

BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND

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ANNUAL FUNDING NOTICE For BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND

Introduction

This notice provides key details about your multiemployer pension plan (the “Plan”) for the plan year beginning January 1, 2025 and ending December 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:

- John Beck
- **Phone:** (301) 468-3742
- **Address:** 10401 Connecticut Avenue, Suite 320, Kensington, MD 20895-3960
- **Email:** jbeck@bcpn.org

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

- **Plan Number:** 001
- **Plan Sponsor Name:** Joint Board of Trustees, Bakery & Confectionery Union & Industry International Pension Fund
- **Employer Identification Number:** 52-6118572

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			
	2025 Plan Year	2024 Plan Year	2023 Plan Year
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	41%	45%	47%
Value of Assets	\$3,136,416,843	\$3,213,653,020	\$3,424,875,645
Value of Liabilities	\$7,657,612,586	\$7,112,593,182	\$7,291,043,373

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance (“SFA”) paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. If the amount held in the special financial assistance account (which reflects the remaining portion of the special financial assistance) were to be reflected in the above chart, the funded percentage for the 2025 plan year would be 81%, based on the market value of assets.

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 Valuation Date.

- **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. The asset values in the chart below include the amount of the Plan’s special financial assistance account.

	December 31, 2025	December 31, 2024	December 31, 2023
Fair Market Value of Assets	\$6,190,847,918*	\$6,218,296,048	\$2,963,868,424

**The fair market value of the Plan’s assets as of December 31, 2025 is preliminary and subject to change during the annual audit process.*

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 in critical status in the Plan Year ending December 31, 2025 because they had a projected accumulated funding deficiency in the plan year ending December 31, 2025 and the Plan received Special Financial Assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. The trustees of a plan in critical status must adopt and maintain a rehabilitation plan. A rehabilitation plan establishes steps and benchmarks for pension plans to improve their funding status over a period of time.

Due to the receipt of Special Financial Assistance, the plan is projected to be solvent until at least 2051. In an effort to improve the Plan's funding situation, the trustees adopted a rehabilitation plan in November of 2012. The Rehabilitation Plan was reviewed by the Trustees each year 2013 through 2025 and has been updated most recently effective December 2024. The Rehabilitation Plan describes the actions to be taken by the Plan's Trustees, and the benefit and contribution changes to be bargained by the bargaining parties, to improve the funded status of the Plan.

You may request a copy of the Plan's Rehabilitation Plan by contacting the plan administrator. You can also ask for any updates to the Rehabilitation Plan and the actuarial and financial data showing actions taken to improve the Plan's finances.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2026, a separate notification of that status has or will be provided.

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	2025 Plan Year*	2024 Plan Year	2023 Plan Year
1. Last day of plan year	December 31, 2025	December 31, 2024	December 31, 2023
2. Participants currently employed	14,300	14,943	14,954
3. Participants and beneficiaries receiving benefits	54,900	55,241	54,986
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	28,500	29,476	30,462
5. Total number of covered participants and beneficiaries (<i>Lines 2 + 3 + 4 = 5</i>)	97,700	99,660	100,402

*The 2025 Plan Year information is estimated.

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy explains how much money is needed to pay the benefits that have been promised. The Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants. The funding policy of the Plan is to provide benefits to participants at levels that are expected (based upon reasonable actuarial assumptions) to be sustained in the long term from the assets of the Plan, expected income from the investment of those assets, and future employer contributions.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to grow plan assets at a rate sufficient to meet promised benefits to participants while minimizing the degree of uncertainty associated with achieving those returns. In brief summary, the investment policy of the Plan is to maximize investment returns within prudent levels of risk through portfolio diversification across different classes of assets and a variety of asset management styles. With the assistance of an Investment Consultant, the Trustees, acting through an Investment Committee comprised of two Union trustees and two Employer trustees, select professional Investment Managers and/or commingled funds and allocate the assets of the Plan to seek to achieve the stated investment objectives and to control risk. The Trustees establish reasonable guidelines for each asset class and investment account, specifying acceptable and/or prohibited investments, limits on asset and asset class exposures, risk constraints and investment return objectives. The Trustees have also adopted benchmarks for each Manager and each asset class and regularly monitor the performance of each Manager and each commingled fund, as well as their compliance with the Investment Policy.

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 bearing and non-interest bearing)	2.35%
2.	U.S. Government securities	1.35%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	
	All other	72.02%
4.	Corporate stocks (other than employer securities):	
	Preferred	
	Common	3.14%
5.	Partnership/joint venture interests	1.48%
6.	Real estate (other than employer real property)	2.75%
7.	Loans (other than to participants)	
8.	Participant loans	
9.	Value of interest in common/collective trusts	9.02%
10.	Value of interest in pooled separate accounts	
11.	Value of interest in master trust investment accounts	
12.	Value of interest in 103-12 investment entities	

	Asset Allocations	Percentage
13.	Value of interest in registered investment companies (e.g., mutual funds)	
14.	Value of funds held in insurance co. general account (unallocated contracts)	
15.	Employer-related investments:	
	Employer Securities	
	Employer real property	
16.	Buildings and other property used in plan operation	
17.	Other	7.89%

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 the Plan Administrator, (301) 468-3742, B&C Union and Industry International Pension Fund, 10401 Connecticut Avenue, Suite 320, Kensington, MD 20895-3960.

The average return on assets for the Plan Year was 7.1%.

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:

- 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 \times 10 \text{ 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 \times 10 \text{ years} = \177.50

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

Visit www.pbgc.gov/prac/multiemployer for more information.

