

---

## TWIN CITY CARPENTERS & JOINERS PENSION PLAN

### Notice of Endangered Status

---

*April 2024*

To Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act of 2006 (the Act), signed into law in 2006 and extended by the Multiemployer Pension Reform Act of 2014 (“MPRA”) is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan’s “financial health” with participants and others directly interested in the plan.

Many of PPA’s safeguard provisions relate to funding, which, in simplest terms, is how much money a plan has coming in, going out, and what is in reserve (or “in the bank”) for the future. The safeguards are intended to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, PPA requires that a pension plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan’s funding, with formal classifications (“zone status”), were established. Plans that are in “endangered,” “seriously endangered,” or “critical” status must notify all plan participants, beneficiaries, 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 – Endangered**

On March 29, 2024, the Twin City Carpenters & Joiners Pension Plan (the “Plan”) was certified by its actuary to be in “endangered” status (also known as the “Yellow Zone”) for the Plan year beginning January 1, 2024 (“2024 Plan year”). This is based on the actuary’s determination that the Plan is projected to have a funded percentage less than 80% as of January 1, 2024. Despite this, the Plan is projected to be able to continue paying benefits to current and future pensioners and beneficiaries and remain solvent indefinitely.

#### **Funding Improvement Plan**

PPA requires pension plans in endangered or seriously endangered status to adopt a funding improvement plan (“FIP”) aimed at restoring the financial health of the plan. On November 14, 2023, the Trustees of the Plan adopted a FIP which is intended to satisfy the applicable corrective requirements under PPA. The FIP requires that the Plan’s funded percentage improve at least 33% of the way to 100% by the end of the 10-year funding improvement period. The target for this Plan is a funded percentage of 87.5% by December 31, 2035. The Plan must also avoid an accumulated funding deficiency as of the same date. Based on the most current actuarial projections, the Plan is on track to meet or exceed these benchmarks. The Trustees have the authority to amend and apply the provisions of the FIP in future years in any manner deemed prudent, including requiring changes in employer contributions and future benefit accruals as part of new or renewed collective bargaining agreements.

---

## **What's Next**

Since the Plan's financial condition generally changes with changes in the economy, the Act requires that the Plan's funding status be reviewed and certified annually. This means that you will receive a notice like this each year until the Plan is no longer in the Yellow Zone.

We understand that legally required notices like this one can create concern about the Plan's future. While the "endangered" label is required to be used by Federal law, the fact is that we have been working with our actuaries and consultants for some time now to address these funding issues. Please be assured that improving the Plan's funded status is a top priority and we are committed to taking the actions necessary to ensure your benefits are there when you retire.

## **Where to Get More Information**

For more information about this Notice, you may contact the Plan Administrator at:

Twin City Carpenters & Joiners Pension Plan  
Wilson-McShane Corporation  
3001 Metro Drive, Suite 500  
Bloomington, MN 55425  
(952) 851-5788 or (844) 468-5916 (Toll Free)  
carpentersandjoinersbenefits@wilson-mcshane.com

You have a right to receive a copy of the Funding Improvement Plan adopted by the Trustees from the Plan Administrator.

*This Notice is being provided as required under the Pension Protection Act of 2006, which requires that certain information regarding the Plan's funding status be disclosed to individuals and parties interested in the Plan. As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.*