

# AUTOMOTIVE INDUSTRIES PENSION TRUST FUND

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4160 DUBLIN BOULEVARD SUITE 400 | DUBLIN, CA 94568-7756  
TELEPHONE (800) 635-3105 | FAX (925) 588-7121  
[www.aitrustfunds.org](http://www.aitrustfunds.org)

**DATE:** APRIL 2024

**TO:** PARTICIPANTS AND BENEFICIARIES  
CONTRIBUTING EMPLOYERS  
LOCAL UNIONS  
PENSION BENEFIT GUARANTY CORPORATION  
SECRETARY OF LABOR

**FROM:** BOARD OF TRUSTEES

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## NOTICE OF CRITICAL STATUS

This is to inform you that on March 29, 2024 the actuary for the Automotive Industries Pension Plan (the “Plan”) certified to the U.S. Department of the Treasury and to the Board of Trustees that the Plan is in “critical status,” but not “critical and declining” status, for the Plan Year beginning January 1, 2024. Federal law requires that you receive this notice.

### **Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan’s actuary determined that the Plan is in critical status due to the following reasons. Note that any single reason by itself is sufficient to result in the Plan being certified as being in critical status.

- A funding deficiency is projected in four years.
- A funding deficiency is projected in five years and the present value of vested benefits for non-actives is more than the present value of vested benefits for actives and the normal cost, plus interest, on unfunded actuarial accrued liability (unit credit basis) is greater than the contributions for the current year.
- A funding deficiency is projected in five years and the funded percentage is less than 65

### **Rehabilitation Plan**

The Pension Protection Act of 2006 (“PPA”) requires a pension plan in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Plan has been in critical status (or critical and declining status) for the prior fourteen years. The law permits pension plans in critical status to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. Since the adoption of the original rehabilitation plan, the following changes have been made to the Pension Plan. Participants and other interested parties received prior notices containing information concerning the specific changes and who would be affected by the changes. This Notice is not intended to describe those changes in any detail.

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- Early Retirement Benefit subsidy removed.
- Elimination of Unreduced “Rule of 85” Early Retirement Benefit
- Elimination of Disability Benefit
- Elimination of 36-Payment Pre-Retirement Death Benefit
- Elimination of 36-month and 120-month guarantee of payments for single life annuity payment forms
- Elimination of “pop-up” feature and subsidy connected with the 50% Automatic Joint and Survivor Benefit
- Elimination of 100% Full Joint and Survivor Annuity Option
- Elimination of Social Security Option
- Elimination of automatic cashout of benefits
- Elimination of Early Retirement Benefit for “inactive Vested Participants effective February 1, 2011.

None of the above benefit changes has served to reduce the level of a participant's basic benefit payable at normal retirement age.

Following its 2011 annual review, and taking industry conditions into consideration, the Board of Trustees voted on March 8, 2012, to reduce the annual rate at which supplemental “off-benefit” contributions (i.e., additional contributions that do not count towards benefit accruals) will increase in future Plan Years from 12.5% to 5.0%.

## **Employer Surcharge**

PPA required that all contributing employers pay to the Plan a surcharge (a percentage of an employer’s then negotiated contribution rate) to help correct the Plan's financial situation beginning 30 days after the employer was notified of the Plan’s initial critical status certification. The employer obligation to pay surcharges terminated when an employer’s employees became covered by a collective bargaining agreement or other contribution agreement which included terms consistent with a rehabilitation plan schedule adopted by the Board of Trustees. There are presently no employers paying surcharges.

## **Where to Get More Information**

For more information about this notice or the Trust, contact the Administration Office at the following address or phone number:

Plan Administrator  
Automotive Industries Pension Trust Fund  
c/o Health Services & Benefit Administrators, Inc.  
4160 Dublin Blvd., Suite 400  
Dublin, CA 94568  
Telephone: (800) 635-3105

You have a right to receive a copy of the rehabilitation plan from the Pension Plan