



Special Financial Assistance for Pension Plans

Under the American Rescue Plan Act (ARPA), which became law in March 2021, underfunded multi-employer pension plans, including the PACE Industry Union-Management Pension Fund (the "Plan"), will receive special financial assistance from the government. The amount of assistance is intended to be enough to permit the Plan to pay all benefits through 2051.

The special financial assistance will be paid in a single cash payment, with no requirement of repayment, following the Plan's application.

The special financial assistance program will be managed by the Pension Benefits Guarantee Corporation (PBGC), a federal insurance agency. To learn more about the special financial assistance, read below or visit the PBGC's page about ARPA at <https://www.pbgc.gov/american-rescue-plan-act-of-2021>.

When can the Plan apply for special financial assistance?

Plans that have the most immediate need of funds (that is, plans that are projected to become insolvent over the next 5 years or so) will be given priority in filing applications. The Plan is not projected to become insolvent within the next 5 years so will likely have to wait until 2023 to apply. PBGC has assured plans that there is no harm to applying later because the amount of special financial assistance for all eligible plans, regardless of their application timing, is the amount projected to be required to pay all benefits through 2051.

How much money will the Plan get?

The Plan will receive an amount of money projected to pay benefits and administrative expenses through 2051 without a reduction in participants' accrued benefits. Because the assumptions require the Plan to make estimates concerning, for example, the earnings on its assets going into the future more than 25 years, the Plan's actual experience will almost certainly differ from the projections.

When will the Plan get the money?

All applications for special financial assistance are required to be processed within 120 days, and payments will be made as soon as practicable once the application is approved. PBGC anticipates that most payments will be made within 60 days of application approval.

How will the special financial assistance affect my benefit?

Special financial assistance will not change the amount of your monthly benefit paid by the Plan, so long as the Plan remains solvent. However, the assistance is expected to allow the Plan to remain solvent for many years, and well past the date that it was projected to become insolvent before the passage of ARPA (that is, September 2033 based on the Plan's actuarial certification for 2021).

I am still working and earning benefits under the Plan. Now that the plan is entitled to special financial assistance, can our benefit amounts be increased?

The new law may permit future benefits to be increased (subject to certain limitations) as long as those benefits are paid for through contribution increases from your employer. Plans are not permitted to make retroactive benefit increases.

What if I still have questions after reading this?

You may call the Fund Office at 1-800-474-8673 or visit the PBGC's page about ARPA at <https://www.pbgc.gov/american-rescue-plan-act-of-2021>.