

Alaska Plumbing and Pipefitting Industry Pension Fund

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Administered by
Welfare & Pension Administration Service, Inc.

April 21, 2022

NOTICE OF CRITICAL STATUS

FOR THE ALASKA PLUMBING AND PIPEFITTING INDUSTRY PENSION PLAN

This is to inform you that the Alaska Plumbing and Pipefitting Industry Pension Plan is in critical status for the plan year beginning January 1, 2022. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding problems or liquidity problems, or both. More specifically, the Plan was in critical status last year and over the next 9 years the plan is projected to have an accumulated funding deficiency beginning in 2025.

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. In April 2019, participants were notified that the plan reduced or eliminated adjustable benefits, and that the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after May 1, 2019. As required under the Pension Protection Act, the Trustees review the Rehabilitation Plan annually. As part of the 2021 review, the Trustees further modified the Plan’s contribution schedule. In December 2021, the Trustees elected to extend the Rehabilitation Plan by five years, as allowed under ARPA. This extends the Rehabilitation period to December 31, 2036.

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Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan update the pension plan may adopt:

- Early retirement benefits (if not yet in pay status);
- Disability benefits (if not yet in pay status);
- Benefit payment options other than a non-subsidized qualified joint-and-survivor annuity (QJSA).

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Where to Get More Information

You have a right to receive a copy of the rehabilitation plan adopted by the Board of Trustees free of charge. For more information about this Notice, you may contact Alaska Plumbing and Pipefitting Industry Pension Plan c/o Welfare & Pension Administration Service, Inc. at P.O. Box 34203, Seattle, WA 98124-1203 or at (206) 441-7574.

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