

Annual Funding Notice
Construction Workers Pension Trust Fund Lake County and Vicinity Pension Plan

Introduction

This notice provides key details about your multiemployer pension plan (“the Plan”) for the plan year beginning June 1, 2024 and ending May 31, 2025 (“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:

- **Name:** Board of Trustees
- **Phone:** (219) 769-6944
- **Address:** Construction Workers Pension Trust Fund
Lake County and Vicinity Pension Plan
200 W. 84th Dr. Suite E
Merrillville, Indiana 46410
- **Email:** benefits@41and81pension.com

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

- **Plan number:** 001
- **Plan Sponsor Name:** Board of Trustees of the Construction Workers Pension Trust Fund Lake County and Vicinity Pension Plan
- **Employer Identification Number (“EIN”):** 35-6030666

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

Visit 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 their funding status. This notice does not mean your Plan is terminating.

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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.

Funded Percentage			
Plan Year	2024	2023	2022
Valuation Date	6/1/2024	6/1/2023	6/1/2022
Funded Percentage	89.49%	86.08%	84.06%
Value of Assets	\$581,976,787	\$548,440,603	\$524,895,375
Value of Liabilities	\$650,333,558	\$637,152,505	\$624,432,709

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 December 31.

- **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.

	5/31/2025*	5/31/2024	5/31/2023
Fair Market Value of Assets	\$589,313,606	\$548,344,699	\$493,482,228

* The Market Value of Assets for the plan year ending May 31, 2025 is preliminary and unaudited. As a result, this data may be subject to change.

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 implement a rehabilitation plan. The plan’s sponsor may seek approval to amend the plan, including reducing current and future benefits.

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The Plan was **not** in “Endangered”, “Critical”, or “Critical and Declining” Status in the 2024 Plan Year because the ratio of assets to liabilities was greater than 80% on the first day of the Plan Year. In addition, the Plan was not projected to be classified in “Critical” status within the following five plan years.

Participant and Beneficiary Information

The following chart shows the total number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator’s reasonable, good faith estimate.

Information Date	5/31/2025*	5/31/2024	5/31/2023
1. Participants currently employed	1,774	1,845	1,764
2. Participants and beneficiaries retired and receiving benefits	2,396	2,352	2,304
3. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	2,249	2,415	2,488
4. Total number of covered participants and beneficiaries (Lines 1. + 2. + 3. = 4.)	6,419	6,612	6,556

* The information as of May 31, 2025 is based on preliminary valuation data available by the required mailing date of this notice. This data has not been audited and may change.

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 is funded by contributions paid by contributing employers pursuant to collective bargaining agreements negotiated by the Laborers’ International Union of North America Local No. 41 and No. 81 and investment income earned on Plan assets. The funding policy of the Plan is for annual employer contributions to equal or exceed the minimum amount that will be in compliance with the minimum funding requirement of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 (ERISA) including all amendments, the Pension Protection Act of 2006 (PPA) including all amendments and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) including all amendments.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment decisions. Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan’s investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries, who are responsible for plan investments, with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan requires the Trustees of the Plan to establish investment guidelines, but delegates to investment professionals specific decisions regarding the purchase and sale of securities. The investment policy of the Plan is, generally, to invest the assets of the Plan among several asset classes and within permitted allocation

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ranges. The long-term goal of the Plan is to: (1) generate a net of fee return in excess of the Plan’s actuarial assumed rate of return within acceptable levels of volatility, (2) maintain sufficient liquidity to fund benefit payments, and (3) preserve the principal value of the Plan. Under the policy, Plan assets are managed solely in the interest of the Plan’s participants and beneficiaries and in full compliance with all applicable laws. Plan assets are invested primarily in a balanced and diversified mix of equities, fixed income securities and cash equivalents, including the use of mutual funds and including real estate.

As of the end of the Plan Year and in accordance with the Plan’s investment policy, the Plan’s assets were allocated among the following investment categories as percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	0.3%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
4. Corporate stocks (other than employer securities):	3.7%
5. Partnership/joint venture interests	19.2%
6. Real estate (other than employer real property)	8.6%
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	65.9%
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 (e.g., mutual funds)	2.3%
14. Value of funds held in insurance co. general account (unallocated contracts)	
15. Employer-related investments:	
16. Buildings and other property used in plan operation	
17. Other	

Please note that the percentages shown above are based on the asset values that are preliminary and unaudited. Any final changes may affect the reported percentages. 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 the plan administrator, Mr. Scott Fredrick at benefits@41and81pension.com or (219) 769-6944.

The average return on assets for the Plan Year ending May 31, 2025 was estimated to be 8.7%. The actual return cannot be known until audited financial statements are available later in 2025.

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.
- **By Mail:** Submit a written request to your plan administrator.

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- **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 the 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 a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the 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:

- 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:

- 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.

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- 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.