



Iron Workers District Council of Western New York and Vicinity

Welfare, Pension and Annuity Funds

LOCAL UNIONS

9-NIAGARA FALLS
12-ALBANY
33-ROCHESTER
60-SYRACUSE
440-UTICA

Phone: 585-424-3510
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Suzanne Ranelli
Administrative Manager

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Rochester, NY 14623-2950

DATE: October 23, 2014

TO: Pension Plan Participants, Beneficiaries, Contributing Employers and Labor Organizations Representing the Participants & Beneficiaries

FROM: Suzanne Ranelli, Administrative Manager

RE: *IWDC of WNY Pension Fund Annual Funding Notice*

The Fund must send you this "Annual Funding Notice" as required by the Pension Protection Act of 2006. As you can see from the first page, the Fund was 85% funded as of July 1, 2013. The funded percentage measures the value of the plan assets as of July 1, 2013 against the current value of benefits already earned. It does not take into account benefits that participants will earn in the future, nor does it take into account income from future contributions.

The Annual Funding Notice includes language about the Pension Benefit Guarantee Corporation that is applicable to Plans that are financially troubled and at risk of becoming insolvent. We are required to include this language even though our plan is well funded.

If you have any questions, please contact the Fund Office.

SR:

ANNUAL FUNDING NOTICE

For the
Iron Workers District Council of Western New York & Vicinity Pension Fund

Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”) and 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 for the plan year beginning July 1, 2013 and ending June 30, 2014 (“Plan Year”).

How Well Funded Is your Plan

Under federal law, the plan must report how well it is funded by using a measure called the “funded percentage.” This percentage is obtained by dividing the Plan’s assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan’s funded percentage for the Plan Year and each of the two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

Funded Percentage			
	2013 Plan Year	2012 Plan Year	2011 Plan Year
Valuation Date	July 1, 2013	July 1, 2012	July 1, 2011
Funded percentage	85.0%	84.5%	88.2%
Value of Assets	\$154,333,291	\$151,317,925	\$151,641,789
Value of Liabilities	\$181,510,623	\$179,028,105	\$172,008,734

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the plan year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the plan year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a plan’s funded status as of the Valuation Date. The fair market value of the Plan’s assets as of the last day of the Plan Year and each of the two preceding plan years is shown in the following table:

	June 30, 2014	June 30, 2013	June 30, 2012
Fair Market Value of Assets	\$161,202,451*	\$145,078,991	\$139,044,292

*The fair market value of the Plan's assets as of June 30, 2014 is preliminary and subject to change during the annual audit process.

Critical or Endangered Status

Under federal pension law a plan generally 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 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). 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, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status in the Plan Year.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 2,339. Of this number, 760 were active participants, 1,344 were retired or separated from service and receiving benefits, and 235 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants.

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 who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is maximize the total rate of return subject to the preservation of capital. Preservation of capital encompasses two goals: minimizing the risk of loss of principal for the Fund as a whole; and minimizing the erosion of principal value through inflation. The primary means by which capital preservation is to be achieved is through diversification of the Fund's investment across various asset classes.

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Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets, and may not add to 100% due to rounding:

<u>Asset Allocations</u>	<u>Percentage</u>
1. Cash (Interest bearing and non-interest bearing)	3.17
2. U.S. government securities	8.89
3. Corporate debt instruments (other than employer securities)	6.43
4. Corporate stocks (other than employer securities)	38.52
5. Partnerships/Joint Venture Interests	3.57
6. Value of interest in common/collectives trusts	6.21
7. Value of interest in pooled separate accounts	3.79
8. Value of interest in registered investment companies (e.g., mutual funds)	23.54
9. Real Estate Investment Trust	3.47
10. Accrued Interest and Dividends	0.12
11. Employer Contributions Receivable	0.86
12. Auction Rate Preferred Securities	0.91
13. Due from broker	0.53

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact: Suzanne Ranelli, Iron Workers District Council of WNY Fund Office, 3445 Winton Place, Suite 110, Rochester, NY 14623-2950, 585.424.3510.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the annual report 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. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the annual funding notice. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both).

The plan is required to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization could become insolvent. 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 notification 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. This information will be provided for each year the plan is insolvent.

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 can not be forfeited (called vested benefits) are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 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 \$500, 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 ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. 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 pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, 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.

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Where to Get More Information

For more information about this notice, you may contact the Fund office at 585.424.3510. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" are Board of Trustees of IWDC of WNY and Vicinity Pension Plan and 51-6077088. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov.

In Summary

As you can see from the first page, the Fund was 85.0% funded as of July 1, 2013. This Annual Funding Notice includes language that is applicable to pension plans that are financially troubled and at risk of being insolvent. We are required to include this language even though our plan is well funded.

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