

DEFINED BENEFIT PENSION PLAN ADVANTAGES

TAX FREE UNTIL YOU START YOUR
RETIREMENT BENEFIT

THE PENSION PLAN IS RESPONSIBLE FOR
INVESTMENTS WHICH INSULATES YOU
FROM HAVING TO MAKE INVESTMENT
DECISIONS AND TAKE ON INVESTMENT RISK
AND EXPENSES.

GUARANTEES A SPECIFIED MONTHLY
RETIREMENT BENEFIT FOR YOUR LIFETIME –
YOU CANNOT “OUTLIVE” YOUR
RETIREMENT ASSETS.

ALLOWS YOU TO PROTECT YOUR SPOUSE
WITH A CONTINUING RETIREMENT BENEFIT
AFTER YOUR DEATH AT A VERY LOW COST.

PROVIDES A PRE-RETIREMENT
DEATH BENEFIT.

PROVIDES DISABILITY RETIREMENT AT AGE
50 OR OLDER WITH 9 YEARS OF SERVICE.

THE PENSION BENEFIT GUARANTEE
CORPORATION GUARANTEES BASIC
RETIREMENT BENEFITS IN CASE OF
FINANCIAL DIFFICULTIES OF THE PLAN.

Tuscaloosa Plumbers and Steamfitters Local 372 Pension Plan A Defined Benefit Pension Plan

The Local 372 Pension Plan was started in 1969 and is designed to provide a monthly benefit for life starting at retirement based on the number of years of employment and the number of hours worked. The Plan was restated July 1, 2020 to incorporate recent changes designed to provide a better benefit to the participants.

Pension Plan Facts:

- The Plan is governed by the Board of Trustees which is made up of 3 Union Trustees and 3 Employer Trustees. The Trustees are responsible for developing the Pension Plan, investing assets, legal compliance with federal regulations and participant communication.
- The Trustees hire an attorney to help with legal issues and compliance with federal regulations. The attorney supervises all aspects of the Pension Plan.
- There is an Actuary who provides an annual Valuation report on the financial condition of the Pension Plan and assists with filing government forms. The Actuary also calculates your retirement benefit amount and the annuity options available to you at retirement.
- The Trustees have an investment consultant to assist with investment of assets. Assets are invested in stocks, bonds and real estate. The Pension Plan assumes an investment return of 6.25% over the long-term.
- The Trustees engage the firm of Alabama Administrators to manage the day-to-day operations of the Plan. The Plan Manager will assist you with retirement.
- The Pension Plan assets total \$47,226,222 (as of 6/30/2022).
- The Pension Plan is 157% funded. That means the assets are more than required to provide the monthly benefits promised to the participants for life. The Pension Plan is in very good financial condition.
- The Pension Plan sends an individual pension record to all participants annually. The record shows your work history, current year hours worked by employer and your accrued monthly benefit. This is a valuable tool for your retirement planning.

If you need information about the Pension Plan or your retirement you can contact the Plan Manager –

**Alabama Administrators
1717 Old Shell Road
Mobile, AL 36604
(251) 478-5412 or 1-800-221-7025**

LOCAL 372 PENSION PLAN



EXAMPLE OF PENSION CALCULATION:

John enters the work force with Local 372 in July of 2020 and continues working until he reaches age 62 on June 30, 2052. On average John worked 2,000 hours per year for 32 years. He has a total of 64,000 hours worked to his early retirement date at age 62.

John vested or guaranteed his monthly retirement income when he completed 5 years of service. A year of service is a Plan Year from July 1st through June 30th of the following year in which you earn at least 1,000 hours. Once you are vested in the Pension Plan you cannot lose your accrued retirement benefit.

The Pension Plan calculates the monthly accrued benefit based on Benefit Units. A Benefit Unit is 100 hours.

$$64,000 \div 100 = 640 \text{ Benefit Units} \times \$8.00 = \$5,120.00$$

In this example John's 64,000 hours worked is equal to 640 Benefit Units. Each Unit is valued at \$8.00. The monthly benefit at age 62 is \$5,120.00 which is an annual benefit of \$61,440.00.

John is retiring at age 62 rather than his normal retirement date of age 65. His pension is not reduced for early retirement because he has over 25 years of service.

Next, John must decide how he would like for his pension paid. He has a spouse who is also age 62 and he wants to make sure she will have some continuing benefit should he die. He selects the Joint & 50% Survivor option. Under this option he will receive a reduced pension benefit for his lifetime and at his death his spouse will receive 50% of that benefit for life. Under this option the monthly benefit is reduced to \$4,608.00 and the spouse continuation benefit at his death is \$2,304.00 monthly for life. John could have selected any option and the Plan offers 50%, 66⅔%, 75% and 100% continuation options.

John also purchased the "Pop-Up" benefit at retirement. This benefit restores the original pension amount should the spouse pre-decease John. This benefit, should John's wife predecease him, will restore his monthly benefit amount to \$5,120.00 starting the first of the month following the spouse's death.

To understand the value let us assume that John lives to age 84 his life expectancy. On that basis he will receive a pension for 22 years with a pay-out value of over \$1 million.

In addition, John will retire with the National Pension Plan and Social Security at age 62.

THE PENSION PLAN ALSO OFFERS ADDITIONAL BENEFITS:

Early Retirement: A member who reaches age 62 with 10 years of service is eligible for an age reduced early retirement. A member at age 62 with 25 years of service is eligible for unreduced early retirement.

Disability Retirement: A member who becomes totally disabled after earning 9 years of service and reaching age 50 may retire on disability.

Pre-Retirement Death Benefit: Should you die before you retire the Plan offers a death benefit payable to your spouse if married or to your named beneficiary.



ANNUAL FUNDING NOTICE

Tuscaloosa Plumbers and Steamfitters Local 372 Pension Plan

(Plan Year Ended June 30, 2022)

Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”) and 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 July 1, 2021 and ending June 30, 2022 (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. Your Plan’s funded percentage for the Plan Year and two 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.

FUNDED PERCENTAGE			
<i>Plan Year -</i>	2021/2022	2020/2021	2019/2020
<i>Valuation Date</i>	7/1/2021	7/1/2020	7/1/2019
<i>Funded Percentage</i>	157.05%	132.50%	130.10%
<i>Value of Assets</i>	\$50,721,549	\$39,800,275	\$37,547,358
<i>Value of Liabilities</i>	\$32,297,106	\$30,035,628	\$28,860,679

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are “actuarial values.” Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock 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. The chart also includes the year-end market value of the Plan’s assets for each of the two preceding plan years. The 6/30/2022 asset value is preliminary, based upon unaudited information as of the date of this notice.

<i>Plan Year End</i>	6/30/2022	6/30/2021	6/30/2020
<i>Fair Market Value</i>	\$47,226,222	\$50,826,151	\$39,800,275

Funding Status - SAFE

The Tuscaloosa Plumbers and Steamfitters Local 372 Pension Plan is in the “safe” or “green” status with funding in excess of 100% and no funding deficiency projected in the near term. The Tuscaloosa Plumbers and Steamfitters Local 372 Pension Plan was **not** in endangered, critical or critical and declining status in the Plan Year as provided for in the Pension Protection Act.

Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 466. Of this number, 207 were active participants, 128 were retired and receiving benefits, and 131 were retired or separated from service and entitled to future benefits.

Funding and 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 is dictated by the collective bargaining agreement(s) or other written agreement(s) that require contributing employers to make contributions to the Plan at a specified rate for each hour of service that qualifies for pension credit. The Plan is anticipated to receive an average of \$5.40 for each hour of service that is credited under the Plan during the 2021/2022 plan year thereafter.

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 to invest 50% of the Plan’s assets in stocks, 40% in fixed income, and 10% in Real Estate.

In accordance with the Plan’s investment policy, assets were allocated among the following categories of investments, as of the end of the Plan year. These allocations are percentages of total assets:

Asset Allocations	Percentage
Interest-bearing cash	3.00%
Corporate stocks – Common	5.00%
Value of interest in mutual funds	14.00%
Common Collective Trust	58.00%
Real estate	16.00%
Corporate debt	4.00%
Total All (No Other Investments)	100.00%

For information about the Plan’s investments – contact the Board of Trustees of Tuscaloosa Plumbers and Steamfitters Local 372 Pension Plan, 1717 Old Shell Road, Mobile, AL 36604, (251) 478-5412.

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 called the Form 5500 that contains financial and other information about the plan. Copies of the annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, N.W., Room N-1513, Washington, DC 20210, or by calling 202.693.8673 or go to www.efast.dol.gov using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Individual information about the amount of your accrued benefit under the Plan can be obtained from the plan administrator as stated under "Where to Get More Information."

Summary of Rules Governing Insolvent Plans

The Tuscaloosa Plumbers and Steamfitters Local 372 Pension Plan is not an insolvent plan but is rather in the "safe" zone with funding in excess of 100%.

Federal law has 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. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The plan is required to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. 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, by law, 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 PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the 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 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, 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 is \$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. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement 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 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

Contact the Board of Trustees:

**Tuscaloosa Plumbers and Steamfitters
Local 372 Pension Fund
Alabama Administrators
1717 Old Shell Road
Mobile, AL 36604
(251) 478-5412**

For identification purposes, the official plan number is 002 and the plan sponsor's employer identification number or "EIN" is 63-0267566. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 800.400.7242 (TTY/TDD users may call the Federal relay service toll-free at 800.877.8339 and ask to be connected to 800.400.7242).

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cc: Multiemployerprogram@pbgc.gov