Western Metal Industry Pension Fund

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Administered by
Welfare & Pension Administration Service, Inc.

April 30, 2025

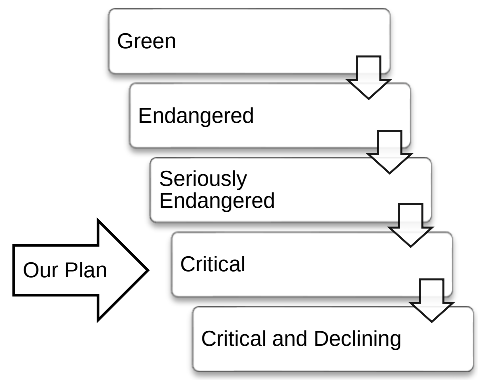
Re: Western Metal Industry Pension Plan – Important Required Plan Notices Attached

Attached are two required notices – the *2025 Notice of Critical Status* and the *2024 Annual Funding Notice* for the Western Metal Industry Pension Plan. **No action is required** – the purpose of the notices is to explain the funded status of the Plan.

Heading in the Right Direction

Every year, federal law requires qualified pension plans to look at the value of benefits that have been earned to date by plan participants and the value of the plan's assets held in trust to fund the benefits and compare the two. That ratio of assets to liabilities is the percentage the plan is funded.

The *Notice of Critical Status* states that the Plan remains in critical status (as it has been for the last several years). However, the rehabilitation plan continues to have a positive impact. As of January 1, 2025, the Plan is expected to eventually reach 100% funded.



What Does This Mean for the Future?

This is good news, but the Plan remains sensitive to future investment returns, which can change the projected funded status quickly. The Plan's website at www.wmipension.org has informational videos that describe the Plan's current situation, possible futures, governance, funding, and investments.

The Trustees will continue to monitor the rehabilitation plan for effectiveness while continuing to do the following:

- Invest Plan assets prudently in order to meet long term benefit commitments
- Act prudently with professional advice
- Do their best to anticipate and mitigate future problems.

Understanding a Few Key Terms

As you read the Attached *Annual Funding Notice*, you may encounter some unfamiliar terms and concepts. The following explanations will help guide you through.

To figure out how much a plan is funded, it is necessary to determine the value of the pension plan assets. There are two basic ways to do this: using **actuarial values** (shown in table, bottom of page 1) or **fair market values** (shown in the table near the top of page 2). The fair market value is a snapshot of the value of plan assets at one point in time. An actuarial value can incorporate asset performance over multiple time periods, similar to an average. Pension benefits are paid out over a very long time, so an actuarial value is often used to smooth year-to-year fluctuations in a plan's funded percentage.

Lastly, the section beginning on page 4 *Summary of Rules Governing Insolvent Plans,* describes the rules for plans that are insolvent. This is required to be in the notice but does not apply to you – your plan is not insolvent.

More About the PBGC

Your pension benefit is insured by the Pension Benefit Guaranty Corporation (PBGC). This is a federal insurance agency (similar to the FDIC, which insures bank deposits). Like all pension plans, we pay premiums to the PBGC for insurance. The PBGC ensures pension benefits up to certain limits. The *Annual Funding Notice* includes information on the rules governing termination of plans and benefit payments guaranteed by the PBGC – the law requires that pension plans include this information in the notice, regardless of the plan's funded status.

If You Have Questions

Contact the Administration Office at (206) 441-7574 or (800) 732-1121. Also, please visit the Plan's website at www.wmipension.org. The website has Frequently Asked Questions, informational videos about the current state of the Plan, plan paperwork for download, and other important information about the Plan.

**** Please keep these notices with your other important retirement plan information. ****

April 30, 2025

TO: ALL PARTICIPANTS, BENEFICIARIES, LOCAL UNIONS, CONTRIBUTING EMPLOYERS, PENSION BENEFIT GUARANTY CORPORATION AND SECRETARY OF LABOR

Notice of Critical Status
for
Western Metal Industry Pension Fund

The purpose of this notice is to inform you that on March 31, 2025, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Western Metal Industry Pension Fund (the "Plan") is in critical status for the Plan Year beginning January 1, 2025. Federal law requires that you receive this notice.

A similar notice was provided at this time last year, with notification of the Plan's critical status in 2024. The Plan was amended with a Rehabilitation Plan in 2010. The Rehabilitation Plan was further updated in 2012, 2016, 2021, and 2022.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity issues, or both. More specifically, the Plan was in critical status last year and is projected to have an accumulated funding deficiency in one or more of the next nine plan years. This means that contributions coming into the Plan are not expected to be sufficient to meet minimum contribution requirements as provided by the federal government. It does not mean that the Plan does not have sufficient assets to pay current retirees.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the Plan. This is the 16th year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. In February 2010 you were notified that the Plan was in critical status and reductions in adjustable benefits were possible. In May 2010 you were notified that the Plan reduced or eliminated adjustable benefits for participants whose collective bargaining parties adopted the Preferred Schedule of the Rehabilitation Plan. The reduction of adjustable benefits does not reduce the level of a participant's basic benefit payable at normal retirement.

The Rehabilitation Plan does not affect the following participants:

- Any participant or beneficiary whose benefit commencement date was on or before February 1, 2010.
- Any participant who submitted a retirement application that was received by the Trust Office on or before February 24, 2010, and who subsequently retired on or before the benefit commencement date specified in that application (no later than September 1, 2010).
- Any active participant, defined as a participant with at least 360 Credited Hours in 2009, who submitted a retirement application on or before March 31, 2010, and retired with a benefit commencement date on or before June 1, 2010.

Adjustable Benefits

The Retirement Plan still offers the following adjustable benefits which may be reduced or eliminated as part of any revised Rehabilitation Plan. Although these benefits were not eliminated, much of the additional value of these benefits was reduced under the Rehabilitation Plan adopted in 2010:

- Disability benefits (if not yet in pay status)
- Early retirement benefits
- Benefit payment options other than qualified joint and survivor annuity (QJSA)
- Other similar benefits, rights, or features under the Plan including pre-retirement death benefits.

You will receive a separate notice if the Trustees decide to adjust benefits again, as part of a revised Rehabilitation Plan.

Employer Surcharge and Additional Contributions

Prior to the adoption of the Rehabilitation Plan by the employer and union, the law requires that all contributing employers pay to the Retirement Plan a surcharge to help correct the Retirement Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year in which the Retirement Plan is in critical status.

The surcharge contribution ends for an employer once the collective bargaining parties adopt the Rehabilitation Plan, or when the Rehabilitation Plan is automatically adopted as provided under the Pension Protection Act. At that time, the employer's contribution increases are defined by the applicable Rehabilitation Plan schedule, as updated in 2012 and 2016. At this point all employers have adopted the rehabilitation plan and nearly all have reached the maximum contribution increase laid out in the rehabilitation plan.

Where to Get More Information

For more information about this Notice, contact the Plan's Administrative Office.

Mailing address:	P.O. Box 34203 Seattle, WA 98124
Location:	7525 SE 24th Street, Suite 200 Mercer Island, WA 98040
Telephone:	(206) 441-7574 or toll free 1 (800) 732-1121

You have a right to receive a copy of the Rehabilitation Plan from the Plan.

ANNUAL FUNDING NOTICE
For
Western Metal Industry Pension Fund

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning January 1, 2024 and ending December 31, 2024 ("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:

- Welfare & Pension Administrative Service, Inc.
- **Phone:** (206) 441-7574 or 1 (800) 732-1121
- **Address:** P.O. Box 34203, Seattle, WA 98124

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Name:** Western Metal Industry Pension Fund
- **Employer Identification Number:** 91-6033499
- **Plan Number:** 001

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 Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage			
	2024 Plan Year	**2023 Plan Year**	**2022 Plan Year**
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	89%	90%	89%
Value of Assets	$1,075,230,317	$1,104,095,630	$1,117,879,219
Value of Liabilities	$1,207,096,340	$1,227,626,094	$1,251,660,548

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 Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on December 31st.

- **Actuarial values (shown in the chart on the previous page)** 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.

	December 31, 2024	December 31, 2023	December 31, 2022
Fair Market Value of Assets	$1,046,000,000*	$1,020,440,723	$962,416,525

** Estimate based on December 31, 2024 unaudited financial statements.*

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 may seek approval to amend the plan, including reducing current and future benefits.

The Plan was in "critical" status in the Plan Year because there was a projected funding deficiency within 10 years and it was certified as "critical" in the prior Plan Year.

To improve the Plan's funding situation, the trustees adopted a Rehabilitation Plan on May 28, 2010. It was most recently updated December 6, 2022. The Rehabilitation Plan consists of reductions in adjustable benefits including early retirement benefits and retirement payment options and contribution increases of 16% per year for 11 years over the contribution level in effect in 2010. These contribution increases do not translate into additional benefit accruals but instead are directed solely toward improving the Plan's funded status.

You may 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 is also in "critical" status for the Plan Year ending December 31, 2025. A separate notification of that status is included with this mailing.

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 for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	**2024 Plan Year**	**2023 Plan Year**	**2022 Plan Year**
1. Last day of plan year	12/31/2024	12/31/2023	12/31/2022
2. Participants currently employed	1,659	1,716	1,619
3. Participants and beneficiaries receiving benefits	7,456	7,513	7,554
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	4,608	4,724	4,904
5. Total number of covered participants and beneficiaries (*Lines 2 + 3 + 4 = 5*)	13,723	13,953	14,077

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 is to maintain a balance such that plan resources will fund plan obligations. Plan resources include accumulated plan assets plus expected future contributions and investment income. Plan obligations are benefit payments to current and future retirees and beneficiaries, including benefits earned to date as well as benefits expected to be earned in the future. Plan obligations also include expected expenses paid from plan assets. In implementing this funding policy, the Plan Trustees will work with professional advisors to adopt a prudent investment policy and to determine the actuarial value of plan obligations. Over time, the Trustees may adjust plan benefits in response to investment returns and other plan experience.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to direct the investment of Plan assets for the exclusive purpose of providing benefits to participants and beneficiaries and defraying the reasonable expenses of administering the Plan. In carrying out this policy, the Plan will engage investment managers who will have discretion to invest assets in various asset classes. The Plan will communicate to the investment managers the general investment objective of the Plan, which is to achieve an overall return sufficient to support the benefits provided under the Plan while minimizing volatility of market prices and returns.

Specific objectives in order of priority are:

a. Preservation of Capital
b. Capital Appreciation
c. Current Income
d. Consistency of Investment Returns, and
e. Liquidity.

Investment managers will provide a written report to the Plan at least quarterly. Each investment manager shall be assigned a benchmark based on the investment strategy for which they are utilized. The performance of investment managers is reviewed frequently, and they are expected to meet performance standards over the course of a market cycle.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

Asset Allocation	Percentage
Public equity	48%
Private equity	5%
Investment grade debt and interest rate hedging assets	39%
High-yield debt	1%
Real assets	5%
Cash or cash equivalents	2%
Other	0%

The estimated average return on assets for the Plan Year was 9.9%.

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:

1. Take 100 percent of the first $11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next $33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

<u>*Example 1*</u>*:* Participant with a Monthly $600 Benefit and 10 Years of Service.

1. Find the accrual rate: $600/10 = $60 accrual rate.
2. Apply PBGC formula:
    a. Take 100 percent of the first $11= $11
    b. Take 75 percent of the next $33 = $24.75
3. Add the two amounts together: $11 + $24.75 = $35.75
4. Multiply by years of credited service: $35.75 x 10 years = $357.50

In this example, the participant's guaranteed monthly benefit is $357.50.

<u>*Example 2*</u>*:* Participant with a $200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $200/10 = $20 accrual rate.
2. Apply PBGC formula:
    a. Take 100 percent of the first $11= $11
    b. Take 75 percent of the next $9 = $6.75
3. Add the two amounts together: $11 + $6.75 = $17.75
4. Multiply by years of credited service: $17.75 x 10 years = $177.50

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

Where to Get More Information

For more information about this notice, you may contact the Plan’s administrative office at P.O. Box 34203, Seattle, WA 98124, (206) 441-7574 or 1 (800) 732-1121. For identification purposes, the official plan number is 001 and the Plan Sponsor’s employer identification number or “EIN” is 91-6033499.