Alaska Ironworkers Trust Funds

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Administered by
Labor Trust Services, Inc.

October 20, 2023

ANNUAL FUNDING NOTICE
for the
Alaska Ironworkers Pension Plan

Introduction

This notice includes important information about the funding status of your multiemployer pension plan – the Alaska Ironworkers Pension Plan ("the Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the Plan Year beginning July 1, 2022 and ending June 30, 2023 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get to this percentage. In general, the higher the percentage, the better funded the Plan. Your Plan's funded percentage for the plan year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

	2022-2023 Plan Year	**2021-2022 Plan Year**	**2020-2021 Plan Year**
Valuation Date	July 1, 2022	July 1, 2021	July 1, 2020
Funded Percentage	71%	70%	66%
Value of Assets	$46,663,572	$47,154,660	$45,809,995
Value of Liabilities	$65,505,614	$66,994,337	$68,934,020

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Additionally, the asset values in the chart above do not include the amount of the Special Financial Assistance account, which reflects the remaining portion of the Special Financial Assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart on the next page are market values and are measured on the last day of the plan year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years. The asset values for Plan Year ending June 30, 2023 include the amount of the Plan's special assistance account.

	June 30, 2023*	**June 30, 2022**	**June 30, 2021**
Fair Market Value of Assets	$92,946,456	$46,519,552	$54,743,880

** June 30, 2023 audited financials are not yet available. The value listed represents the plan's best estimate of assets.*

Basic Financial Statement

Benefits under the Plan are provided by the Trust Fund. From July 1, 2022 to June 30, 2023 there was approximately $679,647 in administrative expenses and $11,928,084 in benefits paid to participants and beneficiaries. Administrative expenses include administration fees, auditing fees, attorney fees, banking fees, consulting fees, and miscellaneous expenses. During that time, the Plan had employer contributions of $1,171,340.

Events Having a Material Effect on Assets and Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. On January 26, 2023 the PBGC approved the Plan's application for Special Financial Assistance, and on February 27, 2023, the Plan received $53,498,656.92 from the PBGC. As a result of this relief, the "Benefit Suspension" that was effective July 1, 2018 has been rescinded, and all benefits that were previously suspended were restored to their original amount.

Because the Plan received Special Financial Assistance from PBGC under the American Rescue Plan Act, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversification of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

If the plan reduced your benefits under the Multiemployer Pension Reform Act (MPRA), the Plan must reinstate your benefits going forward. If you were in pay status on February 27, 2023, the Plan must also pay you a make-up payment equal to the total benefits that you did not receive because of the reduction. You should have already received a notice of reinstatement describing your reinstated benefits. If you did not receive a notice of reinstatement, contact the Fund Office at (907) 561-5119 or (800) 325-6532.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the Trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the Trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in “critical and declining” status in the Plan Year beginning July 1, 2022 because it was in “critical” status last year, was projected to have a funding deficiency during the next ten years, and was projected to become insolvent within the next twenty years. Prior to receipt of Special Financial Assistance, the Trustees have determined that they cannot adopt a rehabilitation plan that will enable the Plan to emerge by the end of its Rehabilitation Period (June 30, 2021) using reasonable assumptions. The Trustees previously adopted a rehabilitation plan on August 30, 2010 and updated it July 29, 2014 and October 1, 2022. The Trustees believe it reflects all reasonable measures to forestall insolvency.

You may get a copy of the Plan’s Rehabilitation Plan, any update to such plan, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the Plan administrator.

Under federal pension law, the Plan is considered to be in critical status for the Plan Year beginning July 1, 2023 because it received Special Financial Assistance from the PBGC under the American Rescue Plan Act. A separate notification of that status has been provided.

Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 735. Of this number, 103 were current employees, 513 were retired and receiving benefits, and 119 were no longer working for a participating employer and have a right to future benefits.

Funding and Investment Policies

Every pension plan must have a procedure for establishing a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to maintain a balance such that plan resources have the best chance of funding plan obligations. Plan resources include accumulated plan assets plus expected future contributions and investment income. Plan obligations are benefit payments to current and future retirees and beneficiaries, including benefits earned to date as well as benefits expected to be earned in the future. Plan obligations also include expected expenses paid from plan assets. In implementing this funding policy, the Plan Trustees will work with professional advisors to adopt a prudent investment policy and to determine the actuarial value of plan obligations. Over time, the Trustees may adjust plan benefits in response to investment returns and other plan experience, or seek additional contributions from the bargaining units.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan states that investments shall be made solely in the interest of the participants and beneficiaries and for the exclusive purposes of providing their benefits and defraying the reasonable expenses of administering the Plan. Plan assets shall be invested with the care, skill, prudence and diligence under the circumstances prevailing from time to time that a prudent person acting in a like capacity and familiar with such matters would use in the investment of a Plan of like character and with like aims. Investments shall be diversified so as to minimize the risk of large losses, unless under particular circumstances it is clearly prudent not to do so. Investment decisions shall be made taking into consideration both risk and return, where risk is measured on an overall basis and not how it relates to each particular investment. The Plan shall maintain adequate liquidity to service its obligations.

Because the Plan received Special Financial Assistance, it must segregate Special Financial Assistance assets and earnings thereon (“amounts attributable to Special Financial Assistance”) in an account that is separate from the Plan's non-Special Financial Assistance assets. Furthermore, no more than 33 percent of the amounts attributable to Special Financial Assistance shall be invested in return-seeking assets, the remainder must be invested in investment grade fixed income securities and cash. There is an additional requirement that during the SFA coverage period, plan assets, including Special Financial Assistance, must be invested in investment grade fixed income sufficient to pay for at least 1 year of projected benefit payments and administrative expenses.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of the Plan's total assets, which include Special Financial Assistance paid to the Plan and earnings thereon:

Asset Allocations	Percentage
1. Stocks	30.0%
2. Investment grade debt instruments	9.5%
3. Real estate	8.5%
4. Other	52.0%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

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 the PBGC, below), the plan must apply to the PBGC for financial assistance. The 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.

In 2021, a new federal law was passed to allow severely underfunded multiemployer pension plans that meet the law's eligibility requirements to apply for special financial assistance from the PBGC in an amount required for the plan to pay all benefits due through the last day of the plan year ending 2051. An eligible plan must submit an initial application for special assistance by December 31, 2025 and any revised application by December 31, 2026. If an eligible insolvent plan timely applies for and receives special financial assistance, the plan must reinstate reduced benefits going forward from the date the plan receives special financial assistance and pay make-up payments equal to the amount of previously reduced benefits to participants and beneficiaries who were in pay status on such date.

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 the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC' s multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC' s maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan’s termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on the PBGC’s website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See “Where to Get More Information About Your Plan,” below.

Prohibition Against Future MPRA Suspensions

Because the Plan received Special Financial Assistance, the Plan may not submit an application to the Secretary of the Treasury to suspend or reduce your benefits in the future under the Multiemployer Pension Reform, also known as MPRA.

Where to Get More Information

For more information about this notice, you may contact the:

Administration Office
375 W. 36th Avenue, Suite 200
P.O. Box 93870
Anchorage, AK 99509-3870
1-800-325-6532

For identification purposes, the official plan number is 001 and the plan sponsor’s employer identification number or “EIN” is 91-6123695.