



# SHEET METAL WORKERS' NATIONAL PENSION FUND

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2020 NOTICE OF ENDANGERED STATUS  
EIN 52 6112463 / PLAN No. 001

APRIL 2020

## NOTICE OF ENDANGERED STATUS FOR THE SHEET METAL WORKERS' NATIONAL PENSION FUND (2020 PLAN YEAR)

This Notice contains important information about your National Pension Fund. The purpose of this Notice is to inform you of the funded status of the Sheet Metal Workers' National Pension Fund ("NPF" or "Plan") under Section 432(b) of the Internal Revenue Code of 1986, as amended ("Code"), and Section 305(b) of the Employee Retirement Income Security Act of 1974 ("ERISA") and based on the Plan actuary's annual certification.

On March 30, 2020, the Plan's actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor (the NPF's Board of Trustees), that NPF is in endangered status for the plan year beginning January 1, 2020 (the "2020 Plan Year"). **If you are already retired, nothing in this Notice will affect your National Pension Fund benefit.**

### NPF's Endangered Status

The Plan's actuary certified that the NPF is in endangered status for the 2020 Plan Year because the actuary determined that the NPF previously emerged from critical status, is not projected to have an accumulated funding deficiency for the 2020 Plan Year or any of 9 succeeding Plan Years (without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 304(d) of ERISA), is not projected to become insolvent for the 2020 Plan Year or any of the 30 succeeding Plan Years, and its funded percentage for the 2020 Plan Year is less than 80%. In addition, the Plan's actuary certified that the NPF is not projected to be in critical status for any of the next 5 Plan Years.

It is important to note that this Plan Status is based on financial reports from January 1, 2020. Due to the Coronavirus, market conditions have changed significantly since that time. The Plan's actuarial projections are not based on the daily fluctuations of the market, but on the annual market values locked in on the last day of each calendar year. It is much too early to determine how the market will perform over the next several months. Your Trustees are monitoring the situation closely.

### Funding Improvement Plan

The Code and ERISA require pension plans in endangered status to adopt a funding improvement plan. In February 2014, the NPF's Trustees adopted a Funding Improvement Plan ("FIP") and Funding Improvement Plan Schedule ("FIP Schedule"), effective as of March 1, 2014. The Trustees updated the FIP and FIP Schedule, effective as of March 1, 2015, and again, effective January 1, 2017 and April 2019.

The objective of the FIP is to have a funded percentage at the close of the funding improvement period that equals or exceeds the sum of the funded percentage as of the beginning of the 2015 Plan Year (January 1, 2015), plus 33 percent of the difference between 100 percent and such funded percentage (for the 2015 Plan Year). Additionally, the FIP is designed to avoid an accumulated funding deficiency for the 2026 Plan Year (taking into account the Plan's extension of its amortization period under ERISA§304(d)(1)).

The 2019 Annual Funding Notice, which is enclosed with this Notice, summarizes the three options that are currently provided under the FIP Schedule (the Default, First Alternative, and Second Alternative Options.) Additionally, the 2019 Summary Plan Description ("SPD") describes how those three Options affect Early Retirement Pension benefits and certain benefit features. A copy of the 2019 SPD can be viewed and downloaded by going to the Fund's website: [www.smwnpf.org](http://www.smwnpf.org).

### **Where to Get More Information**

For more information about this Notice, you may contact the NPF's Board of Trustees or the Fund Office, by email at [BOT@smwnpf.org](mailto:BOT@smwnpf.org), by telephone at 1.800.231.4622, or by mail at 8403 Arlington Boulevard, Suite 300, Fairfax, VA 22031. You have the right to receive a copy of the Funding Improvement Plan and FIP Schedule from the Plan upon written request. You can also view and download a copy of the Funding Improvement Plan and FIP Schedule (including any updates) by visiting the Plan's website: [www.smwnpf.org](http://www.smwnpf.org). For identification purposes, the official plan number ("Plan No.") is 001 and the plan sponsor's name and employer identification number or "EIN" are: Board of Trustees of the Sheet Metal Workers' National Pension Fund/EIN 52 6112463.

### **THE BOARD OF TRUSTEES**