

IBEW Local 332 Pension Plan – Part A

2025 Update from the Board of Trustees
(For Year-End 2023 and Projected Year-End 2024)

April 2025



2024 ended with mixed results but the plan remains in the green zone

The latest Annual Funding Notice is enclosed (as required by the Department of Labor). It shows that the Plan is 91% funded. However, that information is over a year old. This notice is required to show the funded percentage as of the beginning of the Plan year that just ended – in this case, January 1, 2024. The preliminary 2024 results show a lower than expected investment return of 5.6% but strong hours of about 3.5 million. The factors combined to slightly increase the Plan's funded percentage to **92%** as of January 1, 2025.

The funded percentage for the last five years is shown in the table below:

	2021	2022	2023	2024	2025 (estimated)
Funded Percentage	98%	109%	89%	91%	92%

The Plan remains in the green zone for 2025, which means the Plan is at least 80% funded and is anticipated to continue to meet minimum funding levels prescribed by law.

Maintaining our focus on a secure future

The investment returns over the past few years show how volatile pension funding can be because it is so dependent on the financial markets, and why it is important that we work to build a funding level higher than 100%. It was the cushion we had established going into 2022 that allowed us to absorb a historically bad year for both fixed income and equity markets and remain in a healthy position.

We know that markets will continue to fluctuate, and because the Plan's funding is directly tied to the markets, so will our funding level. However, the Plan remains on track to rebuild a cushion without needing to make changes to contributions or benefits.

What does the future hold?

While we're pleased with the Plan's current position, the last few weeks are a reminder of how much investments can fluctuate in a short period of time. Pension funding is highly dependent on investment returns and work levels, which are outside of our control, so the Plan's financial position can change quickly (for better or worse). We will continue to make decisions with a goal of providing meaningful benefits without taking undue risk, so that you can have a secure and dignified retirement. We will continue to keep you updated on the Plan's financial status along the way.

Questions

If you have questions about the enclosed notice or the information in this letter, please contact the Trust Office:

United Administrative Services
(408) 288-4559

I.B.E.W. Local Union No. 332 Pension Plan – Part A
ANNUAL FUNDING NOTICE
April 21, 2025

Introduction

This notice provides key details about your multiemployer pension plan (the “Plan”) for the plan year beginning *January 1, 2024*, and ending *December 31, 2024* (“Plan Year”).

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan’s funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:

- United Administrative Service
- **Phone:** (408) 288-4559
- **Address:** 6800 Santa Teresa Blvd, Ste 100, San Jose, CA 95119

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 004
- **Plan Sponsor Name:** Joint Board of Trustees IBEW 332 Pension Plan – Part A
- **Employer Identification Number:** 94-2688032

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan’s administrator to explain how well the Plan is funded, using a measure called the “funded percentage.” The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage			
Plan Year	2024	2023	2022
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	91%	89%	109%
Value of Assets	\$761,859,840	\$717,780,215	\$845,863,609
Value of Liabilities	\$834,501,607	\$805,430,925	\$779,527,308

Year-End Fair Market Value of Assets

To provide further insight into the Plan’s financial position, the chart below shows the fair market value of the Plan’s assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan’s assets on January 1.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan’s funding status.

	December 31, 2024	December 31, 2023	December 31, 2022
Fair Market Value of Assets	\$793,400,000	\$761,859,840	\$717,780,215

The December 31, 2024, fair market value of the Plan’s assets is an estimate based on unaudited financial information available at the time this notice was prepared. The final audited information on the Plan’s assets at December 31, 2024 will be reported on the Plan’s Form 5500 for 2024 filed with the U.S. Department of Labor later this year.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan’s funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan’s funded percentage drops below 80 percent. The plan’s trustees must adopt a funding improvement plan.
- **Critical:** The plan’s funded percentage falls below 65 percent or meets other financial distress criteria. The plan’s trustees must implement a rehabilitation plan.
- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan’s trustees must continue to implement the rehabilitation plan. The plan’s sponsor may seek approval to amend the plan, including reducing current and future benefits.

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2025, a separate notification of that status has or will be provided.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator’s reasonable, good faith estimate.

Plan Year Ending	December 31, 2024	December 31, 2023	December 31, 2022
Participants currently employed	2,097	2,115	2,179
Retired participants and beneficiaries receiving benefits	1,695	1,689	1,635
Retired or separated from service entitled to future benefits	657	398	350
Total number of covered participants and beneficiaries	4,449	4,202	4,164

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy is to receive the contributions made pursuant to collective bargaining agreements, invest those contributions in a diversified portfolio of investments and provide, based on the funding advice of an actuary, benefits that the Board of Trustees determines can be afforded based on the contribution rates and anticipated investment returns.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to diversify the investments by hiring qualified investment managers with the long term objective to provide a rate of return which meets or exceeds the assumed actuarial rate of return; maintain sufficient income and liquidity to pay Plan benefits and expenses when due; and reserve and increase the principal value of the Plan's assets.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

Asset Allocation	Percentage
Public equity	43.09%
Private equity	1.04%
Investment grade debt instruments and Interest Rate Hedging Assets	24.01%
High-yield debt instruments	17.28%
Cash and cash equivalents	12.74%
Real assets	1.84%
Other	0.00%

The estimated average return on assets for the Plan Year was 5.6%.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call [\(202\) 693-8673](tel:2026938673) to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

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 PBGC, below), the plan must apply to PBGC for financial assistance. 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 PBGC

Only vested benefits—those that you’ve earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees “basic benefits” including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor’s bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- A participant’s pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC’s multiemployer program. The maximum PBGC guarantee is \$35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan’s monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first \$11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next \$33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly \$600 Benefit and 10 Years of Service.

1. Find the accrual rate: $\$600/10 = \60 accrual rate.
2. Apply PBGC formula:
 - a. Take 100 percent of the first \$11 = \$11
 - b. Take 75 percent of the next \$33 = \$24.75
3. Add the two amounts together: $\$11 + \$24.75 = \$35.75$
4. Multiply by years of credited service: $\$35.75 \times 10 \text{ years} = \357.50

In this example, the participant's guaranteed monthly benefit is \$357.50.

Example 2: Participant with a \$200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $\$200/10 = \20 accrual rate.
2. Apply PBGC formula:
 - a. Take 100 percent of the first \$11 = \$11
 - b. Take 75 percent of the next \$9 = \$6.75
3. Add the two amounts together: $\$11 + \$6.75 = \$17.75$
4. Multiply by years of credited service: $\$17.75 \times 10 \text{ years} = \177.50

In this example, the participant's guaranteed monthly benefit is \$177.50