ANNUAL FUNDING NOTICE

For

Western States Office and Professional Employees Pension Fund

Introduction

This notice provides key details about your multiemployer pension plan (the “Plan”) for the plan year beginning January 1, 2024 and ending December 31, 2024 (“Plan Year”).

This is an informational notice. 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 your plan administrator at:

- William C. Earhart Company, Inc.
- **Phone:** (503) 460-5260 or (877) 396-2960
- **Address:** PO Box 4148 Portland, OR 97208

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees of the Western States Office and Professional Employees Pension Fund
- **Employer Identification Number:** 94-6076144

What if I have questions about the PBGC and the pension insurance program’s guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan 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.

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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

	2024 Plan Year	2023 Plan Year	2022 Plan Year
Valuation Date	January 1	January 1	January 1
Funded Percentage	70%	67%	87%
Value of Assets	$341,010,184	$329,473,104	$337,375,911
Value of Liabilities	$487,016,088	$494,617,019	$386,063,031

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. If the amount held in the special financial assistance account (which reflects the remaining portion of the special financial assistance) were to be reflected in the above chart, the funded percentage for the 2024 Plan Year would be 114% and the value of assets would be $553,724,108.

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. The asset values in the chart below for December 31, 2024 and December 31, 2023 include the amount of the Plan's special financial assistance account.

- **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. Additionally, the asset values in the chart above do not include the amount of the special financial assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status. The asset values in the chart below as of December 31, 2024 and December 31, 2023 include the amount of the Plan's special financial assistance account.

	December 31, 2024	December 31, 2023	December 31, 2022
Fair Market Value of Assets	$566,461,980	$565,117,479	$297,782,774

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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 or meets other endangered status criteria. 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.

Under federal pension law, the Plan is considered to be in critical status in the Plan Year ending December 31, 2025, because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. The trustees of a plan in critical status must adopt a rehabilitation plan. A rehabilitation plan establishes steps and benchmarks for pension plans to improve their funding status over a period of time.

As a result of the market downturn experienced during the 2008 Plan Year, the Plan was initially certified critical in 2009. At the time of the initial critical certification, the Plan's funding percentage was estimated to be 69.4% and the credit balance in the Funding Standard Account was projected to be depleted by 2011. Despite the adoption and implementation of a rehabilitation plan, investment gains and all reasonable measures to forestall insolvency the credit balance was not projected to stay positive over the subsequent 10 years, the Plan remained in critical status for its 2010 through 2015 Plan Years (Code section 432(e)(4)(B)). In addition, since the Plan was projected to run out of money within 20 years and the funded percentage was less than 80%, the Plan was certified in critical and declining status for the 2016 through 2018 Plan Years.

On May 15, 2018 the Board of Trustees submitted an application with the U.S. Department of the Treasury to reduce benefits as allowed under the Multiemployer Pension Reform Act of 2014 (MPRA) to avoid plan insolvency. On September 14, 2018, the U.S. Department of the Treasury approved the application for benefit reductions effective October 1, 2018, which reduced benefits accrued through September 30, 2018 by 30% for eligible participants, but not below 110% of the PBGC maximum guaranteed benefit level. Due to the benefit reductions that took effect October 1, 2018, the Plan was no longer projected to become insolvent. Accordingly, the Plan emerged from critical and declining status in 2019, and remained in critical status through 2022.

Effective November 1, 2022, the Board of Trustees elected to restore MPRA benefit suspensions for all affected participants in advance of the Plan's application for Special Financial Assistance ("SFA"), which was filed with the PBGC on December 29, 2022. Upon receipt of SFA funding in May 2023, the Plan will be required to report as a critical status plan through the year 2051, pursuant to Section 4262.17 of ERISA.

You may request a copy of the rehabilitation plan, or any other material previously sent relating to the Plan's status, by making a written request to the plan administrator.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2025, a separate notification of that status has or 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 2024 Plan Year reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	**2024**	**2023**	**2022**
1. Last day of plan year	December 31	December 31	December 31
2. Participants currently employed	467	458	458
3. Participants and beneficiaries receiving benefits	4054	4,196	4,174
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	2129	2,242	2,333
5. Total number of covered participants and beneficiaries (*Lines 2 + 3 + 4 = 5*)	6650	6,896	6,965

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to confirm that the minimum funding requirements of ERISA are being satisfied and to determine that anticipated employer contributions will not exceed the amounts deductible under the Internal Revenue Code.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to achieve the following objectives over a long-term investment horizon:

A. Maintain sufficient liquidity for the ongoing payment of Plan benefits and expenses;

B. Maintain sufficient reserves and adequate returns to provide Plan benefits and pay Plan expenses consistent with minimizing investment volatility and negative investment returns;

C. Obtain an annual investment yield in excess of the assumption used by the Plan's actuary in determining the Plan's actuarial valuation (including over any actuarial smoothing period, if applicable); and

D. Obtain a long-term competitive rate of return on investments, net of expenses, equal to or exceeding the Policy Index and appropriate benchmark rates over various appropriate trailing periods determined by the Investment Consultant.

Additionally, the Plan's SFA assets are subject to restrictions and limitations on investments under Section 4262(l) of ERISA and 29 CFR 4262.14. These include the following:

The Plans SFA assets and earnings attributable to the assets are segregated in an account that is separate from the plan's non-SFA assets and invested in permissible investments that include:

- Bonds or other debt securities that pay a fixed amount or fixed rate of interest, are denominated in U.S. dollars, sold in an offering registered under the Securities Act of 1933, and are investment grade;
- Securities issued, guaranteed or sponsored by the U.S. Government or its designated agencies
- Municipal securities defined in section 3(a)(29) of the Securities Exchange Act of 1934 that are investment grade
- Noninterest-bearing cash and interest-bearing cash equivalents; and
- Money market funds regulated pursuant to 17 CFR 270.2a-7

The Plan's SFA assets are also subject to the condition of 29 CFR 4262.16(c) which requires one year of projected benefit payments and administrative expenses to be invested in investment grade fixed income.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

Asset Allocation	Percentage
Public equity	34.8%
Private equity	-
Investment grade debt instruments	53.2%
High-yield debt instruments	0.9%
Cash and cash equivalents	2.2%
Real estate	5.1%
Other	3.8%

The average return on assets for the Plan Year was 6.8%.

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

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 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 Payments Guaranteed by the PBGC

Only vested benefits — those that you've earned and cannot forfeit — are guaranteed.

What PBGC Guarantees

The 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 the PBGC Does Not Guarantee

The 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.

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Determining Guarantee Amounts

The maximum benefit the PBGC guarantees is set by law. Your plan is covered by the PBGC's multiemployer program. The maximum PBGC guarantee is $35.75 per month, multiplied by a participant's years of credited service.

The 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 the 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 x 10 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 the 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 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50