

ANNUAL FUNDING NOTICE
For
CWA/ITU Negotiated Pension Plan
April 2023

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, 2022 and ending December 31, 2022 (“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			
	2022 Plan Year	2021 Plan Year	2020 Plan Year
Valuation Date	January 1, 2022	January 1, 2021	January 1, 2020
Funded Percentage	60.3%	56.7%	55.3%
Value of Assets	\$594,883,254	\$574,855,319	\$576,220,426
Value of Liabilities	\$987,246,590	\$1,013,395,051	\$1,041,618,367

Year-End Fair Market Value of Assets

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, 2022 *	December 31, 2021	December 31, 2020
Fair Market Value of Assets**	\$445,492,124	\$594,883,254	\$574,855,319

* Based on the plan administrator’s unaudited financials and is subject to revision during the annual audit process.

** Withdrawal liability receivables are not reflected.

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 and declining status in the Plan Year ending December 31, 2022 because there is a deficiency in the funding standard account and there is a projected insolvency within 20 years.

In last year’s Annual Funding Notice, it was communicated that the Plan was projected to be insolvent in the 2032 Plan Year based on the assumptions and preliminary financial information as of January 1, 2022. Based on the preliminary financial information as of January 1, 2023, the Plan experienced unfavorable returns in 2022 which has accelerated the Plan’s projected insolvency year by three years to 2029.

In an effort to improve the Plan’s funding situation, the trustees adopted a rehabilitation plan on March 8, 2010. The rehabilitation plan eliminates the 60 month minimum guarantee in the Life/5 pension option; increases the minimum age for the Early Pension from 60 to 62 (with 20 years of service credit); removes the Early Pension subsidy by increasing the reduction factors; discontinues the offering of retroactive pension payments; and requires 5 years of service credit to vest for participants reaching normal retirement age before a break in service. You may get a copy of the Plan’s rehabilitation plan, any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the plan administrator.

The Plan was certified to be in critical and declining status for the plan year ending December 31, 2023. Notification of the 2023 critical and declining status is also provided.

In accordance with the requirements of the American Rescue Plan Act of 2021, the Plan will file an application with the PBGC for special financial assistance (“SFA”) in or about April or May 2023. If approved by the PBGC, the Plan should receive its SFA in 2023 and, upon receipt of that assistance, the Plan will likely be projected to be solvent on a long-term basis.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 24,420. Of this number, 1,779 were current employees, 15,256 were retired and receiving benefits, and 7,385 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's benefits are to be funded by employer contributions as negotiated in collective bargaining agreements and investment earnings.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The Plan uses professional investment management firms and index funds to invest its assets in accordance with the investment policy guidelines. The firms are selected and monitored by the Plan's Board of Trustees, in consultation with an independent investment consultant. No Plan investments are managed internally. The asset allocation guidelines specified in the investment policy are described in "Information about Plan Investments" located on the Plan's website at cwaitunpp.org.

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:

<u>Asset Allocations</u>	<u>Percentage:</u>
Cash (Interest and non-interest bearing)	0.38%
Corporate Common Stocks	14.66%
Partnership/Joint Venture Interests	12.25%
Value of interest in Common/Collective Trusts	72.71%
Value of interest in Mutual Funds	0.00%

For information about the Plan's investment in common/collective trusts, contact the Plan Office as indicated at the end of this notice.

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. Or you may see

the annual report on the Plan's web site at www.cwaitunpp.org. 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 ($.75 \times \$33$), 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 ($\17.75×10).

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.pbtc.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 visit the Plan's updated web site at cwaitunpp.org, or you may contact the Plan Office:

27 Roland Avenue, Ste. 200
Mount Laurel, New Jersey 08054
Phone: (833) 776-0731
Email: NPP@fmvaccaro.com

For identification purposes, the plan sponsor's name, employer identification number ("EIN"), and plan number is:

CWA/ITU Negotiated Pension Plan
EIN: 13-6212879
PN: 001

Notice to Pensioners about Tax Withholding

This is a reminder that you may choose whether or not to have taxes withheld. Benefits under the Plan are taxable income to the recipient. (The IRS may charge a penalty if your tax withholding or estimated tax payments are not sufficient to cover your tax liability.) If you desire withholding, please advise the Plan Office in writing of the **dollar amount to withhold monthly**. If you have made an election previously, it will remain in effect until changed or revoked, which you may do by notifying the Plan Office. If you have not made an election, we will NOT withhold federal tax from your pension. **If no change in withholding is desired, do not respond to this reminder.**

Please keep the Plan office informed of any address, phone number, Power of Attorney or marital status changes via our website or call 833.776-0731. Death of a benefit recipient must be reported immediately. The Plan office will be conducting Annual Audit Verifications for anyone receiving monthly benefits. These verifications may need to be notarized (when so noted) and returned to the Plan office to update your permanent file.

**Notice of Critical and Declining Status for
CWA/ITU Negotiated Pension Plan
April 2023**

This is to inform you that on March 31, 2023 the Plan's actuary for the CWA/ITU Negotiated Pension Plan ("Plan") certified to the U.S. Department of the Treasury and also to the Plan's Board of Trustees, that the Plan is in critical and declining status for the Plan Year beginning January 1, 2023. Federal Law requires that you receive this notice.

Critical and Declining Status

The Plan is considered to be in critical and declining status because it has funding and liquidity problems. More specifically, the Plan's actuary determined there is a funding deficiency in the current Plan Year and the Plan is projected to become insolvent during the Plan Year beginning January 1, 2029. The Plan's Board of Trustees is monitoring the Plan's funded status very closely and will take all steps that are reasonably necessary and prudent to improve the Plan's financial condition.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. Under the Rehabilitation Plan adopted by the Board of Trustees on March 8, 2010, changes were made to the Plan for pensions not yet in pay status. These included increasing the Early Pension age to 62, removing the Early Pension subsidy and eliminating the 60-month guarantee in the Life/5 form of pension. Notice of these adjustable benefit changes was mailed to participants on April 28, 2010. **There is no change to current pensions and the level of a participant's basic benefit payable at normal retirement has not been reduced.**

The adjustable benefits offered by the Plan have been eliminated as noted above except for the Early Pension, which is now only available at age 62 (with 20 years of service credit) for future pensioners. A mandatory increase in contributions is not included in the Rehabilitation Plan but decreases in contribution rates, the exclusion of covered employees, and the payment of lump-sum benefits greater than \$5,000 are not permitted. If the Board of Trustees determines that further benefit reductions are necessary, you will receive a separate notice explaining the reductions.

Where to Get More Information

For more information, you may visit the Plan's website at cwaitunpp.org or you may contact the Plan Office at (833) 776-0731, email NPP@fmvaccaro.com or fax (856) 793-3105. The Plan Office's mailing address is 27 Roland Ave., Ste. 200, Mount Laurel, NJ 08054. You have a right to receive a copy of the Rehabilitation Plan from the Plan Office.