

# LOCAL 705

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## PENSION FUND

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## IMPORTANT NEWS REGARDING YOUR PENSION PLAN

**To All Participants and Beneficiaries of the Local 705 International Brotherhood of Teamsters Pension Plan:**

### We made it! We're in the Green Zone!

We are pleased to announce that the Pension Plan was certified in the **Green Zone** by our actuaries ahead of schedule and according to the plan that we developed.

As a result of the changes made under our Rehabilitation Plan (enacted in 2012), the success of Local 705 in organizing and increasing the membership (which led to an increase in contribution hours), strong investment returns, a stronger economy, and the oversight of the Board of Trustees, our Pension Plan has moved all the way from the Red Zone to the **Green Zone**. We were fortunate in not having had to reduce benefits during our time in the Red Zone and Yellow Zone, like many other pension plans had to do. Our Plan was certified in the **Green Zone** effective January 1, 2022.

### Annual Funding Notice

You will soon receive an **Annual Funding Notice** in the mail. Multiemployer plans like ours are required by the Pension Protection Act (PPA) of 2006 to provide this notice to all Plan participants each year. It is important to understand that this notice does not completely reflect the Plan's financial position as of January 1, 2022. It looks back at the previous year when we were in the Yellow Zone. It follows a government-specified format, provides information on the Plan's assets and liabilities, participant counts, and funding and investment policies applicable to the 2021 Plan Year (January 1, 2021 to December 31, 2021). The **Annual Funding Notice** indicates that the Plan's funded percentage was at 76.8% on January 1, 2021, the first day of the 2021 Plan Year. As of January 1, 2022, our Pension Plan has a preliminary funded percentage of 83.2% (Note: The final funded percentage will end up being lower when all assets are eventually valued along with a decrease in the interest rate assumption.)

### No Zone Status Notice This Year

In previous years, you may remember receiving an additional notice—the **Zone Status Notice**. The **Zone Status Notice** is also required by the PPA. Plans in the **Green Zone**, like ours, are not required to take any action or to provide a **Zone Status Notice**. That is why you are only receiving the **Annual Funding Notice** this year. As long as the Plan stays in the **Green Zone**, we will not be required to send you a **Zone Status Notice**.

## Next Steps

We made it to the **Green Zone**, so what happens now?

For the time being, the current plan of benefits will remain in place. We will notify you if we elect to make any changes. As we've seen over the last two years during the COVID-19 pandemic and its impacts on the global economy, it's very hard to predict the future. We want to do our best to be prepared for whatever comes next and to have our Pension Plan set up to be in the best position possible to withstand future challenges.

We do expect to make a change in the rules regarding working in disqualifying employment after you have retired. We want to make it easier for retirees who want to work to do so. This change will be put in place very soon.

By continuing to oversee the Plan to make sure that it is on solid ground, increase the number of contributing employers and participants, and carefully manage the Plan's investments, we hope to keep our Plan in the **Green Zone** for the foreseeable future.

We are working to develop sound funding options for the future and will explain our plans when we have determined the best course for our current and future participants, retirees and beneficiaries. Until then, we hope you are as excited as we are about this great news for our Pension Plan.

After reviewing this announcement, please share it with your family and keep it with your other important Plan documents for future reference. If you have any questions, please contact the Fund Office at (312) 738-2811.

Sincerely,

The Board of Trustees