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**ANNUAL FUNDING NOTICE**

For

**SEIU AFFILIATES OFFICERS AND EMPLOYEES PENSION PLAN  
 April 30, 2023**

**INTRODUCTION**

This notice includes important information about the funding status of your multiemployer pension plan (the “Plan”). It also includes 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. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2022 and ending December 31, 2022 (“Plan Year”).

**HOW WELL FUNDED IS YOUR PLAN**

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funded percentage.” The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

| Funded Percentage    |                 |                 |                 |
|----------------------|-----------------|-----------------|-----------------|
|                      | 2022 Plan Year  | 2021 Plan Year  | 2020 Plan Year  |
| Valuation date       | January 1, 2022 | January 1, 2021 | January 1, 2020 |
| Funded percentage    | 109.9%          | 95.4%           | 94.4%           |
| Value of assets      | \$1,493,167,950 | \$1,228,060,317 | \$1,118,952,780 |
| Value of liabilities | \$1,358,551,128 | \$1,287,414,996 | \$1,184,928,469 |

**YEAR-END FAIR MARKET VALUE OF ASSETS**

The asset values in the chart above are measured as of the Valuation Date. They also are “actuarial values.” Actuarial values differ from market values in that they do not fluctuate daily based on

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changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan’s funded status at a given point in time. 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.

Please note that the asset value as of December 31, 2022 is preliminary, and may change with the final audit.

|                             | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|-----------------------------|-------------------|-------------------|-------------------|
| Fair Market Value of Assets | \$ 1,306,902,678  | \$1,493,167,950   | 1,296,726,842     |

### **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.

As of January 1, 2022, the Plan is neither in critical status nor endangered status.

### **PARTICIPANT INFORMATION**

The total number of participants and beneficiaries covered by the Plan on the valuation date was 11,904. Of this number, 3,873 were current employees, 2,871 were retired and receiving benefits, and 5,160 were retired or no longer working for the employer and have a right to future benefits.

### **FUNDING & INVESTMENT POLICIES**

Every pension plan must have a procedure to establish a funding policy for 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 plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the plan’s participants. There are no employee contributions to this Plan.

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 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 to earn a rate of return in excess of the actuarial assumption of 7.00% over rolling 5-year periods while controlling risk and commensurate with market conditions. In order to manage these conditions, a strategy of diversification and varying asset allocations may be employed. This may include but is not limited to type of asset class, style and amount of investment managers, capitalization sizes, and correlation between investments. Invested assets are managed within the SEIU Pension Plans Master Trust, which pools and invests the assets of the defined benefit pension plans administered by the SEIU Benefit Funds Office. Assets shall be invested in a manner consistent with the fiduciary standards contained in the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated there under and applicable federal and state laws and regulations. All transactions undertaken on behalf of the Fund must be in the sole interest of the Fund and its participants and beneficiaries.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan requires long-term investment objectives, investment class allocation and investment guidelines, in an ethically, environmentally and socially responsible fashion, with the objective of achieving a rate of return equal or in excess of the actuarial assumption over a protracted period of time, while controlling risks. 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> |
|---|-------------------|
| Stocks.....                             | 50.2%             |
| Investment grade debt instruments ..... | 13.1%             |
| Real estate .....                       | 15.3%             |
| Other.....                              | 21.4%             |

**EVENTS HAVING A MATERIAL EFFECT ON ASSETS OR LIABILITIES**

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. For the plan year beginning on January 1, **2023** and ending on December 31, **2023**, the Plan does not foresee any events to have such an effect.

**RIGHT TO REQUEST A COPY OF THE ANNUAL REPORT**

Pension plans must file annual reports with the US Department of Labor. The report is called the “Form 5500.” These reports contain financial and other information. You may obtain an electronic copy of your Plan’s annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the search tool. Annual reports also 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. Or you may obtain a copy of the Plan’s annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under “Where to Get More Information.”

**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. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by 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 ( $.75 \times \$33$ ), 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 a 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 PBGC's website at:

<https://www.pbgc.gov/about/factsheets/page/multi-facts>. Please contact your employer or plan

administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See “Where to Get More Information About Your Plan,” below.

### **WHERE TO GET MORE INFORMATION**

For more information about this notice, please use the appropriate contact information below.

If you are a plan **participant** and you need additional information about your **pension benefits**, please contact our Call Center.

1.800.458.1010  
Monday – Friday  
9 a.m. – 5:30 p.m. EDT

If you are an **employer** and need **additional information**, please email us at:

[contributioncompliance@seiufunds.org](mailto:contributioncompliance@seiufunds.org)

If you have any question about plan **investments**, please contact Tsegaw Mengistu at:

[tsegaw.mengistu@seiufunds.org](mailto:tsegaw.mengistu@seiufunds.org)

For identification purposes, the official plan number is 001 and the plan sponsor’s employer identification number or “EIN” is 52-0812348. For more information about the PBGC and benefit guarantees, go to PBGC's website, [www.pbqc.gov](http://www.pbqc.gov), 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).