

ANNUAL FUNDING NOTICE  
For  
Teamsters Local Union No.716 Pension Plan

**Introduction**

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

- **David Young**
- **Phone: (317) 639-3573**
- **Address: 6007 S. Harding St., Indianapolis, IN 46217**
- **Email: [dyoung@local135.com](mailto:dyoung@local135.com)**

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

- **Plan Number:** 002
- **Plan Sponsor Name:** Teamsters Local 135
- **Employer Identification Number:** 51-0175810

**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.

#### **Funded Percentage**

	2024	2023	2022
Valuation Date	April 1	April 1	April 1
Funded Percentage	85%	87%	86%
Value of Assets	\$104,833,689	\$102,734,506	\$101,341,700
Value of Liabilities	\$123,117,265	\$118,722,228	\$117,584,613

### **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 April 1<sup>st</sup>.

- **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.

	March 31 2025	March 31 2024	March 31 2023
Fair Market Value of Assets	\$102,673,104	\$101,413,930	\$91,285,980

### **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.

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

### **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. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

<b>Number of Participants and Beneficiaries on the last day of relevant plan year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
1. Last Day of Plan Year	March 31	March 31	March 31
2. Participants Currently employed	704	750	744
3. Participants and beneficiaries receiving benefits	866	870	847
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	670	661	671
5. Total number of covered participants and beneficiaries	2,240	2,281	2,262

## **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 a multi-employer plan funded primarily by covered employers' contributions. Covered employers make monthly contributions to the Plan based on the terms of their collective bargaining agreements. Once employer contributions are made to the Plan, the money is invested by the Plan Trustees, with the assistance of investments experts. The funding policy of the Plan is to ensure that there is an adequate level of assets to provide benefits according to the provisions specified by the Plan. The Trustees will annually review the Plan's minimum funding requirement and employer contribution levels to meet this commitment.

Once money is contributed to a plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with a 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. Specific investments are made in accordance with the Plan's written investment policy. That policy contains guidelines or general instructions for the various types of categories of Plan investments. The target rate of return for the Plan is based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class identified in the investment policy statement and considered in the asset allocation.

### **Investment Policy**

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is generally to invest the Plan's assets in accordance with the following asset allocation targets:

#### **Equity**

Common stocks  
Convertible notes and bonds  
Convertible preferred stock  
Non-U.S. Common Stock  
Non-U.S. Preferred Stock  
Funds that invest in equities

#### **Fixed Income**

U.S. Government & Agency  
Corporate Notes and Bonds  
Mortgage-Backed Bonds  
Preferred Stock  
Collateralized Mortgage Obligations  
Funds that invest in debt securities  
Taxable Municipal

#### **Cash Equivalent**

Treasury Bills  
Money Market Funds  
Commercial Paper  
Certificates of Deposit

For each asset class and sub-class, an acceptable range has been established, stated as a minimum and maximum percentage of total assets that may be invested in each unique class and sub-class, as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Acceptable Range</u>	
		<u>Min.</u>	<u>Max.</u>
<b>Total Equity</b>	<b>60%</b>	<b>15%</b>	<b>70%</b>
<b>Total Fixed Income</b>	<b>39%</b>	<b>10%</b>	<b>50%</b>
<b>Total Cash Equivalents</b>	<b>1%</b>	<b>0%</b>	<b>25%</b>

The investment policy statement also provides guidance regarding prohibited transactions, security screening, duties and responsibilities of fiduciaries (trustees, investment consultant, investment managers, and custodian), risk and liquidity guidelines, due diligence criteria for investment manager selection, and control procedures including monitoring and measurement of actual performance against established objectives. The investment policy statement is reviewed and updated at least annually.

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

	<u>Percentage</u>
1. Cash (interest and non-interest bearing)	1.30 %
2. U.S. Government securities	5.25 %
3. Corporate debt instruments (other than employer securities):	14.20 %
4. Corporate stocks (other than employer securities):	
Preferred	1.37 %
Common	21.27 %
5. Partnership/joint venture interests	0 %
6. Real estate (other than employer real property)	0 %
7. Loans (other than to participants)	0 %
8. Participant loans	0 %
9. Value of interest in common/collective trusts	50.65 %
10. Value of interest in pooled separate accounts	0 %

11.	Value of interest in master trust investment accounts	0 %
12.	Value of interest in 103-12 investment entities	0 %
13.	Value of interest in registered investment companies (e.g., mutual funds)	1.15 %
14.	Value of funds held in insurance co. general account (unallocated contracts)	0 %
15.	Employer-related investments:	0 %
	Employer Securities	0 %
	Employer real property	0 %
16.	Buildings and other property used in plan operation	0 %
17.	Municipal Bonds	4.67 %
18.	All Other Assets	.14 %

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 David Young, 317-639-3573, 6007 S Harding St., Indianapolis, IN 46217.

The average return on assets for the Plan Year was 4.3%.

### **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. 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) and [ITHBF.org](http://ITHBF.org) to search for your Plan's Form 5500.
- **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:

- 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.

- 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:  $\$35.75 \times 10 \text{ years} = \$357.50$

*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