



# Buffalo Laborers' Benefit Funds

25 Tyrol Drive • Suite 200 • Cheektowaga, New York 14227  
 Phone (716) 894-8061 Fax (716) 668-8589

Administrator: Thomas L. Panek, CPA

October 12, 2023

**To: All Participants, Beneficiaries, Participating Unions, and Contributing Employers**  
**From: Board of Trustees of the Buffalo Laborers' Pension Fund**  
**Subject: Annual Funding Notice for the Fiscal Year ending June 30, 2023**

Attached to this letter is the “Annual Funding Notice” for the Buffalo Laborers’ Pension Fund (the “Plan”) for the prior fiscal year, which began July 1, 2022 and ended June 30, 2023. This notice provides basic information on the Plan’s funded status for the prior fiscal year. Federal law requires the Plan to send you this notice, which includes mostly historical information.

## Background

As you will recall, the Plan had been certified in Endangered Status for the five fiscal years from July 1, 2011 through June 30, 2016. Because the Plan was first certified in Endangered Status for the fiscal year beginning July 1, 2011, the Trustees were required to adopt a “Funding Improvement Plan” to enable the Plan to meet certain funding benchmarks over a ten-year period. The Funding Improvement Plan replaced the Rehabilitation Plan that the Trustees were required to adopt for the fiscal year beginning July 1, 2010 when the Plan was in “Critical Status” (the “Red Zone”). The Plan returned to the “Green Zone” as of July 1, 2016. Now that the Plan is in the “Green Zone,” the Funding Improvement Plan no longer applies under the law.

## Benefit Accrual Rates

The table below shows the benefit accrual rate in effect on July 1, 2021:

Rate of Future Benefit Accruals before January 1, 2017	Rate of Future Benefit Accruals Effective January 1, 2017
\$30.00 per year of Credited Service (for full or partial years)	\$75 x Hours / 2,000 for Hours >= 500

Effective January 1, 2022, the benefit formula for the Plan was updated retroactive to July 1, 2011:

Rate of Future Benefit Accruals July 1, 2011 – May 31, 2016	Rate of Future Benefit Accruals Effective June 1, 2016
\$40.00 per year of Credited Service (for full or partial years)	\$100 x Hours / 2,000 for Hours >= 500

## **Plan Funding**

The Plan returned to the “Green Zone” as of July 1, 2016 and remains in the “Green Zone” as of July 1, 2023. The primary reasons for the Plan emerging from Endangered Status have been that covered work levels have remained stable, and adherence to Funding Improvement Plan adopted by the Trustees. As a result, the Plan has been able to meet its funding benchmarks.

The Plan’s estimated funded percentage as of July 1, 2023 increased to 94% (from 93% as of July 1, 2022), on the basis of the actuarial value of assets. As described in the attached Annual Funding Notice, the “actuarial value” of assets smooths out fluctuations in market returns. The “market value” of assets, however, does not smooth out these fluctuations. While federal law requires use of the actuarial value of assets to determine whether or not the Plan is in Endangered Status or Critical Status, the market value of assets tends to show a clearer picture of the Plan’s funded status at a given point in time.

On the basis of the unaudited market value of assets (\$112.8 million), the Plan is about 90% funded as of July 1, 2023. The funded percentage is very sensitive to the current dynamic economic environment. Therefore, the Trustees review projections of the Plan’s funded status on a regular basis.

## **Where to Get More Information**

For more information you may contact the Board of the Trustees of the Buffalo Laborers Pension Fund at 25 Tyrol Drive, Suite 200, Cheektowaga, NY 14227, or at (716) 894-8061. For identification purposes, the official plan name is “Buffalo Laborers Pension Fund,” the official plan number (“PN”) is 002, and the plan sponsor’s employer identification number (“EIN”) is 16-0845094.

Sincerely,

Board of Trustees