

LABORERS LOCAL NO. 265 PENSION PLAN
2024 ANNUAL FUNDING NOTICE
February 2026

Introduction

This Notice provides key details about the Laborers Local No. 265 Pension Plan (the “Plan”) for the Plan Year beginning November 1, 2024 and ending October 31, 2025 (“Plan Year”).

This is an informational Notice. You do not need to respond or take any action.

This Notice includes:

- ▶ Information about your Plan’s funding status.
- ▶ Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this Notice, my Plan, or my benefits?

Contact your Plan Administrator at:

<i>Plan Administrator:</i>	Board of Trustees of the Laborers Local No. 265 Pension Plan
<i>Phone:</i>	800-236-6437
<i>Address:</i>	800 Hillside Road Westerville, OH 43081-3302

To better assist you, provide your Plan Administrator with the following information when you contact them:

<i>Plan Number:</i>	001
<i>Plan Sponsor Name:</i>	Board of Trustees of the Laborers Local No. 265 Pension Plan
<i>Employer Identification Number:</i>	31-6127282

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your Pension Plan or pension benefits, you should contact your employer or Plan Administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this Notice every year regardless of funding status. This Notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan’s administrator to explain how well the Plan is funded, using a measure called the “funded percentage.” The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the Plan. The chart below shows the Plan’s funded percentage for the 2024 Plan Year and the two preceding Plan Years. It also lists the value of the Plan’s assets and liabilities for those years.

	2024 Plan Year	2023 Plan Year	2022 Plan Year
Valuation Date	November 1, 2024	November 1, 2023	November 1, 2022
Funded Percentage	27.7%	32.1%	36.4%
Value of Assets	\$26,414,977	\$31,406,650	\$35,968,936
Value of Liabilities	\$95,404,368	\$97,841,659	\$98,738,785

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the \$59,432,166 Special Financial Assistance that was paid to the Plan on February 12, 2025.

Year-End Fair Market Value of Assets

To provide further insight into the Plan’s financial position, the chart below shows the fair market value of the Plan’s assets on the last day of the 2024 Plan Year and each of the two preceding Plan Years as compared to the actuarial value of the Plan’s assets on November 1.

Actuarial values (shown in the chart above) account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.

Market values (shown in the chart below) fluctuate based on investment performance, providing a more immediate snapshot of the Plan’s funding status.

The fair market asset values in the chart below include the Special Financial Assistance received by the Plan. As of October 31, 2025, there is \$58,249,217 in Special Financial Assistance remaining.

	October 31, 2025	October 31, 2024	October 31, 2023
Fair Market Value of Assets	\$89,330,221*	\$28,413,049	\$28,644,501

*Unaudited.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

Endangered: The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.

Critical: The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.

Critical and Declining: A plan in critical status is also designated as critical and declining if projected to become insolvent – meaning it will no longer have enough assets to pay out benefits – within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor also may seek approval to amend the plan, including reducing current and future benefits.

The Plan was in critical status in the Plan Year because the Plan received Special Financial Assistance in accordance with the American Rescue Plan Act of 2021.

The Plan was first certified as being in critical status in the Plan Year ending October 31, 2010. To improve the Plan's funding situation, the Trustees adopted a rehabilitation plan that includes changes in 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).

Then, on January 10, 2025, the Pension Benefit Guaranty Corporation approved the Plan's application for Special Financial Assistance under the American Rescue Plan Act of 2021, and on February 12, 2025 the Plan received \$59,432,166 in assistance. With the receipt of this Special Financial Assistance, the Plan no longer projects to become insolvent, but instead is projected to be funded into the future.

Because the Plan received Special Financial Assistance, the Plan will not be permitted to submit an application to the Secretary of Treasury to suspend benefits in the future under Multiemployer Pension Reform Act of 2014, and the Plan will need to be administered in accordance with special regulations outlined by the PBGC. These regulations impact the Plan's ability to increase benefits, reduce employer contribution rates, assess withdrawal liability, transfer assets or liabilities to another plan, or merge with another benefit plan. The PBGC has also issued regulations that affect the allocation and investment of Plan assets. Under certain situations the Plan could request approval from the PBGC for an exception to the rules outlined above.

You can request a copy of the Plan's rehabilitation plan by contacting the Plan Administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan's finances.

The Plan will be certified as being in critical status for the plan year ending October 31, 2026. A separate notification of that status has or will be provided.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding Plan Years. The numbers as of October 31, 2025 reflect the plan administrator’s reasonable, good faith estimate.

	October 31, 2025	October 31, 2024	October 31, 2023
Participants Currently Employed	181	177	218
Participants and Beneficiaries Receiving Benefits	799	773	771
Participants and Beneficiaries Entitled to Future Benefits (but not Receiving Benefits)	456	473	480
Total Number of Covered Participants and Beneficiaries	1,436	1,423	1,469

Funding & Investment Policies

Funding Policy: Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan’s funding policy 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 and makes changes to the Plan’s investments to preserve the assets of the Plan. The goal is to ensure the Plan can meet its financial obligations to all active participants, retirees and beneficiaries over the next several decades.

Investment Policy: Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan’s investment policy is summarized below:

- 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.

However, it should be noted that, in accordance with PBGC regulations, the Plan’s Special Financial Assistance and the earnings thereon have been segregated into an account that is separate from the Plan’s other assts. No more than 33% of the amounts in the Special Financial Assistance account can be invested in return-seeking assets. The remainder must be invested in investment grade fixed income securities and cash.

As of the end of the Plan Year, the Plan’s assets were allocated among the following investment categories. These allocations are percentages of total assets, and include the Special Financial Assistance paid to the Plan and earnings thereon:

Asset Allocations	
Public Equity	48%
Investment-Grade Debt Instruments	43%
Real Estate	4%
Other	5%
TOTAL	100.0%

The average return on assets for the Plan Year was 11.4%.

Events Having a Material Effect on Assets or Liabilities

By law, this Notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's financial health or its ability to meet its obligations.

As of the date of this Notice, no Plan amendments, scheduled benefit increases or reductions, or other events are expected to have a material impact on assets or liabilities for the Plan Year beginning on November 1, 2025 and ending on October 31, 2026.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the Form 5500, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

Online: Visit www.efast.dol.gov to search for your Plan's Form 5500.

By Mail: Submit a written request to your Plan Administrator.

By Phone: Call 202-693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your Plan Administrator.

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 PBGC, below), the plan must apply to PBGC for financial assistance. 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 PBGC

Only vested benefits – those that you’ve earned and cannot forfeit – are guaranteed.

What PBGC Guarantees

PBGC guarantees “basic benefits” including:

- ▶ Pension benefits at normal retirement age.
- ▶ Most early retirement benefits.
- ▶ Annuity benefits for survivors of plan participants.
- ▶ Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor’s bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- ▶ A participant’s pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- ▶ Any benefits above the normal retirement benefit.
- ▶ Disability benefits in non-pay status.
- ▶ Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your Plan is covered by PBGC’s multiemployer program. The maximum PBGC guarantee is \$35.75 per month, multiplied by a participant’s years of credited service.

PBGC guarantees a monthly benefit based on the plan’s monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

- ▶ Take 100 percent of the first \$11 of the plan’s monthly benefit accrual rate.
- ▶ Take 75 percent of the next \$33 of the accrual rate.
- ▶ Add both amounts together.
- ▶ Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly \$600 Benefit and 10 Years of Service.

- ▶ Find the accrual rate: $\$600/10 = \60 accrual rate.
- ▶ Apply PBGC formula:
 - ▶ Take 100 percent of the first \$11= \$11

- ▶ Take 75 percent of the next \$33 = \$24.75
 - ▶ Add the two amounts together: $\$11 + \$24.75 = \$35.75$
 - ▶ Multiply by years of credited service: $\$35.75 \times 10 \text{ years} = \357.50
- In this example, the participant's guaranteed monthly benefit is \$357.50.

Example 2: Participant with a \$200 Monthly Benefit and 10 Years of Service.

- ▶ Find the accrual rate: $\$200/10 = \20 accrual rate.
- ▶ Apply PBGC formula:
 - ▶ Take 100 percent of the first \$11= \$11
 - ▶ Take 75 percent of the next \$9 = \$6.75
 - ▶ Add the two amounts together: $\$11 + \$6.75 = \$17.75$
- ▶ Multiply by years of credited service: $\$17.75 \times 10 \text{ years} = \177.50

In this example, the participant's guaranteed monthly benefit is \$177.50