Southern California Lumber Industry
Retirement Fund
Established Jointly by Employers and Local Unions
Telephone (562) 463-5080 ◆ (800) 824-4427 ◆ Facsimile (562) 463-5894 ◆ www.lumberfund.org

To: Participants, Beneficiaries and Alternate Payees, Participating Employers, Labor Unions, and the PBGC

From: The Southern California Lumber Industry Retirement Fund

Re: Annual Funding Notice for the Southern California Lumber Industry Retirement Plan

Date: April 2025

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning January 1, 2024, and ending December 31, 2024 ("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 agency.

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

Contact your Plan's Administrative Office at:

- Benefit Programs Administration
- **Phone:** (562) 463-5080 or (800) 824-4427.
- **Address:** 1200 Wilshire Blvd, Fifth Floor, Los Angeles, California 90017-1906

To better assist you, provide your Plan's Administrative Office with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees of the Southern California Lumber Industry Retirement Fund
- **Employer Identification Number:** 95-6035266

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

Visit www.pbgc.gov/prac/multieemployer for more information. For specific information about your pension plan or pension benefits, you should contact your Plan's Administrative Office as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pensions 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 the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the 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			
	Plan Year 2024	**Plan Year 2023**	**Plan Year 2022**
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	109%	109%	111%
Value of Assets	$219,485,315	$224,718,167	$233,345,077
Value of Liabilities	$200,479,074	$205,896,614	$211,030,021

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 January 1.

Actuarial values (shown in 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.

	December 31, 2024	**December 31, 2023**	**December 31, 2022**
Fair Market Value of Assets	$210,243,378*	$201,771,258	$198,768,304

*Estimated total

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 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 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. The numbers for the Plan Year reflect the Plan Administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant Plan Year	**Plan Year 2024**	**Plan Year 2023**	**Plan Year 2022**
1. Last day of Plan Year	December 31, 2024	December 31, 2023	December 31, 2022
2. Participants currently employed	916	951	1,004
3. Participants and beneficiaries receiving benefits.	3,132	3,220	3,214
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	1,778	1,653	1,707
5. Total number of covered participants and beneficiaries *(Lines 2+3+4=5)*	5,826	5,824	5,925

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 calls for the Board of Trustees to adopt from time to time a schedule for allocation of investment income and other cash flow resulting from investment rollovers, maturing investments, or the liquidation of investment holdings, as necessary, to satisfy the costs of benefits and administrative expenses which exceed the Fund's income through employer contributions. Generally, transfers from investment accounts or for benefit payments shall be made so as to move the Fund's equity and fixed income allocations closer to their targets as defined in Section 3.03 of the Fund's Investment Policy Statement. The Fund's Funding Policy shall be reviewed annually to determine its continued suitability.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to preserve principal while, at the same time, realizing a high rate of return on principal (through income and appreciation) commensurate with an acceptable degree of risk. The following metric shall be used as benchmarks in determining whether the Total Fund investment objectives are met over a full market cycle (typically considered to be three to five years). A total return in excess of a custom Policy Index, which is defined as the market return weighted in proportion to the target asset allocation specified in Section 3.03 of the Fund's Investment Policy Statement. "Total return" for purposes of the investment objectives shall mean a combination of interest and dividend income plus or minus realized and unrealized gains or losses, measured as the time weighted average annualized rate of return. The achievement of this objective shall be measured over multiple periods on a quarterly basis with particular emphasis on achievement over a full market cycle. For the purposes of measurement, all investments shall be valued at market or in the case of assets for which a market value is not readily ascertainable at fair or contract value. The investment of the Fund assets shall be in compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"), the requirements of the Department of Labor's "Prudence Rule Regulation" (29 CFR Sec. 2550.404a-1), and all other applicable laws and regulations.

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

Asset Allocation	Percentage
1. Cash (interest bearing and non-interest bearing):	0.94%
2. U.S. Government securities:	7.79%
3. Corporate debt instruments:	
Preferred	0.00%
Standard/General	3.81%
High Yield	0.00%
4. Corporate stocks:	
U.S. Preferred	0.00%
U.S. Common	8.03%
International	0.04%
5. Partnership/Joint Venture interests:	8.57%
6. Real Estate:	8.40%
7. Value of interest in common and collective Trusts:	36.86%
8. Value of interest in registered investment companies, like mutual funds):	25.56%
9. Other:	0.00%

For information about the Plan's investment in any of the following types of investments common-/collective trust, pooled separate accounts, or 103-12 investment entities – contact Benefit Programs Administration, 1200 Wilshire Blvd. Fifth Floor, Los Angeles, CA 90017-1906, (562) 463-5080 or (800) 824-4427.

The average return on assets for the Plan Year was 10.3%.

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 financial health or its ability to meet its obligations.

For the Plan Year beginning on January 1, 2025, and ending on December 31, 2025, the following events have such an effect:

None.

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.

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's Administrative Office.

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 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 PBGC, below), the plan must apply to PBGC 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.
- Annuity benefits for survivors of plan participants.
- 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 PBGC guarantees is set by law. Your Plan is covered by PBGC's multiemployer program. The maximum PBGC 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 $200 monthly benefit and 10 years of service.

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