75 of the hourly contribution designated to benefits). Plus 1.2% of contributions for July 1, 2003 through June 30, 2011, 2.1% for July 1, 2001 through June 30, 2003, 5.4% for July 1, 1974 through June 30, 2001, \$37.56 for each pension credit beginning July 1, 1966 through June 30, 1974, and \$37.56 per year of past service.
- c. Participants with at least 5 Years of Service accumulated without a Permanent Break in Service are generally eligible for Early Pension beginning at age 50, and for Normal Pension at age 62, provided that after June 30, 1996 the participant earned at least .25 year of Pension Credit. Participants who do not qualify under this rule must generally earn 7 to 10 Years of Service to receive Early or Normal Pension benefits.
- d. The accrued benefit for unmarried participants is paid as a life annuity. For married participants, the accrued benefit is paid as a Participant and Spouse Pension. Participants, with the consent of their spouse (if applicable), may also elect an optional form of payment.
- e. Modifications made to contribution schedules or benefit formulas during the Plan year: The Trustees received final authorization from the U.S. Department of Treasury on June 8, 2018 to implement a 26.5% suspension effective July 1, 2018. The suspension is only on a participant’s accrued benefit that was earned before July 1, 2016 and is subject to the limitations in IRC Section 432(e)(9)(D).

For a full description of the benefits provided, please refer to the Plan Document.

### **Contributing Employers**

There were 24 employers obligated to contribute to the Plan during the 2017-2018 Plan Year.

### **Employers Contributing More than 5% of Total Contributions**

The following employers contributed more than 5% of the total contributions for the 2017-2018 Plan Year:

- Whalen Construction
- Haskell / Davis JV
- Iron, Inc.
- Northern Reinforcing Places
- ATEC Industries LTD
- Swanson Steel Company, Inc.

### **Participants on Whose Behalf Contributions Were Not Made**

The approximate number of participants under the Plan on whose behalf no contributions were made by an employer of the participant for the 2017-18, 2016-17, and 2015-16 Plan Years is:

July 1, 2017 – June 30, 2018 Plan Year:	557
July 1, 2016 – June 30, 2017 Plan Year:	1,019
July 1, 2015 – June 30, 2016 Plan Year:	1,002

### **Plan's 2017 Funded Status**

The Plan was in “critical and declining” status in the Plan Year ending June 30, 2018. The Trustees adopted a Rehabilitation Plan on August 30, 2010 in an effort to restore the financial health of the plan. In order to achieve this, ‘adjustable’ benefits and benefits earned in the future were reduced. Any commencement of benefits after October 31, 2010 fall under the provisions of the rehabilitation plan and may be lower than previously expected. The changes adopted include:

*Accrual Rate* – Reduce the benefit accrual rate from 1.2% to 1.0% of contributions;

*Disability Benefits* – Eliminate benefits for all disabilities occurring after October 31, 2010;

*Lump Sum Death Benefit* – Eliminate \$5,000 benefit for all deaths occurring after October 31, 2010;

*Normal Retirement Age* – Increase the normal retirement age from 60 to 62 for benefits earned on and after July 1, 2011;

*Early Retirement* – Eliminate the early retirement subsidy for benefits commencing on and after November 1, 2010;

*Life Only Pension / 72-Month Guarantee Benefits* – Eliminate the 72 month certain guarantee for all retirements (except Pre-retirement Death) starting on or after October 31, 2010;

*Pop-Up* – The reduction for a Pop-Up is now based on actuarial equivalence.

*Employer Contribution Increases* – Employer contributions will increase by \$1.00 per hour each August 2010, 2011, 2012, 2013, 2014.

The Rehabilitation Plan was updated on July 29, 2014 with a new schedule of required employer contributions to defer the last \$1.00 per hour contribution increase from August 2014 to August 2015.

Despite the efforts described above, the Plan was projected to become insolvent in the plan year beginning July 1, 2031. On June 8, 2018, in an effort to improve the Plan's funding situation, the Trustees received final authorization from the U.S. Department of Treasury to implement effective July 1, 2018, a 26.5% suspension of a participant's accrued benefit that was earned before July 1, 2016 subject to the limitations in IRC Section 432(e)(9)(D).

You may obtain a copy of the Rehabilitation Plan, any updates to the Rehabilitation Plan, notices regarding the benefit suspension, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Trust Office.

### **Withdrawals and Assessments of Withdrawal Liability During Preceding Year**

No employer withdrew from the Plan during the 2016-17 Plan Year.

### **Transfers from Other Plans**

There were no transfers or mergers of assets or liabilities from another plan during the 2017 Plan Year.

### **Amortization Extension/Shortfall Funding Method**

The Plan did not seek or receive an amortization extension under ERISA § 304(d) or use the shortfall funding method as that term is used in ERISA § 305 for the 2017 Plan Year.

### **Right to Request Information**

Upon written request to the Trust Office, any contributing employer or local union is entitled to receive a copy of the Plan's Form 5500 filing, summary plan description, and/or summary of any material modification to the Plan. You may contact the Trust Office at the address listed below.

A recipient is not entitled to receive more than one copy of any such document during any one 12-month period. The Trust Office may make a reasonable charge to cover copying, mailing and other costs of furnishing copies of this information.

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