Bakery and Confectionery Union and Industry International Pension Fund

10401 Connecticut Avenue • Kensington, Maryland 20895-3960

(301) 468-3742 http://www.bctrustfunds.org Fax (301) 468-3748

ANNUAL FUNDING NOTICE

FOR

BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND

April 30, 2025

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 that began January 1, 2024 and ended December 31, 2024 ("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 by using a measure called the "funded percentage." This 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.

Funded Percentage

	2024 Plan Year	**2023 Plan Year**	**2022 Plan Year**
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded percentage	45.2%	47.0%	49.3%
Value of Assets	$3,213,653,020	$3,424,875,645	$3,650,448,573
Value of Liabilities	$7,112,593,182	$7,291,043,373	$7,404,137,673

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. Since the SFA was received during 2024, it would not impact the assets or the funded percentage as of January 1, 2024.

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. Additionally, the asset values in the chart above do not include the amount of the special financial assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

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 year-end market values and are measured on the last day of the Plan Year and the two preceding plan years. The asset values in the chart below for 2024 include the amount of the Plan's special financial assistance account.

	December 31, 2024	**December 31, 2023**	**December 31, 2022**
Fair Market Value of Assets	$6,177,755,076*	$2,963,868,424	$3,179,791,534

*The numbers for the 2024 Plan Year reflect the plan administrator's reasonable, good faith estimate.

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). 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.

Under federal pension law, the Plan is considered to be in critical status in the Plan Year ending December 31, 2024 because 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 a rehabilitation plan. A rehabilitation plan establishes steps and benchmarks for pension plans to improve their funding status over a period of time.

Prior to receipt of special financial assistance during 2024, as of January 1, 2024, the Plan was projected to be insolvent in the 2031 Plan Year. This was based on a specific set of assumptions, which may or may not prove true in future years between now and 2031. Such an insolvency, which after receipt of special financial assistance is now not projected to occur until at least 2051, may result in benefit reductions. 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 2022 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 obtain a copy of the Plan's Rehabilitation Plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the plan administrator.

Because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act during 2024, the Plan is required to remain in critical status for the plan year ending December 31, 2025. Separate notification of that status will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the last day of the two preceding Plan Years is shown in the chart below, along with the number who were current employees, retired and receiving benefits, and retired or no longer working for the employer and have a right to future benefits.

	2024 Plan Year*	**2023 Plan Year**	**2022 Plan Year**
1. Current employees	14,600	14,954	14,664
2. Employees retired and receiving benefits	55,700	54,986	55,895
3. Former employees with a right to future benefits	29,700	30,462	31,473
4. Total (1+2+3)	100,000	100,402	102,032

*The numbers for the 2024 Plan Year reflect the plan administrator's reasonable, good faith estimate.

Average Return on Plan Assets for Plan Year

The average return on Plan Assets during the Plan Year was estimated to be 6.0%.

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 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.

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 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.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the 2024 Plan Year. These allocations are percentages of total assets, which include special financial assistance paid to the Plan and earnings thereon:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	01.18%
2. U.S. government securities	05.98%
3. Corporate debt instruments (other than employer securities):	
Preferred	00.00%
All other	68.77%
4. Corporate stocks (other than employer securities):	
Preferred	00.00%
Common	03.30%
5. Partnership/joint venture interests	01.68%
6. Real estate (other than employer real property)	03.20%
7. Loans (other than to participants)	00.00%
8. Participant loans	00.00%
9. Value of interest in common/collective trusts	08.41%
10. Value of interest in pooled separate accounts	00.00%
11. Value of interest in 103-12 investment entities	00.00%
12. Value of interest in registered investment companies (e.g., mutual funds)	00.00%
13. Value of funds held in insurance co. general account (unallocated contracts)	00.00%
14. Employee-related investments:	
Employer securities	00.00%
Employer real property	00.00%
15. Building and other property used in plan operations	00.00%
16. Other - Receivables	07.48%

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.

The Plan received $3,387,290,676 of SFA on July 22, 2024. Because the plan received special financial assistance from PBGC under the American Rescue Plan Act, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US 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 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 B&C Union and Industry International Pension Fund Board of Trustees at the address on the next page under “Where to Get More Information.” 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 benefits. 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 the 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 the 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

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/prac/multiemployer. 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 the:

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

For identification purposes, the official plan number is 001, the plan sponsor's name is Joint Board of Trustees, Bakery & Confectionery Union & Industry International Pension Fund, and the plan sponsor's employer identification number or "EIN" is 52-6118572. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov.