OHIO LABORERS Benefits

800 Hillsdowne Road • Westerville, OH 43081-3302 • (614) 898-9006 • (800) 236-6437 • Fax: (614) 898-9169 • ohiolaborers.com
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LABORERS LOCAL NO. 265 PENSION PLAN
2022 ANNUAL FUNDING NOTICE
February 2024

This Notice includes important information about the funding status of the Laborers Local No. 265 Pension Plan ("the Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("the PBGC"), a federal insurance agency. This Notice is required by federal law, and all traditional pension plans, called defined benefit pension plans, must issue it every year regardless of their funding status. It does not mean that the Plan is terminating. It is provided for informational purposes only and you are not required to respond in any way. This Notice is for the 2022 Plan Year, which began on November 1, 2022 and ended on October 31, 2023.

How Well Funded Is Your Plan

The law requires the Plan Administrator to tell you how well the Plan is funded, using a measure called the "funded percentage". In order to get this percentage, the Plan divides its assets by its liabilities on the Valuation Date. In general, the higher the percentage, the better funded the Plan. The Plan's funded percentage for the 2022 Plan Year and the two preceding Plan Years is shown in the chart below. The chart also lists the value of the Plan's assets and liabilities for the same period.

	2022 Plan Year	2021 Plan Year	2020 Plan Year
Valuation Date	November 1, 2022	November 1, 2021	November 1, 2020
Funded Percentage	36.4%	39.5%	42.2%
Actuarial Value of Assets	$35,968,936	$39,796,540	$41,369,873
Value of Liabilities	$98,738,785	$100,679,721	$98,104,461

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Plan's Valuation Date. They are also "actuarial values". Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock market 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.

	October 31, 2023	October 31, 2022	October 31, 2021
Fair Market Value of Assets	$28,720,178*	$33,218,220	$46,436,356

*Unaudited.

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 run out of the money needed 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 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.

The Plan was certified as being in critical and declining status in the 2022 Plan Year because the Plan's actuary has determined that the Plan's funded percentage is less than 80% and the Plan is projected to be insolvent within the next 20 years. As of November 1, 2022, the Plan was projected to be insolvent in the 2027 Plan Year. Insolvent means that the Plan's available resources will not be sufficient to pay benefits under the Plan during the Plan Year for which they are due. Such insolvency may result in benefit reductions.

The Plan Sponsor has taken the following legally permitted actions to delay insolvency:

The Board of Trustees adopted a rehabilitation plan that includes changes to the Plan's Early Retirement, Disability Retirement, and Death Benefits, as well as scheduled increases in the hourly contribution rate. In addition, on and after February 26, 2010, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity).

If the Board of Trustees determines that further benefit reductions are necessary, you will receive a separate notice in the future explaining the effect of those reductions.

You can request a copy of the Plan's rehabilitation plan, any updates to such plan, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator. If the Plan is in endangered, critical, or critical and declining status for the 2023 Plan Year, separate notification of that status has or will be provided to you.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the November 1, 2022 valuation date was 1,460. Of this number, 216 were current employees, 714 were retired and receiving benefits from the Plan, and 530 were retired or no longer working for an employer and have the right to future benefits.

Funding & 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 has been developed over the past 30 years based on the requirements of ERISA and the standards set forth in the Trust Document. Employer contributions are paid in accordance with a collective bargaining agreement into a Trust Fund that has been established solely to provide retirement benefits for participants and former participants of the Plan. The Plan's funding policy also includes an assumption that the money contributed to the Plan by participating employers, once invested, will have an average annual investment return of 6.5%. Each year the Board of Trustees carefully reviews an audit report and actuarial valuation report to measure current investments against future liabilities. When necessary the Board makes changes to the Plan to preserve the assets of the Trust Fund. The goal is to ensure the Plan can meet its financial obligations to all active participants, retirees and beneficiaries over the next several decades.

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 is as follows:

- Assets of the Plan will be invested in a manner consistent with the fiduciary standards of ERISA; namely, (1) all transactions undertaken must be for the sole interest of Plan participants and their beneficiaries to provide maximum benefits and defray reasonable expenses in a prudent manner, and (2) assets must be diversified in order to minimize the impact of large losses in individual investments.

- To assist the Trustees in their responsibility of investing the Plan's assets, and whenever practical, the services of professional investment advisors/managers accepting full fiduciary responsibility who possess the necessary specialized research facilities and skills to manage a particular class(es) of assets will be used.

- Primary emphasis will be placed on the long-term preservation of the Plan's assets. Significant emphasis will also be given to the objective of preserving the purchasing power of the Plan. Commensurate with the risk level assumed in the Plan, the Trustees have established a long-term real rate of return objective of 4.0% per year, along with an absolute rate of return objective equal to the Plan's interest rate assumption.

- The Trustees, in consultation with the actuarial firm, will establish assumptions regarding investment returns and expenses. Currently, the annual assumption is 6.5% total annual return.

- Due to the long-term nature of the Plan's assets, the majority of assets will be invested in equity or equity-like securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and is used to meet short-term liquidity needs.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the 2022 Plan Year. These allocations are percentages of total assets:

Asset Allocations	
Stocks	59.9%
Investment Grade Debt Instruments	30.5%
High-Yield Debt Instruments	0.0%
Real Estate	4.6%
Other	5.0%

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 regarding the Plan. You can obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports are also 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. You can also obtain a copy of the Plan's annual report by making a written request to the Plan Administrator.

The Plan's annual reports do not contain personal information regarding Plan participants, such as the amount of your accrued benefit. You should contact the Plan Administrator if you want information about your accrued benefit.

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 this 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 the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including the 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. The Plan is covered by the PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11.00 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33.00 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee therefore is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600.00, 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 ($600.00 ÷ 10), which equals $60.00. The guaranteed amount for a $60.00 monthly accrual rate is equal to the sum of $11.00 plus $24.75 (.75 x $33.00), or $35.75. Thus, the participant's guaranteed monthly benefit would be $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued benefit of $200.00, the accrual rate for purposes of determining the guarantee would be $20.00 ($200.00 ÷10). The guaranteed amount for a $20.00 monthly accrual rate is equal to the sum of $11.00 plus $6.75 (.75 x $9.00), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified pre-retirement survivor benefits, which are pre-retirement 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 the PBGC's website at www.pbgc.gov/multiemployer. Please contact your Plan Administrator for specific information about your Plan or pension benefit. The PBGC does not have that information.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Laborers Local No. 265 Pension Plan, at 800 Hillsdowne Road, Westerville, OH 43081-3302, or by calling 800-236-6437. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127282.