

ANNUAL FUNDING NOTICE  
For  
**USW District 10 Local 286 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. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning January 1, 2015 and ending December 31, 2015 (referred to hereafter as "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.

<b>Funded Percentage</b>			
	<b>2015 Plan Year</b>	<b>2014 Plan Year</b>	<b>2013 Plan Year</b>
Valuation Date	December 31, 2014	December 31, 2013	December 31, 2012
Funded Percentage	98.43%	103.07%	67.97%
Value of Assets	\$ 151,195,196	\$ 168,798,711	\$ 111,144,030
Value of Liabilities	\$ 153,601,969	\$ 163,760,753	\$ 163,515,934

Effective October 1, 2012, all of the contributing employers withdrew from the Fund. For all years, the market value of assets include scheduled withdrawal liability payments and the Plan's vested benefit liability are calculated based on the PBGC interest rates and mortality assumptions, as required by law.

**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 include scheduled withdrawal liability payments. The fair market value of the Plan's assets (*not including scheduled withdrawal liability payments*) as of the last day of the Plan Year and each of the two preceding plan years is shown in the following table:

	December 31, 2015	December 31, 2014	December 31, 2013
Fair Market Value of Assets	\$ 66,539,312 (unaudited)	\$ 62,836,388	\$ 62,208,244

The December 31, 2015 fair market value of assets disclosed above is reported on an unaudited basis since this notice is required to be distributed before the normal completion time of the audit which is currently in progress.

### **Participant Information**

The total number of participants in the Plan as of the Plan's valuation date was 4,676. Of this number, there were no active participants accruing benefit service, 1,869 were retired or separated from service and receiving benefits, and 2,807 were retired or separated from service and entitled to future benefits or actively working but not accruing benefit service.

### **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 funding policy of the Plan is to fund the Plan through a combination of withdrawal liability payments received from employers and investment income generated by the Plan's investments.

As you are aware, all of the contributing employers withdrew from the Fund in 2012. Under federal law, certain employers that used to contribute to the Fund now must pay the Fund withdrawal liability. These payments, along with the investment returns, are now the primary source of income for the Fund.

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. It is the policy of the trustees of the Plan to diversify the plans assets across a broad range of investment options. Each of the investments is managed by professional money managers or is invested in a commingled trust which in turn is managed by a professional manager. The portfolio is reviewed regularly by the Plan's investment consultant who monitors the returns and advises the trustees with respect to the selection and retention of managers and investments. 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:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Cash (Interest bearing and non-interest bearing)	0.15%
2. U.S. Government securities	0.00%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00%
All other	0.00%
4. Corporate stocks (other than employer securities):	
Preferred	0.00%
Common	0.00%
5. Partnership/joint venture interests	6.52%
6. Real estate (other than employer real property)	0.00%
7. Loans (other than to participants)	0.00%
8. Participant loans	0.00%
9. Value of interest in common/collective trusts	0.00%
10. Value of interest in pooled separate accounts	0.00%
11. Value of interest in master trust investment accounts	0.00%
12. Value of interest in 103-12 investment entities	0.00%
13. Value of interest in registered investment companies (e.g., mutual funds)	92.91%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.00%
15. Employer-related investments:	
Employer Securities	0.00%
Employer real property	0.00%
16. Buildings and other property used in plan operation	0.00%
17. Other	0.42%

### **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](http://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 about Your Plan."

### **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 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**

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. 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 \$600, 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 ( $\$600/10$ ), which equals \$60. The guaranteed amount for a \$60 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 ( $\$35.75 \times 10$ ).

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 ( $\$17.75 \times 10$ ).

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 the PBGC's website at [www.pbgc.gov/multiemployer](http://www.pbgc.gov/multiemployer). Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. The PBGC does not have that information. See "Where to Get More Information about Your Plan," below.

**Where to Get More Information about Your Plan**

For more information about this notice, you may contact:

Carlo Simone, Jr., Office Manager  
USW District 10 Local 286 Pension Fund  
410 North 8th Street  
Philadelphia, PA 19123  
(215) 829-9212

For identification purposes, the official plan number is 001 the plan sponsor's name is Board of Trustees, USW District 10 Local 286 Pension Fund, and the employer identification number or "EIN" is 23-0630051.