Teamsters Local 641 Pension Fund

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ANNUAL FUNDING NOTICE
For
Teamsters Local 641 Pension Plan

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning March 1, 2024 and ending February 28, 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:

- **Diane Florian**
- **Phone:** (908)-687-4488
- **Address:** Teamsters Local 641, 714 Rahway Ave., 2nd Floor, Union, NJ 07083-6634
- **Email:** dflorian@641funds.org

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, Teamsters Local 641 Pension Fund
- **Employer Identification Number:** 22-6220288

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 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	March 1, 2024	March 1, 2023	March 1, 2022
Funded Percentage	2.6%	1.8%	-1.7%
Value of Assets	$10,966,102	$7,599,655	($7,918,970)
Value of Liabilities	$429,216,722	$436,223,853	$446,272,280

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the ***estimated*** 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 February 28, 2025.

- **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.

	2/28/2025	2/29/2024	2/28/2023
Fair Market Value of Assets	$23,821,000	$10,966,102	$7,599,655
Assets Available to pay Benefits	$550,584,000	$547,287,913	$552,609,140

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 in critical status in the Plan Year as mandated by the rules under the Special Financial Assistance.

To improve the Plan's funding situation, the trustees adopted a Rehabilitation Plan as follows:

Benefit Changes

- Original Rehabilitation Plan:

1. The amount of the monthly pension earned from 6/1/2008 forward is 1% (instead of 2.12%) of employer contributions.

2. Monthly pensions earned from 6/1/2008 forward are paid 12 times a year (instead of 13 times) after retirement.

3. The Normal Form of all pension payments to commence on or after 6/1/2008 are for life only (instead of life with a minimum of 5 years guaranteed)

4. The regular pension was dropped from the Plan effective 5/31/2008.

5. The eligibility requirement for early pension is at least age 57 with at least 15 years of pension service (instead of 55 with 15).

6. The amount of the reduction in monthly pension for early pension is 6% per year below age 62 or, if the "rule of 90" is satisfied, 3% per year below age 62. The "rule of 90" is satisfied if age plus pension service equals 90. Reciprocal service does not count toward the "rule of 90".

7. Service pensions were dropped from the Plan effective 5/31/2008.

8. Supplemental pensions were dropped from the Plan effective 5/31/2008.

- Additional Benefit Changes:

1. As of 12/1/2009, the Trustees have decided to reinstate the limit on benefits that had previously been lifted as of January 1, 2005. This means that all increases in your employer's hourly contribution rate effective on or after August 1, 2003 will retroactively and prospectively not be taken into account toward your monthly retirement pension.

2. Effective 5/1/2011, the eligibility requirements for early pension will require 15 years of pension service with Local 641. This also applies to the "rule of 90".

3. Effective 11/1/2011, the eligibility requirements for disability pension are at least age 47 with 15 years of pension service with Local 641 or 20 years of pension service with Local 641 regardless of age. (Excludes any reciprocal service).

4. Effective 1/1/2012 yearly benefit accruals will be capped at $80 per year.

Contribution Increases

- Original schedule of contribution rate increases:

Increase In Plan Year Beg. 3/1	Contribution Rate Increase
2007	
2008	5.000%
2009	4.762%
2010	4.545%
2011	4.348%
2012	4.167%
2013	4.000%
2014	3.846%
2015	3.704%
2016	3.571%
2017	3.448%
2018	3.333%
2019	3.225%
2020	3.225%

The schedule of contribution increases assumes the Master Freight contract is increased $0.41 per hour each year and that other contracts are increased ratably. The first increase for Master Freight is from $8.20 to $8.61, an increase of 5.000%. Therefore, a contract at $1.00 would need to be increased to $1.05.

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 finances.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending February 28, 2026, a separate notification of that status has or will be provided.

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.

Number of participants and beneficiaries on last day of relevant plan year	2024	2023	2022
1. Last day of plan year	2/28/2025	2/29/2024	2/28/2023
2. Participants currently employed	94	313	404

3. Participants and beneficiaries receiving benefits	2,332	2,365	2,369
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	512	487	529
5. Total number of covered participants and beneficiaries (*Lines 2 + 3 + 4 = 5*)	2,938	3,165	3,302

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 to collect employer contributions under any number of collective bargaining agreements and set the benefit level to an amount that can reasonably be expected to be provided by those contributions after taking into account investment returns and the cost of expenses inherent in running the Plan.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to invest the funds in the categories show below.

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

	Asset Allocations – SFA money	Policy Target	Actual Percentage
1.	Cash & Equivalents	0.0%	0.0%
2.	Investment Grade Fixed Income	75.0%	87.1%
3.	Short Term Investment Grade Fixed Income	25.0%	12.9%

	Asset Allocations – Non-SFA money	Policy Target	Actual Percentage
1.	Global Tactical Asset Allocation	100.0%	100.0%

The average return on the non-SFA assets for the Plan Year was 6.4%.

The average return on the SFA assets for the Plan Year was 6.8%.

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 March 1, 2025 and ending on February 28, 2026, there were no such events.

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.
- **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 x 10 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 x 10 years = $177.50

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