

ANNUAL FUNDING NOTICE  
for the  
1199SEIU Greater New York Pension Plan

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,” are required by federal law to 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 for the plan year beginning January 1, 2022, and ending December 31, 2022 (“Plan Year”).

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the actuarial value of the plan’s assets by its liabilities on the valuation date for the plan year. 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 set forth in the chart below, along with a statement of the actuarial value of the Plan’s assets and liabilities for the same period.

	2022 Plan Year	2021 Plan Year	2020 Plan Year
Valuation Date	January 1, 2022	January 1, 2021	January 1, 2020
Funded Percentage	72.7%	67.7%	65.3%
Value of Assets	\$966,973,107	\$871,607,801	\$786,960,089
Value of Liabilities	\$1,330,416,516	\$1,286,662,856	\$1,205,262,533

Year-end Fair Market Value of Assets

The asset values in the chart above are based on actuarial values measured as of the valuation date. Actuarial values differ from market values in that they do not fluctuate daily based on 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 based on market values 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.

	December 31, 2022	December 31, 2021	December 31, 2020
Fair Market Value of Assets	\$951,454,364*	\$1,077,930,469	\$938,359,205

*\*This asset value is preliminary and subject to confirmation when the yearly financial audit of the Plan is finalized.*

Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 41,742. Of this number, 15,505 were active participants; 13,916 were retired or separated from service and receiving benefits; and 12,321 were retired or separated from service and entitled to future benefits.

## Funding and Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of assets 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 1199SEIU United Healthcare Workers East and other written agreements.

Once money is contributed to the Plan, the money is invested by Plan 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 investment management decisions. The investment policy of the Plan is to ensure the solvency of the Plan over time and to meet the Plan's pension obligations as required. To meet this goal, the Plan has established a target allocation among asset classes and acceptable ranges around that target.

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>
1. Interest-bearing cash	3.29%
2. U.S. government securities	3.69%
3. Corporate debt instruments (other than employer securities):	3.37%
<i>Preferred</i>	
<i>All other</i>	
4. Corporate stocks (other than employer securities):	
<i>Preferred</i>	0.15%
<i>Common</i>	25.61%
5. Partnership/joint venture interests	37.71%
6. Real estate (other than employer real property)	10.38%
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	16.57%
10. Value of interest in pooled separate accounts	
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	
14. Value of funds held in the insurance company's general account (unallocated contracts)	
15. Employer-related investments:	
<i>Employer securities</i>	
<i>Employer real property</i>	
16. Buildings and other property used in Plan operation	
17. Other (derivatives/securities lending cash collateral and pending trades)	-0.77%

*\*The asset values are preliminary and subject to confirmation when the yearly financial audit of the Plan is finalized.*

For information about the Plan's investment in common/collective trusts, contact Michael Kaiser, Chief Pension Officer, at (646) 473-9200 (retirees can call (646) 473-8666), or write to: 1199SEIU Benefit and Pension Funds, 498 Seventh Avenue, New York, NY 10018-0009.

## Critical or Endangered Status

Under federal pension law, a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). 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, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was certified by its actuary to be in critical status in 2009. The Plan continued to be in critical status in subsequent years because the Plan had accumulated funding deficiencies in each subsequent year. In an effort to improve the Plan’s funding situation, the Trustees adopted a rehabilitation plan on May 31, 2009. The rehabilitation period began on January 1, 2012, and is projected to last for 18 years. The rehabilitation plan provides two alternative schedules, the Preferred Schedule and the Default Schedule, that require changes in Plan benefits and contribution rates. Employers that have not adopted either schedule must pay surcharges.

Generally, the rate at which an employer contributes to the Plan will determine which Schedule of Benefits applies to its employees. Please refer to the rehabilitation plan for further details and for the meaning of certain capitalized terms not defined below.

1. Preferred Schedule: The Preferred Schedule applies to an employer and its employees when that employer contributes at the applicable rate provided in the Preferred Schedule.

*Contribution Rate*: The contribution rate for employers adopting the Preferred Schedule was 9.1% of gross payroll, effective September 1, 2014, and increased to 11.7% of gross payroll, effective July 1, 2015. Consistent with a collective bargaining agreement, effective from October 1, 2017, to September 30, 2018 (the “2017 Collective Bargaining Agreement”), employer contributions to the Plan were further increased by \$18 million in 2018 in lieu of increasing the rate of contribution. Effective with a new collective bargaining agreement, the contribution rate remained at 11.7% until September 30, 2019, and pursuant to a collective bargaining agreement that was made effective as of October 1, 2018 (the “2018 Collective Bargaining Agreement”), the contribution rate increased to 12.9%, effective October 1, 2019. Pursuant to a collective bargaining agreement effective October 1, 2021, the contribution rate decreased to 11.1%. For employers that were subject to the 2017 Collective Bargaining Agreement or a collective bargaining agreement containing the same terms as the 2018 Collective Bargaining Agreement regarding contributions to the Plan, the Preferred Schedule Contribution Rate was 11.7% for the period from October 1, 2017, through September 30, 2019, and, pursuant to the 2018 Collective Bargaining Agreement, effective October 1, 2019, the rate increased to 12.9%. For employers not subject to the 2018 Collective Bargaining Agreement or a collective bargaining agreement containing the same terms as the 2018 Collective Bargaining Agreement regarding contributions to the Plan, the Preferred Schedule Contribution Rate increased from 11.7% to 12.9%, effective January 1, 2018.

*No Change in Benefit Accruals Except for New Plan Participants*: For employees that participated in the Plan prior to August 1, 2009, to whom the Preferred Schedule applies, there is generally no change in the basic benefit structure that existed before the Plan entered critical status. For employees that became Plan participants on or after August 1, 2009, the monthly benefit accrual rate (payable as a single-life annuity at Normal Retirement Age) that applies to all pension credits earned on or after January 1, 2010, is \$19 per year of credited service, effective January 1, 2010, with a maximum of 27 years of credited service, effective January 1, 2011.

Effective July 1, 2015, for new Plan participants hired as licensed practical nurses (LPNs) or registered nurses (RNs) on or after August 1, 2009, the monthly benefit accrual rate (payable as a single-life annuity at Normal Retirement Age) that applies to all pension credits earned on or after August 1, 2009, is \$30. The rate is increased to \$37 retroactive to the date of hire for each LPN and RN who acquires 10 pension credits.

Effective January 1, 2022, for employees in covered employment on or after such date, the accrual rate for employees hired on or after August 1, 2009, who are earning \$19 per year of service as of that date shall be increased to \$30 per year of service retroactive to the date of hire and after accruing 10 years of service credits, shall be increased to \$37 per year of service retroactive to the date of hire.

2. Default Schedule: The Default Schedule applies to an employer and its employees if an employer contributes at the applicable rate provided in the Default Schedule. The effective date of the Default Schedule for a given employer is referred to as the “Default Schedule Effective Date.”

*Contribution Rate*: Contributions required under the Default Schedule increased from 9.9% to 10.9%, effective January 1, 2018.

*Reduction in Benefit Accruals*: The monthly benefit accrual rate that applies to all pension credits of participants that left covered employment before January 1, 2004, is not changed. The monthly benefit accrual rate (payable as a single-life annuity at Normal Retirement Age) that applies to all pension credits earned before the Default Schedule Effective Date, if the participant left covered employment after January 1, 2004, is reduced to the accrual rate that was in effect as of January 1, 2004, (i.e., \$35 if your employer was obligated to contribute at the “prevailing rate,” as defined in the Plan document, and \$26 if your employer was not). The monthly benefit accrual rate that will be applied to all pension credits earned on or after the Default Schedule Effective Date is \$19. The maximum number of pension credits that can be earned under the Default Schedule is 25. In calculating monthly pension payments, the Plan will first count the pension credits to which the highest monthly benefit accrual rate applies. Notwithstanding the foregoing, there will be no accruals for the 2008 and 2009 plan years.

*Reduction and/or Elimination of Adjustable Benefits*: The Default Schedule requires the reduction and/or elimination of the following “adjustable benefits”:

- Subsidies provided under the Early Retirement Pension;
- The Disability Pension;
- The 60-month benefit guarantee;
- The \$1,000 lump-sum death benefit; and
- Other similar benefits, rights or features under the Plan.

These reductions will only apply to participants whose benefit commencement date is on or after April 30, 2009, and will only take effect on a prospective basis beginning on a participant’s Default Schedule Effective Date.

The normal retirement benefit (i.e., the “Regular Pension,” as defined in the Plan) payable at Normal Retirement Age *is not* an adjustable benefit and *will not* be reduced or eliminated.

This is not a complete summary of the benefits or other provisions under the rehabilitation plan. Please refer to the rehabilitation plan for more detailed information. You may obtain a copy of the Plan’s rehabilitation plan, any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan administrator. Contact Michael Kaiser, Chief Pension Officer, at (646) 473-9200 (retirees can call (646) 473-8666), or write to: 1199SEIU Benefit and Pension Funds, 498 Seventh Avenue, New York, NY 10018-0009.

Because the Plan is in critical status for the Plan Year ending December 31, 2022, separate notice of that status will be provided.

## Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report (called the “Form 5500”) containing financial and other information about the plan. Copies of the annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling (202) 693-8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the Plan’s annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the Form 5500 search function. Or you may obtain a copy of the Plan’s annual report by making a written request to the Plan administrator. The Plan’s annual report for the 2022 Plan Year will not be available until mid-October 2023.

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 Plans in Reorganization and 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 the PBGC. In addition, participants and beneficiaries must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump-sum option. This information will be provided for each year the plan is insolvent.

## Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. 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, multiplied by each year of credited service. The PBGC’s maximum guarantee, therefore, is \$35.75 per month, multiplied by a participant’s years of credited service.

*Example 1:* If a participant with 10 years of credited service has an accrued monthly benefit of \$500, 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 ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 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 had an accrued monthly benefit of \$200, the accrual rate for purposes of determining the PBGC 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 calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the 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 the following: pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates; 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 [www.PBGC.gov/About/FactSheets/Page/Multi-Facts](http://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, as PBGC does not have that information. See "Where to Get More Information," below.

#### Where to Get More Information

For more information about this notice, contact Michael Kaiser, Chief Pension Officer, at (646) 473-9200 (retirees can call (646) 473-8666), or write to: 1199SEIU Benefit and Pension Funds, 498 Seventh Avenue, New York, NY 10018-0009.

For identification purposes, the official Plan number is 001 and the Plan sponsor's employer identification number, or "EIN," is 13-6601940. For more information about the PBGC and benefit guarantees, go to the PBGC website, [www.PBGC.gov](http://www.PBGC.gov), or call the PBGC toll-free at (800) 400-7242. TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (800) 400-7242.