

SHEET METAL WORKERS' NATIONAL PENSION FUND



SUMMARY PLAN INFORMATION REPORT TO LOCAL UNIONS AND CONTRIBUTING EMPLOYERS

2023 PLAN YEAR

Federal law directs the Sheet Metal Workers' National Pension Fund ("NPF" or "Fund") to send a Summary Plan Information Report ("Report") to the Local Unions and Contributing Employers. This Report provides information for the 2023 Plan Year about, among other things, the NPF's funded status, benefit accrual formula, and contribution schedules, as well as other information that may be found in the NPF's 2023 Form 5500/Annual Report. Keep in mind that the information in this Report relates to the 2023 Plan Year, so some of the information will appear dated. The reason is that federal law requires that this Report provide information as of the 2023 Plan Year.

In the event of a discrepancy between a description in this Report and the terms of the document being summarized (e.g., the Plan Document), the document being summarized will control. This Report also contains information as to how you may obtain copies of such controlling documents.

BENEFIT FORMULA AND CONTRIBUTION SCHEDULES

A. Benefit Formula

1. Normal Retirement Pension

In general, the NPF's Normal Retirement Pension benefit accrual formula is as follows:¹

Contribution Hours x Benefit Rate x Applicable Percentage = Normal Retirement Benefit

- "Contribution Hours" are those hours for which the Participant's Employer is required to make contributions to the NPF on the Participant's behalf for the year.
- "Benefit Rate" is either:
 - the Contribution Rate the Employer is required to pay on the Participant's behalf, or
 - if a portion of the Contribution Rate includes a 55/30 Rate - 70% of the Contribution Rate is used in the calculation.

¹ This current accrual formula applies to Plan Years beginning after 2013. You can find the VBAR Normal Retirement Pension formula under Section 5.02(g) of the current Plan Document, which can be found on the NPF's website at <https://www.smnwpf.org/wp-content/uploads/2024/07/Plan-Restatement-April-2024.pdf>.

- “Applicable Percentage” for a Plan Year is determined by the average of the market value investment return percentages for the three (3) most recent years reported in the *preceding* year’s Actuarial Valuation Report. The table below shows what the Applicable Percentage will be for a Plan Year if the 3-year average market value investment return percentage falls within a specified range.

| Average Market Value Investment Return % | Applicable Percentage for Normal Retirement Pension Benefit |
|---|--|
| 9.5% or higher | 1.25% |
| 8.0% or higher but less than 9.5% | 1.00% |
| 6.0% or higher but less than 8.0% | 0.75% |
| Less than 6.0% | 0.50% |

Thus, for example, the average market value return for the years 2021, 2022, and 2023—the three most recent years shown in the January 1, 2024, Actuarial Valuation Report—was 5.51%. As shown in the table above, this means that the Applicable Percentage for 2025 is 0.50%. Therefore, for 2025, a Participant will earn a monthly Normal Retirement Pension benefit equal to 0.50% of the contributions required to be paid to the NPF (on 70% of the contributions required to be made if the Participant’s contribution rate is a 55/30 Rate) on the Participant’s behalf during 2025.

2. Early Retirement Pension

A Participant’s Early Retirement Pension is based on the amount of his or her Normal Retirement Pension. Under certain types of Early Retirement Pensions (e.g., the 55/30, 60/30 and Age 62 Pensions), the monthly pension benefit is equal to the Participant’s Normal Retirement Pension. This is called an unreduced Early Retirement Pension.

Under all other types of Early Retirement Pensions, the Participant’s Normal Retirement Pension is reduced to consider the fact that he or she is under the age of 65 and therefore will be receiving monthly pension payments over a longer period than someone who retired at age 65. The extent of that reduction depends on the type of Early Retirement Pension (i.e., the Unsubsidized Early Retirement Pension, Standard Early Retirement Pension, or Special Early Retirement Pension). The Unsubsidized Early Retirement Pension pays an amount that is the actuarial equivalent of the Participant’s Normal Retirement Pension. The other types of Early Retirement Pensions have lower reduction factors and therefore pay more than the actuarial equivalent of a Normal Retirement Pension. These are called subsidized Early Retirement Pensions. The type of Early Retirement Pension benefit that a Participant earns while working in Covered Employment depends on: (1) the type of Rehabilitation Plan Schedule that applied to the Participant’s CBA when the NPF was in Critical Status; and (2) whether the CBA the Participant worked under provided for any Contribution Rate increases required under the Plan Document and the applicable Option under the NPF’s Funding Improvement Plan (“FIP”) Schedule.² The

² The Plan Document also provides for a Full Disability Benefit, which is equal to the Early Retirement Pension benefit that the Participant would have qualified for if he or she had attained age 55.

rules for determining those types of Early Retirement Pension are described in Section 5.03 of the Plan Document and the FIP Schedule, and are summarized in the 2024 Summary Plan Description. These documents are available on the NPF's website at: <https://www.smwnpf.org/plan-documents/>.

B. Contribution Schedules

There were no scheduled contribution increases mandated by the Board of Trustees for Plan Years 2023 and 2024. Please refer to your collective bargaining agreement for any bargained contribution rate increases.

EMPLOYER INFORMATION

There were 3,814 Employers that were obligated to contribute to the NPF for the 2023 Plan Year. None of those Employers' contributions comprised more than 5% of the total contributions received by the Fund. During the preceding Plan Year (2022), 16 Employers triggering withdrawal liability assessments withdrew from the NPF. The aggregate amount of withdrawal liability assessed or estimated to be assessed against those withdrawn Employers was \$12,870,636.

PARTICIPANT INFORMATION

The number of Participants on whose behalf no contributions were made by an Employer (as an Employer of the Participant) for the 2023 Plan Year was 63. For the 2022 Plan Year, that number was 96, and for the 2021 Plan Year, that number was 217.³

THE NPF'S FUNDED STATUS

The NPF was not in critical status or endangered status for the 2023 Plan Year.

AMORTIZATION EXTENSION

The Fund neither sought nor received an amortization extension for the 2023 Plan year, nor did it use the shortfall funding method.

YOUR RIGHTS TO OBTAIN A COPY OF THE NPF'S ANNUAL REPORT AND OTHER DOCUMENTS

You have the right to receive a copy of the NPF's 2023 Form 5500 (annual report), the NPF's Summary Plan Description, and any Summary of Material Modifications, upon making a written request to the NPF's Executive Director at the email or street address listed above. You are entitled to receive no more than one copy of any such document during any one 12-month period, and a reasonable charge may

³ These numbers consider only Participants whose last Contributing Employers had withdrawn from the NPF by the beginning of the relevant Plan Year. Therefore, separated vested Participants and retired Participants of Employers who have not withdrawn are not considered.

apply to cover copying, mailing, and other costs of furnishing hard copies of information pursuant to the Report. You may view and download any of those documents free of charge by visiting the NPF's website at www.smwnpf.org. If you have any questions about with this Report, please contact the Fund Office at 1-800-231-4622 or contact the Executive Director Lori Wood at executivedirector@smwnbf.org or at the address below.