

2023 ANNUAL FUNDING NOTICE

for

WESTERN CONFERENCE OF TEAMSTERS SUPPLEMENTAL BENEFIT PLAN

Introduction

This notice includes important funding information about your multiemployer pension plan (the “Supplemental Plan” or the “Plan”). It also provides 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 April 1, 2023, and ending March 31, 2024 (referred to hereafter as "Plan Year").

How Well Funded Is Your Plan

Under federal law, the Plan must report how well it is funded by using a measure called the “funded percentage.” This percentage is obtained by dividing the Plan’s assets by its liabilities on the Valuation Date for the Plan Year. In general, the higher the percentage, the better funded the plan. The Supplemental Plan’s funded percentage for the 2023 Plan Year and for the two (2) preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Valuation Date	April 1, 2023	April 1, 2022	April 1, 2021
Funded Percentage	132.2%	128.1%	123.8%
Value of Assets	\$92,145,594	\$92,385,638	\$92,444,806
Value of Liabilities	\$69,668,106	\$72,087,931	\$76,673,119

Note: The Plan’s funded percentage for the 2024 Plan Year, determined as of April 1, 2024, is projected to be 135.5%.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date and are “actuarial values.” Because “market” values can fluctuate daily based on factors in the marketplace, such as frequent changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes 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 as of the last day of the Plan Year. The fair market value of the Plan’s assets as of the last day of the current Plan Year and each of the two preceding Plan Years is shown in the following table:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Fair Market Value of Assets	\$92,471,699	\$85,688,013	\$93,491,226

Note: The value of the Plan's assets shown as of March 31, 2024 is an estimate based on the most accurate unaudited financial information available at the time this notice was prepared. The final audited information of the Plan’s assets will be reported on the Plan’s Form 5500 for 2023 filed with the Employee Benefits Security Administration later this year.

Endangered, Critical or Critical and Declining Status

Under federal pension law a plan generally is in “endangered” status if, at the beginning of the Plan Year, the funded percentage is less than 80 percent or 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 or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement 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 NOT in endangered, critical, or critical and declining status in the 2023 Plan Year (ended March 31, 2024).

Participant Information

The total number of participants and beneficiaries in the Supplemental Plan as of the Plan’s April 1, 2023 Valuation Date was 14,265, all of whom were retired or separated from service and receiving benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to provide a once-a-year benefit to eligible retirees, with a provision that the Plan may not have any unfunded vested benefit liabilities (i.e., withdrawal liability).

Once contributions are received by the Plan, the money is invested by the Plan’s Investment Manager, who is a Plan “fiduciary.” Specific investments are made in accordance with the Plan’s investment policy. The written policy provides asset allocation guidelines, restricts the types and amounts of equities and fixed income securities which may be purchased, contains diversification requirements, and prohibits the acquisition of certain illiquid or highly volatile securities.

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 2023 Plan Year. These allocations are approximate percentages of total Plan assets:

Asset Allocations	
1. Interest-bearing cash	2.6%
2. U.S. Government securities	20.2%
3. Corporate debt instruments	12.8%
4. Corporate stocks	46.6%
5. Value of interest in registered investment companies	14.8%
6. Other Investment Assets (State & City Gov. Bonds)	3.0%

Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report (i.e., Form 5500) containing financial and other information. You may obtain an electronic copy of the Plan’s annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available either by making a written request to Paul Sangalang, Western Conference of Teamsters Supplemental Benefit Plan, 225 S. Lake Ave, Suite 1200, Pasadena, CA 91101 (there will be a charge for the annual report to cover copying costs), or by contacting the U.S. Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling (202) 693-8673. Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under “Where To Get More Information.”

Summary of Rules Governing Insolvent Plans

Although the Supplemental Plan is NOT “insolvent” it is required to provide this summary applicable to such 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.

A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a 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 notification of the insolvency 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 PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of a 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 (or \$429 per year) times a participant's years of credited service. Note, however, the Supplemental Plan pays a benefit that "supplements" the benefit provided by the Western Conference of Teamsters Pension Plan. Therefore, for purposes of the following examples, keep in mind that the Supplemental Plan pays an annual, rather than a monthly, benefit, which is calculated based on a participant's years of retirement from a contributing Employer rather than on "years of credited service," so the amounts guaranteed by the PBGC for an annual Supplemental Plan benefit will differ from, and be much more modest than, the monthly benefits described below.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600 under a hypothetical plan, 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 would be \$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 (if the plan pays an early retirement benefit). In addition, the PBGC guarantees qualified preretirement survivor benefits (which are 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 the plan within 60 months before the earlier of the plan's termination or its 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.

Where to Get More Information

For more information about this notice you may contact the Western Conference of Teamsters Supplemental Benefit Plan, c/o Northwest Administrators directly or by mail at, 225 S. Lake Ave, Suite 1200, Pasadena, CA 91101 or by telephone at (877) 304-4289, option 4. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 95-3746907. For more information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/prac/multiemployer. Please contact Northwest Administrators for specific information about your pension plan or pension benefit. PBGC does not have that information.