

ANNUAL FUNDING NOTICE

FOR

BUILDING SERVICE 32BJ PENSION FUND

Introduction

This notice includes important information about the funding status of your multiemployer pension plan, the Building Service 32BJ Pension Fund (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 like the Plan (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 and it is not doing so. This notice is required by federal law and is provided for information purposes; you are not required to respond in any way. This notice is for the plan year beginning July 1, 2023 and ending June 30, 2024 (the “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 specified plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the 2023 Plan Year and each of the two preceding Plan years is shown in the chart below. The chart also shows the value of the Plan’s assets and liabilities for the same period.

Funded Percentage			
	2023 Plan Year	2022 Plan Year	2021 Plan Year
Valuation Date	July 1, 2023	July 1, 2022	July 1, 2021
Funded Percentage	78.2%	74.6%	71.6%
Value of Assets	\$3,618,805,599	\$3,409,762,692	\$3,199,581,724
Value of Liabilities	\$4,625,812,592	\$4,569,122,449	\$4,468,101,496

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They 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 2023 Plan Year. The chart also includes the year-end market value of the Plan’s assets for each of the two preceding Plan years.

	June 30, 2024	June 30, 2023	June 30, 2022
Fair Market Value of Assets	\$4,093,209,791*	\$3,510,643,696	\$3,222,470,168

*The fair market value of the Plan’s assets as of June 30, 2024 is preliminary and subject to change during the annual audit process.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan is in “endangered” status if its funded percentage is less than 80 percent. A plan is in “critical” status if the 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 plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a 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 “endangered” status in the Plan Year ending June 30, 2024 because the funded percentage was less than 80%, but greater than 65%. In an effort to improve the Plan’s funding situation, the trustees adopted a Funding Improvement Plan (FIP) on December 14, 2022, which is designed and intended to enable the Plan to improve the Plan’s funded percentage and avoid an accumulated funding deficiency in the Funding Standard Account by June 30, 2035, the end of the Fund Improvement Period. You may request a copy of the Plan’s FIP by contacting the plan administrator.

The Plan emerged from endangered status and is in neither critical or endangered status for the Plan Year ending June 30, 2025.

Participant Information

The total number of participants and beneficiaries in the Plan as of the Plan's 2023 valuation date was 111,089. Of this number, 49,999 were current employees, 41,573 retired and receiving benefits, and 19,517 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 for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the Plan currently and over the years. The funding policy of the Plan is as follows:

The Plan's funding policy is to fund the Plan through a combination of contributions received from employers required to be made pursuant to collective bargaining agreements with Service Employees International Union Local 32BJ, the Union that represents the Plan's participants, and investment income generated by the Plan's investments. The funding level is designed to comply with the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries. Specific investments are made 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 various types or categories of investment management decisions. The investment policy of the Plan is as follows:

The Investment Policy Statement ("IPS") of the Plan is a written document which the Board of Trustees has adopted to establish a framework for investing the assets in a manner consistent with the fiduciary standards of ERISA. The IPS provides that the Trustees have the responsibility to prudently guide the Plan's investment program, establishing its investment policies and a suitable asset allocation, and to invest the assets in a manner consistent with the Plan's investment objectives, asset allocation policy, tolerance for risk, appropriate portfolio diversification and liquidity needs. The IPS also provides that the Trustees will select appropriate professionals to invest assets, and to assist in prudently measuring and evaluating investment performance on a regular basis.

The long term investment objectives set forth in the IPS are several: to maintain sufficient income, liquidity, diversification and controlled volatility to facilitate the payment of benefits and expenses; to earn a long term, competitive rate of return; and to establish an asset allocation that is reasonably designed to maximize the rate of return.

Under the Plan's IPS, 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)	1%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities:)	
Preferred	1%
All other	2%
4. Corporate stocks (other than employer securities)	
Preferred	
Common	7%
5. Partnership/joint venture interests	22%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participants loans	
9. Value of interest in common/collective trusts	60%
10. Value of interest in pooled separate accounts	
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	7%
14. Value of funds held in insurance co. general account (unallocated contracts)	
15. Other	
16. Employer-related investments:	
Employer Securities	
Employer real property	
17. Buildings and other property used in plan operation	

For information about the Plan's investment in any of the following types of investments as described in the chart above - common/collective trusts, pooled separate accounts, or 103-12 investment entities - contact Member Services at (800) 551-3225.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports called the Form 5500 with the US Department of Labor. 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 are also 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 benefit. 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 the 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 \$500, 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 ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 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 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 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.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on the 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," below.

Where to Get More Information

For more information about this notice, you may contact:

Regine Breton
Director of Retirement Services
Building Service 32BJ Pension Fund
25 West 18th Street
New York, NY 10011
(800) 551-3225 or (212) 388-3500

For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" is Board of Trustees, Building Service 32BJ Pension Fund, EIN: 13-1879376.