Industry And Local 338 Pension Fund

911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone No. (855) 412-3797 (toll free)
www.associated-admin.com

NOTICE OF ELECTION OF FUNDING RELIEF AND APPLICATION OF SPECIAL FUNDING RULES

January 31, 2022

To: All Plan Participants, Beneficiaries, and the Pension Benefit Guaranty Corporation

Introduction and Plan Identification Information

Plan Identification:	Industry & Local 338 Pension Fund
EIN:	51-6126649
Plan Number:	001

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 ("ARPA"). ARPA gives multiemployer pension plans a longer period to absorb the investment and other losses suffered in 2020 and 2021 due to COVID. The Trustees of the Industry and Local 338 Pension Fund (the "Plan") have elected to accept this relief. For a plan to be eligible for this relief, the Plan's actuary must certify that the Plan is projected to have sufficient assets to pay expected benefit payments and expenses for the extended funding period, as explained below. The Plan's actuary has, in fact, issued such a certification.

The Pension Relief Act permits the Plan to adopt special funding rules, including a "special amortization rule" and a "special asset valuation rule". The Trustees have elected the special amortization rule as it applies to the Plan's investment losses that occurred in the Plan Year beginning July 1, 2019 and ending June 30, 2020 (the "2019 Plan Year").

Effect of Applying the Special Funding Rules

Under the special amortization rule, the Plan will amortize investment losses incurred in the 2019 Plan Year over a period of twenty-nine years rather than the fifteen-year period. This rule will first apply during the Plan Year beginning July 1, 2020 and ending June 30, 2021.

Applying the special funding rule will permit the Plan to recognize the investment losses that occurred in the 2019 Plan Year over a longer period. Applying the special funding rule will decrease the amount of required minimum contributions that are taken into account in determining the appropriate contribution rates under the collective bargaining agreements. It is expected that by applying these rules the Plan's status will be affected in a positive manner under Internal Revenue Code Section 432(b) for the current and future plan years.

Electing to apply the special funding rules means that the Plan may not be amended to increase benefits until the end of two plan years after the special funding rule is not in effect. There are, however, two exceptions. One exception is for an increase that is required as a condition of qualification under the Internal Revenue Code or to comply with other applicable law. The other is for an improvement paid by additional employer contributions that have not been previously allocated to the Plan. The Trustees will monitor the Plan's financial health and decide whether to continue to apply these special rules in future years.

Contact Information

If you have any questions or would like more information about these special funding rules, please contact the Board of Trustees of the Industry & Local 338 Pension Fund c/o Associated Administrators, LLC 911 Ridgebrook Rd., Sparks, MD, 21152, Telephone: 855-412-3797.