ILWU-PMA BENEFIT PLANS /
International Longshore & Warehouse Union —
Pacific Maritime Association
www.benefitplans.org
1188 FRANKLIN STREET • SUITE 101 • SAN FRANCISCO, CALIFORNIA 94109
PHONE (415) 673-8500
FAX (415) 749-1321

ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan

Date: October 29, 2025

To: ILWU Watchmen Locals 26 and 75

From: Jacquie Gasparro, Manager, Pension Plans

Subject: ILWU-PMA Watchmen Pension Plan – Memorandum: "Green Zone" Certification & 2024 Annual Funding Notice

Attached is a copy of a Memorandum from the Trustees of the ILWU-PMA Watchmen Pension Plan describing the funded status of the Pension Plan as of July 1, 2025.

Also, attached is a copy of the 2024 Annual Funding Notice for the ILWU-PMA Watchmen Pension Plan.

The Memorandum and Annual Funding Notice are being mailed to all Participants and Beneficiaries in the ILWU-PMA Watchmen Pension Plan. The Notice is being sent in accordance with federal law.

Attachment

cc: Sam Alvarado, Area Welfare Director
Joe Cabrales, Area Welfare Director

A copy of this memo can be downloaded at www.benefitplans.org

JG:st/opeiu29aflcio/MTP-Watchmen Pension Plan 2025-Green Zone & 2024 Annual Funding Notice-10.23.2025

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ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan

October 2025

<NAME>
<ADDRESS>
<CITY, STATE ZIP>

MEMORANDUM

To: Participants and Beneficiaries of the ILWU-PMA Watchmen Pension Plan

From: Board of Trustees of the ILWU-PMA Watchmen Pension Plan ("the Plan")

Re: The Pension Plan's "Green Zone" Certification

This is to inform you that on September 22, 2025, the Plan's actuary certified to the U.S. Department of Treasury, and to the Plan's Board of Trustees, that the Plan is neither in critical nor endangered status (as defined under the Pension Protection Act of 2006 ("PPA")) for the Plan Year beginning July 1, 2025. In other words, the **Plan is in the "Green Zone."** In addition, the actuary certified that the Plan is not expected to be in the "Red Zone" in any of the next five Plan Years.

BACKGROUND

Beginning with the 2008 Plan Year, using funding criteria set forth in the Internal Revenue Code, the PPA has required multiemployer defined benefit pension plans to be certified by their actuaries as being in one of three funded status zones:

- Neither Endangered nor Critical ("Green Zone")
- Endangered ("Yellow Zone")
- Critical ("Red Zone")

Trustees of plans that are not in the "Green Zone" must take specific actions spelled out in the law. For a plan in endangered status, this includes the adoption of a "Funding Improvement Plan;" for a plan in critical status, it includes adopting a "Rehabilitation Plan." These actions are designed to restore the plan to "Green Zone" status over a period of time. Since the Plan remains in the "Green Zone," no further action is required by the Trustees.

We are happy to inform you that the Plan was certified as having a funded ratio in excess of 80% as of July 1, 2025. This means that for the eleventh year in a row the Plan's funding status is in the "Green Zone."

If you have any questions regarding this notice, please contact the Benefit Plans Office.

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2024 ANNUAL FUNDING NOTICE
For
ILWU-PMA WATCHMEN PENSION PLAN

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning July 1, 2024 and ending June 30, 2025 ("Plan Year").

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:

- **Executive Director:** Suzanne Heizer Needham
- **Phone:** 888-372-4598
- **Address:** ILWU-PMA Benefit Plans Office
  1188 Franklin Street, Suite 101
  San Francisco, CA 94109

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor:** ILWU-PMA WATCHMEN PENSION PLAN
- **Employer Identification Number:** 94-6173372

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as the PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan's administrator to explain how well the Plan is funded using a measure called "funded

percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage				
	Estimate * 2025 Plan Year	2024 Plan Year	2023 Plan Year	2022 Plan Year
Valuation Date	July 1, 2025	July 1, 2024	July 1, 2023	July 1, 2022
Funded Percentage	90.4%	87.2%	83.8%	86.9%
Value of Assets	$ 103,478,709	$ 94,786,088	$ 87,384,028	$ 81,493,383
Value of Liabilities	$ 114,381,099	$ 108,643,090	$ 104,325,439	$ 93,730.383

*Preliminary values- As reported by the Plan's Actuary in the "Actuarial Certification of Plan Status as of July 1, 2025." Subject to change upon completion of the Plan audit and actuarial valuation.

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on June 30, 2025.

- **Actuarial values (shown on the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.

- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status.

Fair Market Value of Assets			
	June 30, 2025	June 30, 2024	June 30, 2023
Fair Market Value of Assets	$ 106,087,724*	$ 94,447,385	$ 83,979,997

* Preliminary values – Subject to change upon completion of audit.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.

- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.

- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent - meaning it will no longer have enough assets to pay out benefits – within 15

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years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future and benefits.

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

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years.

Number of participants and beneficiaries on the last day of relevant plan year			
	2024	2023	2022
1. Last day of plan year	June 30, 2025	June 30, 2024	June 30, 2023
2. Participants currently Employed	296	304	307
3. Participants and beneficiaries receiving benefits	125	117	116
4. Participants and beneficiaries entitled to future benefits *(but not receiving benefits)*	2	8	12
5. Total number of covered participants and beneficiaries *(lines 2+3+4= 5)*	423	429	435

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy is to confirm that employer contributions satisfy the minimum funding requirements of ERISA and to determine that anticipated employer contributions will not exceed the amounts deductible by the employers under the Internal Revenue Code.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is set forth in written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to preserve the real value of its principal; to maximize a long-term net return consistent with the first objective; to achieve returns over full market cycles adequate to pay benefits accrued under the Plan; and to maintain sufficient liquidity for payment of both Plan benefits and expenses.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of assets:

Asset Allocations	**Percentages**
1. Cash (interest and non-interest bearing)	1
2. U.S. Government Securities	
3. Corporate debt instruments (other than employer securities): *Preferred*	
All Other	
4. Corporate Stocks (other than employer securities): *Preferred*	
Common	
5. Partnership/joint venture interest	
6. Real estate (other than employer real property)	15
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common and collective trusts	
10. Value of interest in pooled separate accounts	67
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies, like mutual funds	16
14. Value of funds held in insurance company general account (unallocated contracts)	
15. Employer-related investments: *Employer securities*	
Employer real property	
16. Buildings and other property used in plan operation	
17. Other	1

For information about the Plan's investment in any of the following types of investments common-/collective trusts, pooled separate accounts, or 103-12 investment entities -contact Suzanne Heizer Needham, Executive Director, ILWU-PMA Benefit Plans, 1188 Franklin Street, Suite 101, San Francisco, CA 94109, at (888) 372-4598.

Events Having a Material Effect on Assets or Liabilities

By law, this notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's health or its ability to meet its obligations.

For the plan year beginning on July 1, 2024 and ending on June 30, 2025, there are no events to have such an effect.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

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You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call 202-693-8673 to speak with a representative of the U.S. Department Of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

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 are 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 highest level specified by law (see Benefit Payments Guaranteed by PBGC, below), the plan must apply for financial assistance. 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 PBGC

Only vested benefits–those that you've earned and cannot forfeit–are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Benefit payments for survivors.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits including:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit that the PBGC guarantees is set by law. Your Plan is covered by PBGC's multiemployer program. The PBGC's maximum guarantee is $35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service.

The guarantee is calculated as follows:

1. Take 100 percent of the first $11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next $33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

***Example 1*:** Participant with a Monthly $600 Benefit and 10 Years of Service.

1. Find the accrual rate: $600/10 = $60 accrual rate.
2. Apply PBGC formula:
   Take 100 percent of the first $11 = $11
   Take 75 percent of the next $33 = $24.75
3. Add the two amounts together: $11 + $24.75 = $35.75
4. Multiply by years of credited service: $35.75 x 10 years = $357.50

In this example, the participant's guaranteed monthly benefit is $357.50.

***Example 2*:** Participant with a Monthly $200 Benefit and 10 Years of Service.

1. Find the accrual rate: $200/10 = $20 accrual rate.

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2. Apply PBGC formula:
   Take 100 percent of the first $11 = $11
   Take 75 percent of the next $9 = $6.75
3. Add the two amounts together: $11 + $6.75 = $17.75
4. Multiply by years of credited service: $17.75 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50.