

ANNUAL FUNDING NOTICE
For
LABORERS NATIONAL PENSION FUND

Introduction

This notice provides key details about your multiemployer pension plan, the Laborers National Pension Fund (the “Plan”), for the plan year beginning January 1, 2025 and ending December 31, 2025 (“Plan Year”).

This annual informational notice is required by Federal law. 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 Fund Administrator Michelle Miller:

- Phone: (972) 233-4458
- Address: 14140 Midway Road, Suite 105, Dallas, TX 75244
- Email: info@lnpf.org

To better assist you, provide the Fund Administrator with the following information when you contact her:

- Plan Number: 001
- Plan Sponsor Name: Board of Trustees of the Laborers National Pension Fund
- Employer Identification Number: 75-1280827

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 the Plan’s Fund Administrator, as the 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	78%	76%	75%
Value of Assets	\$1,568,592,724	\$1,546,280,838	\$1,518,856,131
Value of Liabilities	\$2,017,300,884	\$2,021,970,937	\$2,013,824,497

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 January 1.

- **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.

	December 31, 2025	December 31, 2024	December 31, 2023
Fair Market Value of Assets	\$1,691,578,104*	\$1,530,856,053	\$1,450,092,774

**The asset figure is preliminary and subject to confirmation when the yearly audit is finalized for the Plan Year ending December 31, 2025.*

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" funding status for the 2025 plan year, as expected, because there was a projected deficiency in the Funding Standard Account within three years.

To improve the Plan’s funding situation, the Board of Trustees adopted a Funding Rehabilitation Plan (“FRP”) on July 26, 2017 that was intended to enable the Plan to emerge from critical status immediately by the end of the Rehabilitation Period of December 31, 2029, if not before. The FRP required the collective bargaining parties to negotiate 10 annual increases in employer contribution rates under one of two schedules offered under the FRP (preferred schedule or default schedule). Under the preferred schedule adopted by all bargaining agreements, contribution rates have been increased by 8.5% annually and benefit accrual rates were frozen at pre-FRP levels.

The FRP may be found on the Plan’s website (www.lnpf.org). Actuarial or financial data showing actions taken to improve the Plan’s finances may be obtained by contacting the Fund Administrator.

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 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	10,980	10,811	10,367
3. Participants and beneficiaries receiving benefits	19,579	19,641	19,693
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	10,383	10,446	10,543
5. Total number of covered participants and beneficiaries (<i>Lines 2 + 3 + 4 = 5</i>)	40,942	40,898	40,603

Funding & Investment Policies

Funding Policy

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 funding policy of the Plan maintains a set of contribution rates / set accrual rate. The accrual rate is actuarially set so that the contribution rate is projected to cover the Plan's Scheduled Cost (Normal Cost-plus amortization of unfunded liabilities, including administrative expenses and adjustment for monthly payments) based on reasonable actuarial assumptions and amortization.

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. The Plan employs a major investment consulting firm to assist the Board of Trustees in designing and monitoring the Plan's investment policy and program, including asset allocation and selection of investment managers and opportunities. The Plan also employs several professional investment management companies to manage diversified investment accounts.

Investment Policy

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 provide for, in general: (a) a diversified allocation of investments among various asset classes including domestic equities (large, mid and small cap), international equities, domestic fixed income, real estate, alternative investments (including fund of funds, private equity and infrastructure) and cash, with percentage range limits; (b) engagement of one or more qualified professional investment managers to make specific investment decisions within each asset class; (c) guidelines and restrictions regarding each asset class; (d) measurement of investment performance, including benchmarks; (e) communications and reporting requirements; (f) brokerage policies; and (g) proxy voting policies.

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:

Asset Allocations	Percentage
1. Cash (interest and non-interest bearing)	0.2%
2. U.S. Government securities	0%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	0%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	4.6%
5. Partnership/joint venture interests	13.7%
6. Real estate (other than employer real property)	9.3%
7. Loans (other than to participants)	0%
8. Participant loans	0%
9. Value of interest in common and collective trusts	58.9%
10. Value of interest in pooled separate accounts	3.7%
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	0%
13. Value of interest in registered investment companies, like mutual funds	9.7%
14. Value of funds held in insurance company general account (unallocated contracts)	0%
15. Employer-related investments:	
Employer securities	0%
Employer real property	0%
16. Buildings and other property used in plan operation	0%
17. Other	0%

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 Fund Administrator Michelle Miller, Laborers National Pension Fund, at (972) 233-4458, or in writing at PO Box 803415, Dallas, Texas 75380-3415.

The average return on assets for the Plan Year was 14.44%.

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 on January 1, 2026 and ending on December 31, 2026, the Plan's actuary has certified that the Plan has emerged from critical funding status into "Green" zone status (neither endangered nor critical). Accordingly, the FRP will be terminated. The terms and conditions of that termination are not yet decided, and so the effects on the Plan's assets and liabilities cannot be determined in good faith at this time.

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

The Plan is not insolvent nor expected to become insolvent. However, Federal law requires that this notice include a summary of the Federal law's rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. 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.