CEMENT MASONS' UNION LOCAL 502 PENSION FUND
739 S. 25th Avenue
Bellwood, IL 60104
708-544-9105

Re: Annual Funding Notice for the
Cement Masons' Union Local 502 Pension Fund

To: All Participants

The attached annual notice is required by the Department of Labor for all multiemployer pension plans.

The notice also discusses plans that become insolvent which results in government (PBGC) involvement. Please be assured that our Fund is reviewed annually by our actuaries and consultants and our funded percentage remains strong.

For more information about this notice, you may contact Bill Beeman, at (708) 544-9105 Ext. 211, 739 South 25th Avenue, Bellwood, IL 60104.

CEMENT MASONS' UNION LOCAL 502 PENSION FUND
2023 ANNUAL FUNDING NOTICE
April 2024

Introduction

This Notice includes important information about the funding status of the Cement Masons' Union Local 502 Pension Fund (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (the "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. It does not mean that the Plan is terminating. This notice is required by federal law and is provided for informational purposes only. You are not required to respond in any way. This notice is for the plan year beginning January 1, 2023 and ending December 31, 2023 ("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, using a measure called the "funded percentage." The 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 funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	Funded Percentage		
	2023 Plan Year	2022 Plan Year	2021 Plan Year
Valuation Date	January 1, 2023	January 1, 2022	January 1, 2021
Funded Percentage	96.7%	90.0%	84.6%
Value of Assets	$483,581,234	$451,009,854	$417,351,918
Value of Liabilities	$499,621,386	$501,071,684	$493,091,857

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Plan's 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. 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 market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of three preceding plan years.

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Fair Market Value of Assets	$492,095,058*	$443,789,055 **	$501,880,613	$422,936,437

* Preliminary value.

** Revised from an estimated value of $439,830,587 reported in last year's notice.

Endangered, Critical, or Critical and Declining Status

Under federal pension law a plan will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80%. A plan is in "critical" status if the percentage is less than 65% (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.

The Plan was not in endangered, critical, or critical and declining status in the 2023 Plan Year.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the January 1, 2023 valuation date was 3,188. Of this number, 1,207 were active participants, 1,413 were retired or separated from service and receiving benefits, and 568 were retired or separated from service and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out the plan's objectives. A funding policy relates to the level of contributions needed to pay promised benefits. The funding policy of the Plan is to maintain a balance such that plan resources will fund plan obligations. Plan resources include accumulated Plan assets plus expected future contributions and investment income. Plan obligations are benefit payments to current and future retirees and beneficiaries, including benefits earned to date as well as benefits expected to be earned in the future. Plan obligations also include expected reasonable Plan expenses paid from Plan assets. In implementing this funding policy, the Plan Trustees will work with professional advisors to adopt a prudent investment policy and to determine the actuarial value of Plan obligations. Over time, the Trustees may adjust Plan benefits in response to investment returns and other plan experience, or seek additional contributions from the bargaining units.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for Plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is a target allocation among asset categories of 29% large cap equity, 8% small and mid-cap equity, 10% international equity, 35% fixed income, 9% real estate, and 9% infrastructure.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the 2023 Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	3.05%
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	5.05%
5. Partnership/joint venture interests	22.24%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	55.83%
10. Value of interest in pooled separate accounts	3.12%
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 (e.g., mutual funds)	10.71%
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	

For information about the Plan's investment in any of the investments described above, you can contact Mr. Bill Beeman at (708) 544-9105, Ext. 211, 739 South 25th Avenue, Bellwood, Illinois 60104.

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 about the plan. 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-1515, 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 plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit under the Plan. If you are seeking information regarding your benefits under the Plan, you can contact the plan administrator. 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 pension 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 this Notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a 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 the loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited, called "vested benefits", are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer and multiemployer plans. Your Plan is covered by PBGC’s multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100% of the first $11.00 of the Plan's monthly benefit accrual rate, plus 75% of the next $33.00 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600.00, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600.00/10), which equals $60.00. The guaranteed amount for a $60.00 monthly accrual rate is equal to the sum of $11.00 plus $24.75 (.75 x $33.00), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200.00, the accrual rate for purposes of determining the guarantee would be $20.00 (or $200.00/10). The guaranteed amount for a $20.00 monthly accrual rate is equal to the sum of $11.00 plus $6.75 (.75 x $9.00), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency, or benefits that were in effect for less than 60 months at the time of termination or insolvency. Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC’s website at https://www.pbgc.gov/about/factsheets/page/multi-facts. 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” about your plan, below.

Where to Get More Information

For more information about this notice, you can contact the Board of Trustees of the Cement Masons’ Union Local 502 Pension Fund at 739 South 25th Avenue, Bellwood, Illinois 60104, or by calling (708) 544-9105, Ext. 211. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN” is 51-6034597. For more information about the PBGC, you can go to the PBGC's website at www.pbgc.gov.