PENSION • ANNUITY • HEALTH
BOILERMAKERS NATIONAL FUNDS
PROTECTING THE BOILERMAKER FAMILY
SINCE 1954

DATE: **April 2024**

TO: **Boilermaker-Blacksmith National Pension Trust Participants, Beneficiaries, Alternate Payees, Contributing Employers, International Brotherhood of Boilermakers and Local Lodge Business Managers**

FROM: **Boilermaker-Blacksmith National Pension Trust**

RE: **Annual Funding Notice for Boilermaker-Blacksmith National Pension Trust**

The Boilermaker-Blacksmith National Pension Trust is required by federal law to send annual pension funding information to all participants in the Pension Plan of the Boilermaker-Blacksmith National Pension Trust ("the Plan"). This Annual Funding Notice contains important information about the following:

- How Well Funded Is Your Plan
- Year-End Fair Market Value of Assets
- Endangered, Critical, or Critical and Declining Status
- Participant Information
- Funding and Investment Policies
- Right to Request a Copy of the Annual Report
- Summary of Rules Governing Insolvent Plans
- Benefit Payments Guaranteed by the Pension Benefit Guaranty Corporation (PBGC)
- Where to Get More Information

Introduction

This notice includes important information about the funding status of your multiemployer 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 is provided for informational purposes, and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2023 and ending December 31, 2023 (referred to hereinafter as "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 this percentage. In general, the higher the percentage, the better funded the plan. The 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.

	2023 Plan Year	**2022 Plan Year**	**2021 Plan Year**
Valuation Date	**01/01/2023**	**01/01/2022**	**01/01/2021**
Funded Percentage	79.8%	80.7%	73.9%
Value of Assets	$8,297,775,700	$8,471,771,923	$7,621,850,994
Value of Liabilities	10,400,789,112	10,495,797,554	10,318,138,430

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. 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 below 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.

	12/31/2023	**12/31/2022**	**12/31/2021**
Fair Market Value of Assets*	7,397,030,382**	7,047,910,099	8,471,771,923

**Excludes withdrawal liability receivable*

***Preliminary amount*

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 certified to be in critical status (Red Zone) for the Plan Year ending December 31, 2023. The Plan was considered to be in critical status because the Plan was projected to have a funding deficiency in the Plan Year ending December 31, 2031. This does not mean that the Pension Plan will have a problem paying benefits to current pensioners and beneficiaries. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan in March 2023. You may get a copy of the Plan's Rehabilitation Plan at the Boilermakers National Funds website at www.bnf-kc.com (click on Documents & Forms) or by contacting the Plan's administrator.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 83,190. Of this number, 30,358 were active participants, 39,212 were retired or separated from service and receiving benefits, and 13,620 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is that the Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants or pursuant to participation agreements and by earnings on its investments.

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 fiduciaries responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions.

The investment policy of the Plan has the primary investment objectives of preserving the assets of the Plan and generating an appropriate level of risk-adjusted return to meet future pension obligations. The Board completes an asset allocation and liability study as needed, at least every five years, to determine the optimal portfolio diversification expected to generate a risk-adjusted return sufficient to meet the Fund's actuarial investment requirements.

In accordance with 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 estimated total assets:

	Asset Allocations	**Percentage**
1.	Stocks	53.3%
2.	Investment grade debt instruments	16.6%
3.	High-yield debt instruments	0.5%
4.	Real estate	8.7%
5.	Others	20.9%

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

The law requires this notice to contain the following information. The Plan is not insolvent, and it is not in danger of becoming insolvent in the foreseeable future.

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.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and the 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 the 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 http://www.pbgc.gov/prac/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. The PBGC does not have that information. See "Where to Get More Information" below.

Where to Get More Information

For more information about this notice or if you have had a change of address, phone number, or a change in your marital status, you may contact the individual below.

Justin Kathman
Plan Administrator
Boilermaker-Blacksmith National Pension Trust
P.O. Box 909700
Kansas City, MO 64190
(866) 342-6555

For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" is Board of Trustees, Boilermaker-Blacksmith National Pension Trust and 48-6168020, respectively.

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SINCE 1954

Boilermaker-Blacksmith National Pension Trust
Notice of Plan Status

April 2024

Participants, Beneficiaries, Participating Union, and Contributing Employers:

The Pension Protection Act (PPA or Act) requires that all pension plans be tested annually to determine how well they are funded. The Act established formal benchmarks for measuring a plan's funding. Plans that are not in the "Green Zone" must notify all plan participants, unions, and contributing employers of the plan's status, as well as take corrective action to restore the plan's financial health.

Plan's Status — Red Zone

For the Plan year beginning January 1, 2024, the actuary for the Boilermaker-Blacksmith National Pension Trust (the "Plan") certified that the Plan is in "critical status" (also known as the "Red Zone"), because there is a projected funding deficiency in the Plan year ending December 31, 2032. The Plan's actuary has certified the Plan to be 77.9% funded beginning January 1, 2024 using the PPA's criteria. This does not mean that the Pension Plan will have a problem paying benefits.

Rehabilitation Plan

The Act requires a plan in "critical status" to adopt a Rehabilitation Plan that will enable the plan to improve its funded position. The Act allows a Rehabilitation Plan to eliminate or change "adjustable benefits." The adjustable benefits that may be eliminated or changed include:

- Plan benefits, rights, and provisions, including death benefits (other than qualified joint and survivor annuities), form of payment subsidies, disability benefits not yet in pay status, and similar benefits; and

- Early retirement benefit or retirement-type subsidies.

No reduction of adjustable benefits will reduce the level of a participant's basic benefit payable at normal retirement.

Two previous Rehabilitation Plans in 2017 and 2019 adopted benefit reductions and the Plan has been amended to require several contribution-rate increases through 2024. In 2023, the

Trustees determined all reasonable measures had been exhausted and adopted a Rehabilitation Plan that does not require any additional changes to the current Plan design.

Employer Surcharge

While the Fund is in critical status, the law requires that all contributing employers either comply with the contribution rate schedules included in the Rehabilitation Plan or pay to the Fund a surcharge to help correct the Fund's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Fund under the applicable collective bargaining agreement or participation agreement. No surcharge is due for any time period in which an employer has adopted contribution rate increases that are consistent with the Rehabilitation Plan. Accordingly, no surcharge will apply to any contributing employer which contributes in accordance with the Fund's existing MCR requirements.

What's Next

We understand that legally required notices like this one can create concern about the Plan's future. While the "critical status" label is required to be used by law, the fact is that we are working with our actuaries and consultants to monitor the Plan's condition and address Plan issues. By adopting the Rehabilitation Plan in March of 2023, we have already taken the actions necessary to improve the Fund's financial condition. However, since the Pension Plan is influenced by economic and financial variables beyond our control (such as market volatility and changes in participation and/or the number of contributing employers), unexpected developments can affect the Plan's status and any future corrective actions needed.

For more information about this Notice, the Pension Plan in general, or if you have had a change of address, phone number, or a change in your marital status, please contact Justin Kathman, the Fund Administrator for the Boilermaker-Blacksmith National Pension Trust, at the address shown at the bottom of page 1.

Sincerely,

Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.