FOX VALLEY & VICINITY LABORERS

HEALTH AND WELFARE AND PENSION FUNDS

Date:	September 2025
To:	Pension Fund Participants
From:	Board of Trustees
Subject:	Annual Funding Notice

Enclosed with this memorandum you will find the Annual Funding Notice for the Pension Fund which is required by Federal law.

This notice was provided to you at this time in prior years and is required by an act of Congress called the Pension Protection Act (PPA). The PPA requires pension plans to annually assess their health. Plans that are generally healthy are often referred to as being in the "green zone." Plans that are not completely healthy are labeled as "endangered" (e.g., "yellow zone") or "critical" (e.g., "red zone"). Plans in these categories must take steps to improve their funding over time.

For 2025, the Pension Fund is in the "green zone."

This is a result of steps taken by the Board of Trustees in prior years to help improve funding. The Plan's "funded percentage" during the last 15 years is presented below:

	Actuarial Value of Assets	Market Value of Assets
June 1, 2011	78%	73%
June 1, 2012	77%	68%
June 1, 2013	78%	74%
June 1, 2014	79%	76%
June 1, 2015	80%	76%
June 1, 2016	78%	70%
June 1, 2017	78%	75%
June 1, 2018	79%	78%
June 1, 2019	79%	74%
June 1, 2020	77%	71%
June 1, 2021	78%	85%
June 1, 2022	80%	79%
June 1, 2023	78%	73%
June 1, 2024	78%	78%
June 1, 2025 (preliminary)	81%	81%

The "Actuarial Value of Assets" is used to determine the Plan's zone status under PPA. It recognizes investment gains and losses over a 5-year period. The "Market Value of Assets" is the amount available to the Plan after all investment gains and losses have been fully recognized.

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Prior to June 1, 2014, the Pension Fund was in the "yellow zone" (endangered status) and also was required to provide a Notice of Endangered Status in addition to the Annual Funding Notice. Because the Fund has been in the "green zone" since 2015 this additional notice is not necessary.

The Board of Trustees, the Fund Administrator, and the Fund's professional service providers will continue to work together to ensure that the Fund remains well funded for the future and that the Fund's benefits will continue to be supported by the negotiated contributions.

Annual Funding Notice:

All multiemployer pension funds are required to issue an Annual Funding Notice each year to all participants, beneficiaries, labor organizations, contributing employers, and the Pension Benefit Guaranty Corporation (PBGC). Certain information is required to be presented in the notice. Below is some additional information concerning certain sections of the notice.

How Well Funded Is Your Plan

In accordance with the regulations for preparing the Annual Funding Notice, the Funded Percentage on page 2 is a snapshot of the Fund as of June 1, 2024 and prior years. The notice does not require the Fund to show the Funded Percentage as of June 1, 2025, but as stated above, the preliminary Funded Percentage as of June 1, 2025 is 81%.

Rules Governing Insolvent Plans

This section of the Annual Funding Notice applies only to severely financially troubled pension plans.

As a result of the prudent financial management of our Pension Fund, we do not anticipate that these special rules regarding plan insolvency will apply to our Fund.

Benefit Payments Guaranteed by the PBGC

We expect the Fund's assets to grow in future years. As a result of this continued expected growth in the Fund's assets, we do not anticipate that the Fund would become insolvent and unable to pay benefits. Thus, the PBGC benefit guarantees are of no foreseeable concern.

In summary, the Fund has sufficient assets to pay all promised benefits for many years to come.

ANNUAL FUNDING NOTICE
For
FOX VALLEY AND VICINITY LABORERS PENSION FUND

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning June 1, 2024 and ending May 31, 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:

- Ms. Deborah L. French, Administrative Manager
  Fox Valley and Vicinity Laborers Pension Fund
- **Phone:** (847) 742-0900
- **Address:** 2371 Bowes Road, Suite 500, Elgin, Illinois 60123
- **Email:** customerservice@fvlab.com

The Plan can be identified as follows:

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees of the Fox Valley and Vicinity Laborers Pension Fund
- **Employer Identification Number:** 36-6147409

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 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 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			
	2024	2023	2022
Valuation Date	June 1, 2024	June 1, 2023	June 1, 2022
Funded Percentage	78%	79%	80%
Value of Assets	$656,413,226	$616,647,126	$589,747,434
Value of Liabilities	$838,225,563	$781,207,406	$734,532,333

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 1st.

- **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.

	5/31/2025	5/31/2024	5/31/2023
Fair Market Value of Assets	$713,479,732 (preliminary)	$649,792,067*	$572,662,327

*Revised from an estimated value of $649,790,594 reported in last year's notice

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	2024	2023	2022
1. Last day of plan year	May 31, 2025	May 31, 2024	May 31, 2023
2. Participants currently employed	1,434	1,432	1,415
3. Participants and beneficiaries receiving benefits	1,947	1,876	1,801
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	1,564	1,598	1,636
5. Total number of covered participants and beneficiaries (*Lines 2 + 3 + 4 = 5*)	4,945	4,906	4,852

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 meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to invest in a diversified portfolio of assets that is designed to meet or exceed an annual rate of return of 7.25% per year over the long term while maintaining sufficient liquidity to pay Plan benefits and administrative expenses.

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 Allocations	**Percentage**
1. Cash (interest and non-interest bearing)	0.7%
2. U.S. Government securities	0.0%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All other	0.0%
4. Corporate stocks (other than employer securities):	
Preferred	0.0%
Common	0.0%
5. Partnership/joint venture interests	0.0%
6. Real estate (other than employer real property)	0.1%
7. Loans (other than to participants)	0.0%
8. Participant loans	0.0%
9. Value of interest in common and collective trusts	23.5%
10. Value of interest in pooled separate accounts	0.0%
11. Value of interest in master trust investment accounts	0.0%
12. Value of interest in 103-12 investment entities	0.0%
13. Value of interest in registered investment companies, like mutual funds	74.9%
14. Value of funds held in insurance company general account (unallocated contracts)	0.0%
15. Employer-related investments:	
Employer securities	0.0%
Employer real property	0.0%
16. Buildings and other property used in plan operation	0.0%
17. Other	0.8%

For information about the Plan's investment in any of the types of investments including common / collective trusts, pooled separate accounts, or 103-12 investment entities - contact your plan administrator (see page 1 for contact information).

The average return on assets for the Plan Year was 9.69%.

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 June 1, 2025, there are no events expected to have a material effect on assets or liabilities.

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 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 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:
    a. Take 100 percent of the first $11= $11
    b. 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:
    a. Take 100 percent of the first $11= $11
    b. 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