



Buffalo Laborers' Benefit Funds

25 Tyrol Drive • Suite 200 • Cheektowaga, New York 14227

Phone (716) 894-8061

Fax (716) 668-8589

Administrator: Tracy L. Baugher

October 23, 2024

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, 2024

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, 2023 and ended June 30, 2024. 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

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, 2024. 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, 2024 increased to 96% (from 94% as of July 1, 2023), 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 (\$120.9 million), the Plan is about 95% funded as of July 1, 2024. 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

ANNUAL FUNDING NOTICE

for the

BUFFALO LABORERS' PENSION FUND

Introduction

This notice includes important information about the funding status of your multiemployer pension plan, the Buffalo Laborers' 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 (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 fiscal year beginning July 1, 2023 and ending June 30, 2024 (referred to hereafter as "Fiscal 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 fiscal year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Fiscal Year and each of the two preceding fiscal years is set forth in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2023	2022	2021
Valuation Date	July 1, 2023	July 1, 2022	July 1, 2021
Funded Percentage	94.0%	93.5%	90.7%
Value of Assets	\$119,075,416	\$117,651,954	\$115,289,875
Value of Liabilities	\$126,604,849	\$125,816,265	\$127,056,510

Year-End Fair Market Value of Assets

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

	June 30, 2024	June 30, 2023	June 30, 2022
Fair Market Value of Assets	\$120,887,415*	\$113,336,178	\$110,099,027

*Preliminary value

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

Participant Information

The total number of participants and beneficiaries covered by the Plan on July 1, 2023 was 1,704. Of this number, 554 were current employees, 940 were retired and receiving benefits, and 210 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 funding policy of the Plan is to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to invest in a diversified portfolio of assets that will maximize investment return over the long term while minimizing investment return volatility and maintaining sufficient liquidity to pay Plan benefits and administrative expenses.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Fiscal Year. These allocations are percentages of total assets:

<u>Asset Allocations</u>	<u>Percentage</u>
Stocks	51.2%
Investment grade debt instruments	14.7%
High-yield debt instruments	2.0%
Real estate	4.9%
Other	27.2%

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. For the fiscal year beginning on July 1, 2024 and ending June 30, 2025, the Plan does not expect any events to have a material effect on Plan assets or liabilities.

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 about the plan. 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. 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 if its available financial resources are not sufficient to pay benefits when due. 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 x \$33), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 (\$35.75 x 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 x \$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 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 PBGC's website at <https://www.pbgc.gov/about/factsheets/page/multi-facts>. 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 contact:

Trustees of the Buffalo Laborers' Pension Fund
25 Tyrol Drive, Suite 200
Cheektowaga, NY 14227
(716) 894-8061

For identification purposes, the official plan number is 002 and the plan sponsor's employer identification number or "EIN" is 16-0845094.

For more information about the PBGC and benefit guarantees, go to PBGC's website, 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).