Annual Funding Notice
for
Building Trades United Pension Trust Fund

September 2023

Introduction

This notice includes important funding information about your multiemployer pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. This notice is for the Plan Year beginning June 1, 2022 and ending May 31, 2023 (referred to hereafter as "Plan Year").

How Well Funded is your Plan

The funded percentage of a plan is a measure of how well that plan is funded. 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. The Plan's funded percentage for the Plan Year and each of the 2 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.

	2022	2021	2020
Valuation Date	**June 1, 2022**	**June 1, 2021**	**June 1, 2020**
Funded Percentage	87.9%	87.6%	77.94%
Value of Assets	$3,165,047,084	$3,054,714,690	$2,523,773,588
Value of Liabilities	$3,601,644,796	$3,487,860,997	$3,238,275,535

Year End Fair Market Value of Assets

Asset values in the chart above are measured as of the valuation date and are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, 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 for funding purposes. While actuarial values smooth out these fluctuations and can allow for more predictable levels of future contributions, they are estimates. 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 the two preceding plan years.

	May 31, 2023	May 31, 2022	May 31, 2021
Fair Market Value of Assets	$2,943,677,640*	$2,977,715,690	$3,054,714,690

**05/31/23 audited results are not available at this time. The value listed above represents the Plan's best estimate of assets.*

Participant Information

The total number of participants and beneficiaries covered by the Plan as of the Plan's valuation date was 26,993. Of this number,8,553 were active participants, 10,890 were retired or separated from service and receiving benefits, and 7,550 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the Plan objectives. A funding policy relates to the level of contributions 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 contributions received from employers and investment income generated by the Plan's investments. The Plan's funding policy includes an assumption that the money contributed into the Plan by participating employers, once invested, will have an average annual investment return of 7.125% net of fees. The funding level is designed to comply with requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. These requirements include minimum funding levels and also include maximum limits on the contributions that may be deducted by employers for federal income tax purposes. The Board of Trustees creates and implements the funding policy and monitors the funding level with the assistance of the Plan's enrolled actuary and the Plan's investment consultant.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries. Specific investments are made in accordance with the Plan's Statement of Investment Objectives and Guidelines (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 various types or categories of investment management decisions. The investment policy of the Plan is, generally, to invest assets in a diversified manner among multiple asset classes that are expected over the long term to generate returns that equal or exceed the Plan's actuarial assumed rate of return within acceptable levels of volatility.

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 Plan Year (May 31, 2023). These allocations are percentages of the total assets:

Asset Allocation	Percentage
Stocks	44.9%
Investment grade debt instruments	17.3%
High-yield debt instruments	1.8%
Real estate	10.1%
Other	25.9%

Endangered, Critical or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (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 estimated to be 88.65% funded and was certified as being in the Green Zone for the plan year beginning June 1, 2022.

For the plan year beginning June 1, 2023, the Plan was estimated to be 87.79% funded and was certified as being in the Green Zone.

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 (i.e., Form 5500) containing financial and other information about your 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. Copies of the annual report are also 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. Or, you may obtain a copy of the Plan's annual report by making a written request to the Plan Administrator.

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 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 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, by law, 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 it's 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 loss of a lump sum option.

Benefit Payment Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your plan is covered by the PBGC's multiemployer program. 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 x $33), 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, 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 x $9), 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 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.

Where to Get More Information

For more information about this notice, you may contact Mary Karsten, the Fund Administrator, at (262) 784-7880 or by writing to Building Trades United Pension Trust Fund, P.O. Box 530, 500 Elm Grove Road, Elm Grove, WI 53122. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov/multiemployer, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).