



**CARPENTER FUNDS ADMINISTRATIVE OFFICE
OF NORTHERN CALIFORNIA, INC.**

carpenterfunds.com

265 Hegenberger Road, Suite 100
Oakland, California 94621-1480
Toll-Free: (888) 547-2054
Phone: (510) 633-0333

December 20, 2025

**TO: All Participants, Beneficiaries, Participating Local Unions, and
Contributing Employers**

**RE: Carpenters Pension Trust Fund for Northern California
“Green Zone” Certification**

We are proud to announce that the Carpenters Pension Trust Fund for Northern California has moved from the “Red Zone” to the “Green Zone” as of September 1, 2025, signifying that the Plan is in good financial health.

A well-funded retirement plan gives you peace of mind that benefits promised to you under the Pension Plan will be available throughout your Retirement, regardless of market fluctuations. The Pension Protection Act of 2006 (PPA), extended by the Multiemployer Pension Reform Act of 2014 (MPRA) was enacted to improve the financial condition of, and provide transparency on, the financial state of pension plans. PPA requires multiemployer pension plans like ours to have their financial status certified each year by the plan actuary. Depending on the financial condition, plans are assigned a zone category:

- Green zone pension plans are in good financial health.
- Yellow zone pension plans (also known as “endangered status”) have a funded percentage of less than 80%.
- Red zone pension plans (also known as “critical status”) have a funded percentage of less than 65%.
- “Critical and declining” status occurs when a pension plan is projected to become insolvent.

In compliance with the PPA, the Board of Trustees adopted a Rehabilitation Plan intended to enable the Pension Plan to emerge from Critical Status. The Pension Plan’s current good financial health and “Green Zone” status can be credited to the hard work and commitment of the Board of Trustees to a rehabilitation plan that started in 2009 and was reaffirmed by the Trustees each year since then. The enclosed federally-mandated Annual Funding Notice is for the Plan Year beginning September 1, 2024, and so it still shows the Pension Plan in Critical status, because the Pension Plan’s rehabilitation goals were near completion but not yet done during the 2024 Plan Year. Starting with the Plan Year beginning September 1, 2025, the Pension Plan’s status has been certified as a Green Zone Pension Plan.

Please take some time to review the enclosed notice. If you have any questions about this notice, please contact the Fund Office.

Sincerely,
The Board of Trustees



ANNUAL FUNDING NOTICE
For
CARPENTERS PENSION TRUST FUND FOR NORTHERN CALIFORNIA

Introduction

This notice provides key details about your multiemployer pension plan (the “Plan”) for the plan year beginning September 1, 2024 and ending August 31, 2025 (“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:

- Carpenter Funds Administrative Office of Northern California, Inc.
- Phone: Toll-Free: (888) 547-2054 or (510) 633-0333
- Address: 265 Hegenberger Rd., Suite 100, Oakland, California 94621
- Email: benefitservices@carpenterfunds.com

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, Carpenters Pension Trust Fund for Northern California
- Employer Identification Number: 94-6050970

What if I have questions about PBGC and the pension insurance program 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 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 Plan Year	2023 Plan Year	2022 Plan Year
Valuation Date	2024 Plan Year as of September 1, 2024	2023 Plan Year as of September 1, 2023	2022 Plan Year as of September 1, 2022
Funded Percentage	88.9%	86.8%	85.6%
Value of Assets	\$5,991,006,877	\$5,620,246,271	\$5,337,777,146
Value of Liabilities	\$6,733,052,748	\$6,472,137,691	\$6,232,454,055

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 September 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.

	August 31, 2025	August 31, 2024	August 31, 2023
Fair Market Value of Assets	<u>\$6,569,975,888</u>	<u>\$5,993,127,045</u>	<u>\$5,297,852,805</u>

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 in critical status in the Plan Year because (1) the Plan had an accumulated funding deficiency for the current Plan Year, and (2) the Plan was in critical status the prior Plan Year and was projected to have an accumulated funding deficiency within the next ten Plan years, and (3) the Plan did not have a projected insolvency. This was the sixteenth year that the Plan was in critical status.

On November 25, 2009, for the Plan Year beginning September 1, 2009, the Plan's actuary certified the Plan to be in critical status for the first time. The Plan has continued to be certified to be in critical

status for all Plan Years, including the Plan Year described in this Notice. Each year, all Participants, Beneficiaries, participating Employers, Local Unions, and the Pension Benefit Guaranty Corporation have been notified of the Plan's critical status, the requirement that the Board of Trustees adopt a "Rehabilitation Plan" and the possibility that certain types of adjustable benefits could be eliminated under the Rehabilitation Plan.

To improve the Plan's funding situation, on July 27, 2010, as required by Federal law for pension plans in critical status, a Rehabilitation Plan consisting of two contribution rate/benefit schedules aimed at restoring the financial health of the Plan was adopted by the Board of Trustees. All contributing employers and bargaining units adopted the Rehabilitation Plan's "Preferred Schedule" which provided for a series of employer contribution increases and reductions in the future benefit accrual formula. However, no previously earned benefits or "adjustable benefits" were reduced or eliminated.

Annually, the Board of Trustees reviews and, if necessary, updates the Rehabilitation Plan. The Plan is continuing to make scheduled progress in meeting the requirements of its Rehabilitation Plan. On November 24, 2025, the Plan was certified to have emerged from Critical Status as of September 1, 2025.

You may request a copy of the Plan's Rehabilitation Plan by contacting the plan administrator. You can also ask for any updates to the Rehabilitation Plan and the actuarial and financial data showing actions taken to improve the Plan's finances.

As noted above, the Plan is not in endangered, critical, or critical and declining status for the Plan Year ending August 31, 2026.

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:

Number of participants and beneficiaries on last day of relevant plan year	2024 Plan Year	2023 Plan Year	2022 Plan Year
1. Last day of plan year	August 31, 2025	August 31, 2024	August 31, 2023
2. Participants currently employed	18,425	19,919	20,998
3. Participants and beneficiaries receiving benefits	19,683	19,473	19,168
4. Participants and beneficiaries entitled to future benefits	24,599	24,060	23,378
5. Total number of covered participants and beneficiaries	62,707	63,452	63,544

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 based on collective bargaining agreements that provide for employer contributions on an agreed-upon cents-per-hour basis. There are no employee contributions.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to invest in a manner consistent with the fiduciary standards of ERISA, namely (1) to undertake all transactions in the sole interest of Plan Participants and Beneficiaries, (2) to provide benefits and defray reasonable expenses of Plan administration in a prudent manner, and (3) to diversify assets. All investments shall be made in compliance with relevant laws and the Trust Agreement governing the Trust.

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

Allocation of Investments – Year End August 31, 2025	
	% of Total
Interest-bearing cash	0.8%
Partnership & joint ventures	17.1%
Real estate investments	0.3%
Loans (other than to participants)	0.5%
Common/Collective trusts	71.5%
Registered investment companies (MF)	3.8%
Other	6.0%
Total	100.0%

For information about the Plan's investment in any of the following types of investments, common/collective trusts, pooled separate accounts, or 103-12 investment entities – contact:

Carpenter Funds Administrative Office of Northern California, Inc.
 265 Hegenberger Rd. Suite 100, Oakland, California 94621
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benefitservices@carpenterfunds.com

The average return on assets for the Plan Year was 13.53%.

Events Having a Material Effect on Assets or Liabilities

By law, this notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's financial health or its ability to meet its obligations.

For the plan year beginning on September 1, 2025 and ending on August 31, 2026, the following events have such an effect: None.

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 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