

**International Brotherhood of Electrical Workers
Local 445 Pension Fund**

Administered by Wilson-McShane Corporation
Bloomington, Minnesota • Duluth, Minnesota



Fund Office
3001 Metro Drive - Suite 500
Bloomington, MN 55425
Phone: (855) 633-4584
www.michiganelectrical.org

August 2023

To: **ALL PLAN PARTICIPANTS AND ALTERNATE PAYEES OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS'
LOCAL NO. 445 PENSION FUND**

The following Important Notices are for your review. These Notices are required to be mailed to each Plan Participant and Alternate Payee annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA). If you have any questions, please contact your Local Union office or the Pension Department at the Fund Office.

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NOTICE OF YOUR RESPONSIBILITY TO KEEP RECORDS

The Fund has set up an Employer audit and collection program to make sure that your Employers pay the pension contributions owed to the Fund for your Hours of Work. But, it is your responsibility to keep records of your employment, including the names of your Employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your Employers fails to pay the required contributions or keep records of your work, the Fund will have the information necessary to grant you the Years of Service and benefits to which you are entitled. Each year you will receive a Benefit Estimate Statement, which provides you with information concerning your pension benefits based on information available to the Pension Fund. If you believe that information is incorrect or incomplete, you must notify the Fund in writing immediately. Any action in law or equity brought against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of the foregoing is barred unless the complaint is filed within three years from the date the incorrect information was first reported in the Statement; however, you must first go through the Fund's claim and appeal process before you can bring a suit in Court.

NOTICE TO PLAN PARTICIPANTS APPROACHING NORMAL RETIREMENT AGE

This notice applies only to a Plan Participant who does **NOT** elect to retire at or before his normal retirement age, 65, and chooses to continue working.

If you continue to work after reaching your normal retirement age, no pension benefits will be paid to you before you apply for retirement benefits. However, when you do retire, you will be entitled to an increased benefit based on those months between your normal retirement age and your actual date of retirement. When a participant who continued to work after his normal retirement age decides to actually retire, his normal retirement benefit will be determined in accordance with the regular Plan Provisions.

ANNUAL FUNDING NOTICE
Plan Year Beginning May 1, 2022

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding status of your multiemployer Pension Plan, the International Brotherhood of Electrical Workers' Local No. 445 Pension Fund (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 does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the Plan Year beginning May 1, 2022 and ending April 30, 2023 (referred to hereafter 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.

Funded Percentage			
	2022	2021	2020
Valuation Date	May 1	May 1	May 1
Funded Percentage	84.1%	82.5%	75.9%
Value of Assets	\$ 28,196,367	\$ 26,295,757	\$ 24,117,763
Value of Liabilities	\$ 33,540,589	\$ 31,879,230	\$ 31,793,661

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.

	April 30, 2023	April 30, 2022	April 30, 2021
Fair Market Value of Assets	\$26,589,113 (unaudited)	\$ 27,000,034	\$ 28,496,611

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. Even though the Plan was less than 80% funded, the Plan was not in endangered, critical, or critical and declining status in the plan year because it is expected, with no changes in contribution or benefits, to be neither endangered nor critical in 10 years. Such a plan is not considered endangered for the current year, if it was not endangered or critical for the prior year. For the 2022 Plan Year, the Plan's PPA certification had an estimated funded percentage of 85.5% and the Plan was expected to be in the safe status (neither endangered nor critical).

Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 480. Of this number, 201 were active participants, 116 were retired, separated from service or otherwise receiving benefits, and 163 were retired, separated from service or otherwise have a right to future benefits.

Funding and Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan can be summarized as follows:

Benefits under the Plan are provided through a trust. Contributions and investment returns together fund current and future liabilities. Contributions are obtained directly from participating employers. These contributions are based on hours worked by Plan participants at rates specified in the collective bargaining agreements.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan can be summarized as follows:

Investment income is one significant contributor to the funding of the Plan. The federal law provides that the Fund's Trustees are responsible for investing the assets of the Plan. To assist them in carrying out this responsibility, the Trustees have delegated authority to manage the assets, as permitted by federal law, to Investment Managers with the skills and specialized research facilities needed to assure expertise in financial market investments. The Trustees have also engaged the services of an Investment Consultant to assist them in selecting and evaluating the performance of the Investment Managers. The Trustees, Investment Managers and Investment Consultant shall, as fiduciaries, adhere to the "prudent man rule" under the federal laws that apply or may in the future apply to the Fund's investments. More specifically, they must adhere to the safeguards and diversification standards that a prudent investor would adhere to and all transactions undertaken on behalf of the Plan must be for the sole interest of Plan Participants and their Beneficiaries. Under the terms of the policy, the Fund's assets are invested in a manner consistent with a primary emphasis upon consistency of performance, i.e., the achievement of growth in such a manner as to protect the Fund from excessive volatility in market value from year to year. Significant emphasis is also placed upon capital protection, i.e., the achievement of adequate investment growth such that the purchasing power of the principal amount of these assets is maintained over the investment horizon.

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 total assets:

<u>Asset Allocation</u>	<u>Percentages</u>
Stocks	<u>70.52%</u>
Investment Grade Debt	<u>8.55%</u>
Real Estate	<u>12.91%</u>
Other	<u>8.02%</u>

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 Board of Trustees. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact the Board of Trustees if you want information about your accrued benefits. Contact information for the Board of Trustees is provided on the next page under "Where To Get More Information."

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 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 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 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 credited Year of Service. Thus, the PBGC's maximum guarantee is \$35.75 per month times a Participant's credited Years of Service.

Example 1: If a Participant with 10 credited Years of 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 $\$24.75 (.75 \times \$33)$, or \$35.75. Thus, the Participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

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 $\$6.75 (.75 \times \$9)$, or \$17.75. Thus, the Participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

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 PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact the Board of Trustees, International Brotherhood of Electrical Workers Local No. 445 Pension Fund 2002 London Rd., Suite 300, Duluth, MN 55812 or by telephone at (855) 633-4584. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 38-6142222.

SUMMARY OF MATERIAL MODIFICATIONS

A summary plan description (“SPD”) was distributed to participants in 2017, which reflected the provisions of the Pension Plan in effect on September 1, 2016. It has continued to be distributed to new participants. If you have not received one, contact your local union or the Plan's administrative office. This Summary of Material Modifications supplements the SPD previously provided to you. You should retain this document with your copy of the SPD.

Effective June 1, 2023, the Fund changed its Third-Party Administrator from TIC International Corporation to Wilson-McShane Corporation (WMC). The Fund’s current address and phone number are: International Brotherhood of Electrical Workers Local No. 445 Pension Fund, 2002 London Rd., Suite 300, Duluth, MN 55812, Toll Free: (855) 633-4584, Fax: (218) 728-4773

As of this date, the members of the Board of Trustees of the International Brotherhood of Electrical Workers Local No. 445 Pension Fund are the following:

Employer Trustees:

James Lawrence, Chairman
Union Electric
P.O. Box 1453
Battle Creek, MI 49016

John A. Banks
Motorshop Electric
40 Bartlett Street
Battle Creek, MI 49014

Andy Mosser
1026 N. Washington Ave.
Lansing, MI 48906

Union Trustees:

Kevin Hagelgans, Chairman
IBEW Local 445
4071 W Dickman Rd.
Springfield, MI 49037

Lance Dougherty
IBEW Local 445
4071 W Dickman Rd.
Springfield, MI 49037

Doug Herring
IBEW Local 445
4071 W Dickman Rd.
Springfield, MI 49037

Administered for the Board of Trustees by:

Wilson-McShane Corporation
2002 London Rd., Suite 300
Duluth, MN 55812
Toll Free: (855) 633-4584
Fax: (218) 728-4773

Website: www.michiganelectrical.org

Legal Counsel and Agent for Service of Legal Process

Joseph Pawlick, Esq.
Watkins, Pawlick, Calati & Prifti, PC
1423 E. 12 Mile Rd.
Madison Heights, MI 48017

**NOTICE OF EFFECT OF DEFERRING BENEFITS
(DELAYING THE DATE YOUR PENSION STARTS COULD AFFECT YOUR BENEFIT AMOUNT)**

Normal Retirement Pension: If you are an Active Plan Participant and you retire at or after age 65, you are eligible for a Normal Retirement Pension. The Normal Retirement Pension is calculated based on the contributions required to be made on your behalf. You will find information about how to estimate your monthly Pension Benefit in the Summary Plan Description and any subsequent announcement letters. You may also request that the Fund Office calculate your Pension Benefit.

If your retirement date is after your Normal Retirement Age, 65, then your monthly Pension Benefit will be actuarially increased for each month after your Normal Retirement Age that you do not receive your Pension Benefits or in which you earn additional Benefits by continuing to work.

Early Retirement Pension: If you are an Active Participant and you retire at or after age 55 with at least 10 Years of Service, you may be eligible for an Early Retirement Pension, as explained in the Summary Plan Description. The amount of the reduction is 6% per year of age less than age 62 (1/2% for each complete calendar month under age 62).

Example of an Early Retirement Pension:

Mark is retiring at age 58 with at least 10 Years of Service. His Normal Retirement Pension is calculated to be \$2,000 per month. Because Mark is retiring four years before age 62, his Pension Benefit is reduced by 24% (4 years x 6%). So Mark's Early Retirement Pension is \$1,520 per month.

Delaying Retirement Will Increase Your Pension:

If you continue to work at the trade and delay your retirement, the monthly pension amount you will receive when you retire will increase because you are earning additional Benefits.

If you are eligible for a Vested Retirement Pension that is subject to reduction for early payment, the closer you are to age 62 when you start receiving your Pension Benefit the higher your monthly Pension amount will be when you retire because the reduction will be smaller.

Vested Retirement Pension: If you become Inactive with at least 5 Years of Service, you may be eligible for a Vested Retirement Pension benefit on or after age 62, as explained in the Summary Plan Description. You may begin receiving monthly payments of your basic Vested Retirement Pension benefit amount at age 62 or later or, if you have at least ten Years of Service by the time you become Inactive, you may begin receiving monthly payments at or after age 55. If you begin receiving benefits at or after age 55, but prior to reaching age 62, your benefit will be reduced by one-half of one percent (1/2%) for each complete calendar month by which you are under age 62 when your Vested Retirement Pension benefits are effective. If your retirement date is after your Normal Retirement Age, 65, then your monthly Vested Retirement Pension benefit will be actuarially increased for each month after your Normal Retirement Age that you do not receive your Pension Benefits.

Example of a Vested Retirement Pension:

George worked in covered employment from age 28 to age 35 and earned 7 Years of Service. He pursued a career as a computer technician and did not return to covered employment. His Normal Retirement Pension is calculated to be \$300 per month. When George reaches age 62, he will be entitled to a Vested

Retirement Pension based on the Benefit rate in effect when he became an Inactive Participant (at the end of the second consecutive Plan Year during which he did not earn a Year of Service) and the amount of his vesting.

If you have any questions about this information, please review your Summary Plan Description booklet or contact the Fund Office at 517-321-7502.

SOCIAL SECURITY NUMBER PRIVACY POLICY

The International Brotherhood of Electrical Workers' Local No. 445 Pension Fund is required by Michigan law to make sure that your Social Security number and the Social Security numbers of your family members are kept private as set forth in that law.

The law permits the Fund to use Social Security numbers to verify your identity and the identities of your family members and to perform other functions related to providing retirement benefits under the Fund's Plan. Therefore, the Fund will continue to require Social Security numbers on application and other forms. When your employer pays contributions on your behalf, the law permits your employer to provide the Fund with your Social Security number so that the Fund may determine your eligibility status. The law also permits the Fund to use Social Security numbers when authorized or required to do so by state or federal statute, by court order, or pursuant to legal discovery or process. The Fund will ensure to the extent practicable the confidentiality of those Social Security numbers.

In order to protect your privacy and in compliance with the law, the Fund's third-party administrator, TIC International Corporation ("TIC"), will use alternate identification numbers wherever feasible, including on monthly notices of contributions. TIC does not print Social Security numbers on the exterior of any envelope or package sent through the mail or in a manner that can be seen from the exterior of such envelope or package. The Fund's website is secure and permits participants to access information through use of a password other than their Social Security number.

Only TIC's employees and agents and employees and agents of other Fund service providers may access the Social Security numbers of Fund participants and family members and only as necessary to provide services to the Fund. TIC uses practical means to limit access to written and electronic records in its possession that contain Social Security numbers to those employees and agents whose job duties require such access, such as securing areas where Social Security number information is located when not in use and requiring the use of passwords for access to electronic files containing Social Security numbers. TIC disposes of documents that contain Social Security numbers that the Fund is not actively using or is not otherwise obligated to retain by shredding and other processes that protect the confidentiality of the Social Security numbers. TIC's employees and agents must not disclose Social Security numbers by publicly displaying more than four sequential digits of a Social Security number or in any other manner prohibited by law.

The Fund notifies all service providers that they must ensure, to the extent practicable, the confidentiality of all Social Security numbers related to Fund participants and their families as required by law. The Fund may take action regarding service providers who fail to protect adequately the confidentiality of those Social Security numbers, including the termination of contracts.

NOTICE TO RETIRED PARTICIPANTS ABOUT THE SUSPENSION OF BENEFITS (RETURN TO WORK) PROVISION

This is to remind you of the Plan's Suspension of Benefit provisions, which applies to Participants who are receiving monthly Early Retirement Benefits under Article V of the Plan. Under these provisions, Pension Benefits being paid to you may be suspended for any period prior to the date you reach age sixty-two (62) if you return to work for an Employer in the building construction industry who is required to contribute to this Fund on your behalf under the terms of a Pension Agreement, and all of the following conditions are met:

1. You work **40** or more hours during any calendar month, and
2. such employment is in the same trade or craft in which you were employed at any time while participating in the Plan, and
3. such employment is within the geographic jurisdiction of the Union.

Under this provision of the Plan, you are **required** to notify the Fund Office **immediately** if you intend to return to work in any capacity, regardless of the number of hours you intend to. If you return to work without notifying the Fund Office and are discovered working on a job, the Trustees may presume that you were working under the conditions set out above for the entire period that your employer has been working on that particular job site and suspend your monthly Benefits for that period. It will then be your responsibility to submit evidence confirming your work did not meet the conditions set out above if you disagree with such a suspension.

Note: Returning to work for fewer than 40 hours a month after you Retire will not result in a suspension of your monthly Retirement benefit, but it could, depending on the circumstances, be evidence that you did not intend to Retire and could result in a determination that you were not eligible to begin receiving Retirement Benefits. However, please be advised that if you have reached age 62, you are not required to separate from service in order to receive Retirement benefits.

Should you have any questions regarding this Notice, please write or call the Pension Department of the Fund Office.

**IMPORTANT NOTICE TO PLAN PARTICIPANTS
WHO BEGIN RECEIVING PENSION
PAYMENTS BEFORE AGE 55**

Like many other construction industry pension plans, the International Brotherhood of Electrical Workers' Local No. 445 Pension Fund will, in accordance with the Pension Fund's plan document and Department of Labor regulations, suspend your monthly pension benefits if you return to work for 40 or more hours per month in the same trade or industry ("suspendable service") unless these provisions have been waived by Plan Modification.

In addition, if your pension payments are suspended before you have both reached age 59 ½ and received pension payments for five years; you may be required, under the Federal Tax Code, to pay an additional 10% "penalty" income tax on all or a portion of the pension payments you previously received.

Accordingly, if you consider returning to work in the same trade in the construction industry in Michigan, you should first contact both: (1) the Pension Department at the Fund Office to learn what the Fund's suspension-of-benefits rules are at that time; and (2) your tax advisor to consider the potential income tax effects of returning to work and having your pension benefits suspended at that time.