



# PLAN UPDATE

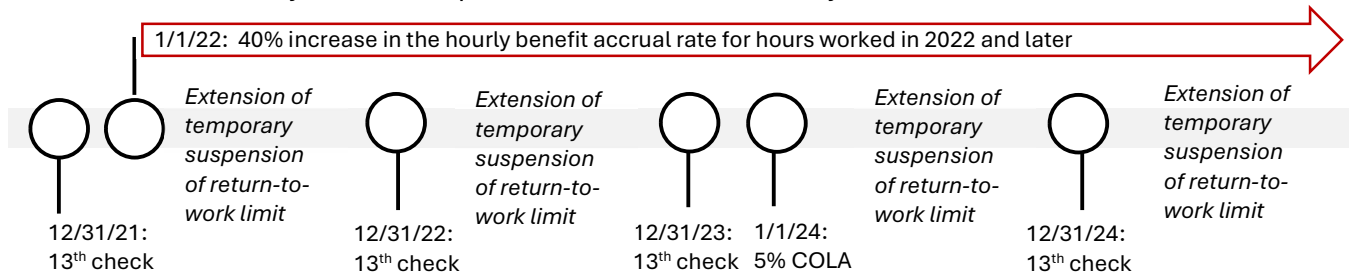
April 2025

## STRONG FUNDING LET US MAKE MORE IMPROVEMENTS

Because of the work we've done together over the last decade to ensure regular increases to the Basic Contribution Rate plus continuing strong hours, we were able once again make important improvements to the Plan's benefits during the past year:

- December 2024 – one-time **13<sup>th</sup> check of \$750 for all retirees**, surviving spouses, and beneficiaries receiving guaranteed payments, who were in pay status as of June 1, 2024
- Extension of **temporary suspension of return-to-work limit** – in 2025, retirees may work unlimited hours in covered employment for a contributing employer while continuing to receive their pension benefit.

Below is brief summary of recent improvements over the last few years:



## THE PLAN'S FUNDING REMAINS STEADY

Preliminary numbers for year-end 2024 are good:

- We maintained hours during 2024 at our **near-record high level of 3.3 million hours**
- 2024 was a **solid year for investments** – the return for the year is estimated to be about 7%.
- For the 2025 plan year, the Plan was certified in the “**green zone**,” reflecting a healthy plan.

The enclosed Annual Funding Notice is required by law and applies to the **2024** plan year. It compares the Plan's assets to its liabilities (basically, how much the Plan's cash and investments are worth divided by how much it is expected to pay out in the future) at the *beginning* of the Plan year, showing that the Plan was 105% funded as of January 1, 2024. This funded percentage is based on the “actuarial value of assets,” which spreads gains and losses over a number of years rather than recognizing them all in the year they happened and is used to determine the Plan's zone status under federal law.

The table below provides the preliminary funded percentage as of January 1, 2025, both on the actuarial basis and on a market basis, which reflects the value of assets on hand at a given date.

	<u>January 1, 2024</u>	<b>January 1, 2025 (estimated)</b>
Actuarial Funded Percentage	105%	<b>104%</b>
Market Funded Percentage	96%	<b>98%</b>

With the solid investment return and strong hours in 2024, the Plan’s market value funded percentage increased from 96% to 98%. When we smooth out market fluctuations, the Plan is 104% funded for purposes of determining the Plan’s zone status.

The Plan is now on track to be back over 100% funded on a market basis in just a couple years – if hours and investment returns match the assumptions.

**WHAT DOES THE FUTURE HOLD?**

We’re optimistic about the Plan’s future. However, we know that over time there will be poor returns along with the good ones. That’s why we will continue to focus on our long-term game plan, ensuring strong fundamentals that can carry the Plan through while making improvements when it’s fiscally responsible to do so.

**QUESTIONS?**

If you have any questions, please contact the Administration Office at (503) 657-9740, or (866) 697-5750.

AGC-International Union of Operating Engineers Local 701 Trust Funds  
15 - 82nd Drive, Suite 110 • Gladstone, Oregon 97027  
Phone (866) 697-5750 or (503) 657-9740 • Fax (503) 657-9737 • Website [www.agc-iuoe701trusts.com](http://www.agc-iuoe701trusts.com)

Administered by  
Welfare & Pension Administration Service, Inc.

# AGC-International Union of Operating Engineers Local 701 Trust Funds

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Administered by  
Welfare & Pension Administration Service, Inc.

April 25, 2025

## ANNUAL FUNDING NOTICE FOR DEFINED BENEFIT PENSION PLAN OF AGC-INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 701 PENSION TRUST 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:

- **Name:** WPAS, Inc of Oregon
- **Phone:** (866) 697-5750
- **Address:** 15 82nd Drive, Suite 110, Gladstone, Oregon 97027

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, AGC-International Union of Operating Engineers Local 701 Pension Trust Fund
- **Employer Identification Number:** 93-6075580

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

Visit [www.pbgc.gov/prac/multiemployer](http://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 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			
	2024	2023	2022
Valuation Date	January 1	January 1	January 1
Funded Percentage	105%	108%	108%
Value of Assets	\$373,148,223	\$368,556,883	\$362,802,077
Value of Liabilities	\$356,003,883	\$340,792,773	\$335,003,177

### 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.

	12/31/2024	12/31/2023	12/31/2022
Fair Market Value of Assets	\$356,500,000	\$341,373,576	\$317,638,171

### 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 not in endangered, critical, or critical and declining status in the Plan Year.

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 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	2,268	1,824	1,877
3. Participants and beneficiaries receiving benefits	2,315	2,305	2,360
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	1,581	948	942
5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)	6,164	5,077	5,179

## 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 Plan's funding policy is to contribute at a level consistent with applicable bargained and special agreement contracts.

### Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to focus on fully funding the accrued liability of the Plan, to achieve maximum returns at a reasonable risk for pension assets over a full market cycle, and to maintain sufficient liquidity to meet benefit payment obligations.

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	49%
Private equity	5%
Investment grade debt instruments	15%
High-yield debt instruments	1%
Cash and cash equivalents	1%
Real assets	14%
Other	15%

The estimated average return on assets for the Plan Year was 7%.

### 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](http://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](tel:2026938673) 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 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:
  - a. Take 100 percent of the first \$11= \$11
  - b. 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:
  - a. Take 100 percent of the first \$11= \$11
  - b. 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