

# Notice of Endangered Status for Steamfitters Local Union No. 420 Pension Plan

This is to inform you that on March 29, 2024 the plan actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Steamfitters Local Union No. 420 Pension Plan (“Plan”) is in “Endangered Status” for the plan year beginning January 1, 2024. Federal law requires that you receive this Notice.

Under the Pension Protection Act of 2006 (“PPA”), within the first 90 days of each plan year, the Plan’s Actuary must certify whether a plan is in Endangered Status, Seriously Endangered Status, Critical Status or Critical and Declining Status.

In general, in order to perform this certification, the Plan’s actuary must determine if the Plan’s funded ratio is at least 80% and if the Plan will not meet the minimum required funding standards in any of the next ten years. The Plan’s actuary must also project the Plan’s assets, benefit costs, contributions, and unfunded liability to determine if the Plan will not be able to pay benefits when due or if the plan is expected to run out of assets.

## **Emergence From Critical Status**

You will recall the Plan was certified in Critical Status for the 2012 plan year. Accordingly, a Rehabilitation Plan aimed at restoring the Plan’s financial health was adopted by the Plan’s Trustees. As a result of this Rehabilitation Plan and the actions taken by the Trustees since the Plan’s Critical Status determination in 2012, the Plan’s actuary has now determined that the Plan has emerged from Critical Status since it is projected to not have an accumulated funding deficiency for the current plan year or any of the 9 succeeding plan years, nor is the Plan projected to become insolvent within 30 years. A funding deficiency would occur if contributions made to the plan are less than the minimum required amount determined under current law.

## **Endangered Status**

Although the Plan’s actuary determined that the Plan has emerged from Critical Status and the Plan is projected to not have an accumulated funding deficiency, the Plan’s funded percentage as of January 1, 2024 is less than 80% as measured for PPA purposes. Therefore, the Plan is considered to be in “Endangered Status” for 2024.

## **Funding Improvement Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in “Endangered Status” to adopt a “Funding Improvement Plan” aimed at restoring the financial health of the plan. The law permits pension plans to reduce benefits earned in future years as part of a “Funding Improvement Plan.” If the Plan’s Trustees determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

## **Where to Get More Information**

For more information about this Notice, you may contact Robert Winther, Administrator, Steamfitters Local Union No. 420, 14420 Townsend Road, Suite B, Philadelphia, PA 19154-1028, (267) 350-2600. You have a right to receive a copy of the “Funding Improvement Plan” from the Plan. Please be aware that, in accordance with the Law, the “Funding Improvement Plan” will not be available for distribution until December 2024.

## **Board of Trustees, Steamfitters Local Union No. 420 Pension Plan**

cc: U.S. Department of Labor  
Pension Benefit Guaranty Corporation

