ANNUAL FUNDING NOTICE

For
Teamsters Industrial Employees
Pension Fund

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the “Plan”). It also includes 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 required by federal law. This notice is for the plan year beginning January 1, 2021 and ending December 31, 2021 (“Plan Year”).

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funded percentage.” The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

Funded Percentage			
	2021 Plan Year	2020 Plan Year	2019 Plan Year
Valuation Date	January 1, 2021	January 1, 2020	January 1, 2019
Funded Percentage	64.1%	75.2%	81.4%
Value of Assets	$72,337,686	$68,879,934	$68,414,094
Value of Liabilities	$112,911,177	$91,540,104	$84,060,826

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.

	December 31, 2021	December 31, 2020	December 31, 2019
Fair Market Value of Assets	$79,326,299*	$76,268,084	$71,651,642

* Based on preliminary asset values at the end of the Plan Year and is subject to change pending completion of the audit of the Plan's financial statements for the plan year.

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 become insolvent (run out of money 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 pension 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 in critical status in the Plan Year because it was in critical status in the prior year, and it had a projected funding deficiency within ten years.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2022, separate notification of that status has or will be provided.

Participant Information

The preliminary total number of participants and beneficiaries covered by the Plan on the valuation date was 1,906. Of this number, 492 were current employees, 693 were retired and receiving benefits, and 721 were retired or no longer working for the employer and have a 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 Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants. 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.

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 establishes the objectives and constraints governing the Pension Fund's investments. Also, the Policy establishes a long-term asset allocation with a high likelihood of meeting the Fund's objectives, given the Fund's constraints. Finally, the Policy seeks to protect the financial health of the Pension Fund through the implementation of a stable long-term strategy.

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:

	Asset Allocations	Percentage
1.	Cash (Interest bearing and non-interest bearing)	3.53
2.	U.S. Government securities	13.30
3.	Corporate debt instruments (other than employer securities):	
	Preferred	
	All other	21.05
4.	Corporate stocks (other than employer securities):	
	Preferred	
	Common	6.22
5.	Partnership/joint venture interests	32.28
6.	Real estate (other than employer real property)	
7.	Loans (other than to participants)	
8.	Participant loans	
9.	Value of interest in common/collective trusts	7.86
10.	Value of interest in pooled separate accounts	
11.	Value of interest in 103-12 investment entities	
12.	Value of interest in registered investment companies (e.g., mutual funds)	15.25
13.	Value of funds held in insurance co. general account (unallocated contracts)	
14.	Employer-related investments:	
	Employer Securities	
	Employer real property	
15.	Buildings and other property used in plan operation	0.01
16.	Other	0.50

For information about the Plan’s investment in any of the following types of investments- common/ collective trusts, pooled separate accounts, or 103-12 investment entities - contact the Plan Administrator at Teamsters Industrial Employees Pension Fund, 707 Summit Avenue, Union City, New Jersey 07087 or call (201) 867-3553.

Events Having a Material Effect on Assets or Liabilities

The U.S. Congress enacted the American Rescue Plan Act of 2021 (ARPA) on March 11, 2021. The Board of Trustees have reviewed ARPA rules and regulations. The Trustees believe that the Plan is eligible to receive Special Financial Assistance, which if received will provide significant funding to support the Plan. The Trustees are preparing an application for assistance and intend to file the application when permitted.

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. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are 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. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where to Get More Information."

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 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 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 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. Your Plan is covered by PBGC's multiemployer program. 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 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 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 x $9), 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 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 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 PBGC's website at 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

For more information about this notice, you may contact the Plan Administrator at Teamsters Industrial Employees Pension Fund, 707 Summit Avenue, Union City, New Jersey 07087 or call (201) 867-3553. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number of "EIN" is Board of Trustees, Teamsters Industrial Employees Pension Fund, 22-6099363.

TEAMSTERS INDUSTRIAL EMPLOYEES

TEAMSTERS BUILDING

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Notice of Critical Status
Teamsters Industrial Employees
Pension Plan

April 29, 2022

Participants, Beneficiaries, Contributing Employers and Teamsters Local 560:

This is to inform you that on March 31, 2022, the actuary for the Teamsters Industrial Employees Pension Plan (the "Fund") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Fund is in critical status for the Plan year beginning January 1, 2022. Federal law requires that you receive this notice.

Introduction

The Pension Protection Act ("PPA"), signed into law in 2006, is intended to improve the financial condition of pension funds. The Act introduced several formal safeguards and controls and added notification requirements for Trustees to share more information about a fund's financial circumstances with participants, contributing employers and others directly related to the pension plan.

Many of the Act's preservation provisions relate to funding, which, in simplest terms, is how much money a pension plan has coming in, going out, and what is in reserve (or "in the bank") for the future. The preservation provisions are intended to create more discipline and mandate certain procedures with the object of deterring future funding problems and directed to correct those that have already developed.

Starting with the 2008 plan year, the Act requires us to test the Fund annually to classify its funding status. Standardized measurements were established for classifying pension plans based on their funding issues. Funds that are in "seriously endangered" or "endangered" status (commonly known as yellow zone) or "critical" status (or, red zone) must notify all fund participants, beneficiaries, unions, and contributing employers of the fund's status, as well as take corrective action to restore the fund's financial health.

Fund's Status – Red Zone

The Fund is in critical status (red zone) as of January 1, 2022 based on the actuary's determination that the Fund is projected to have an accumulated funding deficiency within the next four plan years. This means that contributions will not be enough to meet government standards for funding promised benefits plus those that participants are currently earning.

Rehabilitation Plan and Possibility of Reduction in Benefits

The PPA requires the Board of Trustees to develop a Rehabilitation Plan aimed at restoring the Pension Fund's financial health. Because the Pension Fund entered critical status in 2019, the Trustees adopted a Rehabilitation Plan in October 2019.

Under the Rehabilitation Plan, parties to each collective bargaining agreement are required to make or negotiate changes in the employers' contribution obligations. The Rehabilitation Plan included a "default" schedule and an "alternative" schedule that the bargaining parties can adopt to implement the Plan. The bargaining parties can wait until negotiations on a new collective bargaining agreement to agree on the schedule, or they can re-open their current agreement to incorporate one of the schedules. The law provides for imposition of the default schedule after the current agreement expires if the parties are unable to agree.

The Board of Trustees will be required by law to annually assess whether the Pension Fund is on track to meet the goals of the Rehabilitation Plan. Adjustments to the Rehabilitation Plan may be necessary or appropriate over time depending on investment performance and other developments.

Benefit Restrictions

Effective April 30, 2019 and until the Pension Fund emerges from red zone status, the Fund is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity, such as the High/Low Option, while it is in critical status. This means that anyone with an annuity starting date of May 1, 2019 or later will not be able to elect the High/Low option.

Employer Surcharge

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund's financial situation, beginning 30 days after the employer is notified that the plan is in critical status. The surcharge is a percentage of the employer's negotiated contribution rate. A 5% surcharge is applicable the first year the Fund is in critical status and the employers are notified of the surcharge. The 5% surcharge was due with respect to any contribution required to be paid on or after May 30, 2019, or actually paid after that date even if the obligation to the Fund arose earlier, and continued until December 31, 2019. The surcharge goes up to 10% for each succeeding plan year in which the Fund is in critical status, i.e., beginning January 1, 2020, until the employer agrees to a collective bargaining agreement that implements one of the schedules in the Rehabilitation Plan. Upon an employer agreeing to adopt the Rehabilitation Plan, the employer is no longer subject to the surcharge but is required to conform contribution obligations as required by the Rehabilitation Plan.

American Rescue Plan Act of 2021

President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law on March 11, 2021. Among other things, ARPA provides financial assistance to multiemployer pension plans with solvency issues. Specifically, multiemployer plans that meet specific eligibility requirements may receive "Special Financial Assistance" from the Pension Benefit Guaranty Corporation (PBGC). The amount of the Special Financial Assistance is intended to enable plans to remain solvent and pay benefits without reduction through 2051. The Board of Trustees have analyzed the PBGC rules and regulations and have concluded that the Plan is eligible to receive assistance, and intends to apply for Special Financial Assistance when the application period commences, or to elect other forms of relief after the agencies issue guidance.

For more information about this notice or the Fund, or to receive a copy of the Rehabilitation Plan, contact the Fund Office at the address or phone number listed at the top of this letter.

Sincerely,

Board of Trustees