

## DEFINED BENEFIT PENSION PLAN ADVANTAGES

TAX FREE UNTIL YOU START YOUR  
RETIREMENT BENEFIT.

THE PENSION PLAN IS RESPONSIBLE FOR  
INVESTMENTS. THIS 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 A DISABILITY BENEFIT AT ANY  
AGE WITH 10 YEARS OF SERVICE.

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

# LOCAL UNION 903 IBEW PENSION PLAN

## A Defined Benefit Pension Plan

The Local 903 Pension Plan was started in 1967 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 later amended to provide a 414(k) component that allows excess reciprocal contributions to be credited to the member's individual retirement account.

### 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 **\$47,731,143** (as of 11/30/2022).
- The Pension Plan is **131.9%** 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 UNION 903 IBEW PENSION PLAN

## INDIVIDUAL RETIREMENT SAVINGS ACCOUNT – 414(k):

In addition to the monthly retirement benefit for life, the Pension Plan has a 414(k) benefit. When a participant is working outside the jurisdiction of Local 903 the employer pays into the pension plan in that jurisdiction. That pension plan called the reciprocating plan then sends the contribution back to the Local 903 Pension Plan. The 903 Pension Plan will credit hours to the Defined Benefit component of the Plan first and any excess contribution is applied to the individual member's 414(k) retirement savings account.

For example, John works in another jurisdiction where the pension contribution rate is \$9.00 per hour as compared to the Local 903 Pension Plan rate of \$2.37. The excess of \$6.63 (\$9.00 - \$2.37 = \$6.63) is credited to the 414(k) account. John works 2,000 hours in that jurisdiction and the 414(k) account is credited with \$13,260.00.

John can withdraw the 414(k) account balance at retirement or if disabled. This is done with a lump-sum payment or a transfer to another qualified retirement plan. John can also withdraw when there is a separation of service. The IRS defines a separation of service as a period when there is no work under the pension plan.

**The 903 Pension Plan, as of April 1, 2021, requires that a separation of service be evidenced by a period during which no work is performed for three Employer Payroll Reporting Periods (not less than 90-days).**

## DEFINED BENEFIT – LIFETIME MONTHLY PENSION BENEFIT

### EXAMPLE OF BENEFIT CALCULATION:

John enters the work force with Local 903 in 2020 and continues working until he reaches age 62. On average John worked 2,000 hours per year for 32 years. He is eligible for normal retirement at age 62 because he has over 20 years of vesting service. He has a total of 64,000 hours worked to his 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 October 1<sup>st</sup> through November 30<sup>th</sup> of the following year in which you earn at least 500 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.

$$64,000 \div 100 = 640 \text{ Benefit Units} \times \$3.00 = \$1,920.00$$

The monthly benefit amount is payable for John's lifetime. If he lives to age 84 the payout will total \$506,880. The Plan offers alternative payment arrangements that can allow John to protect a beneficiary or surviving spouse. In addition to the Life Annuity, the Plan offers a 5-year guarantee plus life option and Joint & Survivor options that can continue the monthly benefit after John's death to a beneficiary in an amount equal to 50%, 75% or 100% and the benefit percentage to be continued is chosen by John.

The Joint & Survivor options includes the "Pop-Up" benefit choice at a small cost. This benefit, should John's beneficiary predecease him, will restore his monthly benefit to the Life Annuity amount starting the first of the month following the beneficiary death.

### THE PENSION PLAN ALSO OFFERS ADDITIONAL BENEFITS:

**Early Retirement:** A member who reaches age 55 with 20 years of service is eligible for an age reduced early retirement. This is also true for a member at 62 with 10 years of service. Early retirement requires a separation of service to evidence a valid early retirement.

**Disability Benefit:** An Active Participant with 10 years of Vesting Service who becomes totally disabled may receive a disability benefit equal to the monthly normal retirement benefit.

**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 *FOR THE* **Local Union 903 I.B.E.W. Pension Plan** *Plan Year December 1, 2021 – November 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 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 **December 1, 2021** and ending **November 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.” The funded 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. The 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.

<i>Valuation Date</i>	<b>December 1, 2021</b>	<b>December 1, 2020</b>	<b>December 1, 2019</b>
<i>Funded Percentage</i>	<b>131.93%</b>	<b>118.31%</b>	<b>112.19%</b>
<i>Value of Assets</i>	<b>\$52,366,324</b>	<b>\$45,644,996</b>	<b>\$41,599,401</b>
<i>Value of Liabilities</i>	<b>\$39,692,362</b>	<b>\$38,580,075</b>	<b>\$37,078,422</b>

## Year-End Fair Market Value of Assets

Asset values in the chart above are measured as of the Valuation Date for the Plan year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the Plan year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a plan’s funded status as of the Valuation Date. The fair market value of the Plan’s assets as of the last day of the Plan year and each of the two preceding Plan years is shown in the following table:

<b>Fair Market Value of Assets at Year-End</b>		
<b>November 30, 2022</b>	<b>November 30, 2021</b>	<b>November 30, 2020</b>
<b>\$47,731,143</b>	<b>\$52,367,035</b>	<b>\$45,644,996</b>

## Funding Status - SAFE

**The Local Union 903 I.B.E.W. Pension Plan is in “safe” or “green” status with funding in excess of 80% and no funding deficiency projected in the near term.** The Local Union 903 I.B.E.W. Pension Plan was **not** in endangered or critical status in the Plan year.

## Participant Information

The total number of participants in the plan as of the Valuation Date was 897. Of this number, 366 were active participants, 253 were retired and receiving benefits, and 278 were retired or separated from service and entitled to future benefits.

## Funding and Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. 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 **\$2.37** for each hour of service that is credited under the Plan during 2022-2023 Plan year and thereafter.

Once money is contributed to the plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan’s investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries, who are responsible for plan investments, with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is to invest 60-70% of the Plan’s assets in stocks, 10-20% in real estate and to invest the rest of the Plan’s assets in fixed income instruments such as bonds and interest-bearing cash.

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

<b>Asset Allocations</b>	<b>Percentage</b>
Cash	<b>6%</b>
U.S. Government securities	<b>1%</b>
Corporate debt instruments ( <i>no employer</i> )	<b>1%</b>
Corporate stocks ( <i>common only - no employer</i> )	<b>43%</b>
Real estate ( <i>no employer real property</i> )	<b>17%</b>
Value of interest in collective trusts	<b>16%</b>
Value of interest in mutual funds	<b>5%</b>
Other investments	<b>11%</b>
No other investments of any type – TOTAL =	<b>100%</b>

**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 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. You may obtain a copy of the Plan's annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and 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 Manager or trustees. Individual information, such as the amount of your accrued benefit under the Plan is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the Plan Manager identified below under "Where to Get More Information."

**Summary of Rules Governing Plans in Reorganization and Insolvent Plans**

The Local Union 903 I.B.E.W. Pension Plan is in the "safe" or "green" status with funding in excess of 80% and no funding deficiency projected in the near term.

Federal law has a number of special rules that apply to financially troubled multiemployer plans. 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 law requires the plan 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 that you have earned a right to receive and that cannot be forfeited (called 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 ( $\$35.75 \times 10$ ).

*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 ( $\$17.75 \times 10$ ).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. 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 pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, 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 PBGC's website, [www.pbgc.gov/multiemployer](http://www.pbgc.gov/multiemployer). Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where To Get More Information About Your Plan" below.

**Where to Get More Information**

**Local Union 903 I.B.E.W. Pension Fund**  
**c/o Alabama Administrators**  
**1717 Old Shell Road**  
**Mobile, AL 36604**  
**(251) 478-5412**

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 64-6151461.