

AUTOMOTIVE INDUSTRIES PENSION TRUST FUND



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DATE: APRIL 2023

TO: PARTICIPANTS AND BENEFICIARIES
CONTRIBUTING EMPLOYERS
LOCAL UNIONS

FROM: BOARD OF TRUSTEES

RE: SPECIAL FINANCIAL ASSISTANCE APPLICATION

The Board of Trustees wanted to notify you of additional steps that have been taken to improve the funding of the Plan. In March of 2023 the Trustees applied for financial assistance from the Federal Government, also known as Special Financial Assistance (SFA), which was included in the American Rescue Plan Act (ARPA) and passed by Congress in March 2021.

SFA is a new program that provides funding relief to multiemployer defined benefit pension plans that qualify for assistance, such as this Plan. It is designed to provide support and stability to plans that are in financial trouble. This monetary assistance does not need to be repaid and would help protect the assets of the Plan so that it can continue to pay accrued benefit payments to eligible retirees and Plan expenses through 2051, if all assumptions and conditions are met.

Upon approval of the application, the Plan is expected to receive SFA of approximately \$1 Billion. The SFA would be paid directly to the Plan by the Federal Government as a lump sum payment that will be segregated shortly after the application is approved.

The 2022 Annual Funding Notice identifies the Plan as being in “Critical and Declining” status. The language used in this Notice is mandated by law and includes a description that the Plan is projected to become insolvent and run out of money in the next 20 years. **While the enclosed Notice is an accurate representation of where things stood on December 31, 2022, it does NOT take into account the SFA assistance that will be received by the Plan. Upon approval and receipt of SFA assistance, the Plan is expected to pay monthly lifetime accrued benefits earned by current and future eligible retirees through 2051, and possibly longer.**

As Plan fiduciaries, the Trustees will continue to monitor the progress of the SFA application and work diligently to support the financial stability and longevity of the Plan.

If you have questions about the SFA program or the application process, please visit www.pbgc.gov for additional information.