

October 28, 2023

NOTICE OF ENDANGERED STATUS

BUILDING SERVICE 32BJ PENSION FUND

To: All Participants, Beneficiaries, Contributing Employers and Participating Unions

As you may know, the Pension Protection Act of 2006 ("PPA") added new requirements for measuring the financial health of multiemployer plans such as ours.

Starting with the 2008 Plan Year, the PPA required that a pension plan's actuary determine the Plan's status under these new rules and annually certify that status to the IRS and the Trustees (who are the Plan Sponsor). If the actuary determines that the Plan is in "endangered" status (yellow zone) or "critical" status (red zone) for the year, the Trustees must notify all Plan Participants, Employers, and other stakeholders and take corrective action to restore the financial health of the Plan.

Yellow Zone Status for 2023

On September 28, 2023, the actuary certified that the Plan remains in "endangered" status for the Plan Year beginning July 1, 2023. This determination was made because, based on the PPA's funding measures, the Plan is currently greater than 65% funded, but less than 80% funded. However, the Plan is expected to meet its funding goals in the future.

Funding Improvement Plan for Yellow Zone Plans

The PPA requires every multiemployer plan in endangered status to adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase the Plan's funding percentage and to assure that contributions will be enough to meet the minimum required under the law.

The Plan adopted a FIP in December 2022, noting that based on anticipated experience and reasonable assumptions, future contribution levels, including those required in the participation agreements, will be sufficient to meet the requirements of a FIP and the Plan is expected to emerge from endangered status within the statutory timeframe.

What's Next

The PPA mandates that the Plan's funding status be reviewed and certified annually and notices like this will be sent to you each year the Plan is in endangered (or critical) status. In addition, the FIP will be reviewed and updated each year. Please note, however, since the Plan is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Plan's status and any future corrective actions needed.

We understand that legally required notices like this can create concern. Be assured that we take our obligation to preserve the financial viability of the Plan very seriously. The Trustees have developed a plan that addresses these issues to improve the Plan's financial condition and help to secure your pensions.

Where to Get More Information

For more information about this notice or the Plan, you may contact the Fund Office at 25 West 18th Street, New York, NY 10011-4676 or 212-388-3500. You have a right to receive a copy of the Fund Improvement Plan from the Fund.