



**INTERNATIONAL UNION OF OPERATING ENGINEERS**  
**LOCAL 4**  
**Health and Welfare, Pension, and Annuity Funds**

April 29, 2024

Dear Participant:

The enclosed “Annual Funding Notice (AFN)” entitled, *2023 Annual Funding Notice for International Union of Operating Engineers Local 4 Pension Plan*, describes certain financial and other information about our Pension Plan as of **January 1, 2023**. It is meant to provide useful information in understanding our Pension Plan’s funded status as of that date. This AFN is similar to AFNs you have received in prior years, and reflects results for the plan year that started January 1, 2023 and ended December 31, 2023. It also contains information about the two prior plan years (2022 and 2021).

As a reminder, the Pension Plan has been in the “Green” Zone (for pension plan funding purposes) since 2008, which is the year the original “Zones” (“Green”, “Yellow”, and “Red”) were created by federal law. The “Green” Zone means that a pension plan is well-funded under government rules. Plans that are not as financially strong as our Pension Plan are in the “Yellow” or “Red” Zones.

We encourage you to read the attached Notice in its entirety. In preparing this Notice, we have followed strict content requirements set out by both the Internal Revenue Service and Department of Labor, yet we tried to keep the information included as clear and relevant as possible. After reviewing the Notice, if you have any questions or concerns, please feel free to contact the Fund Office for the Pension Plan:

c/o Gregory A. Geiman, Esq.  
Fund Administrator  
International Union of Operating Engineers  
Local 4 Pension Plan  
16 Trotter Drive, P.O. Box 680  
Medway, MA 02053-0680

**IUOE Local 4 Pension Plan**  
**Board of Trustees**

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# 2023 Annual Funding Notice for International Union of Operating Engineers Local 4 Pension Plan

## Introduction

This Notice includes important information about the funding status of your multiemployer pension plan (“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 plan year beginning January 1, 2023 and ending December 31, 2023 (referred to in this Notice as “Plan 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 plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

<b>Funded Percentage</b>			
	<b>2023 Plan Year</b>	<b>2022 Plan Year</b>	<b>2021 Plan Year</b>
<b>Valuation Date</b>	January 1, 2023	January 1, 2022	January 1, 2021
<b>Funded Percentage</b>	114.99%	111.59%	108.55%
<b>Value of Assets</b>	\$1,124,533,493	\$1,050,572,278	\$935,486,441
<b>Value of Liabilities</b>	\$977,883,003	\$941,426,296	\$861,801,333

## Year-End Fair Market Value of Assets

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Fair Market Value of Assets</b>	\$1,150,063,000	\$1,019,968,662	\$1,152,699,233

The December 31, 2023 fair market value of assets disclosed above is reported on an unaudited basis. This Notice is required to be distributed before the normal completion time of the Plan’s annual financial audit so this figure is subject to change once the annual audit is complete.

## 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). Beginning in 2015, 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” status, “critical” status, or “critical and declining” status in the Plan Year. For your information, the Plan’s actuary has also certified the Plan is not in “endangered” status, “critical” status, or “critical and declining” status for 2024.

## Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 7,050. Of this number, 3,485 were current employees, 2,727 were retired and receiving benefits, and 838 were retired or no longer working for a participating 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 that contributions are made to the Plan by participating employers at rates established by various Collective Bargaining Agreements, but not less than the minimum funding requirements under the Employee Retirement Income Security Act of 1974 (“ERISA”), and not more than the amount that would be deductible for federal income tax purposes.

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 maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among professional investment managers with complementary or diverse investment styles in domestic equity securities, international equity securities, domestic fixed income instruments, and other asset classes as deemed prudent.

Under 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 and are based on preliminary asset values. Once the annual audit is finalized these asset value percentages could change:

Asset Allocations	Percentage
1. Cash (Interest-bearing and non-interest bearing)	3.56%
2. U.S. Government securities	1.81%
3. Corporate debt instruments (other than employer securities):	
Preferred	1.05%
All other	6.36%
4. Corporate stocks (other than employer securities):	
Preferred	0.03%
Common	10.64%
5. Partnership/joint venture interests	10.69%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	0.26%
8. Participant loans	
9. Value of interest in common/collective trusts	54.13%
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	
12. Value of interest in registered investment companies (e.g., mutual funds)	1.68%
13. Value of funds held in insurance co. general account (unallocated contracts)	
14. Employer-related investments:	
Employer Securities	
Employer real property	
15. Buildings and other property used in plan operation	
16. Other	9.79%
Total	100%

For information about the Plan's investment in any of the types of investments listed in items #9 through #11 in the chart above, please contact Gregory A. Geiman, Esq. / Fund Administrator / I.U.O.E. Local 4 Pension Plan / 16 Trotter Drive / P.O. Box 680 / Medway, MA 02053-0680 or call (508) 533-1400.

## **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 plan year beginning on January 1, 2024 and ending on December 31, 2024, there is no event expected to have such an effect at the time of this Notice.

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

Pension plans must file annual reports with the U.S. Department of Labor. The report is called the "Form 5500". These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to [www.efast.dol.gov](http://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 benefit. 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 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.

The above summary of rules governing insolvent plans does not reflect the provisions of the American Rescue Plan Act of 2021.

## **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  $\$24.75$  ( $.75 \times \$33$ ), 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 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 a 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 [www.pbgc.gov/about/factsheets/page/multi-facts](http://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," below.

### Where to Get More Information

For more information about this Notice, you may contact:

Gregory A. Geiman, Esq., Fund Administrator  
I.U.O.E. Local 4 Pension Plan  
16 Trotter Drive, P.O. Box 680  
Medway, MA 02053-0680  
(508) 533-1400

For identification purposes, the official Plan Number is 001 and the plan sponsor's employer identification number or "EIN" is 04-6013863.