

October 13, 2015

**ANNUAL FUNDING NOTICE FOR  
SHEET METAL WORKERS' LOCAL NO. 73 PENSION PLAN**

**Introduction**

This notice includes important funding information about your pension plan (“the Plan”). This notice also provides a summary of federal rules governing insolvent multiemployer plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal 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 for the plan year beginning July 1, 2014 and ending June 30, 2015 (referred to hereafter as “Plan Year”).

**Funded Percentage**

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the plan's assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and two preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	<i>2014 Plan Year</i>	<i>2013 Plan Year</i>	<i>2012 Plan Year</i>
Valuation Date	<i>July 1, 2014</i>	<i>July 1, 2013</i>	<i>July 1, 2012</i>
Funded Percentage	92.21%	81.39%	77.72%
Value of Assets	\$376,584,399	\$337,334,671	\$319,241,095
Value of Liabilities	\$408,415,545	\$414,478,809	\$410,749,466

**Fair Market Value of Assets**

Asset values in the chart above are actuarial values, not market values, and are measured as of the Valuation Date. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of June 30, 2015, the unaudited fair market value of the Plan's assets was approximately \$477,523,482. As of June 30, 2014, the fair market value of the Plan's assets was \$470,730,499. As of June 30, 2013, the fair market value of the Plan's assets was \$421,668,339.

## Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or 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 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. Rehabilitation and funding improvement 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 not in endangered, critical or critical and declining status in the Plan Year. This is also known as the "Green Zone."

## Participant Information

The total number of participants in the Plan as of the Plan's valuation date was 5,803. Of this number, 1,858 were active participants, 2,974 were retired or separated from service and receiving benefits, and 971 were retired or separated from service and entitled to future benefits.

## Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. 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. 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 Pension Fund invests its assets in a diversified mix of equities, fixed income and cash equivalents with approximately 60% in equities.

In accordance with 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:

	<b>Asset Allocations</b>	<b>Percentage</b>
1.	Interest-bearing cash	10.60%
2.	U.S. / Government securities	11.77%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	0.00%
	All other	4.36%

	<b>Asset Allocations</b>	<b>Percentage</b>
4.	Corporate stocks (other than employer securities): Preferred Common	0.00% 49.13%
5.	Partnership/joint venture interests	0.00%
6.	Real estate (other than employer real property)	0.00%
7.	Loans (other than to participants)	0.00%
8.	Participant loans	0.00%
9.	Value of interest in common/ collective trusts	4.95%
10.	Value of interest in pooled separate accounts	0.00%
11.	Value of interest in master trust investment accounts	0.00%
12.	Value of interest in 103-12 investment entities	0.00%
13.	Value of interest in registered investment companies (e.g., mutual funds)	18.92%
14.	Value of funds held in insurance co. general account (unallocated contracts)	0.00%
15.	Employer-related investments: Employer Securities Employer real property	0.00% 0.00%
16.	Buildings and other property used in plan operation	0.00%
17.	Other	0.27%

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, master trust investment accounts, or 103-12 investment entities – contact Mr. Joseph Ohm at (708) 449-7373.

### **Events with Material Effect on Assets or Liabilities**

Federal law requires trustees to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. An event is material if it, for example, is expected to increase or decrease Total Plan Assets or Plan Liabilities by five percent or more. For the Plan Year beginning on July 1, 2015 and ending on June 30, 2016, there is no plan amendment, scheduled benefit increase or reduction, or other known event taking effect in the current Plan Year that is having a material effect on plan liabilities or assets for the Plan Year.

### **Right to Request a Copy of the Annual Report**

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the annual report 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. You may obtain an electronic copy of the Plan's annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using

the Form 5500 search function. You may also obtain a copy of the Plan's annual report by making a written request to the plan administrator. Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the plan administrator 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 difference 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 ( $\$35.75 \times 10$ ).

***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 ( $\$17.75 \times 10$ ).

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 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](http://www.pbgc.gov/multiemployer). Please contact your plan administrator for specific information about your pension plan or pension benefit. The 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 individual below.

Mr. Joseph Ohm  
Fund Administrator  
Sheet Metal Workers' Local 73 Pension Fund  
4530 Roosevelt Road  
Hillside, Illinois 60162  
(708) 449-7373

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6126221. For more information about the PBGC and benefit guarantees, go to PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).